



The City of New York

Michael R. Bloomberg, Mayor

February 2012 Financial Plan

Fiscal Years 2012–2016

**Office of Management and Budget
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Fiscal Years 2012—2016

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THE FINANCIAL PLAN

The fiscal year 2013 Preliminary Expense Budget is \$68.7 billion. This is the thirty-third consecutive budget which is balanced under Generally Accepted Accounting Principles (GAAP), except for the application of GASB 49.

Major highlights of the Preliminary Budget and Financial Plan are:

- Forecast revenues have increased between fiscal years 2012 and 2013 by \$2.7 billion. Baseline tax revenue is projected to increase by \$1.7 billion.
- Controllable Agency Expenses decrease by \$437 million or 1.9% from fiscal years 2012 to 2013 after implementation of an agency expense program.
- The agency program totals \$465 million and \$1.019 billion in fiscal years 2012 and 2013, respectively.
- Debt Service increases by \$766 million or 14.9% between fiscal years 2012 and 2013 while Non-Controllable Expenses increase by \$1.223 billion or 5.8% over this period. The increase in Non-Controllable Expenses includes \$684 million for Pensions and Fringe Benefits.
- The above actions leave the City with a forecast Operating Deficit of \$1.3 billion in fiscal year 2013 that is balanced using \$1.3 billion of surplus funds accumulated in prior years. The gaps for fiscal years 2014 and 2015 are \$3.0 billion and \$3.5 billion, respectively. The chart on page 3 shows the incremental changes that balance the fiscal year 2013 budget.

The following table reflects city funds revenue and expenses assumed in the four year plan.

City Revenue and Expenses

(\$ in Millions)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Revenue	\$46,670	\$49,370	\$49,552	\$51,542	\$53,261
Year-to-Year	\$2,005	\$2,700	\$182	\$1,990	\$1,719
Change:	4.5%	5.8%	0.4%	4.0%	3.3%
Expenses:					
Controllable Agency Expenses	\$22,745	\$22,308	\$22,850	\$23,051	\$23,472
Year-to-Year	\$1,666	(\$437)	\$542	\$201	\$421
Change:	7.9%	(1.9%)	2.4%	0.9%	1.8%
Debt Service	\$5,144	\$5,910	\$6,501	\$6,870	\$7,146
Year-to-Year	\$381	\$766	\$591	\$369	\$276
Change:	8.0%	14.9%	10.0%	5.7%	4.0%
Non-Controllable Expenses	\$21,226	\$22,449	\$23,241	\$25,137	\$26,037
Year-to-Year	\$2,504	\$1,223	\$792	\$1,896	\$900
Change:	13.4%	5.8%	3.5%	8.2%	3.6%
Total Expenses	\$49,115	\$50,667	\$52,592	\$55,058	\$56,655
Year-to-Year	\$4,551	\$1,552	\$1,925	\$2,466	\$1,597
Change:	10.2%	3.2%	3.8%	4.7%	2.9%
Operating Surplus / (Deficit)	(\$2,445)	(\$1,297)	(\$3,040)	(\$3,516)	(\$3,394)
Current Year Roll - (Cost)	(\$1,297)	\$—	\$—	\$—	\$—
Prior Year Roll - Benefit	\$3,742	\$1,297	\$—	\$—	\$—
Net Impact of Surplus Roll	\$2,445	\$1,297	\$—	\$—	\$—
Gap To Be Closed	\$—	\$—	(\$3,040)	(\$3,516)	(\$3,394)

Financial Plan Revenues and Expenditures

June 2011

(\$ in Millions)

REVENUES	FY 2012	FY 2013	FY 2014	FY 2015
Taxes				
General Property Tax	\$17,625	\$18,203	\$18,630	\$19,060
Other Taxes	23,752	24,585	25,321	26,666
Tax Audit Revenue	660	659	666	666
Subtotal: Taxes	\$42,037	\$43,447	\$44,617	\$46,392
Miscellaneous Revenues	5,955	5,980	6,040	6,060
Unrestricted Intergovernmental Aid	37	12	12	12
Less: Intra-City Revenue	(1,549)	(1,526)	(1,523)	(1,523)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$46,465	\$47,898	\$49,131	\$50,926
Other Categorical Grants	1,193	1,158	1,156	1,153
Inter-Fund Revenues	549	501	501	501
Federal Categorical Grants	6,674	6,389	6,315	6,238
State Categorical Grants	11,030	11,090	11,163	11,180
Total Revenues	\$65,911	\$67,036	\$68,266	\$69,998
EXPENDITURES				
Personal Service				
Salaries and Wages	\$21,502	\$21,279	\$21,384	\$21,377
Pensions	8,424	8,570	8,448	8,694
Fringe Benefits	7,985	8,376	8,902	9,455
Retiree Health Benefits Trust	(672)	—	—	—
Subtotal: Personal Service	\$37,239	\$38,225	\$38,734	\$39,526
Other Than Personal Service				
Medical Assistance	\$6,217	\$6,327	\$6,463	\$6,643
Public Assistance	1,385	1,365	1,365	1,365
All Other ¹	20,244	20,324	20,863	21,344
Subtotal: Other Than Personal Service	\$27,846	\$28,016	\$28,691	\$29,352
General Obligation, Lease and TFA Debt Service ¹	\$5,813	\$6,653	\$6,908	\$7,265
FY 2011 Budget Stabilization & Discretionary Transfers ¹	(3,738)	—	—	—
General Reserve	300	300	300	300
Subtotal	\$67,460	\$73,194	\$74,633	\$76,443
Less: Intra-City Expenses	(1,549)	(1,526)	(1,523)	(1,523)
Total Expenditures	\$65,911	\$71,668	\$73,110	\$74,920
Gap To Be Closed	\$—	(\$4,632)	(\$4,844)	(\$4,922)

1. Fiscal Year 2011 Budget Stabilization and Discretionary Transfers total \$3.738 billion, including GO of \$2.784 billion, TFA of \$790 million and subsidies of \$164 million.

Changes Since the June 2011 Plan

(\$ in Millions)

	FY 2012	FY 2013	FY 2014	FY 2015
Gap to be Closed - June 2011 Plan	\$—	(\$4,632)	(\$4,844)	(\$4,922)
Revenue Changes - Increases / (Decreases)				
Tax Revenue	\$114	\$360	\$425	\$582
Non-Tax Revenue	22	(25)	(108)	(71)
Subtotal Revenue Changes	\$136	\$335	\$317	\$511
Expense Changes - Increases / (Decreases)				
Reduced Cost of Changes to Pension Assumptions and Methods	(\$425)	(\$425)	(\$501)	(\$902)
Delay in Pension Reform	—	—	131	172
Retiree Health Benefits Trust Fund	—	(1,000)	(1,000)	—
Debt Service	(81)	(99)	(64)	(42)
Reserve for Claims from Past Periods	(500)	—	—	—
General Reserve	(200)	—	—	—
HIP Rate Savings	(2)	(42)	(46)	(51)
Other Agency Expenses	512	585	619	555
Subtotal Expense Changes	(\$696)	(\$981)	(\$861)	(\$268)
Remaining Gap to be Closed	\$832	(\$3,316)	(\$3,666)	(\$4,143)
Gap Closing Actions - (Increase Gap)/Decrease Gap				
Agency Gap Closing Program	\$465	\$1,019	\$626	\$627
Taxi Medallion Sale	—	1,000	—	—
Total Gap Closing Programs	\$465	\$2,019	\$626	\$627
FY 2012 Prepayment of FY 2013 Expenses	(\$1,297)	\$1,297	\$—	\$—
Gap to be Closed - February 2012 Plan	\$—	\$—	(\$3,040)	(\$3,516)

Financial Plan Revenues and Expenditures February 2012 - After Gap Closing Program

(\$ in Millions)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
REVENUES					
Taxes					
General Property Tax	\$17,812	\$18,383	\$18,986	\$19,648	\$20,291
Other Taxes	23,650	24,751	25,373	26,643	27,624
Tax Audit Revenue	700	724	706	706	706
Subtotal: Taxes	\$42,162	\$43,858	\$45,065	\$46,997	\$48,621
Miscellaneous Revenues	6,289	7,058	6,035	6,097	6,197
Unrestricted Intergovernmental Aid	25	—	—	—	—
Less: Intra-City Revenue	(1,791)	(1,531)	(1,533)	(1,537)	(1,542)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$46,670	\$49,370	\$49,552	\$51,542	\$53,261
Other Categorical Grants	1,046	913	909	906	892
Inter-Fund Revenues	551	509	504	504	504
Federal Categorical Grants	7,734	6,592	6,491	6,414	6,412
State Categorical Grants	11,368	11,341	11,449	11,586	11,705
Total Revenues	\$67,369	\$68,725	\$68,905	\$70,952	\$72,774
EXPENDITURES					
Personal Service					
Salaries and Wages	\$22,123	\$21,730	\$21,796	\$21,759	\$22,002
Pensions ¹	7,999	8,145	8,078	7,964	8,039
Fringe Benefits	8,005	8,335	8,920	9,499	10,123
Retiree Health Benefits Trust	(672)	(1,000)	(1,000)	—	—
Subtotal: Personal Service	\$37,455	\$37,210	\$37,794	\$39,222	\$40,164
Other Than Personal Service					
Medical Assistance	\$6,275	\$6,321	\$6,458	\$6,638	\$6,735
Public Assistance	1,409	1,345	1,365	1,365	1,365
All Other ²	20,754	20,099	20,764	21,317	21,710
Subtotal: Other Than Personal Service	\$28,438	\$27,765	\$28,587	\$29,320	\$29,810
General Obligation, Lease and TFA Debt Service ^{2,3}	\$5,612	\$6,278	\$6,797	\$7,163	\$7,436
FY 2011 Budget Stabilization & Discretionary Transfers ²	(3,742)	—	—	—	—
FY 2012 Budget Stabilization ³	1,297	(1,297)	—	—	—
General Reserve	100	300	300	300	300
Subtotal	\$69,160	\$70,256	\$73,478	\$76,005	\$77,710
Less: Intra-City Expenses	(1,791)	(1,531)	(1,533)	(1,537)	(1,542)
Total Expenditures	\$67,369	\$68,725	\$71,945	\$74,468	\$76,168
Gap To Be Closed	\$—	\$—	(\$3,040)	(\$3,516)	(\$3,394)

1. Assumes savings from Governor's pension proposal of \$80 million in Fiscal Year 2015 and \$155 million in Fiscal Year 2016.

2. Fiscal Year 2011 Budget Stabilization and Discretionary Transfers total \$3.742 billion, including GO of \$2.784 billion, TFA of \$790 million, net equity contribution in bond refunding of \$4 million, and subsidies of \$164 million.

3. Fiscal Year 2012 Budget Stabilization total \$1.297 billion.

ECONOMIC AND TAX REVENUE FORECAST

Overview

Although the U.S. is three years into its economic recovery, stable and robust growth has been elusive. Growth nearly stalled in early 2011 due to the energy price spike and supply bottlenecks in the aftermath of the Japanese tsunami, but regained momentum in the second half. Consumption growth has generally been tepid as years of high unemployment have constrained real wage growth and declines in housing values continue to trim household wealth. A huge inventory of distressed properties still gluts the housing market; as a result residential investment is not expected to pick up for another year. The main engine of growth in the near term continues to be business investment in equipment and software, which accounted for about a third of U.S. growth over the last two years. Although labor market growth has been lethargic, there are signs of broad-based improvement. While export-based manufacturing has been benefitting from the relatively low value of the dollar, forward-looking indicators of job creation, such as the volume of unemployment claims, are hinting at a nascent recovery.

While the U.S. economy regained its footing at the end of 2011, financial markets stumbled as an array of shocks produced volatility and undermined investor confidence. Uncertainty was heightened by last summer's Congressional budget impasse and by the ongoing European sovereign debt crisis – an unresolved problem likely to drag into the foreseeable future. With lack of decisive action from EU policymakers, the ECB moved to bolster the sclerotic European banking system with massive loan programs. The choppy environment had a tangible impact on Wall Street. After earning profits of \$12.6 billion in the first two quarters, NYSE member firms lost \$3 billion in the third quarter of 2011, the first shortfall since the financial crisis of 2008. Early earnings reports from the five largest banks revealed that the fourth quarter remained difficult. The Fed plans to keep the fed funds rate at close to zero through the end of 2014, if conditions warrant, aided by subdued inflation pressure. However, risks to economic growth and the stability of financial markets remain elevated. While the most critical is how the Europeans manage the path of their sovereign debt crisis, geopolitical risk in the Middle East threatens energy prices and the full scope of financial regulations following the Dodd-Frank legislation has yet to be implemented.

The New York City economy saw mixed results in 2011. Private employment in the City started in a strong way in 2011, adding over 50,000 jobs in the first seven months, only to lose 33,000 positions over the rest of the year. Sectors that saw consistent growth included professional and business services and areas associated with the booming tourist industry, such as leisure and hospitality and retail trade. However, the key securities sector shrank by 2,000 jobs. Looking forward, overall job growth is expected to remain slow at 0.7 percent in 2012, down from 1.4 percent in 2011. Since much of the growth will occur in non-financial sectors with relatively modest wages while finance sector wages stagnate, overall wage earnings is projected to suffer, growing only 1.1 percent in 2012. It will not be until 2013 before the City's wage earnings finally surpass the pre-recession peak of \$295 billion.

Certain sectors of the local economy have, however, seen relatively favorable conditions. Low asking rents and the growth of office-using employment are helping the commercial office market. Leasing activity in 2011 totaled over 30 million square feet, the most active year since 2000. Vacancy rates in the City's primary office market continue to fall. This activity is also spurring the commercial investment market, which saw an uptick in large transactions, continuing the recovery from the trough in 2009. The City's tourism sector continues to set records, welcoming 50.5 million visitors in 2011. As a result, hotels are operating at near-capacity despite the increase in the inventory of hotel rooms. However, the residential housing sector continues to struggle, with declining volume and stagnant prices. Accordingly, permit issuance for new construction has remained weak.

Tax Forecast Summary

The modest local economic recovery has resulted in tax revenue growth of 4.5 percent, or a \$1.8 billion increase, to a level of \$42.2 billion in 2012. This represents a deceleration from the 8.5 percent growth seen in 2011, but is significantly better than the City's performance in 2009 and 2010. The 2012 growth was broad based with property taxes rising 5.6 percent and non-property taxes¹ growing 3.7 percent. As the economy continues to improve, total New York City tax revenues are forecast at \$43.9 billion in 2013, an increase of 4.0 percent, or \$1.7 billion. The growth results from a 3.2 percent increase in property taxes and a 4.6 percent increase in non-property taxes.

Property tax revenue is forecast to be \$18.4 billion in 2013, 41.9 percent of total tax revenue. The steady growth in property tax is supported by growth in taxable billable assessed value of 5.7 percent, an increase of \$8.8 billion, on the 2013 tentative roll released by the Department of Finance. The growth seen on the tentative roll is projected to be reduced to 4.2 percent on the final roll after Tax Commission actions and the Department of Finance's changes by notice are processed. While Class 1 and Class 2 market values saw moderate growth on the tentative roll, 1.9 percent and 3.6 percent respectively, their billable assessed value grew 3.1 percent and 5.2 percent, respectively. Billable assessed values grew at a healthier pace than market values for these properties due to the statutory caps on growth of Class 1 and small Class 2 values and the "pipeline"² of deferred assessment increases from prior years' market value growth for large Class 2 properties. Class 4 properties saw even stronger growth of 7.3 percent in billable assessed value on the tentative roll.

Revenues from *non-property taxes* continue to rebound from the recession levels of 2009 and 2010, but at \$25.5 billion in 2013 have yet to recover to the pre-recession peak of 2008. The recovery is actually slower when recently enacted non-property tax law changes in 2010³ (approximately \$1 billion in annual revenues) are accounted for. Adjusted for these changes, common rate and base revenues from non-property taxes are not expected to top the pre-recession peak until 2015.

The revenue outlook for non-property taxes in 2012 and 2013 is mixed. *Personal income tax revenue*⁴ reaches \$8.6 billion in 2012 (growth of 5.1 percent) and \$9.2 billion in 2013 (growth of 7.2 percent) as overall wages rise gradually in New York City. The 2012 personal income tax revenue has been revised downward since the November 2011 Plan with the expectation that financial sector bonuses will be depressed after the sharp drop in activity on Wall Street in the second half of calendar year 2011. The 2013 forecast assumes stable overall economic growth but another difficult year on Wall Street. It should be noted that some of the 2013 growth is generated by the expectation that individuals will bring forward realization of their capital gains in anticipation of an increase in the capital gains tax from 15 percent to 20 percent on January 1, 2013.⁵

Business taxes, which include the general corporation, banking corporation, and unincorporated business taxes, bounced back in 2011 with growth of 17.6 percent and are expected to grow 4.9 percent in 2012. There has been strength in the non-financial sector as corporate profits across the nation have performed well; however, the rebound has been muted due to the sharp decline in Wall Street profits in the second half of calendar year 2011. In 2013, business tax revenue growth is forecast at 2.9 percent, a result of continued stress in the financial markets and only moderate non-finance sector growth.

1) *The total non-property taxes include audits.*

2) *Increases or decreases resulting from appreciation or depreciation of the property value based on the market condition are phased into billable assessments over five years for large Class 2 (more than 10 units) and Class 4 properties. Increases or decreases in value not yet phased into billable assessed value are referred to as the "pipeline".*

3) *The recently enacted non-property tax law changes in 2010 include the sales tax additional 0.5 percent rate increase, the repeal of the clothing exemption for purchases costing \$110 and above, imposition of the sales tax on transmission and distribution charges for electricity and natural gas, and business tax conformity provisions.*

4) *Personal income tax revenue includes School Tax Relief (STAR) reimbursement from New York State.*

5) *The combined Federal tax rate for capital gains for high earners will be 23.8 percent reflecting the fact that high earners will now have to pay the 3.8 percent Medicare tax on investment income which was part of the Federal health care bill passed in 2010.*

Sales taxes also bounced back following the recession, although part of the increase is attributed to the rate increase in 2010, which brought the local sales tax rate to 4.5 percent from 4.0 percent. Sales tax revenue is expected to reach \$5.9 billion in 2012 and \$6.1 billion in 2013, consistent with the moderate local employment and wage growth and boosted by strong tourism activity. The *hotel tax* is forecast to rise by 12.7 percent in 2012, and is expected to remain at a high level, reflecting continued strength in the tourism industry.

Related to the gradual rebound in the real estate markets, *transaction taxes* (mortgage recording tax and real property transfer tax) have recovered from the depths of 2010 when the real estate market essentially froze. However, at an estimated \$1.4 billion in 2012 and \$1.5 billion in 2013, transaction taxes are still down over 50 percent from the 2007 peak of \$3.3 billion.

Along with the local economy, tax revenue is recovering from the depths of the recession in calendar years 2008 and 2009. The City has been supported by its stable property tax revenue that has offset the more volatile economically-sensitive income and consumption taxes, which in many cases have yet to reach their pre-recession peaks. There remains a risk that taxes sensitive to the financial sector will remain restrained due to financial market stress in Europe, the impact of financial regulations and the eventual tightening of monetary policy. Assuming the mild recovery of the New York City economy continues into the out-years, total tax revenue growth stabilizes at an annual average of 3.5 percent from 2014 through 2016.

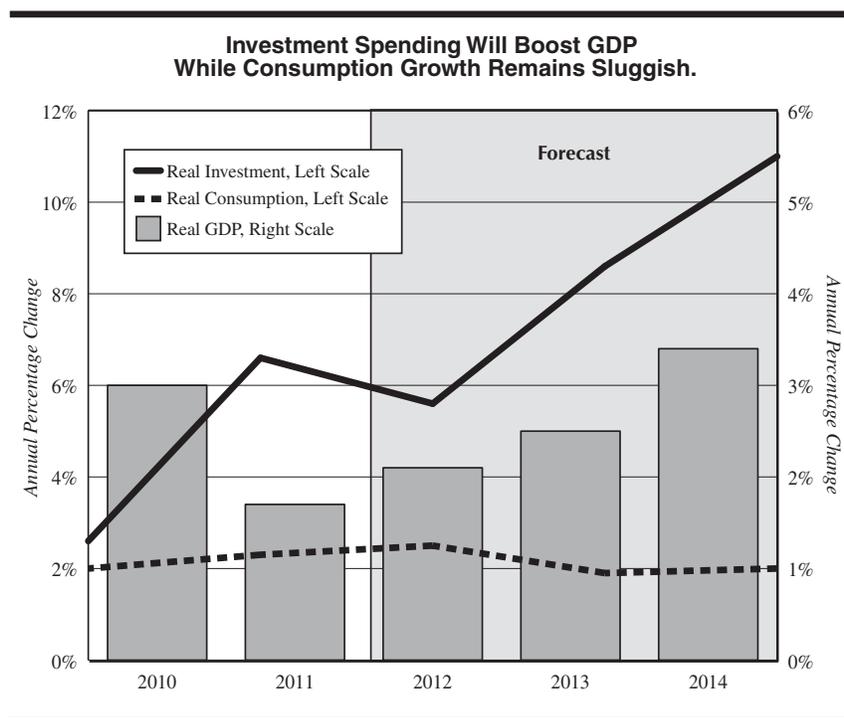
The U.S. Economy

The U.S. economic recovery, currently in its third year, has seen growth rates gyrating from a high of close to four percent in early 2010 to almost stalling in early 2011, when the sudden spike in oil prices and supply-chain disruptions following the tsunami in Japan caused consumers and businesses to retrench sharply. Currently the recovery is back on track as the labor market has started to regain strength and the housing market is showing early signs of a turnaround. Nonetheless, both sectors have a long way to go before reaching their previous peaks. While consumer and business confidence has improved, growth of real income and wealth remains lackluster. Uncertainties surrounding the European debt crisis and the inability of Congress to balance the federal budget here at home continue to pose serious risks. As a result, real GDP is forecast to grow only by 2.1 percent in 2012 and accelerate to 3.4 percent by 2014.

Lack of real income and wealth growth, along with a high savings rate, will restrain consumer spending for at least two more years. Real disposable income grew by only 0.9 percent in 2011 and is forecast to improve modestly in the next two years. Years of high unemployment are taking a toll on wage rates. Average wages grew by only 2.5 percent in 2011 while headline inflation rose 3.1 percent. With the unemployment rate remaining close to nine percent in 2012, wages will continue to face downward pressure.

Households are also facing liquidity constraints because declines in housing values and strict mortgage underwriting standards have essentially sapped their ability to borrow. Households suffered losses of over \$6.5 trillion in real estate wealth due to the housing crash. After a temporary pause from the downward slide brought on by the first time homebuyer tax credit, home prices have started to drift down again with the expiration of the incentive in May 2010. Single-family home prices are not expected to turn around for at least another year. The huge inventory of distressed properties continues to glut many regional markets. Although the number of foreclosures has been declining, the shadow inventory is currently 1.6 million properties – down from the peak of over 2 million registered about two years ago, but four times higher than its low point of less than 400,000. As a result, real consumption is constrained to rise by only 2.5 percent in 2012, with the possibility of a slowdown in 2013 if the payroll tax cut and the emergency unemployment insurance benefits are not extended.

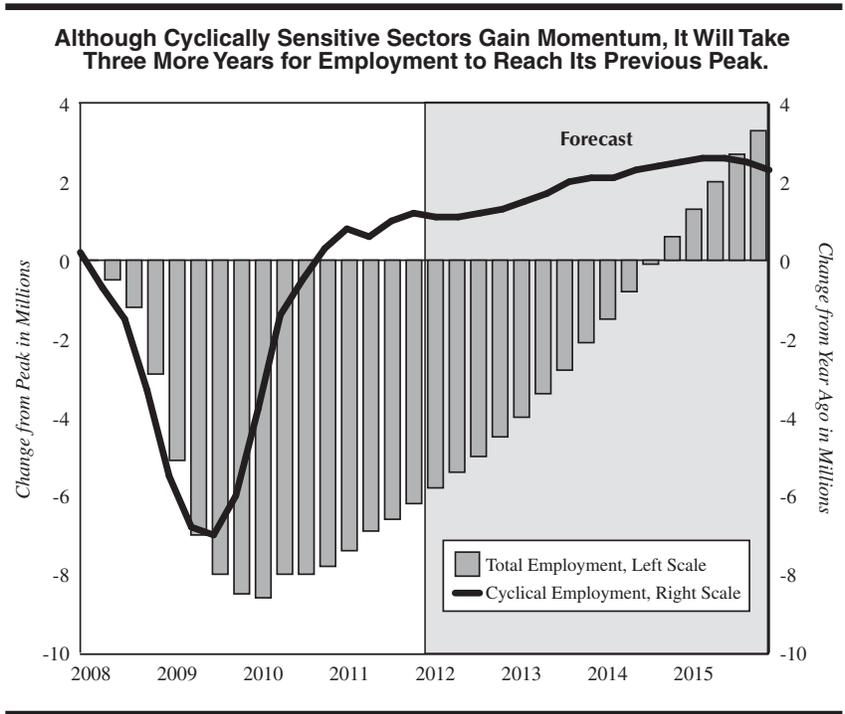
Business investment in core capital (equipment and software, which makes up less than 10 percent of GDP) has been the only major sector to show robust growth so far in this recovery. Since the end of the recession, this component has grown by over 30 percent, contributing more than one-third to real GDP growth. Given the extremely favorable cash positions of corporations and the full expensing of depreciation of certain types of capital equipment that was in effect for 2010 and 2011, it was cost effective for firms to replace aging capital or deploy new technology. In the next phase of the investment cycle, it is assumed that final demand will need to be the main driver



for core capital spending. Spending on business structures, another component of business investment, made an unexpected turnaround in the middle of 2011. Investment in structures entails large fixed costs and long-term commitment. Business surveys indicate slight improvement in sentiment over last year, but not enough to suggest long-term business expansion at this time.¹ Therefore, the 5.3 percent growth projected for overall real non-residential fixed investment in 2012 will primarily occur in the core industries; investment in business structures will not pick up until 2013.

The substitution of capital for labor has improved business productivity at the expense of job growth. The uncertainty surrounding future tax and regulatory policy and the fear of contagion if the European debt crisis blows up, are also to blame for the labor market's very sluggish and unstable recovery since the trough in early 2010. So far only 36 percent of the total 8.8 million jobs lost have been replaced, although recent data are showing signs of improvement. There has been a more uniform distribution of job gains across sectors while the forward-looking indicators of the market have improved. Most significantly, for the first time in this recovery, the total number of unemployment insurance claims has fallen below 400,000.

Trade, transportation, education, health, professional & business services and manufacturing are expected to be the main contributors of job growth in 2012. Export-based manufacturing has benefitted from the relatively low value of the dollar. Since turning around in early 2010, durable manufacturing has so far added close to 400,000 jobs, corresponding to 15 percent growth in exports during this period. However, manufacturing faces a palpable risk since exports to Europe might shrink due to the region's slowdown. The construction sector, which shed over 2.2 million jobs during the downturn, is now forecast to turn around and grow significantly starting in 2013. Most of the other cyclically sensitive service sectors, including professional & business services, trade, and leisure & hospitality, have already been expanding and should continue to gain momentum. Labor market conditions in the U.S. are expected to improve modestly in 2012, reaching a monthly gain of 200,000 jobs by the end of the year. Employment is forecast to grow 1.3 percent in 2012 and improve further to 1.9 percent by 2015.



While the U.S. economy appears to have regained its footing, financial markets in 2011 were battered by an array of shocks, which elevated volatility and undermined investor confidence in the global financial system. Uncertainty was heightened last summer by Congress' impasse over how to address the nation's fiscal deficit, an event that led to the first-ever downgrade of U.S. debt by Standard & Poor's. Abroad, the smoldering problem of Greece's fiscal crisis forced a second EU bailout proposal last summer, the final passage of which depends on a successful negotiation to write-off half of Greece's privately held debt. The talks have been contentious but need to be finalized prior to a large bond payment scheduled at the end of March 2012. At the same time,

1) These include the AIA Architecture Billings, the ISM and the NFIB indices.

the uncertainty created by other fiscally imbalanced Eurozone countries has led to soaring borrowing costs and credit downgrades.

The European crisis really is two distinct but related problems. The first stems from the fact that peripheral countries in Europe have been able to run fiscal deficits financed at relatively modest rates more appropriate to fiscally stable countries like Germany. The second is that since European banks are major holders of sovereign debt, the fear of contagion and counterparty risk has encumbered the European banking system, much as it did in U.S. credit markets in the wake of the 2008 financial crisis. The credit market risk has not remained isolated to Europe. The collapse at the end of October of MF Global, which took bets on European debt, was a reminder that most large financial institutions have worldwide exposure. Many Eurozone countries saw their yields jump during 2011 as investors became highly risk averse. Confidence in European debt took a further beating with a series of debt downgrades in early 2012 by Standard & Poor's, which stripped France and Austria of their AAA rating and moved Portugal into the "junk" category along with Greece.

While policy action from EU governments has been slow and incremental, the European Central Bank (ECB) is providing wholesale support of the teetering banking system, while simultaneously avoiding direct purchases of sovereign debt – which would violate the European Treaty. By far the largest measure implemented by the ECB to date was the provision of nearly €500 billion in 3-year loans to over 500 European banks in December. A large portion of this new liquidity is returning to the ECB in the form of overnight bank deposits, reflecting the sclerotic condition of interbank lending markets.

The volatility created in Europe has had a tangible impact on domestic financial markets, particularly in the second half of 2011. Measures of equity market volatility jumped in the third and fourth quarters. The Chicago Board of Exchange volatility index, sometimes nicknamed the "fear index," averaged around 30 in the second half of 2011, up from an average of only 18 in the first half. Likewise, the proportion of monthly S&P500 trading days with index changes in excess of one percent – the trading days ratio – started in January 2011 at 15 percent but peaked in October at 71 percent. Since then it has settled somewhat to 43 percent in December. Despite these gyrations, the S&P500 finished the year unchanged while the Dow was up only six percent.

The choppy environment made it difficult for Wall Street. In the first and second quarters of 2011, NYSE member firms earned profits of \$9.3 and \$3.3 billion, respectively. However, banks stumbled in the third quarter with a \$3.0 billion loss, the first quarterly miss since the end of 2008. Fourth quarter results for the full complement of NYSE member firms are not yet available, but early earnings reports from the "Big Five" banks show growth of only two percent compared to the same quarter a year ago.² More disconcerting are the steep declines in revenue from principal trading and investment banking operations, business lines that have typically generated robust profits for Wall Street. Due to the slowdown in the second half of the year, it is expected that Wall Street will earn profits of \$13.1 billion for 2011, down from the \$27.6 billion booked in 2010 and the \$20 billion initially forecast for 2011. Since it appears that the uncertainty from abroad will continue into 2012, profits are projected to increase only modestly to \$14 billion this year.

One positive sign in the early earnings reports was the pickup in loan volume by firms with large commercial and consumer credit operations. In aggregate, the loan portfolios of JPMorgan Chase, Citigroup, Wells Fargo, and Bank of America grew by \$27 billion over the same quarter a year ago, the first increase after three consecutive quarters of contraction. Part of this growth in lending is due to domestic retrenchment of credit by European banks hobbled by the European debt crisis. However, there is evidence that demand for consumer credit is strengthening. According to the Fed, overall consumer credit grew by an annual rate of 9.9 percent in November, the fastest rate since November 2001, when the U.S. began its recovery from the dot-com recession.

The lack of recent inflationary pressure has given the Fed breathing space to continue its highly accommodative monetary policy. In particular, the most recent inflation measures are showing a deceleration in price growth.

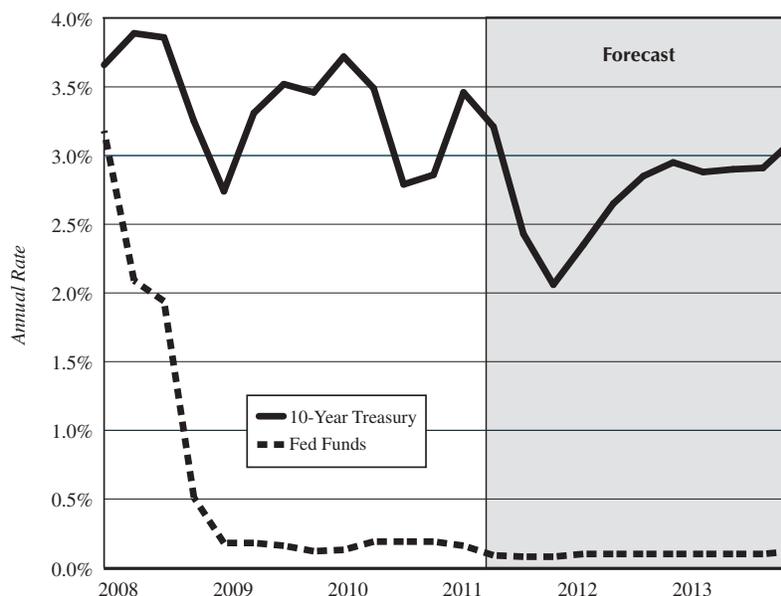
2) *Bank of America, Citigroup, Goldman Sachs, JPMorgan Chase and Morgan Stanley.*

The headline CPI inflation rate fell to 3.0 percent (year-over-year) in December, down from 3.4 percent in November. Rates have been trending down since the peak inflation rate of 3.9 percent in September. This decline has been driven mainly by the fall of energy prices; the energy component of the CPI is down nearly 5 percent since September. Core CPI inflation, which excludes the volatile energy and food categories, has been stable at 2.2 percent in November and December. The Fed's preferred inflation measure, the core PCE rate, increased slightly in December to 1.8 percent, up from 1.7 percent in November and well within the one to two percent range that the Fed deems acceptable. The last

time the core PCE rate was above this ceiling was at the end of 2008. The forecast projects that headline inflation remains muted, dropping below two percent in 2012 as energy prices remain flat. With anemic growth in Europe for the next few years and new supplies of domestic energy, the path of energy prices should remain stable. With subdued inflation pressure, the forecast assumes that the Fed will not tighten until at least 2014. Furthermore, the ten-year Treasury yield fell to two percent at the end of 2011 as U.S. securities benefitted from safe haven purchases by international investors. Yields are not projected to rebound quickly, averaging only 2.7 percent in 2012.

There are several significant risks to the forecast. By far the greatest hazard stems from the European debt crisis, the course of which remains unresolved. While it is assumed that EU policymakers will eventually work out a deal to support the peripheral countries and preserve the Euro, the possibility of greater turmoil from a disorderly Greek default remains significant. Likewise, geo-political friction in the Middle East has elevated as western nations spar with Iran and Syria, causing inevitable uncertainty in energy prices. Finally, with only a quarter of the provisions in the Dodd-Frank financial legislation finalized, the full impact of further regulation on Wall Street remains to be seen.

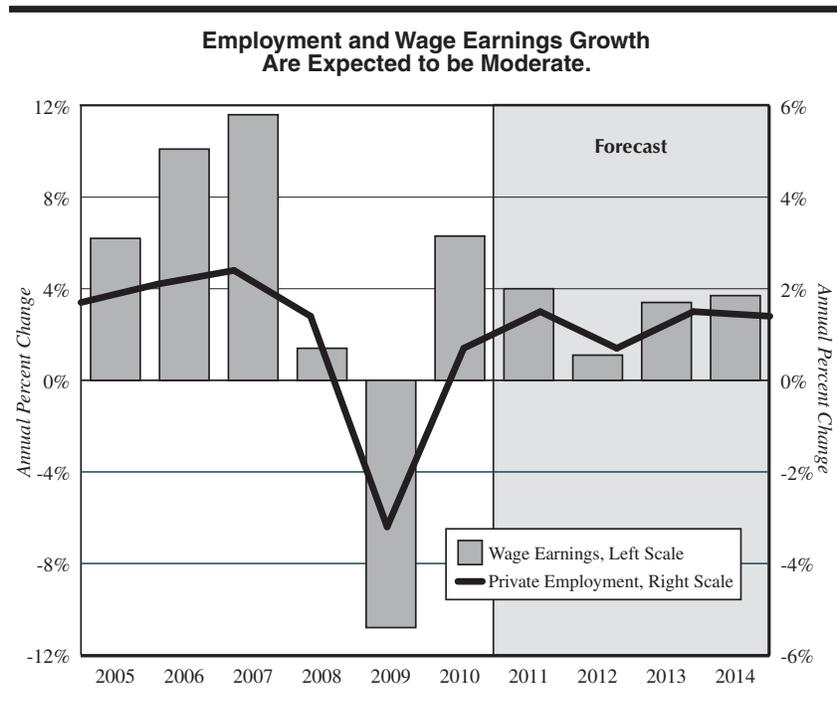
Long-term Interest Rates Will Increase Modestly From the Record Lows Reached in 2011. The Fed Funds Rate Remains Near Zero Until at Least 2014.



The New York City Economy

New York City experienced a year of mixed results in 2011. Overall wage earnings, which rose 6.3 percent in 2010, are estimated to have increased a more modest four percent in 2011. The City's labor markets started the first seven months of 2011 by adding over 50,000 jobs, only to lose roughly 33,000 jobs over the rest of the year. Commercial real estate markets showed signs of stabilization and strengthening, while residential real estate activity showed declines in every quarter since the end of the federal homebuyer tax credit. The office market is poised to tighten further, though the local housing market will likely experience tempered growth for the near term. Private sector job growth is expected to decelerate to 0.7 percent in 2012 from 1.2 percent in 2011, and average 1.4 percent from 2013-2016. Along with slower job growth this year, private sector wages remain mostly flat, resulting in a meager 1.1 percent increase of wage earnings in 2012, followed by an average growth rate of around four percent per year from 2013-2016.

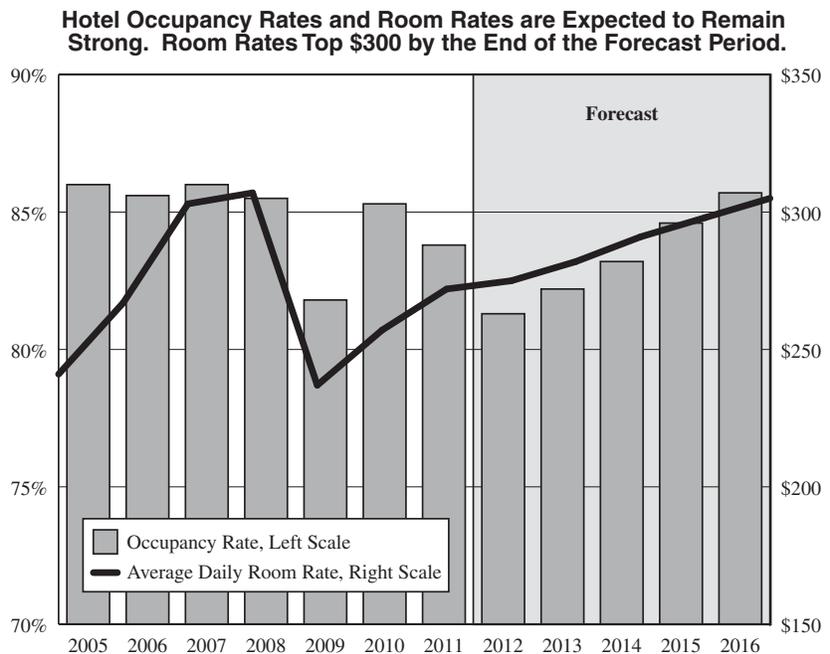
Wall Street experienced a tumultuous year in 2011 and the decline in profitability caused securities firms to cut 2,000 jobs in 2011. However, the 166,000 securities sector employees continue to be paid handsomely, averaging annual compensation of over \$360,000. With greater scrutiny placed on financial firm pay practices, bonus payouts are expected to drop by roughly 10 percent in 2011 and firms are expected to trim their payrolls in 2012 by a further 2,000 jobs. Due to expectations of slow equity market growth and even stricter regulation of financial markets, the securities sector will likely continue to shed jobs throughout the forecast period. As a result, sector employment is expected to remain well below the 2008 peak of nearly 190,000, while industry wages will remain high but stagnant for the remainder of the forecast period. The rest of the financial industry – banking, insurance and real estate – added roughly 1,500 jobs in 2011. These other financial industries currently employ 149,000 and are expected to expand moderately during this forecast.



The City's tourism sector remains a standout and was perhaps one of the primary factors why the City has fared better than the nation thus far. The relative weakness of the dollar and the City's plethora of cultural attractions continued to attract domestic and international visitors. It is estimated that New York City welcomed 50.5 million visitors in 2011, and that Broadway earned nearly \$1.1 billion in box-office gross receipts, both of which were record highs.

Hotels have displayed resilience and strength, as occupancy rates have not dipped below 80 percent since March 2009. Even more impressive is that occupancy rates have remained high despite the fact that over 11,500 rooms have been added during that time. As a result, 22.5 million daily room nights were sold year-to-date through October, an all-time high. Additionally, the average daily room rate has risen 24 percent from the recent low of \$219 in June 2009, boosting revenue and employment in the sector.

While the current European debt crisis could pose potential problems for the flow of tourists, the City is expecting to see the industry maintain its current levels thanks to the steadily growing share of visitors from emerging markets. Occupancy rates stay above 80 percent throughout the forecast period, even with the ongoing additions to the City's inventory. While growth in the average daily room rate will be dampened by the addition of budget hotels, room rates are projected to top \$300 a night by the end of the forecast period.



Leisure & hospitality has thrived due to the strength of the tourism sector. The industry reached a record number of

328,000 employees working in hotels, restaurants, museums and other recreational venues in 2011. With a steady supply of new hotel rooms coming on line over the next few years, hiring will average 6,000 per year from 2013-2016. Retail trade has also been supported by tourism. This sector added 16,000 jobs in the last two years, and is forecast to add an average of 6,500 jobs per year from 2013-2016.

Outside of tourism, the main sector of growth in 2011 will be professional & business services. Employees in this category, which covers a wide range of industries including accounting, architecture, computer services, management consulting, advertising and employment services, earn an average of approximately \$98,000 per year. These industries are expected to expand by 11,000 jobs in 2012 and gain an average of 16,000 jobs from 2013-2016.

Since reaching a peak of 200,000 in 2001, largely due to the dot-com boom, the information sector has shrunk by about 20 percent. Over the past three years, 8,000 information jobs have been trimmed across the City. The sector is slated to cut an additional 2,000 jobs in 2012, but average 2,000 job gains in the out-years. Nevertheless, the employment level will stay far below the dot-com peak throughout the forecast period.

The traditionally non-cyclical sectors of education & health services continued to add jobs. Education shows an expansion of 15,000 jobs in 2011, but the monthly pattern has been choppy. In particular, there was an unexpected jump of 11,600 jobs in July. Since then, the surge of jobs has been more than offset by losses in this sector. Education is forecast to lose an additional 1,000 jobs in 2012, continuing the trend at the end of 2011. The sector is expected to resume its growth path in 2013. Health employment rose by 3,000 in 2011, slowing from the average pace of 12,000 annual job gains seen in the previous two years. Employment in health is expected to gradually accelerate and add 7,000 jobs in 2012.

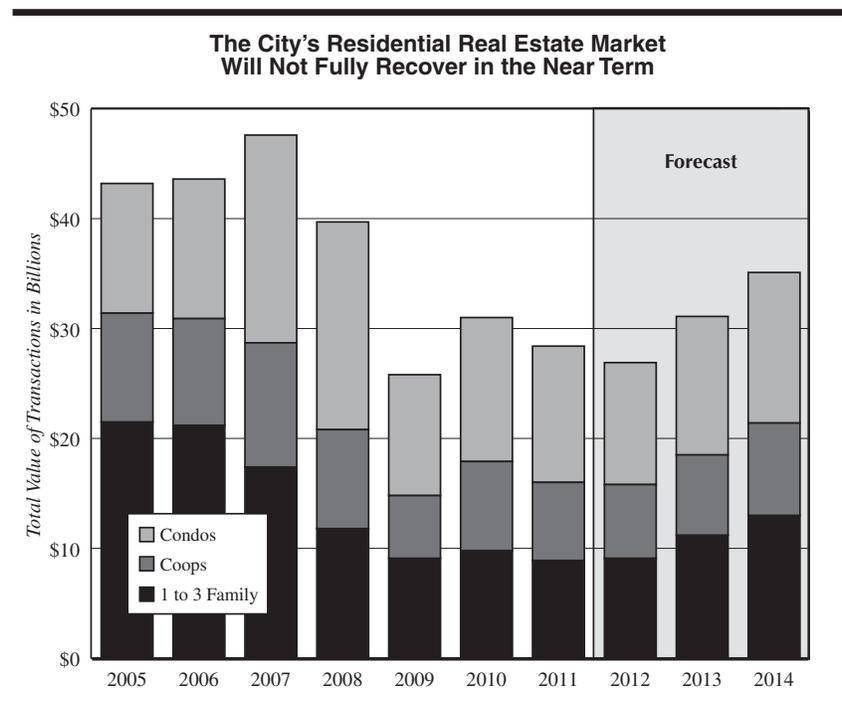
The long-term contraction of the manufacturing sector will persist in coming years. Manufacturing cut 3,000 jobs in 2011, leaving the employment level at a new record low of 73,000. In the last decade, this sector has shrunk by more than half. In 2012, the manufacturing sector is forecast to lose another 5,000 jobs.

The commercial real estate market showed strength in 2011, as favorable conditions such as low asking rents and increasing office-using employment prodded firms to lock in new leases.³ Leasing activity totaled over 30 million square feet, making it the most active year since 2000.⁴ Since hitting a trough in September 2010, primary market asking rents have rebounded nine percent to settle at roughly \$66 per square foot in December 2011. Vacancy rates across the City’s primary office market have also improved, dropping from 10.9 percent in the first quarter of 2011 to 9.7 percent in the fourth quarter, the lowest vacancy rate since the first quarter of 2009. With a stable outlook for professional & business services employment and no significant new inventory expected to come to the market in the next two years, primary market vacancy rates are projected to remain below 10 percent, while asking rents gradually increase. There is concern, however, that the completion of two new World Trade Center buildings by 2014, with over 4 million square feet, will not be met by sufficient demand. As a result, vacancy rates are expected to rise in the out-years.

The commercial investment market has returned to stability in the last two years following the collapse during the financial crisis. Large commercial transactions greater than \$100 million had fallen to just five in 2009 before improving to 18 in 2010. In 2011, 26 large transactions were recorded, matching the levels last seen in 2004 and 2005. Improving conditions portend that investment-related transactions in the City’s office market will maintain the levels seen in 2010 and 2011, helped by low interest rates as well as employment growth.

Unlike the recovery in the commercial real estate market, the City’s residential market has slowed since the expiration of the federal homebuyer tax credit in 2010. Since then, total home sales have declined year-

over-year in every quarter from the third quarter of 2010 through the third quarter of 2011. Home prices have also taken a hit. As of November 2011, the S&P/Case-Shiller New York Metro Area home price index dropped five percent from August 2010 levels, which were temporarily boosted by the tax credit. Home prices are down 23 percent from the cycle’s peak reached in July 2006 (although significantly less than the 33 percent decline in the top 20 metro areas). Despite the weakness that still persists, the outlook is that total transactions experience a small increase in 2012, before picking up pace in the out-years. Prices will prolong their downward trend in 2012, but will gradually recover later in the forecast period.



The stagnating housing market has caused new construction activity in the City to stay at depressed levels. New York City averaged roughly 28,000 permits per year from 2005 through 2008, but has issued only 20,000 in the last three years combined. While permit issuance will grow modestly, it is not likely to see the buoyant activity that was prevalent during the boom years. The malaise in new residential development has been a

3) Office-using is defined as financial activities, professional & business services and information.
 4) Cushman & Wakefield

hindrance to the City's construction industry, which cut 27,000 jobs from 2009 through 2011. Due to the slow pace of permit issuance, headcount for construction staffing will remain flat for 2012, but job growth is expected to resume in the out-years.

Overall, private employment in New York City is anticipated to increase 0.7 percent in 2012 following a 1.4 percent rise in 2011. Employment in the City will maintain an average growth rate of 1.4 percent from 2013-2016. While the employment picture has certainly improved, many of the new jobs anticipated over the next few years will be in non-financial, low-to-middle income industries. As of 2010, the non-finance average wage was about \$62,000 per year and is expected to increase by about three percent per year in the forecast period. With the expectation of further job losses and stagnant wages, the financial industry will not do much to boost overall earnings. As a result, wage earnings in the City rise to \$294 billion in 2012, up from \$291 billion in 2010, but still below the \$295 billion earned in 2008. Wage earnings growth averages 3.8 percent from 2013-2016, gradually surpassing the 2008 level in 2013.

There is considerable uncertainty regarding the path of the City's economic recovery. With evidence of a slow but self-sustaining rebound, the national economy is projected to grow at a tepid pace in 2012. Assumptions for moderate profitability on Wall Street in 2012 are predicated on a sound government policy-making environment in Washington and an orderly management of the Eurozone crisis. A prolonged European crisis can hinder the growth of a variety of industries across the City, ranging from financial activities to tourism.

Financial Plan Fiscal Year 2013
Forecasts of Selected Economic Indicators for the United States and New York City
Calendar Year 2011-2016

	2011	2012	2013	2014	2015	2016	1980-2010*
NATIONAL ECONOMY							
Real GDP							
Billions of 2005 Dollars.....	\$13,313	\$13,589	\$13,926	\$14,399	\$14,863	\$15,271	
Percent Change	1.7	2.1	2.5	3.4	3.2	2.7	2.7%
Non-Agricultural Employment							
Millions of Jobs.....	131.1	132.8	135.1	137.7	140.3	142.6	
Level Change.....	1.3	1.7	2.3	2.6	2.6	2.2	
Percent Change.....	1.0	1.3	1.7	1.9	1.9	1.6	1.2%
Consumer Price Index							
All Urban (1982-84=100).....	224.9	228.3	232.2	237.3	242.5	247.3	
Percent Change	3.1	1.5	1.7	2.2	2.2	2.0	3.3%
Wage Rate							
Dollars Per Year.....	50,606	51,622	52,952	54,518	56,143	57,790	
Percent Change.....	2.5	2.0	2.6	3.0	3.0	2.9	4.0%
Personal Income							
Billions of Dollars.....	12,961	13,414	13,949	14,675	15,450	16,230	
Percent Change.....	4.7	3.5	4.0	5.2	5.3	5.1	5.8%
Before-Tax Corporate Profits							
Billions of Dollars.....	1,909	1,999	2,213	2,299	2,218	2,210	
Percent Change.....	4.9	4.7	10.7	3.9	(3.5)	(0.3)	6.8%
Unemployment Rate							
Percent	8.9	8.9	8.6	7.9	7.1	6.7	6.3% avg
10-Year Treasury Note							
Percent.....	2.8	2.7	2.9	3.6	4.6	5.0	7.1% avg
Federal Funds Rate							
Percent.....	0.1	0.1	0.1	1.2	3.3	4.0	5.8% avg
NEW YORK CITY ECONOMY							
Real Gross City Product**							
Billions of 2005 Dollars.....	\$574.6	\$573.7	\$583.2	\$595.0	\$608.6	\$621.5	
Percent Change.....	0.6	(0.2)	1.7	2.0	2.3	2.1	2.7%
Non-Agricultural Employment***							
Thousands of Jobs.....	3,741	3,768	3,815	3,860	3,914	3,955	
Level Change.....	33	27	46	45	54	41	
Percent Change	0.9	0.7	1.2	1.2	1.4	1.0	0.4%
Consumer Price Index							
All Urban (1982-84=100).....	247.7	252.4	257.1	263.1	269.4	275.3	
Percent Change.....	2.8	1.8	1.9	2.3	2.4	2.2	3.7%
Wage Rate							
Dollars Per Year.....	80,035	80,246	82,005	84,035	86,267	88,799	
Percent Change.....	2.6	0.3	2.2	2.5	2.7	2.9	5.3%
Personal Income							
Billions of Dollars.....	440.9	450.4	464.2	483.1	503.0	523.9	
Percent Change.....	4.2	2.1	3.1	4.1	4.1	4.2	5.9%
NEW YORK CITY REAL ESTATE MARKET							
Manhattan Primary Office Market							
Asking Rental Rate****							
Dollars per Square Feet.....	\$64.31	\$67.17	\$72.73	\$72.05	\$77.65	\$83.79	
Percent Change.....	3.8	4.4	8.3	(0.9)	7.8	7.9	2.1%
Vacancy Rate****							
Percent.....	9.9	9.5	8.1	9.7	9.3	9.1	10.8% avg

* Compound annual growth rates for 1980-2010. Compound growth rate for Real Gross City Product covers the period 1980-2010; Personal Income 1979-2009.

** GCP estimated by OMB. The GCP figures have been revised due to a methodological change.

*** Employment levels are annual averages.

**** Office market statistics are based on 1987-2010 data published by Cushman & Wakefield.

TAX REVENUE FORECAST

Real Property Tax

Real property tax is forecast at \$17.812 billion in 2012, an increase of \$944 million over the prior year. On a common rate and base, revenue is forecast to grow 5.3 percent. In 2013, real property tax revenue is forecast at \$18.383 billion, an increase of \$571 million over the prior year. On a common rate and base, revenue is forecast to grow 3.3 percent.

Total market value is estimated to grow by 3.8 percent based on the 2013 tentative roll. The market value growth is primarily driven by 7.9 percent growth in Class 4 properties (office and commercial space). Class 1 (one- to three-family homes) properties saw only a slight market value increase of 1.9 percent. Class 2 (rental apartments, condominiums, and cooperatives) properties saw market value growth of 3.6 percent overall. Large Class 2 (more than 10 units) properties saw an increase in market value of 4.0 percent while small Class 2 (10 units or less) properties experienced a moderate growth of 2.6 percent. Class 3 properties (utilities) saw market value growth of 1.2 percent.

Citywide, total billable assessed value on the 2013 tentative roll (after accounting for the veterans' and STAR exemptions) increased by \$8.8 billion over 2012 to \$164.2 billion, growth of 5.7 percent. The 2013 tentative roll is expected to be reduced by \$2.2 billion on the final roll as a result of Tax Commission actions, Department of Finance changes by notice and the completion of exemption processing. The billable assessed value on the final roll (before accounting for the veterans' and STAR exemptions) is forecast to grow 4.2 percent.

On the 2013 tentative roll, Class 1 market value, based on comparable sales price valuation methodology, increased by 1.9 percent over the prior year. The billable assessed value for Class 1 grew by 3.1 percent on the 2013 tentative roll (after accounting for the veterans' and STAR exemptions). The statutory cap on assessed value growth (6 percent per year and 20 percent over five years) that had prevented steep increases in assessed value during years of robust market value growth from 2001 through 2008 is now allowing assessed value to grow even with small increases to market value. With an estimated tentative-to-final roll reduction of \$31 million, billable assessed value on the final roll (before accounting for the veterans' and STAR exemptions) is expected to grow 2.7 percent. Market value for Class 1 is forecast to decline in 2014 following a forecast decline in sales prices before recovering in 2015 and 2016. Class 1 billable assessed value growth is forecast to slow down to an annual average of 2.3 percent from 2014 through 2016.

On the 2013 tentative roll, overall Class 2 properties saw market value growth of 3.6 percent. The billable assessed value growth on the 2013 tentative roll for Class 2 is 5.1 percent (after accounting for the veterans' and STAR exemptions). With an estimated tentative-to-final roll reduction of \$1.1 billion, billable assessed value growth on the final roll (before accounting for the veterans' and STAR exemptions) is expected to be 3.1 percent, a moderate increase compared to last year's growth of 5.7 percent. Class 2 market value is forecast to slow down further in 2014 and is expected to grow at a weaker pace in 2015 and 2016 as long-term interest rates are projected to rise, pushing cap rates higher and dampening market value growth. Class 2 billable assessed value, however, is forecast to show mild growth as projected market value weakness is offset by the existing "pipeline" of deferred assessment increases from prior years' market value growth. Class 2 billable assessed value is forecast to grow at an annual average rate of 2.4 percent from 2014 through 2016.

Class 3 properties (utilities) saw billable assessed value growth of 0.6 percent on the 2013 tentative roll, after a decline of 1.5 percent in 2012. After the assessments for Class 3 special franchise properties are completed by the NYS Office of Real Property Tax Services, Class 3 billable assessed value on the final roll is expected to grow 0.6 percent. No additional reduction from the tentative roll to the final roll is expected for Class 3 properties. Class 3 billable assessed value growth is expected to remain flat from 2014 through 2016.

Class 4 properties, which consist of all other real properties such as office buildings, factories, stores and vacant land, saw a market value growth of 7.9 percent on the 2013 tentative roll. The Class 4 billable assessed value growth (after accounting for the veterans' and STAR exemptions) on the 2013 tentative roll is 7.3 percent. With an estimated tentative-to-final roll reduction of \$1.1 billion, the billable assessed value growth on the final roll (before accounting for the veterans' and STAR exemptions) is expected to be 5.8 percent. Class 4 market value is forecast to increase only moderately in the out-years as the forecast growth in net operating income is partially offset by projected increases in cap rates. Class 4 billable assessed value is forecast to grow at an annual average rate of 4.3 percent from 2014 through 2016 as the existing "pipeline" of deferred assessment increases from prior years' market value growth starts to phase in despite the projected weakness in market value.

Property tax collections are expected to grow at an annual average rate of 3.3 percent from 2014 through 2016.

Commercial Rent Tax

Commercial rent tax revenue is forecast at \$622 million in 2012, \$21 million above the prior year, growth of 3.5 percent. Since 2011, the commercial office market has shown signs of recovery from the collapse that began more than three years ago. The forecast of modest growth in tax revenue for 2012 reflects improvements in the commercial office market. A rebounding local economy has boosted office-using employment and stimulated demand for office space. As a result, vacancy rates have fallen and asking rents have risen.

In 2013, the commercial rent tax is forecast at \$642 million, \$20 million above the prior year or growth of 3.2 percent. This growth reflects the expectation of continued recovery in the commercial office market.

Commercial rent tax revenue is projected to grow at an annual average of 3.4 percent from 2014 through 2016 as growth in the office-using employment is expected to remain positive.

Transfer Taxes

Real property transfer tax revenue is forecast at \$862 million in 2012, growth of 8.5 percent. The 2012 level is still 50.0 percent below the 2007 peak. Real property transfer tax collections year-to-date through December grew by 19.5 percent over the prior year after growing 29.3 percent in 2011, reflecting the ongoing recovery of the local real estate market. Growth is forecast to continue in 2013 at 5.3 percent before averaging 8.4 percent from 2014 through 2016 as the local property markets recover.

In 2012, commercial transaction tax collections year-to-date through December grew by 50.6 percent. The rebound was driven by six large transactions over \$500 million in sales price, as well as strength in transactions for properties below \$500 million. As the European debt crisis lingers, collections for the second half of the year are forecast to drop to levels below those seen in the first half of the year, but should still exhibit 15.9 percent growth over the prior year. Despite these gains, the commercial transaction forecast of \$477 million in 2012 is still 54.2 percent below the 2007 peak. Growth in collections from commercial transactions is forecast to continue in 2013 and average 8.1 percent from 2014 through 2016.

In 2012, residential transaction tax collections year-to-date through December fell 3.8 percent from the prior period. The residential market is expected to remain sluggish in the second half of the year, driving collections for the year down 10.8 percent from the prior year. The residential market is expected to recover in 2013 and continue to improve from 2014 through 2016 as both the number of transactions and the average sales price are forecast to rebound and residential transaction tax collections are expected to average 8.7 percent growth.

Mortgage recording tax revenue is forecast at \$513 million in 2012, growth of 18.1 percent. The 2012 level is still 67.3 percent below the 2007 peak. Tax collections year-to-date through December grew 24.8 percent over

the prior year, after growing 18.6 percent in 2011. In 2013, the mortgage recording tax revenue is forecast to grow 11.5 percent before averaging growth of 9.9 percent from 2014 through 2016.

Residential mortgage recording tax revenue is forecast to decline 4.0 percent in 2012. Year-to-date collections through December have declined by 1.5 percent from the prior year. Home sales as well as mortgage originations have remained weak, suppressing collections in 2012 and bringing residential mortgage tax collections into its sixth year of decline. In 2013, a strong rebound is forecast for collections from residential mortgages, with growth of 11.4 percent, as the credit market for homebuyers improves. With the recovery of the housing market continuing from 2014 through 2016, growth in residential mortgage recording tax collections is expected to average 11.6 percent.

In 2012, commercial mortgage recording tax revenue is forecast to rebound strongly with growth of 44.8 percent. Collections from commercial mortgage recording tax are forecast to grow by 11.6 percent in 2013 and average growth of 8.5 percent from 2014 through 2016.

Personal Income Tax

Personal income tax revenue is forecast to be \$7.979 billion in 2012, \$334 million above the prior year, and growth of 4.4 percent. Withholding collections in 2012 are forecast to grow 0.7 percent over the prior year, after an increase of 6.0 percent in 2011. The virtually-flat withholding collections growth is the result of moderate growth in base (i.e. non-bonus) withholding that is largely offset by weakness in securities sector bonus payouts. The July through November growth in withholding collections was about four percent after adjusting for tax law changes. This increase reflects steady job growth throughout the first half of the calendar year in addition to quarterly wage rate growth of about three percent. For the December through March bonus period, withholding collections are forecast to decrease by about four percent. This drop is due to a decline in bonus payouts by Wall Street firms that reflects a decline in NYSE member-firm profits from the prior year. The lower securities sector bonus payouts are expected to negate growth in base withholding during the same period. Withholding collections are forecast to have nearly flat growth for the fourth quarter of fiscal year 2012, reflecting the wage earnings forecast.

Installment payments on tax year 2011 are forecast to grow by more than 10 percent over the prior year. This growth stems from a combination of capital gains growth in 2011, strength in proprietors' income, and taxpayers' recalculation of estimated payment liability that incorporates the rebound in nonwage income in tax year 2010. While the growth in capital gains and proprietors' income reflects the continuing economic recovery, a portion of the installment payment growth is due to "safe-harbor" rules that require taxpayers to calculate their installment payments based on their prior year's liability. Although tax year 2010 was a rebound year for total estimated payments, installment payments in tax year 2010 were artificially depressed as they were calculated on tax year 2009 liability, the trough of the recession for estimated payments. Taxpayers "trued up" their rebounding liability by making large extension payments in April. In contrast, installment payments on tax year 2011 liability are calculated based on tax year 2010 liability, and taxpayers have incorporated the rebound in estimated payment liability from tax year 2009 to tax year 2010 in their "safe-harbor" rule calculation.

Although installment payment growth on tax year 2011 liability is expected to be robust, some of this growth will be at the expense of extension payments as a portion of estimated payment revenue is forecast to shift from extension payments (which were relatively large for tax year 2010) to installment payments for tax year 2011. Further, the absence of any retroactive tax law changes (which buoyed extension payments on tax year 2010 liability) will result in lower extension payments for tax year 2011. However, lower refunds combined with growth in offsets and final returns will result in settlement payments (net of final returns, refunds, extensions and City/State offsets) near the prior year level.

Personal income tax revenue is forecast to grow 6.9 percent in 2013. Withholding collections are forecast to grow 3.0 percent, resulting from the continuing recovery in base withholding that is partially offset by the second consecutive year of securities sector bonus declines. Job growth is expected to continue throughout 2013; however, the drop in Wall Street bonus payouts is expected to lead to essentially-flat withholding collections growth during the bonus period. Installment payments are expected to grow over 20 percent in 2013. Contributing to this strength are the expiration of the Bush tax cuts and the addition of the 3.8 percent Medicare tax on investment income in tax year 2013, both of which are expected to lead to a “spin-up” of capital gains realizations that are accelerated from tax year 2013 into tax year 2012. The settlement payment on tax year 2012 liability (net of final returns, refunds, extensions and City/State offsets) is expected to increase over the prior year, as the recovery in nonwage income strengthens.

In the out-years of the forecast period, continued recovery in employment, wage rates, and nonwage income leads to personal income tax growth averaging 3.9 percent from 2014 through 2016.

Business Income Taxes

Business income tax revenues (general corporation, banking corporation, and unincorporated business taxes) are forecast to be \$5.560 billion in 2012, growth of 4.9 percent compared to 2011. In 2013, business income tax revenues are forecast to be \$5.724 billion, growth of 2.9 percent.

The forecast for business income tax revenues in 2012 has been revised down by \$161 million since the November 2011 Plan, reflecting a steeper than expected decline in NYSE member-firm profits in calendar year 2011. After generating \$27.6 billion in profits in calendar year 2010, the second highest level on record, NYSE member-firm profits were forecast at the November 2011 Plan to fall to \$20 billion in calendar year 2011. However, a weak third quarter led member firms to report an aggregate loss of \$3 billion for the quarter. As a result, forecast NYSE member-firm profits have been revised down to \$13.1 billion. The reversal in the fortunes of large firms is mirrored among smaller firms, including hedge funds. Consequently, finance sector tax payments in the first half of the fiscal year have been weaker than expected, and are forecast to remain weak in the second half. On a bright note, overall business tax payments have been supported by a broad recovery in the non-finance sector.

Business income tax revenues are forecast to grow 2.9 percent in 2013. Tax payments from the City’s non-finance sector are expected to return to trend growth, reflecting healthy corporate profits and steady growth in the economy. However, finance sector growth is forecast to be dampened by continued financial market volatility, the withdrawal of the government’s unprecedented monetary support and increased financial regulations. The out-year forecast for business tax revenues is characterized by continued trend growth for non-finance sector firms, while payments from the finance sector remain subdued reflecting the aforementioned obstacles. Business income tax revenue is forecast to average growth of 2.6 percent from 2014 through 2016.

Nearly half of all business income taxes are paid by firms through the general corporation tax. Gross collections for the general corporation tax will grow 5.8 percent in 2012 to over \$2.8 billion. General corporation tax gross collections year-to-date through December grew 2.1 percent over the prior year. Tax payments from finance sector firms have declined year-to-date from last year; this was offset by growth in the non-finance sector, which continues to recover after sharp declines in 2009 and 2010. Growth in gross collections in the second half of the year is forecast to moderate as the finance sector stabilizes and the rebound in the non-finance sector decelerates to trend growth. In 2013, gross collections are forecast to grow 3.2 percent and reflect Wall Street profitability returning to a more sustainable level in calendar year 2012. After two years of rebounding growth, non-finance sector tax payments are expected to rise modestly throughout 2013, tracking the steady growth in the economy. General corporation tax gross collections growth is forecast to average 3.8 percent from 2014 through 2016.

Banking corporation tax gross collections growth is expected to be nearly flat in 2012. Banking corporation tax gross collections are down 19.2 percent year-to-date through December, with the recorded decline attributed to a strong prior year level that included several extraordinary cash payments. Adjusted for those extraordinary payments, gross collections grew more than 10 percent. Despite the underlying strength in payments in the first half of the year, gross collections growth in the second half is forecast to be modest over a strong prior year. As accommodative monetary policy is gradually withdrawn from the nation's financial system, banking corporation tax gross collections are forecast to decline an average of 2.4 percent from 2013 through 2016.

Unincorporated business tax gross collections are forecast to grow 2.7 percent in 2012. Year-to-date through December, unincorporated business tax gross collections declined 3.9 percent. This is largely attributed to a greater than 10 percent decline in finance sector tax payments, reflecting the overall poor performance of the hedge fund industry throughout calendar year 2011. The observed weakness in the financial sector has been partially offset by other non-finance firms which continue to make healthy payments as a result of the general improvement in the local economy. In 2013, unincorporated business tax gross collections are forecast to grow 4.7 percent over the prior year, following solid growth in the economy. Unincorporated business tax gross collections growth is forecast to average 3.9 percent from 2014 through 2016.

Sales & Use Tax

Sales tax revenue is forecast to be \$5.867 billion in 2012, growth of 5.0 percent. Taxable consumption, on a common rate and base, is forecast to grow 5.7 percent in 2012, surpassing the height of the pre-recession levels last seen in 2008. This strength in taxable consumption is fueled by the local economic recovery. Sales tax year-to-date through December grew 4.8 percent. The holiday season proved robust as national retail sales in November and December grew about seven percent over the same prior year period (not seasonally adjusted). Consumer confidence has improved for two consecutive months, back to levels last seen in April 2011, as those surveyed felt that the business climate has improved and employment prospects are more favorable. In addition, the mild winter in the City spurred locals and tourists to visit stores to take advantage of holiday discounts. Tourism in the City has continued to boom as calendar year 2011 broke the record set in 2010 by welcoming over 50 million visitors. The weakness of the dollar against foreign currencies allows visitors more purchasing power during their stay in the City, lifting sales tax revenue. For the second half of the fiscal year, moderate growth is forecast to continue as employment growth stabilizes and the pace of tourist spending persists.

In 2013, sales tax revenue is forecast at \$6.066 billion, growth of 3.4 percent. Taxable consumption is forecast to grow moderately, with tourist spending forecast to be more subdued. Sales tax revenue growth is forecast to average 4.1 percent from 2014 through 2016, paralleling the steady growth in the economy.

Hotel Tax

Hotel tax revenue is forecast at \$476 million in 2012, growth of 12.7 percent, and \$70 million over the November 2011 Plan. Year-to-date hotel tax collections through December grew 14.9 percent.

The majority of the forecast increase over the prior plan is due to the extension of the temporary hotel tax rate increase, bringing the hotel tax rate to 5.875 percent from 5.0 percent. The hotel tax rate increase was set to expire on November 30, 2011, but was extended through November 30, 2013. However, the forecast assumes that the higher hotel tax rate continues throughout the plan period. The forecast growth in hotel tax revenue also stems from another record-breaking number of visitors coming to the City in calendar year 2011. The strength in tourism allowed hoteliers to further increase hotel room rates by about six percent in calendar year 2011, after growing 9.2 percent in calendar year 2010 while maintaining high levels of occupancy. The strength in tourism is expected to continue into the first half of calendar year 2012.

In 2013, hotel tax revenue is forecast at \$464 million, a decline of 2.6 percent. The decline is due to the forecast decrease in international visitors stemming from uncertainty created by the European debt crisis and its subsequent impact on the European travel market. Hotel tax revenue is forecast to average growth of 4.5 percent from 2014 through 2016 as the global economy stabilizes.

Utility Tax

Utility tax revenue is forecast at \$401 million in 2012, growth of 1.7 percent. Year-to-date utility tax collections growth has been nearly flat through December, the result of a mild winter decreasing demand for energy used for heating and a decline in the price of natural gas. Subdued utility tax revenue growth is expected for the second half of the fiscal year and reflects the weak outlook for natural gas prices as the production of natural gas exceeds demand. Utility tax revenue is forecast at \$417 million in 2013, growth of 4.0 percent, and to average growth of 3.7 percent from 2014 through 2016.

Cigarette Tax

Cigarette tax revenue is forecast at \$69.9 million in 2012, growth of 0.5 percent. In 2013, cigarette tax revenue is forecast at \$68.7 million, decline of 1.8 percent. From 2014 through 2016, cigarette tax collections are projected to average a decline of 2.4 percent, reflecting the long-term historical trend of decline in the number of packs sold.

Other Taxes

All other tax revenues are forecast at \$510.9 million in 2012, \$24.5 million below the prior year, a decline of 4.6 percent. However, this is an increase of \$44.7 million from the November 2011 Plan. The increase from the November 2011 Plan stems primarily from a \$43.7 million increase in Payments in Lieu of Taxes (PILOTs). In 2013, all other taxes are forecast at \$500.7 million, a decline of 2.0 percent. All other tax revenue growth is forecast to average 0.1 percent from 2014 through 2016.

Tax Audit Revenue

As part of the City's tax enforcement efforts, the Department of Finance vigorously pursues delinquent taxpayers through agency audit activities and computer matches. Tax audit revenue for 2012 is forecast to decrease by \$288.2 million from the prior year, a decline of 29.2 percent. However, this is an increase of \$30 million over the November 2011 Plan. Audit revenue is forecast at \$724 million in 2013 and \$706 million annually from 2014 through 2016.

Tax Revenue Forecast

(\$ in Millions)

	<i>Fiscal Year</i>				
	2012	2013	2014	2015	2016
Real Estate-Related Taxes:					
Real Property	\$17,812	\$18,383	\$18,986	\$19,648	\$20,291
Real Property Transfer	862	908	1,023	1,125	1,155
Mortgage Recording	513	572	670	739	759
Commercial Rent	622	642	663	686	710
Income-Based Taxes:					
Personal Income	7,979	8,529	8,576	9,174	9,555
General Corporation	2,502	2,639	2,719	2,816	2,941
Banking Corporation	1,336	1,281	1,179	1,169	1,224
Unincorporated Business	1,722	1,804	1,876	1,949	2,022
Consumption and Use Taxes:					
Sales and Use	5,867	6,066	6,327	6,600	6,839
Utility	401	417	432	453	465
Hotel	476	464	481	506	529
Cigarette	70	69	67	65	64
All Other	511	501	501	501	502
Subtotal	40,673	42,274	43,500	45,432	47,056
Tax Audit Revenue	700	724	706	706	706
Total	\$41,372	\$42,997	\$44,206	\$46,139	\$47,762
STAR Aid	790	861	859	859	859
Total*	\$42,162	\$43,858	\$45,065	\$46,997	\$48,621

* Totals may not add due to rounding

Tax Revenue Forecast
All Other Taxes

(\$ in Millions)

	<i>Fiscal Year</i>				
	2012	2013	2014	2015	2016
Excise Taxes:					
Off-Track Betting (Dividend)	\$—	\$—	\$—	\$—	\$—
OTB Surtax	1.3	1.3	1.3	1.3	1.3
Horse Race Admissions	—	—	—	—	—
Beer and Liquor	24.0	24.0	24.0	24.0	24.0
Liquor License	5.0	5.0	5.0	5.0	5.0
Auto-Related Taxes:					
Commercial Motor Vehicle	48.8	50.1	50.1	50.1	50.1
Auto Use	29.0	29.0	29.0	29.0	29.0
Taxi Medallion	8.0	8.0	8.0	8.0	8.0
Miscellaneous Taxes:					
Section 1127 (Waiver)	120.9	120.9	120.9	120.9	120.9
PILOTs	260.9	249.4	249.7	250.0	250.3
Other Tax Refunds	(29.0)	(29.0)	(29.0)	(29.0)	(29.0)
Penalties and Interest:					
P&I - Real Estate Current Year	15.0	15.0	15.0	15.0	15.0
P&I - Real Estate Prior Year	30.0	30.0	30.0	30.0	30.0
P&I - Other (Refunds)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)
Total All Other Taxes*	\$510.9	\$500.7	\$501.0	\$501.3	\$501.6

* Totals may not add due to rounding

CAPITAL PROGRAM

The Modified Capital Commitment Plan for Fiscal Years 2012-2015 authorizes agencies to commit \$35.1 billion, of which \$27.9 billion will be City-Funded. City funds include proceeds of bonds issued by the City Municipal Water Finance Authority and the New York City Transitional Finance Authority as well as City general obligation bonds.

The targeted level for City-funded commitments is \$9.0 billion in Fiscal Year 2012. The aggregate agency-by-agency authorized commitments of \$12.4 billion exceed the Fiscal Year Financial Plan by \$3.4 billion. Excess authorizations in this proportion have proven necessary to achieve commitment spending targets by accommodating such factors as scope changes and delays.

The Capital Program Since 2008

The following table summarizes capital commitments over the past four years.

FY 2008-2011 Commitments Plan

(\$ in Millions)*

	2008		2009		2010		2011	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Environmental Protection								
Equipment	\$149	\$150	\$174	\$174	\$137	\$237	\$100	\$98
Sewers	200	200	164	164	\$127	\$134	\$178	\$190
Water Mains, Sources & Treatment	1,839	1,838	663	663	\$660	\$660	\$602	\$602
Water Pollution Control	843	842	944	936	\$1,315	\$1,530	\$354	\$361
Water Supply	20	20	237	237	89	89	1	1
Subtotal	\$3,051	\$3,051	\$2,182	\$2,175	\$2,327	\$2,650	\$1,235	\$1,252
Transportation								
Mass Transit	\$40	\$40	\$71	\$71	\$100	\$117	\$130	\$130
Bridges	443	783	338	513	532	1,165	137	137
Highways	325	360	226	334	375	437	296	333
Subtotal	\$808	\$1,184	\$635	\$918	\$1,007	\$1,719	\$562	\$600
Education								
Education	\$1,127	\$3,205	\$991	\$2,656	\$1,123	\$2,265	\$953	\$1,787
Higher Education	129	132	205	210	29	31	58	58
Subtotal	\$1,255	\$3,337	\$1,196	\$2,866	\$1,152	\$2,296	\$1,011	\$1,845
Housing And Economic Development								
Economic Development	\$380	\$398	\$300	\$373	\$399	\$461	\$143	\$190
Housing	351	453	243	358	192	293	258	343
Subtotal	\$731	\$851	\$543	\$730	\$591	\$754	\$400	\$533
Administration Of Justice								
Correction	\$6	\$6	\$40	\$40	\$68	\$68	\$69	\$69
Courts	540	540	11	11	77	77	97	97
Police	101	101	146	146	805	805	80	80
Subtotal	\$647	\$647	\$197	\$197	\$950	\$950	\$246	\$246
City Operations & Facilities								
Cultural Institutions	\$211	\$212	\$426	\$430	\$319	\$338	\$149	\$161
Fire	121	153	71	71	120	136	90	94
Health & Hospitals	231	231	281	281	175	175	279	286
Parks	507	545	504	551	519	542	367	396
Public Buildings	165	165	141	141	91	91	116	116
Sanitation	172	173	170	171	503	503	319	320
Technology & Equipment	864	864	656	664	1,035	1,033	462	475
Other	246	294	261	336	225	276	132	248
Subtotal	\$2,517	\$2,638	\$2,510	\$2,644	\$2,986	\$3,094	\$1,914	\$2,097
Total Commitments	\$9,008	\$11,707	\$7,264	\$9,531	\$9,014	\$11,463	\$5,369	\$6,575
Total Expenditures	\$6,310	\$9,005	\$7,248	\$10,044	\$9,824	\$10,536	\$8,602	\$9,099

* Note: Individual items may not add to totals due to rounding.

FY 2012-2015 Commitments Plan

(\$ in Millions)*

	2012		2013		2014		2015	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Environmental Protection								
Equipment	\$100	\$101	\$115	\$115	\$201	\$201	\$79	\$79
Sewers	544	546	254	254	226	226	197	197
Water Mains, Sources & Treatment	930	1,081	686	745	303	303	172	172
Water Pollution Control	891	902	417	447	697	697	447	447
Water Supply	141	141	466	466	204	204	456	456
Subtotal	\$2,605	\$2,772	\$1,937	\$2,026	\$1,632	\$1,632	\$1,351	\$1,351
Transportation								
Mass Transit	\$194	\$252	\$100	\$100	\$100	\$100	\$100	\$100
Bridges	255	628	344	492	197	307	141	269
Highways	473	666	442	635	219	284	174	181
Subtotal	\$922	\$1,545	\$886	\$1,227	\$516	\$691	\$416	\$550
Education								
Education	\$1,408	\$2,631	\$1,086	\$1,982	\$1,227	\$2,375	\$891	\$1,686
Higher Education	239	244	43	44	3	3	3	3
Subtotal	\$1,647	\$2,875	\$1,129	\$2,026	\$1,229	\$2,377	\$893	\$1,688
Housing And Economic Development								
Economic Development	\$847	\$996	\$338	\$338	\$29	\$29	\$40	\$40
Housing	487	627	310	439	251	351	181	251
Subtotal	\$1,334	\$1,623	\$648	\$777	\$281	\$380	\$220	\$291
Administration Of Justice								
Correction	\$291	\$291	\$131	\$131	\$536	\$536	\$17	\$17
Courts	112	112	66	66	28	28	39	39
Police	197	197	105	105	71	71	81	81
Subtotal	\$600	\$600	\$302	\$302	\$636	\$636	\$137	\$137
City Operations & Facilities								
Cultural Institutions	\$382	\$421	\$198	\$198	\$30	\$30	\$14	\$14
Fire	214	222	83	83	31	31	37	37
Health & Hospitals	843	855	237	240	36	36	21	21
Parks	858	1,054	290	296	74	74	117	117
Public Buildings	479	479	303	303	45	45	36	36
Sanitation	653	660	240	240	79	79	133	133
Technology & Equipment	1,120	1,151	615	615	139	139	81	81
Other	779	993	215	354	127	364	108	165
Subtotal	\$5,327	\$5,836	\$2,181	\$2,328	\$561	\$798	\$546	\$603
Total Commitments	\$12,434	\$15,251	\$7,082	\$8,686	\$4,854	\$6,514	\$3,564	\$4,621
Reserve For Unattained Commitments	(\$3,441)	(\$3,441)	\$436	\$436	\$254	\$254	\$540	\$540
Commitment Plan	\$8,993	\$11,810	\$7,518	\$9,122	\$5,108	\$6,768	\$4,104	\$5,161
Total Expenditures	\$7,463	\$9,410	\$6,872	\$8,725	\$6,758	\$8,584	\$6,165	\$7,844

* Note: Individual items may not add to totals due to rounding.

The Department of Design and Construction

The Department of Design and Construction was created in October 1995 by Local Law 77, which authorized it to assume responsibility for construction projects performed by the departments of Transportation, Environmental Protection and General Services. The Department delivers the City's construction projects in an expeditious, cost-effective manner, while maintaining the highest degree of architectural, engineering and construction quality. The Department performs design and construction functions related to streets and highways; sewers; water mains; correctional and court facilities; cultural buildings; libraries; and other public buildings, facilities and structures.

The consolidation of design and construction into a single agency allows for the elimination of duplicative program units within agencies; the standardization of construction procedures and practices; the implementation of reforms of current practices relating to procurement for construction projects; and the expansion of the use of construction-related technology, such as Computer-Aided Drafting and Design (CADD); and a project management information system. The Department also enables the City to coordinate a wide variety of construction projects with utilities, community representatives, and private industry, thus minimizing the disruption to individual neighborhoods caused by water-main projects, sewer construction, and road work, as well as reducing the costs associated with such projects. The Department of Design and Construction serves 22 client agencies.

Capital Asset Inventory and Maintenance Program

The Charter mandates an annual assessment of the City's major assets, including buildings, piers, bulkheads, bridges, streets and highways, and the preparation of state of good repair needs for these assets. The annual report, used by agencies for capital planning purposes, includes, as a separate volume, a reconciliation of the amounts recommended in the condition assessment with amounts funded in the budget.

Value Engineering

For the past 28 years, the Mayor's Office of Management and Budget (OMB) has successfully used several review and assessment tools of value management as a means of maximizing the City's return on investment. These include the value engineering and value analysis methodologies, defined below:

Value Engineering (VE) systematically reviews construction designs, costs and functions for the purpose of achieving the most effective project at the lowest life-cycle cost for both capital and operating expenses. Value Engineering is conducted on selected major capital projects at an early enough phase to confirm that their scope includes all required elements, to identify potential problems and to incorporate solutions and recommendations into the design.

Value Analysis (VA) fundamentally redesigns key operational functions to effect increased efficiency and improvements. Value analysis is applied to the review of the City's operational processes and procedures to assist agencies in streamlining their operations.

In its role as technical support, the Value Engineering Unit is able to provide expertise otherwise unavailable in-house, both at OMB and other agencies. Working with a VE team of outside consultants and experts, along with input from agency clients, the VE Unit is able to review capital projects and operational processes, and greatly contribute to the effectiveness of how the City conducts its business and manages its resources. This truly collaborative effort also provides a forum to address the concerns of the interested parties. Recommendations stemming from VE reviews enable agency policy makers to make an informed assessment on the viability of a project's scope, cost and schedule, which often result in substantial construction cost savings. In many cases it also results in improved designs and future operational savings.

Projects earmarked for future VE reviews include bridges, dams, cultural institutions, water treatment facilities and hospitals.

Value Analysis has provided agencies with new operational and functional processes for existing programs, and often offers a new paradigm for providing services. One of the essential goals of Value Analysis is to provide a structure within which a client agency's operations can be reviewed and changed by those closest to the process with support from the decision-makers charged with performing the agency's mission. This process also creates internal champions for change which can support the likelihood of success.

OMB continues to be on the forefront in Value Management (VM). The City's VM program has provided agencies with a management tool that allows participation in the decision-making process by personnel at various levels, thereby adding collaborative and constructive input to the overall "big picture" scope of projects.

FINANCING PROGRAM

The City's financing program projects \$32 billion of long-term borrowing for the period 2012 through 2016 to support the City's current capital program. The portion of the capital program not financed by the New York City Municipal Water Finance Authority (NYW or the Authority) will be split between General Obligation (GO) bonds of the City and the Transitional Finance Authority (TFA). Figures below do not include state funded financing for education capital purposes through TFA Building Aid Revenue Bonds (BARBs):

Financing Program

(\$ in Millions)

	2012	2013	2014	2015	2016	Total
City General Obligation Bonds	\$2,725	\$2,500	\$2,570	\$2,400	\$2,140	\$12,335
TFA Bonds ⁽¹⁾	2,600	2,500	2,570	2,400	2,140	12,210
Water Authority Bonds ⁽²⁾	2,101	1,655	1,444	1,175	1,147	7,522
Total	\$7,426	\$6,655	\$6,584	\$5,975	\$5,427	\$32,067

(1) TFA Bonds do not include BARBs issued for education capital purposes. TFA expects to issue \$300 million in the remainder of 2012, and \$1.08 billion, \$1.16 billion, \$1.06 billion and \$973 million of such bonds in fiscal years 2013 through 2016, respectively.

(2) Includes commercial paper and revenue bonds issued for the water and sewer system's capital program. Figures do not include bonds that defease commercial paper or refunding bonds.

The following three tables show statistical information on debt issued and expected to be issued by the financing entities described above, other than BARBs to be issued by the TFA.

Debt Outstanding

(\$ in Millions at year end)

	2012	2013	2014	2015	2016
City General Obligation Bonds	\$42,520	\$42,840	\$43,190	\$43,253	\$43,024
TFA Bonds ⁽¹⁾	20,925	22,622	24,404	25,897	27,058
TSASC Bonds	1,249	1,238	1,226	1,214	1,201
Conduit Debt	1,772	1,698	1,616	1,534	1,445
Total	\$66,466	\$68,398	\$70,437	\$71,898	\$72,728
Water Authority Bonds	\$28,192	\$29,576	\$30,687	\$31,539	\$32,268

(1) Figures above do not include state funded financing for education capital purposes through the TFA Building Aid Revenue Bonds (BARBs)

Annual Debt Service Costs

(\$ in Millions, Before Prepayments)

	2012	2013	2014	2015	2016
City General Obligation Bonds ⁽¹⁾	\$3,857	\$4,243	\$4,500	\$4,677	\$4,762
TFA Bonds ⁽²⁾	1,510	1,719	1,975	2,173	2,356
TSASC Bonds	74	74	74	74	74
Conduit Debt ⁽³⁾	245	316	321	313	319
Total Debt Service	\$5,686	\$6,352	\$6,871	\$7,237	\$7,509
Water Authority Bonds ⁽⁴⁾	\$1,418	\$1,585	\$1,765	\$1,812	\$1,966

(1) Includes interest on short-term obligations (RANs).

(2) Figures above do not include state funded financing for education capital purposes through the TFA Building Aid Revenue Bonds (BARBs).

(3) Conduit Debt debt service includes interest on the \$3 billion Hudson Yards Infrastructure Corporation (HYIC) debt issued in December 2006 and November of 2011. Such debt is not included in the "Debt Outstanding" table above because the City is not required to pay principal of the HYIC debt.

(4) Includes First Resolution debt service and Second Resoluiton debt service net of subsidy payments from the NYS Environmental Facilities Corporation.

Debt Burden

	2012	2013	2014	2015	2016
Total Debt Service ⁽¹⁾ as % of:					
a. Total Revenue ⁽²⁾	8.3%	9.1%	9.9%	10.1%	10.2%
b. Total Taxes ⁽³⁾	13.3%	14.3%	15.1%	15.2%	15.3%
c. Total NYC Personal Income	1.3%	1.4%	1.4%	1.5%	1.4%
Total Debt Outstanding ⁽¹⁾ as % of:					
a. Total NYC Personal Income	14.7%	14.7%	14.6%	14.3%	13.9%

(1) Total debt service and debt outstanding include GO, conduit debt and TFA.

(2) Total revenue includes amounts required to pay debt service on TFA bonds other than BARBs (PIT Bonds) and operating expenses.

(3) Total tax includes amount required to pay debt service on PIT Bonds and TFA operating expenses.

The financing of the City capital program is split among GO, TFA and NYW bond issuance. The City and TFA will issue \$12.3 billion and \$12.2 billion, respectively, during the plan period. The City issuance supports 38 percent of the total, while TFA issuance supports 38 percent of the total. NYW's annual bonding amount, excluding refundings, will average approximately \$1.5 billion. The aggregate NYW financing during the plan period will account for 24 percent of the total financing program.

In spite of continuing volatility and uncertainty in the financial markets, the City, TFA, and NYW have enjoyed continued market access which has allowed the City's capital program to continue to be financed at reasonable interest rates. All of the issuers financing the City capital program have maintained credit ratings in the AA or better category by Moody's, Standard & Poor's, and Fitch, as indicated in the table below.

Ratings

Issuer	Fitch	Moody's	Standard and Poor's
NYC GO	AA	Aa2	AA
TFA Senior	AAA	Aaa	AAA
TFA Subordinate	AAA	Aa1	AAA
TFA BARBs	AA-	Aa3	AA-
NYW First Resolution	AA+	Aa1	AAA
NYW Second Resolution	AA+	Aa2	AA+
EFC Senior SRF Bonds	AAA	Aaa	AAA
EFC Subordinated SRF Bonds	AA+	Aa1	AA+

New York City General Obligation Bonds

Since July 1, 2011, the City has issued approximately \$200 million in refunding bonds and \$1.5 billion in bonds for capital purposes, totaling approximately \$1.7 billion. The dates and principal amounts are as follows:

NYC GO Issuances

(\$ in Millions)

Series	(N)ew Money/ (R)efunding	Issue Date	Tax Exempt Amount	Taxable Amount	Total Par Amount
2012 A	N	8/9/2011	\$690	\$85	\$775
2012 BC	R	8/9/2011	200	0	200
2012 D	N	10/13/2011	655	65	720
Total			\$1,545	\$150	\$1,695

The \$200 million refunding transaction the City has completed to date in fiscal year 2012 generated approximately \$12 million of debt service savings during the financial plan period.

In addition to the total issuance mentioned above, the City reoffered approximately \$150 million of floating rate bonds in a fixed rate mode in order to manage expiring bank facilities supporting that debt. Much of that bank capacity was redeployed on new debt issued concurrently with the reoffering. This enabled the City to maintain the benefit of floating rate exposure, which is discussed later.

In addition to the financings described above, the City plans to issue \$1.23 billion of GO bonds for capital purposes in the remainder of 2012 and \$2.5 billion, \$2.57 billion, \$2.4 billion and \$2.14 billion in 2013 through 2016, respectively.

Currently the debt service for the City, TFA (excluding BARBs), and City appropriation debt, or conduit debt, excluding the effect of pre-payments, is 8.3 percent of the City's total budgeted revenues in 2012. That ratio is projected rise to 10.2 percent in 2016. As a percentage of tax revenues, the debt service ratio is 13.3 percent in 2012 and is projected to increase to 15.3 percent in 2016.

In 2012, the City did not require a note issuance to satisfy cash flow needs. The City's financing program assumes the issuance of \$2.4 billion of notes annually through the remainder of the financial plan.

New York City Related Issuers - Variable Rate Debt

Floating rate bonds have been a reliable source of cost savings in the City's capital program. In considering the proportion of the City's debt which is in variable rather than fixed rates, it is useful to consider all sources of financing with the exception of NYW, which is typically considered separately for such purposes. Included would be not only City GO bonds but also TFA, TSASC bonds and conduit debt. The City and its related entities have approximately \$9.9 billion of floating rate exposure.

While bank facilities supporting floating rate debt have become more scarce and expensive, the City and other issuers supporting the City capital program have maintained, and even increased floating rate exposure to minimize interest costs. The City and related financing entities have managed bank facility expirations by obtaining renewals from existing providers or replacement facilities from new providers. In addition, the City and related financing entities have explored new floating rate structures not requiring bank facilities. In the prior fiscal year, the City and TFA entered into four private placements of index floating rate bonds bearing all-in costs comparable to publicly sold variable rate demand bonds with bank facilities. The City and TFA continue to explore these and other debt instruments which confer the benefit of floating rate exposure.

The City has not entered into any new interest rate swaps to date in fiscal year 2012. The City did, however, terminate three interest rate swaps for which the City received over \$40 million. The total notional amount of swaps outstanding as of December 31, 2011 was \$2.06 billion, on which the termination value was negative \$220 million. This is the theoretical amount which the City would pay if all of the swaps terminated under market conditions as of December 31, 2011.

The following table shows the City's and its related issuers' floating rate exposure. Floating rate exposure is of note because certain events can cause unexpected increased costs. Those events include rising interest rates, a change in the tax code (in the case of tax-exempt debt), and the deterioration of the City's credit. Additionally, the deterioration of the credit of a related credit or liquidity provider can also have an impact on interest cost. By contrast, the cost of outstanding fixed rate debt does not increase if any of the previously mentioned events takes place. On the other hand, fixed rate borrowing locks in a higher borrowing cost if interest rates do not change materially or if they decline. Overall, floating rate exposure benefits the City because it reduces the cost of financing. In short, interest costs on short term debt are almost always lower than long term debt. The City has assumed floating rate exposure using a variety of instruments, including tax exempt floating rate debt, taxable floating rate debt, synthetic floating rate debt through total return swaps, basis swaps, and certain types

of synthetic fixed rate debt. The basis swaps and certain synthetic fixed rate debt provide exposure to changes in the tax code but are largely insensitive to changes in interest rates and changes in the City's credit. Given that those instruments provide only limited floating rate exposure, they are counted as variable rate exposure at less than the full amount of par or notional amount. Instruments that provide exposure only to changes in the tax code are counted at 25 percent of par or notional amount in the table below. Since an agreement to enter into a swap in the future, at the counterparty's option (a swaption), is a contingent liability, the swaptions which the City has entered into are not counted as floating rate exposure.

NYC Floating-Rate Exposure⁽¹⁾

(\$ in Millions)

	GO	TFA	Lease	TSASC	Total
Natural VRDB & Auction Rate Bonds	\$6,041	\$3,301	\$30	\$0	9,373
Synthetic Fixed	226	—	31	—	257
Taxable Basis Swap	139	—	—	—	139
Enhanced Basis Swap	125	—	—	—	125
Total Floating-Rate	\$6,531	\$3,301	\$61	\$0	\$9,893
Total Debt Outstanding	\$42,520	\$20,925	\$1,772	\$1,249	\$66,466
% of Floating-Rate / Total Debt Outstanding					14.9%
Total Floating-Rate Less \$5.17 Billion Balance in General Fund (Floating-Rate Assets)					4,722
% of Net Floating Rate / Total Debt Outstanding					7.1%

(1) Debt Outstanding as of the February 2012 Plan excluding NYW, HYIC, and TFA BARBs

The 14.9 percent floating rate exposure, including the risk from the synthetic fixed rate swaps, the basis swaps, and the total return swaps, is even more manageable after taking into account the 10 year average balance of \$5.17 billion of short-term assets in the City's General Fund which are an offset to these floating rate liabilities. Net of these floating rate assets, the floating rate exposure of the City, excluding NYW, is 7.1 percent of its outstanding debt. Moreover, the City uses conservative assumptions in budgeting expenses from floating rate instruments.

During fiscal year 2012, short-term interest rates relating to the \$9.4 billion of floating rate debt have been 0.20 percent on average for tax-exempt and 1.5 percent for taxable floating rate debt. These rates have continued to provide extremely attractive financing costs relative to fixed rate debt despite the recent market turmoil. Tax exempt floating rate debt has traded recently at rates that are approximately 400 basis points lower than those for long term fixed-rate debt, resulting in an annual savings of over \$375 million.

The New York City Municipal Water Finance Authority

The New York City Municipal Water Finance Authority (NYW) was created in 1985 to finance capital improvements to the City's water and sewer system. Since its first bond sale in November 1985, the Authority has sold \$48 billion in bonds. These bond issuances included a combination of general (first) resolution, second general resolution and subordinated special resolution crossover refunding water and sewer system revenue bonds. Of this aggregate bond par amount, \$27.7 billion is outstanding, \$16.7 billion was refinanced with lower cost debt, \$1.019 billion was defeased with Authority funds prior to maturity, and \$4 billion was retired with revenues as it matured.

In addition to this long-term debt, NYW uses an \$800 million tax-exempt commercial program as a source of flexible short-term financing. The commercial paper includes \$400 million of unenhanced extendible municipal commercial paper (EMCP) notes and \$400 million of notes backed by lines of credit from three banks.

NYW's outstanding debt also includes floating rate bonds, which have been a reliable source of cost effective financing. NYW has \$3.1 billion of floating rate bonds or 11% of its outstanding debt, including \$401 million which was swapped to a fixed rate. NYW's floating rate exposure primarily includes tax-exempt floating rate debt supported by liquidity facilities, and \$200 million of synthetic variable rate debt.

NYW participates in the State Revolving Fund (SRF) program administered by the New York State Environmental Facilities Corporation (EFC). The SRF provides a source of long-term below-market interest rate borrowing, subsidized from federal capitalization grants, state matching funds and other funds held by EFC.

On November 19, 2009, EFC entered into an agreement to provide NYW a direct loan in an amount up to \$217.5 million, with funds made available through ARRA. NYW expects to receive these funds to pay for certain capital projects over the next several years. As of December 31, 2011, NYW has drawn on \$72.7 million of the loan.

On September 22, 2011, NYW issued \$450,900,000 of new money and refunding tax-exempt fixed rate Second Resolution bonds, Fiscal 2012 Series AA Bonds. The new money bonds included a term bond maturing in 2044. The refunding bonds refunded portions of NYW's outstanding First Resolution 2001C and 2002G bonds. The refunding bonds included serial bonds maturing from 2032 through 2034.

On September 29, 2011, NYW issued \$200 million of new money adjustable rate tax-exempt bonds under its First General Resolution, Fiscal 2012 Series A-1 and A-2 bonds. The bonds are backed by a standby bond purchase agreement from a bank. These bonds will mature in 2044.

Additionally, on September 29, 2011, EFC entered into an agreement to provide NYW a direct loan in an amount up to \$30 million. NYW expects to receive these funds to pay for certain capital projects over the next several years. As of December 31, 2011, NYW has not drawn on this loan.

On November 29, 2011, NYW issued \$450 million of new money tax-exempt fixed rate Second Resolution Revenue bonds, Fiscal 2012 Series BB. This bond issue included term bonds maturing in 2039 and 2044.

On January 30, 2012, NYW issued \$350 million of new money tax-exempt fixed rate Second Resolution Revenue bonds, Fiscal 2012 Series CC and \$50 million of Fiscal 2012 Series DD bonds. The Series CC bond issue included a term bond maturing in 2045 and the Series DD bond issue included two refundable principal installment bonds maturing in 2018 and 2027.

Summarized in the following table are six bond series that closed to date in Fiscal Year 2012. The proceeds of the bonds refinanced commercial paper previously issued by NYW, paid costs of improvements to the water and sewer system or paid principal and interest on certain of the Authority's outstanding debt and paid the costs of issuance.

NYW Issuance

Series	(N)ew Money/ (R)efunding	Issue Date	Par Amount	True Interest Cost (TIC)	Longest Maturity
2012 Series AA	N / R	9/22/11	\$450,900,000	4.53%	2044
2012 Series AA-1	N	9/29/11	\$100,000,000	0.049% (1)	2044
2012 Series AA-2	N	9/29/11	\$100,000,000	0.036% (1)	2044
2012 Series 1	N	9/29/11	\$30,000,000	0.00%	2016 (2)
2012 Series BB	N	11/29/11	\$450,000,000	4.77%	2044
2012 Series CC & DD	N	1/30/12	\$400,000,000	4.41%	2045

(1) Bonds issued as variable rate demand bonds; rate shown is an average from the issue date through 12/31/2011.

(2) Bond Anticipation Note issued to EFC

NYW is a party to four interest rate exchange agreements (swaps) with a total notional amount of \$621 million. As of December 31, 2011, the mark-to-market value of the swaps was negative \$112.6 million. This is the theoretical amount which NYW would pay if all swaps terminated as of December 31, 2011.

NYW expects to issue approximately \$750 million of new money bonds over the remainder of Fiscal 2012.

During the period from 2012 to 2016, NYW expects to sell an average of approximately \$1.5 billion of new money debt per year. Of this amount, NYW plans to issue a minimum of \$300 million per year through EFC, taking advantage of the interest rate subsidy available for qualifying projects, and minimizing the overall costs of its financing program. NYW expects to issue its remaining new debt in 2012 as fixed rate. After 2012, NYW expects to issue approximately 85 to 90 percent of its new debt per year as fixed rate debt with the remainder issued as variable rate debt, subject to market conditions.

The New York City Transitional Finance Authority

The TFA is a corporate governmental agency constituting a public benefit corporation and instrumentality of the State of New York created by Chapter 16 of the Laws of 1997 in March 1997. The TFA was created to issue debt, primarily secured with the City's personal income tax (PIT), to fund a portion of the capital program of the City. The TFA was originally authorized to issue up to \$7.5 billion of bonds and notes. On September 13, 2001, the TFA was given statutory authority to borrow \$2.5 billion to finance costs related to the September 11th terrorist attack on the City. Most recently, TFA was permitted to have \$13.5 billion of debt outstanding and any amounts over and above that level are subject to the City's remaining debt incurring power under the State constitutional debt limit.

Since July 1, 2011, the TFA has issued approximately \$700 million in refunding bonds and \$900 million in bonds for capital purposes, totaling approximately \$1.6 billion. The dates and principal amounts are as follows:

NYC TFA Issuances

(\$ in Millions)

Series	(N)ew Money/ (R)efunding	Issue Date	Tax Exempt Amount	Taxable Amount	Total Par
2012A	R	8/23/2011	\$450	\$0	\$450
2012BC	R	11/1/2011	250	0	250
2012D ¹	N	11/17/2011	600	300	900
Total			\$1,300	\$300	\$1,600

(1) 2012D is inclusive of \$100 million of QSCB issuance as taxable bonds.

The \$700 million refunding transactions the TFA completed during fiscal year 2012 generated approximately \$50 million of debt service savings during the financial plan period.

In addition to the issuance mentioned above, the TFA reoffered nearly \$1.5 billion of bonds in various rate modes. Of this amount, approximately \$1.2 billion were step coupon bonds which were reoffered in fixed and floating rate modes. The remainder was floating rate bonds reoffered in fixed and floating rate modes in order to address expiring bank facilities.

The TFA plans to issue \$1.7 billion of TFA bonds for capital purposes in the remainder of 2012, and \$2.5 billion, \$2.57 billion, \$2.4 billion and \$2.14 billion in years 2013 through 2016, respectively.

In April 2006, the State enacted legislation authorizing issuance by the TFA of an additional \$9.4 billion of bonds to be used to fund capital costs for the Department of Education. This legislation also provided for the assignment to TFA of State building aid that had previously been paid directly to the City. Since the inception of this financing program, the TFA has issued \$5.6 billion of BARBs to fund the capital program of the Department of Education. The \$5.6 billion is inclusive of \$650 million of BARBs that were issued in December. The TFA plans to issue \$300 million of BARBs for the educational capital program in the remainder of 2012 and \$1.08 billion, \$1.16 billion, \$1.06 billion and \$973 million in 2013 through 2016, respectively.

Hudson Yards Infrastructure Corporation

HYIC issued its second and final issuance of \$1 billion of Senior Bonds in October 2011. In December 2006, HYIC, a not-for-profit local development corporation, issued its first series of bonds in the principal amount of \$2 billion. HYIC was established to provide financing for infrastructure improvements to facilitate economic development on Manhattan's far west side. Improvements include the extension of the No. 7 subway line west and south, construction of a system of parks, streets, and open spaces, as well as the acquisition of development rights over the MTA rail yards. Principal on the HYIC bonds will be repaid from revenues generated by this new development, notably payments-in-lieu-of-property taxes (PILOT) on the commercial development and various developer payments. To the extent these revenues are not sufficient to cover interest payments, the City has agreed to make interest support payments to HYIC subject to appropriation.

Supplemental Information

EXPENDITURE ASSUMPTIONS

The expenditure estimates in the plan reflect the four-year financial plan submitted on November 18, 2011 adjusted for new needs, initiatives in the program to eliminate the gap (PEG's), approved categorical budget modifications through January 26, 2012, and changes in inflation.

Personal Services

The estimates for Personal Services over the five-year period of the plan are as follows:

	(\$ in Millions)				
	2012	2013	2014	2015	2016
Salaries & Wages	\$22,041	\$21,566	\$21,473	\$21,219	\$21,206
Pensions	7,999	8,145	8,078	7,964	8,039
Other Fringe Benefits	8,005	8,335	8,920	9,499	10,123
Retiree Health Benefits Trust	(672)	(1,000)	(1,000)	—	—
Reserve for Collective Bargaining	82	164	323	540	796
Total	\$37,455	\$37,210	\$37,794	\$39,222	\$40,164

Salaries & Wages

The projections for salaries and wages reflect personnel costs associated with current and projected headcount levels assuming implementation of projected PEG initiatives, and also including recognized needs and any wage adjustments from rounds of collective bargaining that have been implemented.

Pensions and Other Fringe Benefits

Pension expenses for 2012 and beyond are based on preliminary estimates prepared by the Office of the Actuary. These estimates reflect a revised set of funding assumptions and methods being recommended by the Chief Actuary as a result of his review of independent audits. The final report of the independent Hay auditor was released in December 2011. The City had set aside a reserve in the financial plan of \$1 billion annually to address the potential costs resulting from the Actuary's recommendations.

Highlights of the proposed changes include a lowering of the actuarial interest rate assumption from 8 percent to 7 percent, the use of updated mortality tables to account for improvements in life expectancy, and other modifications regarding rates of retirement and disability. The Actuary is also implementing a market value restart and switching funding methods to an alternative, but commonly-used method known as the Entry Age Normal Cost Method. Under this method, discrete unfunded liabilities are recognized. The Actuary is proposing to amortize these liabilities over a 22 year period – approximately 7 years more than under the current funding method. The release of the financial plan reserve, the switch to this alternative funding method, and other method changes, offset the cost of the assumption changes over the financial plan period.

Certain components of the Actuary's proposals require approval by the City pension trustees. Other components, such as the change to the actuarial interest rate assumption, require enactment into State law.

The financial plan for pensions also includes savings commencing in 2015 associated with the Governor's proposed pension reforms. These would impact only new City employees hired after legislative enactment of the proposals. Highlights of the Governor's reform proposals include: 1) all new non-uniform employees will be required to work until age 65 to retire and receive a pension; 2) all new employees will contribute 4 percent, 5 percent or 6 percent of pay - the higher rates corresponding to higher salary levels; 3) restrictions on overtime in the salary base used to calculate pensions; 4) cost (or savings) sharing between the City and new employees

if pension contributions fall outside of a set range; and 5) an optional defined contribution plan with a 4 percent employer contribution plus an employer match of up to an additional 3 percent. If enacted, the Governor's pension reform proposals will save the City approximately \$30 billion over the next 30 years.

Total pension expenses for the financial plan are shown below:

	(\$ in Millions)				
	2012	2013	2014	2015	2016
City Actuarial	\$7,877	\$8,015	\$7,942	\$7,820	\$7,891
Non-City Systems	72	77	83	91	94
Non-Actuarial	50	53	53	53	54
Total	\$7,999	\$8,145	\$8,078	\$7,964	\$8,039

Social Security cost estimates reflect the projected tax rates and wage ceilings issued by the Social Security Administration as well as planned payroll adjustments. Unemployment Insurance costs are consistent with the statutory maximum weekly benefit levels and planned payroll levels. Workers' Compensation costs are consistent with the compensation rate schedule mandated by State law and the projected growth in medical costs. Health insurance estimates reflect current levels of coverage based on the latest population and premium data available from the City's health insurance providers. The financial plan also reflects a drawdown of approximately \$2.7 billion from the Retiree Health Benefits Trust over a three year period: \$672 million in 2012, \$1 billion in 2013 and \$1 billion in 2014.

Reserve for Collective Bargaining

The Reserve for Collective Bargaining contains funding for the cost of undistributed collective bargaining increases. The reserve contains funding for unsettled non-uniformed employees for the 2006-2008 round of bargaining. The reserve also contains funding for wage increases beyond the 2008-2010 round assumed to be 1.25 percent per year beginning three years after the expiration of the 2008-2010 round of bargaining.

Other Than Personal Services

The following items are included in this category:

	(\$ in Millions)				
	2012	2013	2014	2015	2016
Administrative OTPS	\$17,616	\$16,946	\$17,393	\$17,729	\$17,895
Public Assistance	1,409	1,345	1,365	1,365	1,365
Medical Assistance	6,275	6,321	6,458	6,638	6,735
Health and Hospitals Corp.	201	166	165	164	164
Covered Agency Support & Other Subsidies*	2,937	2,987	3,206	3,424	3,651
City Debt Service*	5,612	6,278	6,797	7,163	7,436
General Reserve	100	300	300	300	300
Prepayment Adjustments	(2,445)	(1,297)	—	—	—
Total	\$31,705	\$33,046	\$35,684	\$36,783	\$37,546

* Numbers adjusted for prepayments

Administrative OTPS

The estimates in this category include new needs in the baseline. For 2013 through 2016, most expenditures have been increased to reflect the effect of inflation. The inflation adjustment, which is shown in a citywide account, represents an annual 2.5 percent increase in 2013 through 2016. However, for 2013-2016 the Agency PEG Program includes a \$55.5 million reduction to the inflation adjustment. Baseline costs for energy and lease requirements are shown in the appropriate operating agency, while out-year inflationary costs are primarily shown in citywide accounts as noted in the following two sections.

Energy

The financial plan for 2012 through 2016 reflects current projections for energy related purchases. Gasoline and fuel costs are expected to increase by \$39 million between 2012 and 2016. Heat, light and power is expected to increase by \$127 million between 2012 and 2016.

Usage adjustments are held constant, with the exception of varying workload adjustments, the privatization initiative in the In-Rem / DAMP program, and the annualization of 2012 adjustments, where applicable.

The annual cost projections are as follows:

	Energy Costs				
	(\$ in Millions)				
	2012	2013	2014	2015	2016
Gasoline	\$114	\$121	\$122	\$124	\$126
Fuel Oil	133	152	154	157	160
HPD-In Rem / DAMP	8	8	8	8	7
HPD-Emergency Repairs	3	3	3	3	3
Heat, Light and Power	816	843	893	924	943
Total	\$1,074	\$1,127	\$1,180	\$1,216	\$1,239

Leases

Agency baseline expenditures carry the cost of leases at a constant level for 2013 through 2016 with the exception of the annualization of 2013 adjustments where applicable. A citywide adjustment for 2013 through 2016 provides for the increased cost of leases based on a 3.0 percent annual inflator. The four-year projection includes \$855 million for leases in 2013, \$917 million in 2014, \$944 million in 2015, and \$973 million in 2016. Of these amounts, the citywide adjustment is \$25 million, \$87 million, \$114 million and \$143 million respectively in 2013 through 2016.

Public Assistance

The financial plan for Public Assistance projects 361,900 persons will be on Public Assistance in June 2012 and remain at that level for the balance of the four-year plan.

Medical Assistance

The financial plan for Medicaid assistance funds 3.0 million eligibles including 2.3 million enrolled in Medicaid Managed Care. NYC Medicaid expenditures were capped as a result of the 2005-2006 State Budget. The Medicaid budget growth is capped at 3 percent. In 2013, the City anticipates a budget of \$6.2 billion in City Tax Levy.

Health and Hospitals Corporation

The City support for the Health and Hospitals Corporation reflects the costs incurred by HHC in providing healthcare to prison inmates and uniformed service employees, as well as other City services. The 2013 City support is budgeted at \$165.8 million. Affiliation costs start with a baseline of \$902.3 million in 2013 and increase 3 percent annually. The full assumptions underlying the plan are set forth in the covered organization submissions for the Health and Hospitals Corporation.

Covered Agency Support and Other Subsidies

Included in this category are the contributions made by the City to the Transit Authority, Housing Authority, Libraries and various Cultural Institutions. Also included in this category are the estimated projections for the cost of Judgements and Claims.

General Reserve

The General Reserve is projected at \$100 million for 2012 and \$300 million for 2013-2016 to provide for uncontrollable increases in expenditures as well as shortfalls in revenue. The General Reserve has been increased above the required \$100 million to allow for any further uncertainties that may occur in the future.

Debt Service

Debt Service projections estimate payments of debt service on currently outstanding City, Transitional Finance Authority (TFA) and Lease debt and future issuances in accordance with the financing program for 2012-2016. Actual debt service payments in these years will be affected by the timing of such issuances as well as market conditions. Projections of debt service on debt to be issued are based on estimates of the periods of probable usefulness of the expenditures to be financed for the City.

A Budget Stabilization account has been established for the prepayment of future years' debt service costs. Funding of \$1.3 billion in 2012 has been provided for this purpose.

The details of the program are provided in the Capital and Financing Section. The baseline debt service estimates are as follows:

	(\$ in Millions)							
	Long Term	Short Term	Lease Purchase	Budget Stabilization	Total City and Lease	TFA	Prepayment Adjustment	Total City, Lease and TFA
2012	\$1,069	\$—	\$245	\$1,297	\$2,611	\$720	\$2,281	\$5,612
2013	2,929	18	316	—	3,263	1,718	1,297	6,278
2014	4,426	75	321	—	4,822	1,975	—	6,797
2015	4,602	75	313	—	4,990	2,173	—	7,163
2016	4,687	75	318	—	5,080	2,356	—	7,436

NEW YORK CITY
Five Year Expenditure Analysis

(All Funds - \$ in Millions)

	2012	2013	2014	2015	2016
Uniformed Forces					
Police Department	\$4,940	\$4,613	\$4,605	\$4,604	\$4,603
Fire Department	1,808	1,701	1,651	1,606	1,606
Department of Correction	1,086	1,051	1,060	1,041	1,040
Department of Sanitation	1,334	1,344	1,464	1,462	1,462
Health and Welfare					
Admin. for Children Services	2,915	2,706	2,703	2,703	2,703
Department of Social Services	9,426	9,350	9,474	9,670	9,767
Dept. of Homeless Services	877	768	759	759	759
Dept Health & Mental Hygiene	1,650	1,515	1,506	1,493	1,493
Other Mayoral					
NY Public Library - Research	11	16	16	16	16
New York Public Library	50	77	77	77	77
Brooklyn Public Library	38	59	57	57	57
Queens Borough Public Library	37	57	56	56	56
Department for the Aging	262	233	233	233	233
Department of Cultural Affairs	154	95	95	95	95
Housing Preservation & Dev.	782	561	554	553	553
Dept of Environmental Prot.	1,065	1,020	1,020	1,021	1,021
Department of Finance	229	225	224	224	224
Department of Transportation	817	685	689	689	689
Dept of Parks and Recreation	363	292	300	301	301
Dept of Citywide Admin Srvc	1,179	1,122	1,121	1,121	1,121
All Other Mayoral	1,967	1,671	1,592	1,562	1,549
Major Organizations					
Department of Education	19,451	19,633	20,089	20,315	20,558
City University	811	787	765	763	752
Health and Hospitals Corp.	201	166	165	164	164
Other					
Citywide Pension Contributions	7,999	8,145	8,078	7,964	8,039
Miscellaneous	6,235	6,509	7,285	9,131	10,065
Debt Service	3,330	4,981	6,797	7,163	7,436
Prior Payable Adjustment	(500)	—	—	—	—
General Reserve	100	300	300	300	300
Energy Adjustment	(2)	47	100	136	160
Lease Adjustment	—	25	87	114	143
OTPS Inflation Adjustment	—	—	56	111	167
Elected Officials					
Mayoralty	98	91	89	89	89
All Other Elected	447	411	411	412	412
Total Including Intra-City	\$69,160	\$70,256	\$73,478	\$76,005	\$77,710
Intra/City	1,791	1,531	1,533	1,537	1,542
Total Excluding Intra-City	\$67,369	\$68,725	\$71,945	\$74,468	\$76,168

NEW YORK CITY
Five Year Expenditure Analysis
(City Funds - \$ in Millions)

	2012	2013	2014	2015	2016
Uniformed Forces					
Police Department	\$4,330	\$4,278	\$4,291	\$4,290	\$4,289
Fire Department	1,506	1,460	1,431	1,386	1,386
Department of Correction	1,060	1,033	1,042	1,023	1,023
Department of Sanitation	1,299	1,317	1,437	1,436	1,436
Health and Welfare					
Admin. for Children Services	849	782	784	784	784
Department of Social Services	7,154	7,226	7,342	7,538	7,636
Dept. of Homeless Services	407	391	387	387	387
Dept Health & Mental Hygiene	617	582	580	569	569
Other Mayoral					
NY Public Library - Research	11	16	16	16	16
New York Public Library	50	77	77	77	77
Brooklyn Public Library	36	58	57	57	57
Queens Borough Public Library	36	57	56	56	56
Department for the Aging	142	116	116	116	116
Department of Cultural Affairs	149	94	94	94	94
Housing Preservation & Dev.	63	54	53	53	53
Dept of Environmental Prot.	977	954	955	956	956
Department of Finance	224	220	219	219	219
Department of Transportation	422	431	447	447	447
Dept of Parks and Recreation	251	234	242	242	242
Dept of Citywide Admin Srvces	200	204	203	202	202
All Other Mayoral	1,334	1,232	1,176	1,149	1,131
Major Organizations					
Department of Education	9,127	9,222	9,663	9,889	10,134
City University	553	547	524	522	522
Health and Hospitals Corp.	75	68	67	67	67
Other					
Citywide Pension Contributions	7,840	7,985	7,919	7,805	7,880
Miscellaneous	5,031	5,299	5,923	7,701	8,512
Debt Service	2,863	4,613	6,501	6,870	7,146
Prior Payable Adjustment	(500)	—	—	—	—
General Reserve	100	300	300	300	300
Energy Adjustment	(2)	47	100	136	160
Lease Adjustment	—	25	87	114	143
OTPS Inflation Adjustment	—	—	56	111	167
Elected Officials					
Mayoralty	66	66	65	65	65
All Other Elected	400	382	382	382	383
Citywide Total	\$46,670	\$49,370	\$52,592	\$55,059	\$56,655

Revenue Detail

(\$ in Millions)

	2012	2013	2014	2015	2016
Taxes:					
• Real Property	\$17,812	\$18,383	\$18,986	\$19,648	\$20,291
• Personal Income	7,979	8,529	8,576	9,174	9,555
• General Corporation	2,502	2,639	2,719	2,816	2,941
• Banking Corporation	1,336	1,281	1,179	1,169	1,224
• Unincorporated Business	1,722	1,804	1,876	1,949	2,022
• Sale and Use	5,867	6,066	6,327	6,600	6,839
• Commercial Rent	622	642	663	686	710
• Real Property Transfer	862	908	1,023	1,125	1,155
• Mortgage Recording	513	572	670	739	759
• Utility	401	417	432	453	465
• Cigarette	70	69	67	66	64
• Hotel	476	463	481	506	529
• All Other	511	501	501	501	502
• Tax Audit Revenue	699	723	706	706	706
• State Tax Relief Program - STAR	790	861	859	859	859
Total Taxes	\$42,162	\$43,858	\$45,065	\$46,997	\$48,621
Miscellaneous Revenue:					
• Licenses, Franchises, Etc.	\$547	\$548	\$559	\$563	\$574
• Interest Income	17	19	20	91	156
• Charges for Services	829	863	860	861	861
• Water and Sewer Charges	1,435	1,415	1,436	1,444	1,467
• Rental Income	280	282	290	293	293
• Fines and Forfeitures	790	805	803	802	802
• Miscellaneous	600	1,595	534	506	502
• Intra-City Revenue	1,791	1,531	1,533	1,537	1,542
Total Miscellaneous	\$6,289	\$7,058	\$6,035	\$6,097	\$6,197
Unrestricted Intergovernmental Aid:					
• N.Y. State Per Capita Aid	\$—	\$—	\$—	\$—	\$—
• Other Federal and State Aid	25	—	—	—	—
Total Unrestricted Intergovernmental Aid	\$25	\$—	\$—	\$—	\$—

Revenue Detail

(\$ in Millions)

	2012	2013	2014	2015	2016
Reserve for Disallowance of Categorical Grants	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)
Less: Intra City Revenue	(1,791)	(1,531)	(1,533)	(1,537)	(1,542)
SUB TOTAL CITY FUNDS	\$46,670	\$49,370	\$49,552	\$51,542	\$53,261
Other Categorical Grants	\$1,046	\$913	\$909	\$906	\$892
Inter Fund Agreements	551	509	504	504	504
TOTAL CITY FUNDS & CAPITAL BUDGET TRANSFERS	\$48,267	\$50,792	\$50,965	\$52,952	\$54,657
Federal Categorical Grants:					
• Community Development	\$251	\$227	\$220	\$220	\$220
• Social Services	3,322	3,123	3,120	3,120	3,120
• Education	2,034	1,952	1,932	1,857	1,856
• Other	2,127	1,290	1,219	1,217	1,216
Total Federal Grants	\$7,734	\$6,592	\$6,491	\$6,414	\$6,412
State Categorical Grants:					
• Social Services	\$1,599	\$1,441	\$1,441	\$1,440	\$1,440
• Education	8,116	8,352	8,420	8,495	8,495
• Higher Education	213	214	214	213	214
• Department of Health and Mental Hygiene	571	534	532	532	532
• Other	869	800	842	906	1,024
Total State Grants	\$11,368	\$11,341	\$11,449	\$11,586	\$11,705
TOTAL REVENUE	\$67,369	\$68,725	\$68,905	\$70,952	\$72,774

Full-Time and Part-Time Positions (FTEs)

	12/31/01		6/30/12		6/30/13		6/13 vs 12/01	
	Actual ^{[1][4]}		February Plan		February Plan		Inc/(Dec)	
	Total Funds	City Funds	Total Funds	City Funds	Total Funds	City Funds	Total Funds	City Funds
MAYORAL AGENCIES:								
Uniform Forces:								
Police Department - Uniform	39,297	39,297	34,413	34,309	34,413	34,309	(4,884)	(4,988)
Police Department - Civilian	14,779	14,166	15,861	15,701	15,569	15,511	790	1,345
Fire Department - Uniform	11,120	11,113	10,787	10,779	10,282	10,274	(838)	(839)
Fire Department - Civilian	4,495	4,491	4,848	4,834	4,859	4,848	364	357
Sanitation Department - Uniform	7,957	7,810	7,197	7,056	7,170	7,053	(787)	(757)
Sanitation Department - Civilian	2,265	2,053	2,184	1,999	2,169	2,003	(96)	(50)
Department of Correction - Uniform	10,617	9,874	8,765	8,744	8,854	8,854	(1,763)	(1,020)
Department of Correction - Civilian	1,603	1,488	1,733	1,721	1,735	1,727	132	239
Subtotal	92,133	90,292	85,788	85,143	85,051	84,579	(7,082)	(5,713)
Health and Welfare:								
Social Services	16,836	13,293	14,685	10,642	14,510	10,469	(2,326)	(2,824)
Admin. For Children Services	8,286	8,232	6,695	6,529	6,561	6,395	(1,725)	(1,837)
Homeless Services	2,090	2,081	2,017	1,919	1,937	1,937	(153)	(144)
Health and Mental Hygiene	5,442	4,398	6,545	4,821	5,922	4,659	480	261
Subtotal	32,654	28,004	29,942	23,911	28,930	23,460	(3,724)	(4,544)
Other Agencies:								
Housing Preservation and Development	2,720	645	2,451	517	2,429	499	(291)	(146)
Environmental Protection	5,760	376	6,091	219	6,061	219	301	(157)
Finance	2,685	2,685	2,080	2,068	2,081	2,069	(604)	(616)
Transportation	4,415	2,498	4,932	2,008	4,288	1,998	(127)	(500)
Parks	6,630	6,231	5,475	4,911	4,537	4,080	(2,093)	(2,151)
Citywide Administrative Services	1,879	1,296	2,314	1,443	2,294	1,470	415	174
All Other	18,103	13,776	18,733	15,061	17,824	14,453	(279)	677
Subtotal	42,192	27,507	42,076	26,227	39,514	24,788	(2,678)	(2,719)
Education:								
Department of Education - Pedagogical	112,810	95,407	106,845	90,367	105,728	89,274	(7,082)	(6,133)
Department of Education - Civilian	25,442	22,174	24,437	22,173	24,437	22,173	(1,005)	(1)
City University - Pedagogical	4,273	4,273	5,034	5,013	5,034	5,013	761	740
City University - Civilian	2,300	2,299	2,592	2,582	2,632	2,622	332	323
Subtotal	144,825	124,153	138,908	120,135	137,831	119,082	(6,994)	(5,071)
Total	311,804	269,956	296,714	255,416	291,326	251,909	(20,478)	(18,047)
COVERED ORGANIZATION AND NON-CITY EMPLOYEES								
SUBSTANTIALLY PAID BY CITY SUBSIDIES^[2]								
Health and Hospitals Corporation	37,941	37,941	38,298	38,298	37,748	37,748	(193)	(193)
Housing Authority	14,863	—	12,113	—	12,132	—	(2,731)	—
Libraries	4,428	4,428	3,640	3,640	2,187	2,187	(2,241)	(2,241)
Cultural Institutions ^[3]	1,728	1,728	1,310	1,310	632	632	(1,096)	(1,096)
School Construction Authority	933	933	715	715	715	715	(218)	(218)
New York City Employees Retirement System	368	368	378	378	378	378	10	10
Economic Development Corporation	344	344	430	430	430	430	86	86
Teachers Retirement System	308	308	390	390	390	390	82	82
Police Pension Fund	66	66	138	138	140	140	74	74
All Other	155	155	258	253	259	254	104	99
Subtotal	61,134	46,271	57,670	45,552	55,011	42,874	(6,123)	(3,397)
Total	372,938	316,227	354,384	300,968	346,337	294,783	(26,601)	(21,444)

[1] Adjusted for transfers.

[2] Includes non-city employees paid by City subsidies. For these agencies the December 2001 data reflects staffing as of February 2002.

[3] Includes only those employees of the Cultural Institutions Group paid by city fund subsidies.

[4] Includes restatements for positions formerly funded under vendor contracts and for Education part-time positions not previously included in the city headcount.

Expense Program

Agency PEG Program

(City Funds - \$ in 000's)

	Fiscal Year 2012			Fiscal Year 2013			Fiscal Year 2014		
	Expense	Revenue	Total	Expense	Revenue	Total	Expense	Revenue	Total
UNIFORMED FORCES									
Police	(\$7,897)	(\$399)	(\$8,296)	(\$70,228)	(\$4,385)	(\$74,613)	(\$57,041)	\$—	(\$57,041)
Fire	(12,824)	(3,917)	(16,741)	(23,793)	(14,243)	(38,036)	(23,779)	(15,753)	(39,532)
Correction	(13,194)	(175)	(13,369)	(16,411)	(158)	(16,569)	(16,934)	(188)	(17,122)
Sanitation	(7,578)	(6,787)	(14,365)	(51,046)	(2,907)	(53,953)	(8,902)	(2,907)	(11,809)
HEALTH AND WELFARE									
Admin. for Children's Services	(57,170)	—	(57,170)	(7,898)	—	(7,898)	(7,898)	—	(7,898)
Social Services	(41,361)	(280)	(41,641)	(6,255)	(3,783)	(10,038)	(30,764)	(1,624)	(32,388)
Homeless Services	(2,156)	—	(2,156)	(9,901)	—	(9,901)	(13,195)	—	(13,195)
Youth & Community Dev.	(3,433)	—	(3,433)	(8,991)	—	(8,991)	(8,991)	—	(8,991)
Health & Mental Hygiene	(6,761)	(1,277)	(8,038)	(19,515)	(3,940)	(23,455)	(19,844)	(3,940)	(23,784)
OTHER MAYORAL									
Housing Preservation & Dev.	(4,174)	(187)	(4,361)	(3,076)	(436)	(3,512)	(3,320)	—	(3,320)
Finance	2,410	(10,375)	(7,965)	2,964	(46,470)	(43,506)	2,824	(22,578)	(19,754)
Transportation	(2,028)	(10,294)	(12,322)	(12,496)	(15,994)	(28,490)	(9,420)	(16,860)	(26,280)
Parks & Recreation	(2,687)	—	(2,687)	(8,719)	(13,000)	(21,719)	—	(13,000)	(13,000)
Libraries	(6,067)	—	(6,067)	(13,157)	—	(13,157)	(13,157)	—	(13,157)
Department of Cultural Affairs	(3,056)	—	(3,056)	(6,059)	—	(6,059)	(6,059)	—	(6,059)
Citywide Admin. Services	(1,273)	(15,794)	(17,067)	(3,240)	(155)	(3,395)	(4,315)	(155)	(4,470)
All Other Agencies	(23,225)	(19,597)	(42,822)	(34,024)	(32,028)	(66,052)	(29,915)	(27,652)	(57,567)
MAJOR ORGANIZATIONS									
Education	(147,012)	—	(147,012)	(301,212)	—	(301,212)	(180,462)	—	(180,462)
HHC	—	—	—	(4,265)	—	(4,265)	(4,265)	—	(4,265)
OTHER									
Debt Service	(56,097)	—	(56,097)	(228,807)	—	(228,807)	(29,989)	—	(29,989)
Procurement Savings	—	—	—	(55,519)	—	(55,519)	(55,519)	—	(55,519)
TOTAL AGENCY PROGRAMS	(\$395,583)	(\$69,082)	(\$464,665)	(\$881,648)	(\$137,499)	(\$1,019,147)	(\$520,945)	(\$104,657)	(\$625,602)

Agency PEG Program

(City Funds - \$ in 000's)

	Fiscal Year 2015			Fiscal Year 2016		
	Expense	Revenue	Total	Expense	Revenue	Total
UNIFORMED FORCES						
Police	(\$58,357)	\$—	(\$58,357)	(\$59,249)	\$—	(\$59,249)
Fire	(23,799)	(15,770)	(39,569)	(23,821)	(15,792)	(39,613)
Correction	(17,263)	(220)	(17,483)	(17,614)	(220)	(17,834)
Sanitation	(8,909)	(2,907)	(11,816)	(8,918)	(2,907)	(11,825)
HEALTH AND WELFARE						
Admin. for Children's Services	(7,898)	—	(7,898)	(7,898)	—	(7,898)
Social Services	(6,092)	(1,130)	(7,222)	(6,092)	(1,130)	(7,222)
Homeless Services	(13,195)	—	(13,195)	(13,195)	—	(13,195)
Youth & Community Dev.	(8,991)	—	(8,991)	(8,991)	—	(8,991)
Health & Mental Hygiene	(19,912)	(3,940)	(23,852)	(19,992)	(3,940)	(23,932)
OTHER MAYORAL						
Housing Preservation & Dev.	(3,350)	—	(3,350)	(3,385)	—	(3,385)
Finance	2,824	(23,287)	(20,463)	2,824	(25,096)	(22,272)
Transportation	(9,556)	(17,735)	(27,291)	(9,712)	(18,822)	(28,534)
Parks & Recreation	—	(13,000)	(13,000)	—	(13,000)	(13,000)
Libraries	(13,157)	—	(13,157)	(13,157)	—	(13,157)
Department of Cultural Affairs	(6,059)	—	(6,059)	(6,059)	—	(6,059)
Citywide Admin. Services	(4,342)	(155)	(4,497)	(4,373)	(155)	(4,528)
All Other Agencies	(30,825)	(27,467)	(58,292)	(32,128)	(27,737)	(59,865)
MAJOR ORGANIZATIONS						
Education	(189,212)	—	(189,212)	(122,300)	—	(122,300)
HHC	(4,265)	—	(4,265)	(4,265)	—	(4,265)
OTHER						
Debt Service	(43,733)	—	(43,733)	(14,152)	—	(14,152)
Procurement Savings	(55,519)	—	(55,519)	(55,519)	—	(55,519)
TOTAL AGENCY PROGRAMS	(\$521,610)	(\$105,611)	(\$627,221)	(\$427,996)	(\$108,799)	(\$536,795)

AGENCY FIVE YEAR SUMMARY PROGRAM

Police Department

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$4,109,903	\$4,105,409	\$4,105,416	\$4,105,416	\$4,105,416
PEG Program	(8,296)	(74,614)	(57,041)	(58,358)	(59,250)
Less PEG Program Reflected in Revenue Budget	399	4,385	-	-	-
Expenditure Increases / Re-estimates	227,657	243,234	243,086	243,171	243,233
Financial Plan of 2/02/2012	<u>\$4,329,663</u>	<u>\$4,278,414</u>	<u>\$4,291,461</u>	<u>\$4,290,229</u>	<u>\$4,289,399</u>
<u>Headcount</u>	<i>(City Funded)</i>				
Baseline Per Adopted Plan - 6/29/2011	34,309 U	34,309 U	34,309 U	34,309 U	34,309 U
	14,037 C	14,047 C	14,047 C	14,047 C	14,047 C
Expenditure Increases / Re-estimates	214 C	2 C	-	-	-
Financial Plan of 2/02/2012	<u>34,309 U</u>	<u>34,309 U</u>	<u>34,309 U</u>	<u>34,309 U</u>	<u>34,309 U</u>
	<u>14,251 C</u>	<u>14,049 C</u>	<u>14,047 C</u>	<u>14,047 C</u>	<u>14,047 C</u>

C = Civilian U = Uniform

CITY PEG PROGRAM

Police Department

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>United Nations Reimbursement</u>			(3,338)	(15,338)	--	--	--
The Department anticipates additional revenues associated with the UN Security reimbursement for Federal Fiscal Year 2012.							
<u>Adjusted Athletic Fee Schedule</u>			(399)	(4,385)	--	--	--
The Department will charge traffic control overtime costs, including fringe benefits, for athletic non-charitable events.							
<u>Hiring Freeze Savings</u>			(4,328)	--	--	--	--
The Department will realize savings associated with hiring freeze for non-public safety related titles.							
<u>Recruitment Advertising Budget Reduction</u>			--	(4,544)	(4,544)	(4,544)	(4,544)
Savings associated with reducing the recruitment advertising budget. This initiative leaves \$2 million funding for one recruitment campaign.							
<u>Police Cadet Headcount Reduction</u>			(231)	(347)	(886)	(1,397)	(1,484)
Savings associated with the elimination of the Cadet Program (Non-Housing) via attrition. The final cohort of cadets are projected to attrit by FY 2015.							
<u>Operating Efficiencies - OT Savings</u>			--	(50,000)	(50,000)	(50,000)	(50,000)
Overtime savings associated with operating efficiencies Department wide.							
<u>Operational Efficiencies - Other</u>			--	--	(1,611)	(2,417)	(3,222)
Savings associated with planned investments in arrest and other processing efficiencies.							
Total Agency: CITY PEG PROGRAM			(8,296)	(74,614)	(57,041)	(58,358)	(59,250)

Expenditure Increases/Re-estimates

Police Department

Description	City Personnel * Attrition Layoff		(City Funds in 000's)				
			2012	2013	2014	2015	2016
November							
<u>Restoration of Maintain Operational Strength PEG</u>			5,595	5,595	5,595	5,595	5,595
Restoration of Maintain Operational Strength PEG.							
<u>Restoration of July 08 Academy of 1,000 PEG</u>			--	10,035	10,035	10,035	10,035
Restoration of July 08 Academy of 1,000 PEG.							
<u>Restoration of Historical Uniform Attrition PEG</u>			40,000	40,000	40,000	40,000	40,000
Restoration of Historical Uniform Attrition PEG.							
<u>Restoration of Agency-wide OT Savings PEG</u>			6,459	6,459	6,459	6,459	6,459
Restoration of Agency-wide OT Savings PEG.							
<u>Restoration of Uniform Overtime Reduction PEG</u>			50,000	50,000	50,000	50,000	50,000
Restoration of Uniform Overtime Reduction PEG.							
<u>WTC Substation Funding</u>			862	155	77	--	--
The Department is scheduled to move by early 2012 based on an MOU signed between the Department and Economic Development Corporation. This will serve as a satellite facility for the World Trade Center Command.							
<u>Security Cameras</u>			400	--	--	--	--
Funding for a self-contained camera system within City Hall.							
<u>911 Verizon Contract Delays</u>			3,136	--	--	--	--
Due to the anticipated implementation of the new enhanced 911 telephone system, the Department's budget was reduced by \$6.489 million. Since the system has not yet been implemented, the Department is still making payments to Verizon.							
<u>PS Structural Deficit</u>			111,765	127,476	127,476	127,476	127,476
PS Structural Deficit.							

Expenditure Increases/Re-estimates

Police Department

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Sprint 911 Headcount</u>			250	250	--	--	--
Funding for 2 Computer specialist positions needed to maintain IBM sprint resources.	2	-- C					
<u>Hurricane Irene-related Overtime</u>			998	--	--	--	--
Overtime expenses related to Hurricane Irene.							
<u>Occupy Wall Street-related Overtime</u>			6,283	--	--	--	--
Overtime expenses related to the Occupy Wall Street protests.							
<u>Police Cadet Headcount Reduction - Fringe</u>			14	21	53	83	88
Fringe adjustment associated with the elimination of the Cadet Program (Non-Housing) via attrition.							
<u>Hiring Freeze Savings - Fringe</u>			308	--	--	--	--
Fringe adjustment associated with the hiring freeze PEG.							
<u>Restoration of Maintain Operational Strength PEG - Fringe</u>			(398)	(398)	(398)	(398)	(398)
Fringe adjustment associated with the Restoration of Maintain Operational Strength PEG.							
<u>Restoration of July 08 Academy of 1,000 PEG - Fringe</u>			--	(713)	(713)	(713)	(713)
Fringe adjustment associated with the Restoration of July 08 Academy of 1,000 PEG.							
<u>Restoration of Agency-wide OT Savings PEG - Fringe</u>			(459)	(459)	(459)	(459)	(459)
Fringe adjustment associated with the restoration of Agency-wide OT Savings PEG.							
<u>Operating Efficiencies- OT Savings Fringe</u>			--	3,553	3,553	3,553	3,553
Fringe adjustment associated with operational overtime efficiencies.							
<u>Other Operating Efficiencies - Fringe</u>			--	--	114	172	229
Fringe adjustment associated with other operating efficiencies.							
<u>Member Item Reallocation</u>			(1)	--	--	--	--
Member Item Reallocation							

Expenditure Increases/Re-estimates

Police Department

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
February							
<u>Property and Evidence Tracking System (PETS)</u>			2,395	1,210	1,244	1,318	1,318
<u>Maintenance</u>							
Maintenance costs associated with the Property and Evidence Tracking System (PETS).							
<u>Funding for Criminal Court Summonses</u>			50	50	50	50	50
The Police Department requires funding for the purchase of criminal court summons forms.							
<u>Technical Headcount Adjustment</u>			--	--	--	--	--
Technical Headcount Adjustment	2	-- C					
<u>Budget Headcount Mods From 11/18/2011 to 1/3/2012</u>			--	--	--	--	--
	(2)	-- C					
<u>Budget Headcount Mods From 1/4/2012 to 1/19/2012</u>			--	--	--	--	--
	2	-- C					
<u>Budget Headcount Mods From 1/20/2012 to 1/20/2012</u>			--	--	--	--	--
	(2)	-- C					
Total Agency: Expenditure Increases/Re-estimates	2	-- C	227,657	243,234	243,086	243,171	243,233

AGENCY FIVE YEAR SUMMARY PROGRAM

Fire Department

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$1,452,212	\$1,382,737	\$1,380,484	\$1,379,412	\$1,379,412
PEG Program	(16,741)	(38,036)	(39,532)	(39,569)	(39,613)
Less PEG Program Reflected in Revenue Budget	3,917	14,243	15,753	15,770	15,792
Expenditure Increases / Re-estimates	66,278	100,892	73,870	30,091	30,112
Financial Plan of 2/02/2012	<u>\$1,505,666</u>	<u>\$1,459,836</u>	<u>\$1,430,575</u>	<u>\$1,385,704</u>	<u>\$1,385,703</u>
<u>Headcount</u>	<i>(City Funded)</i>				
Baseline Per Adopted Plan - 6/29/2011	10,779 U	10,274 U	10,274 U	10,274 U	10,274 U
	4,788 C	4,773 C	4,758 C	4,746 C	4,746 C
PEG Program	(44) C	(16) C	(16) C	(16) C	(16) C
Expenditure Increases / Re-estimates	41 C	41 C	41 C	41 C	41 C
Financial Plan of 2/02/2012	10,779 U	10,274 U	10,274 U	10,274 U	10,274 U
	<u>4,785 C</u>	<u>4,798 C</u>	<u>4,783 C</u>	<u>4,771 C</u>	<u>4,771 C</u>

C = Civilian U = Uniform

CITY PEG PROGRAM

Fire Department

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>Per-Diem Surplus</u>			(494)	(494)	(494)	(494)	(494)
The Fire Department will eliminate surplus civilian per-diem funding.							
<u>Elimination of Civilian Vacancies</u>	(48)	-- C	(3,092)	(3,145)	(3,202)	(3,260)	(3,327)
The Fire Department will eliminate 48 existing civilian vacancies, excluding EMS and Fire Prevention.							
<u>EMS Revenue Increase</u>			(3,987)	(3,987)	(3,987)	(3,987)	(3,987)
Based on FY 2011 actuals, EMS revenue is anticipated to be higher than budgeted levels.							
<u>Increase Bureau of Fire Prevention Collections</u>			(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
The Fire Department has generated additional revenue from an increase in inspections based on a full complement of Fire Prevention inspectors.							
<u>Fire Notice of Violation Fine Increases</u>	1	-- C	(465)	(1,394)	(1,394)	(1,394)	(1,394)
The Fire Department will increase fine amounts for several violation codes returnable to the Environmental Control Board.							
<u>Plan Review Fee Increase</u>	4	-- C	(371)	(1,081)	(1,043)	(1,038)	(1,033)
The Department plans to increase the Plan Review fee from \$210 to \$420.							
<u>EMS Ambulance Rate Increase</u>			(3,832)	(15,329)	(15,329)	(15,329)	(15,329)
The Department will raise EMS ambulance transport rates.							
<u>Establish Building Inspection Safety Protocol Fee</u>	14	-- C	--	(7,458)	(8,950)	(8,950)	(8,950)
The Fire Department plans to charge a fee for Building Inspection Safety Protocol inspections.							

CITY PEG PROGRAM

Fire Department

Description	City Personnel *		(City Funds in 000's)						
	Attrition	Layoff	2012	2013	2014	2015	2016		
<p><u>Reduction in Discretionary Uniformed Overtime</u></p> <p>The Department will implement a 15% decrease in uniformed "other" overtime. This category of overtime is discretionary, and includes training, special events, headquarters assignments, etc.</p>			(1,500)	(3,000)	(3,000)	(3,000)	(3,000)		
February									
<p><u>Partial Restoration of Elimination of Civilian Vacancies PEG</u></p> <p>Restoration of funding associated with 13 civilian heads.</p>	13	-- C	--	852	867	883	901		
Total Agency: CITY PEG PROGRAM									
			(16)	-- C	(16,741)	(38,036)	(39,532)	(39,569)	(39,613)

Expenditure Increases/Re-estimates

Fire Department

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>Restoration of Certified First Responder (CFR) Recertification for Uniform Personnel on Straight Time PEG.</u>			--	6,246	6,246	6,246	6,246
<u>Restoration of 50% Reduction in Roster Staffing Administrative Overtime</u>			1,165	1,165	1,165	1,165	1,165
<u>Restoration of Certified First Responder (CFR) Refresher Training Reduction</u>			2,588	2,588	2,588	2,588	2,588
<u>Restoration of the De-activation of the Street Alarm Box System PEG</u>			5,119	5,119	5,119	5,119	5,119
<u>Restoration of 1.5% Availability Increase</u>			15,000	15,000	15,000	15,000	15,000
<u>Uniformed Overtime Need</u>			41,000	69,000	44,000	--	--
<u>Systems Migration Application Rollout and Technology (SMART) Resources</u>			190	380	380	380	380

Expenditure Increases/Re-estimates

Fire Department

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Hurricane Irene</u> Partial funding tied to overtime and OTPS expenses due to Hurricane Irene. The Fire Department will be reimbursed through FEMA for the balance of expenses.			310	--	--	--	--
<u>Member Item Reallocation</u> Member Item Reallocation			5	--	--	--	--
<u>Restoration of Certified First Responder (CFR) Refresher Training Reduction - Fringe</u> Restoration of fringe associated with CFR Training Reduction PEG.			(184)	(184)	(184)	(184)	(184)
<u>Restoration of 50% Reduction in Roster Staffing Administrative Overtime - Fringe</u> Restoration of fringe associated with 50% reduction in roster staffing administrative overtime.			(83)	(83)	(83)	(83)	(83)
<u>Restoration of Certified First Responder (CFR) Recertification for Uniform Personnel on Straight Time - Fringe</u> Fringe associated with the restoration of the Certified First Responder (CFR) recertification for uniform personnel on straight time PEG.			--	(444)	(444)	(444)	(444)
<u>Restoration of the De-activation of the Street Alarm Box System PEG - Fringe</u> Fringe associated with the restoration of the OTPS and overtime funding necessary to maintain the call box system.			(119)	(119)	(119)	(119)	(119)
<u>Restoration of 1.5% Availability Increase - Fringe</u> Fringe associated with the restoration of the 1.5% availability increase PEG.			(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
<u>Elimination of Civilian Vacancies - Fringe</u> Fringe associated with the elimination of 48 existing civilian vacancies.			804	857	914	972	1,039

Expenditure Increases/Re-estimates

Fire Department

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Reduce Per-Diem Surplus - Fringe</u>			35	35	35	35	35
Fringe associated with the elimination of surplus per-diem funding.							
<u>Building Inspection Safety Protocol Revenue - Fringe</u>			--	(242)	(259)	(276)	(296)
Fringe associated with the expense offset for the fee for Building Inspection Safety Protocol inspections.							
<u>Plan Review Revenue - Fringe</u>			(17)	(72)	(80)	(84)	(90)
Fringe associated with the expense offset for the increase in the Plan Review fee from \$210 to \$420.							
<u>Fire Notice of Violation Revenue - Fringe</u>			--	(22)	(23)	(24)	(26)
Fringe associated with the expense offset for the increase fine amounts for several violation codes returnable to the Environmental Control Board.							
<u>Reduction in Uniformed "Other" OT - Fringe</u>			100	200	200	200	200
Fringe associated with the reduction in uniformed discretionary overtime.							
February							
<u>Risk Based Inspection System (RBIS) Uniform Officer Training</u>			--	1,796	--	--	--
Training costs associated with the rollout of the Risk Based Inspection System City-wide.							
<u>Montefiore North Ambulance Tours</u>			337	227	291	491	491
Montefiore North Division has notified the Department that it will cease providing 10 ambulance tours, effective March 7, 2012. The Department will replace these tours with municipal tours, maintaining the current level of ambulance coverage City-wide.	41	-- C					
<u>OTPS Needs</u>			556	305	--	--	--
Safety upgrades for firefighter facepieces and seatbelts.							

Expenditure Increases/Re-estimates

Fire Department

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Hurricane Irene</u> Partial funding tied to overtime and OTPS expenses due to Hurricane Irene. The Fire Department will be reimbursed through FEMA for the balance of expenses.			99	--	--	--	--
<u>DC-37 Collective Bargaining</u> Collective bargaining adjustment for DC-37 titles.			372	372	372	372	372
<u>Local Initiatives</u> Local Initiatives			1	--	--	--	--
<u>Partial Restoration of Elimination of Civilian Vacancies</u> <u>PEG- Fringe</u> Fringe associated with the restoration of 13 civilian heads.			--	(232)	(248)	(263)	(281)
Total Agency: Expenditure Increases/Re-estimates	41	-- C	66,278	100,892	73,870	30,091	30,112

AGENCY FIVE YEAR SUMMARY PROGRAM

Department of Correction

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$999,941	\$991,955	\$991,925	\$991,925	\$991,925
PEG Program	(13,368)	(16,569)	(17,122)	(17,482)	(17,834)
Less PEG Program Reflected in Revenue Budget	175	158	188	220	220
Expenditure Increases / Re-estimates	72,970	57,613	67,343	48,306	48,477
Financial Plan of 2/02/2012	<u>\$1,059,718</u>	<u>\$1,033,157</u>	<u>\$1,042,334</u>	<u>\$1,022,969</u>	<u>\$1,022,788</u>
<u>Headcount</u>	<i>(City Funded)</i>				
Baseline Per Adopted Plan - 6/29/2011	8,404 U	8,404 U	8,404 U	8,404 U	8,404 U
	1,705 C	1,689 C	1,689 C	1,689 C	1,689 C
PEG Program	-	(90) U	(90) U	(90) U	(90) U
	(30) C	(30) C	(30) C	(30) C	(30) C
Expenditure Increases / Re-estimates	340 U	540 U	540 U	332 U	332 U
	1 C	26 C	26 C	-	-
Financial Plan of 2/02/2012	<u>8,744 U</u>	<u>8,854 U</u>	<u>8,854 U</u>	<u>8,646 U</u>	<u>8,646 U</u>
	<u>1,676 C</u>	<u>1,685 C</u>	<u>1,685 C</u>	<u>1,659 C</u>	<u>1,659 C</u>

C = Civilian U = Uniform

CITY PEG PROGRAM

Department of Correction

Description	City Personnel *			(City Funds in 000's)				
	Attrition	Layoff		2012	2013	2014	2015	2016
<u>SCOC Variance Savings</u>	(90)	--	U	(5,030)	(9,177)	(9,285)	(9,393)	(9,519)
Savings associated with variances from the State Commission on Correction.								
<u>Medically Monitored Staff Policy Change</u>				(1,397)	(2,395)	(2,395)	(2,395)	(2,395)
Revise the policy regarding medically monitored staff.								
<u>IFA Funding of Construction Management Staff</u>				(724)	(724)	(724)	(724)	(724)
IFA funding of Construction Management Staff.	(8)	--	C					
<u>Increased Vending Machine Revenue</u>				(175)	(158)	(188)	(220)	(220)
DOC solicited a new concessionaire for the operation of approximately 100 beverage, snack and food vending machines.								
<u>Civilian PS Accruals</u>				(2,402)	--	--	--	--
Year to date civilian PS accrual savings due to delays in hiring.								
<u>OTPS Reduction Associated with Population Decrease</u>				(1,347)	(1,347)	(1,347)	(1,347)	(1,347)
OTPS reduction in inmate food, supplies, and wages associated with population.								
<u>Leasing Beds to Suffolk County</u>				(941)	(941)	(941)	(941)	(941)
Suffolk County leases excess capacity beds to house low classification inmates and reimburses the cost on a daily rate per inmate.								
<u>Operational Efficiencies</u>				--	--	(389)	(583)	(778)
Savings associated with planned investments in arrest and other processing efficiencies.								
<u>Civilian Staff Reduction</u>				(1,352)	(1,827)	(1,853)	(1,879)	(1,910)
The Department will eliminate vacant civilian positions.	(22)	--	C					
Total Agency: CITY PEG PROGRAM	(90)	--	U	(13,368)	(16,569)	(17,122)	(17,482)	(17,834)
	(30)	--	C					

Expenditure Increases/Re-estimates

Department of Correction

Description	City Personnel *			(City Funds in 000's)				
	Attrition	Layoff		2012	2013	2014	2015	2016
November								
<u>Inmate Housing Efficiencies</u>	115	--	U	10,722	10,814	10,929	10,929	10,929
Restoration of headcount savings from increased inmate housing efficiencies which have not been realized due to delays in implementation.								
<u>Supervised Release for Low Risk NYC Defendants</u>	37	--	U	3,451	3,481	3,481	3,481	3,481
This joint program between the Departments of Correction and Probation has not been implemented. It would have reduced average daily population by placing low and moderate risk defendants charged with low level crimes under community supervision as an alternative to detention.								
<u>Four Day Visit Schedule</u>				2,912	2,912	2,912	2,912	2,912
The Board of Correction did not grant the variance needed to achieve overtime savings associated with altering the inmate visit schedule from five to four days per week.								
<u>Five Day Recreation Schedule</u>	50	--	U	4,536	4,576	4,576	4,576	4,576
The Board of Correction did not grant the variance needed to achieve savings associated with the reduction of the recreation schedule for adult inmates from 7 to 5 days a week.								
<u>Conviction to Sentencing Time</u>	25	--	U	2,499	2,519	2,519	2,519	2,519
No savings have been identified as a result of these efforts. The program was designed to reduce the time between plea and sentencing by reducing the number of unnecessary adjournments for agreed upon sentences through enhanced information sharing between all parties.								
<u>Expedited Hearings for Certain Criminal Cases</u>	18	--	U	1,645	1,660	1,660	1,660	1,660
No savings have been identified as a result of these efforts. The program would have fast-tracked simple, routine drug cases for detained defendants resulting in a reduction in average daily population.								

Expenditure Increases/Re-estimates

Department of Correction

Description	City Personnel *			(City Funds in 000's)				
	Attrition	Layoff		2012	2013	2014	2015	2016
<p><u>Bail Expediting Program</u></p> <p>No savings have been quantified as a result of these efforts. This program is intended to reduce average daily population by assisting defendants and their families making bail so that defendants never enter Department custody.</p>	18	--	U	1,645	1,660	1,660	1,660	1,660
<p><u>Transportation Efficiencies</u></p> <p>Cooperation from the courts has not been received. Therefore, savings through scheduling alternative court delivery times has not been achieved.</p>	10	--	U	578	587	597	597	597
<p><u>Alternative for Rose M. Singer Center Nursery</u></p> <p>The Department is committed to implementing this program however savings are no longer projected.</p>	5	--	U	292	296	301	301	301
<p><u>Mix Detainees and Sentenced Inmates</u></p> <p>The Board of Correction did not grant the variance needed to achieve the post reductions that would result from the ability to mix detainee and sentenced populations.</p>	18	--	U	1,041	1,057	1,075	1,075	1,075
<p><u>Overtime Realignment and Cost Savings</u></p> <p>Overtime savings from enhanced overtime management strategies were not achieved.</p>				12,000	12,000	12,000	12,000	12,000
<p><u>Punitive Segregation Savings</u></p> <p>Due to a change in Department policy regarding inmate violence, this can no longer be sustained.</p>	36	--	U	3,357	3,385	3,421	3,421	3,421
<p><u>State Criminal Alien Assistance Program (SCAAP) Revenue Loss</u></p> <p>Federal SCAAP revenue reduction to account for continuing cuts in federal appropriations and lower than budgeted collections over the prior fiscal years.</p>				5,645	6,848	6,848	6,848	6,848
<p><u>PS Overtime Need</u></p> <p>Funding necessary to address the projected scheduled overtime deficit.</p>				27,770	--	--	--	--

Expenditure Increases/Re-estimates

Department of Correction

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Release Under Supervision Fringe Adjustment</u> Fringe adjustment associated with Release Under Supervision.			(668)	(698)	(698)	(698)	(698)
<u>Five Day Recreation Schedule Fringe Adjustment</u> Fringe adjustment associated with Five Day Recreation Schedule.			(896)	(936)	(936)	(936)	(936)
<u>Conviction to Sentencing Time Fringe Adjustment</u> Fringe adjustment associated with Conviction to Sentencing Time.			(448)	(468)	(468)	(468)	(468)
<u>Expedited Hearings Fringe Adjustment</u> Fringe adjustment associated with Expedited Hearings.			(323)	(337)	(337)	(337)	(337)
<u>Bail Expediting Program Fringe Adjustment</u> Fringe adjustment associated with Bail Expediting Program.			(323)	(337)	(337)	(337)	(337)
<u>Transportation Efficiencies Fringe Adjustment</u> Fringe adjustment associated with Transportation Efficiencies.			(158)	(167)	(177)	(177)	(177)
<u>Alternative for RMSC Nurseries Fringe Adjustment</u> Fringe adjustment associated with Alternative for RMSC Nurseries.			(79)	(84)	(89)	(89)	(89)
<u>Mix Detainees and Sentenced Fringe Adjustment</u> Fringe adjustment associated with Mix Detainees and Sentenced.			(285)	(301)	(319)	(319)	(319)
<u>Punitive Segregation Savings Fringe Adjustment</u> Fringe adjustment associated with Punitive Segregation Savings.			(657)	(685)	(721)	(721)	(721)
<u>Increase Housing Efficiencies Fringe Adjustment</u> Fringe adjustment associated with Increase Housing Efficiencies.			(2,097)	(2,189)	(2,304)	(2,304)	(2,304)

Expenditure Increases/Re-estimates

Department of Correction

Description	City Personnel *			(City Funds in 000's)				
	Attrition	Layoff		2012	2013	2014	2015	2016
<u>Medically Monitored Staff Policy Change Fringe Adjustment</u>				99	170	170	170	170
Fringe adjustment associated with Medically Monitored Staff Policy Change.								
<u>SCOC Variance Savings Fringe Adjustment</u>				357	1,830	1,938	2,046	2,172
Fringe adjustment associated with SCOC Variance Savings.								
<u>Civilian Position Reduction Fringe Adjustment</u>				321	420	446	473	504
Fringe adjustment associated with Civilian Position Reduction.								
<u>Criminal Justice Efficiencies Fringe Adjustment</u>				--	--	28	41	55
Fringe adjustment associated with Criminal Justice Efficiencies.								
February								
<u>Queens Detention Complex (QDC) Re-Opening</u>	208	--	U	--	9,593	19,185	--	--
Initiative to reopen QDC in an effort to address the Department's projected housing need.	26	--	C					
<u>CEO Funding Adjustment</u>				--	24	--	--	--
CEO funding adjustment.								
<u>CB- DC37 Titles</u>				34	34	34	34	34
Funding for DC37 Salary Differentials.								
<u>HHS-Connect Technical Adjustment</u>				--	(51)	(51)	(51)	(51)
Total Agency: Expenditure Increases/Re-estimates	540	--	U	72,970	57,613	67,343	48,306	48,477
	26	--	C					

AGENCY FIVE YEAR SUMMARY PROGRAM

Department of Sanitation

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$1,272,483	\$1,311,289	\$1,402,782	\$1,402,864	\$1,402,864
PEG Program	(14,364)	(53,953)	(11,809)	(11,816)	(11,825)
Less PEG Program Reflected in Revenue Budget	6,787	2,907	2,907	2,907	2,907
Expenditure Increases / Re-estimates	34,364	57,063	43,419	42,403	42,411
Financial Plan of 2/02/2012	<u>\$1,299,270</u>	<u>\$1,317,306</u>	<u>\$1,437,299</u>	<u>\$1,436,358</u>	<u>\$1,436,357</u>
<u>Headcount</u>	<i>(City Funded)</i>				
Baseline Per Adopted Plan - 6/29/2011	6,822 U	7,067 U	7,027 U	7,027 U	7,027 U
	1,865 C	1,923 C	1,923 C	1,923 C	1,923 C
PEG Program	(6) U	(254) U	(254) U	(254) U	(254) U
	-	(54) C	(54) C	(54) C	(54) C
Expenditure Increases / Re-estimates	240 U	240 U	240 U	240 U	240 U
	(2) C	(2) C	(2) C	(2) C	(2) C
Financial Plan of 2/02/2012	<u>7,056 U</u>	<u>7,053 U</u>	<u>7,013 U</u>	<u>7,013 U</u>	<u>7,013 U</u>
	<u>1,863 C</u>	<u>1,867 C</u>	<u>1,867 C</u>	<u>1,867 C</u>	<u>1,867 C</u>

C = Civilian U = Uniform

CITY PEG PROGRAM

Department of Sanitation

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>NYSDEC Recycling Grant</u>			(4,723)	--	--	--	--
The Department received the New York State Department of Environmental Conservation's (NYSDEC) Environmental Protection Fund grant program reimbursement for public education and capital construction services previously rendered.							
<u>Staten Island Rail Line Usage</u>			(972)	--	--	--	--
The Department will receive a refund from its long-term export contractor based on other companies' usage of the City's Staten Island Rail Line.							
<u>Recycled Bulk and Paper Sales</u>			(5,815)	(2,907)	(2,907)	(2,907)	(2,907)
The Department will generate more revenue from the sale of recycled paper and bulk materials due to increases in the market prices of paper and metal. Out year revenue reflects the volatility of these prices.							
<u>Waste Export Surplus</u>			(1,966)	(28,717)	--	--	--
The Department anticipates a surplus in the waste export budget in FY 2012 and FY 2013 due to lower tonnage and changes in long-term contract schedules.							
<u>Marine Transfer Station (MTS) Staffing</u>	(248)	-- U	--	(16,336)	--	--	--
Full funding for the operation of the marine transfer stations is not needed in FY 2013.	(54)	-- C					
<u>Uniform Officer Reduction</u>	(6)	-- U	(888)	(895)	(902)	(909)	(918)
The Department will eliminate six currently vacant uniform manager positions.							

CITY PEG PROGRAM

Department of Sanitation

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<p><u>Privatize Operations of Four Marine Transfer Stations</u></p> <p>The Department proposes to privatize the operations of 4 marine transfer stations. This will reduce budgeted uniform headcount by 248 positions and civilian headcount by 54 positions. It is estimated that there will be savings of \$8M per year as a result of this initiative.</p>			--	--	(8,000)	(8,000)	(8,000)
<p><u>Civilian Hiring Freeze</u></p> <p>Salary savings resulting from the hiring freeze.</p>			--	(5,098)	--	--	--
Total Agency: CITY PEG PROGRAM	(254)	-- U	(14,364)	(53,953)	(11,809)	(11,816)	(11,825)
	(54)	-- C					

Expenditure Increases/Re-estimates

Department of Sanitation

Description	City Personnel *			(City Funds in 000's)				
	Attrition	Layoff		2012	2013	2014	2015	2016
November								
<u>One Person EZ-Pack</u>	31	--	U	1,665	1,806	1,806	1,806	1,806
Restoration of the One Person EZ-Pack PEG.								
<u>Sunday Security</u>				4,641	4,641	4,641	4,641	4,641
Restoration of Sunday / Holiday Security PEG.								
<u>Refuse and Recycling Collection Efficiencies</u>	144	--	U	7,903	8,296	8,296	8,296	8,296
Restoration of the Refuse and Recycling Collection Efficiencies PEG.								
<u>Flat Refuse Truck Target</u>	65	--	U	2,491	5,016	5,152	5,416	5,416
Restoration of the Flat Refuse Truck Target PEG.								
<u>Uniform Salaries</u>				12,000	12,000	12,000	12,000	12,000
The Department has a structural deficit in uniform salaries funding due to attrition levels falling below what was assumed in prior attrition PEGs.								
<u>Information Technology</u>				1,200	1,200	1,200	--	--
Until the Sanitation Management Analysis Resource & Tracking (SMART) System is operational, the Department's Bureau of Information Technology (BIT) requires additional resources to maintain its existing legacy mainframe system.								
<u>Brooklyn Navy Yard Environmental Clean-up</u>				1,983	--	--	--	--
Funding for New York State Department of Environmental Conservation (NYSDEC) required environmental remediation work at a formerly occupied site in the Brooklyn Navy Yard.								
<u>Institutional Fee Program</u>				522	--	--	--	--
Funding for consultant services to assist with development of the institutional fee program; and for the Department to conduct a survey of serviced institutions.								

Expenditure Increases/Re-estimates

Department of Sanitation

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Bureau of Waste Prevention, Reuse, and Recycling Communications</u> Bureau of Waste Prevention, Reuse, and Recycling Communications.			4,725	--	--	--	--
<u>Member Item Reallocation</u> Member Item Reallocation			2	--	--	--	--
<u>One Person EZ-Pack PRS Fringe</u> One Person EZ-Pack PRS Fringe Adjustment.			(473)	(506)	(506)	(506)	(506)
<u>Refuse and Recycling Collection Efficiencies PRS Fringe</u> Refuse and Recycling Collection Efficiencies PRS Fringe Adjustment.			(2,174)	(2,309)	(2,309)	(2,309)	(2,309)
<u>Flat Refuse Truck Target PRS Fringe</u> Flat Refuse Truck Target PRS Fringe Adjustment.			(559)	(1,179)	(1,251)	(1,338)	(1,338)
<u>Uniform Officer Fringe</u> Uniform Officer Reduction Fringe Adjustment.			135	142	149	156	164
<u>MTS Staffing Fringe</u> MTS Staffing Fringe Adjustment			--	5,018	--	--	--
<u>Graffiti Program - Manhattan</u> The Department will discontinue its graffiti removal program in Manhattan and transfer funding to the Economic Development Corporation, which will provide graffiti removal services in Manhattan.	(4)	-- C	(276)	(276)	(276)	(276)	(276)
<u>Civilian Hiring Freeze Fringe</u> Civilian Hiring Freeze Fringe Adjustment.			--	1,286	--	--	--
<u>Privatize Marine Transfer Stations Fringe</u> Privatize Marine Transfer Stations Fringe Adjustment.			--	--	14,173	14,173	14,173
<u>CITIServ Shared Services</u> CITIServ Shared Services.			(20)	(40)	(40)	(40)	(40)

Expenditure Increases/Re-estimates

Department of Sanitation

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
February							
<u>Snow Budget Adjustment</u>			--	21,584	--	--	--
Funding for the incremental snow need for FY 2013 based on average snow expenditures from FY 2007 to FY 2011 .							
<u>Implementation of Non-Residential PEG</u>			215	--	--	--	--
Funding to assist the Department with the planning and implementation of the PEG to charge for non-residential solid waste collection and disposal.							
<u>Technical Adjustment MTS PEG</u>			194	194	194	194	194
Technical adjustment to appropriately reflect MTS PEG value.							
<u>Uniform Collective Bargaining Adjustment</u>			177	177	177	177	177
Adjustment to uniform annuity funding for Sanitation Workers per letter agreement dated 11/7/2011 .							
<u>Civilian Collective Bargaining Adjustment</u>			13	13	13	13	13
Adjustment to clerical titles assignment differential & civilian uniform allowance funding.							
Total Agency: Expenditure Increases/Re-estimates	240	-- U	34,364	57,063	43,419	42,403	42,411
	(2)	-- C					

AGENCY FIVE YEAR SUMMARY PROGRAM

Administration for Children's Services

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$866,736	\$788,080	\$790,355	\$790,816	\$790,816
PEG Program	(57,170)	(7,898)	(7,898)	(7,898)	(7,898)
Expenditure Increases / Re-estimates	38,981	1,563	1,543	1,543	1,543
Financial Plan of 2/02/2012	<u><u>\$848,547</u></u>	<u><u>\$781,745</u></u>	<u><u>\$784,000</u></u>	<u><u>\$784,461</u></u>	<u><u>\$784,461</u></u>
<u>Headcount</u>					
Baseline Per Adopted Plan - 6/29/2011	6,470	6,336	6,336	6,336	6,336
Financial Plan of 2/02/2012	<u><u>6,470</u></u>	<u><u>6,336</u></u>	<u><u>6,336</u></u>	<u><u>6,336</u></u>	<u><u>6,336</u></u>

CITY PEG PROGRAM

Administration for Children's Services

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Adoption Subsidy Reestimate</u> Savings from a lower Adoption Subsidy caseload. The population has declined as older children age out and a lower foster care caseload produces fewer children who move to adoptive homes.			--	(3,409)	(3,409)	(3,409)	(3,409)
<u>Fringe Reimbursement Rate Increase</u> Increase in federally negotiated fringe benefit reimbursement rate in 2012.			(35,811)	--	--	--	--
<u>Increase in Federal IV-E Eligibility</u> Improvement in the federal reimbursement rate for costs of care and maintenance of foster care children.			(4,489)	(4,489)	(4,489)	(4,489)	(4,489)
<u>One Time Revenue Settlements</u> One time revenue settlement for prior claims without an outstanding receivable.			(16,870)	--	--	--	--
Total Agency: CITY PEG PROGRAM			(57,170)	(7,898)	(7,898)	(7,898)	(7,898)

Expenditure Increases/Re-estimates

Administration for Children's Services

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>HHS-Connect</u>			153	306	306	306	306
Support for HHS-Connect, the health and human services information technology system that facilitates cross-agency data exchange, case management, eligibility screening, and online applications.							
<u>Esperanza Preventive Services</u>			1,237	1,237	1,237	1,237	1,237
Transfer from DOP to ACS for intracity programs that provide an alternative to placement.							
<u>Member Item Reallocation</u>			34	--	--	--	--
Member Item Reallocation							
<u>Revenue Technical Adjustment</u>			35,811	--	--	--	--
Technical adjustment corresponding to Fringe Reimbursement Rate Increase peg.							
<u>HHS-Connect Technical Adjustment</u>			--	(673)	(673)	(673)	(673)
<u>HHS-Connect Technical Adjustment</u>			--	673	673	673	673
<u>NFP - COPS</u>			1,416	--	--	--	--
Transfer of State funding from DOHMH to ACS for Nurse Family Partnership Intracity.							
February							
<u>Additional Funds for CONNECT Program</u>			330	--	--	--	--
Additional funds for program that provides services to domestic violence victims.							
<u>CEO Funding Adjustment</u>			--	20	--	--	--
Adds funding for teens in foster care who participate in the independent living program.							
<u>HHS-Connect Technical Adjustment</u>			--	(89)	(89)	(89)	(89)

Expenditure Increases/Re-estimates

Administration for Children's Services

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>HHS-Connect Technical Adjustment</u>			--	89	89	89	89
Total Agency: Expenditure Increases/Re-estimates			38,981	1,563	1,543	1,543	1,543

AGENCY FIVE YEAR SUMMARY PROGRAM

Department of Social Services

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$7,137,793	\$7,235,090	\$7,369,390	\$7,549,258	\$7,549,258
PEG Program	(41,641)	(10,038)	(32,388)	(7,222)	(7,222)
Less PEG Program Reflected in Revenue Budget	280	3,783	1,624	1,130	1,130
Expenditure Increases / Re-estimates	57,402	(3,215)	3,640	(4,952)	92,529
Financial Plan of 2/02/2012	<u>\$7,153,834</u>	<u>\$7,225,620</u>	<u>\$7,342,266</u>	<u>\$7,538,214</u>	<u>\$7,635,695</u>
<u>Headcount</u>	<i>(City Funded)</i>				
Baseline Per Adopted Plan - 6/29/2011	10,617	10,402	10,347	10,347	10,347
Expenditure Increases / Re-estimates	24	66	60	57	57
Financial Plan of 2/02/2012	<u>10,641</u>	<u>10,468</u>	<u>10,407</u>	<u>10,404</u>	<u>10,404</u>

CITY PEG PROGRAM

Department of Social Services

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Fringe Reimbursement Rate Increase</u>			(36,645)	--	--	--	--
Increase in federally negotiated fringe benefit reimbursement rate in 2012.							
<u>Medicaid Revenue for Hospitalized Inmates</u>			(3,679)	(3,679)	(3,679)	(3,679)	(3,679)
Additional savings from an improved match process to determine Medicaid eligibility of inmates served in HHC facilities.							
<u>Revenue Maximization</u>			(1,207)	(745)	(745)	(745)	(745)
Recognizes changes in federal and State reimbursement for programs serving domestic violence victims, food stamps recipients, and disabled public assistance recipients.							
<u>Security Deposit Recoupments</u>			--	(1,000)	--	--	--
Savings from recoupment of unused security deposits issued to landlords on behalf of public assistance recipients.							
<u>Child Support Settlements</u>			--	(436)	(436)	(436)	(436)
Non-custodial parents with longstanding child support debt will be given the opportunity to fulfill outstanding obligations by negotiating reduced settlements.							
<u>Public Assistance Recoupments</u>			--	(2,067)	(908)	(414)	(414)
Recovery of public assistance payments from legally obligated individuals who agreed to be financially responsible for persons they sponsored for immigration to the U.S.							
<u>Employment Restructuring</u>			(110)	(220)	(220)	(220)	(220)
Eliminate administrative expenses for an underutilized transitional employment program in the Parks Department. Services will be provided through the Back to Work program.							
<u>Delayed Expansion of Supportive Housing Units</u>			--	(1,355)	--	--	--
The development of congregate housing units will take longer than originally planned, producing one-time savings.							

CITY PEG PROGRAM

Department of Social Services

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Sale of City Owned Buildings</u>			--	--	(25,000)	--	--
Revenues from the sale of 7 City-owned buildings currently being used as "Multi Service Centers."							
<u>Administrative Efficiencies</u>			--	(536)	(1,400)	(1,728)	(1,728)
Telecommunications upgrades and space consolidation will provide savings.							
Total Agency: CITY PEG PROGRAM			(41,641)	(10,038)	(32,388)	(7,222)	(7,222)

Expenditure Increases/Re-estimates

Department of Social Services

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>HHS-Connect</u>	28	--	803	1,609	1,609	1,609	1,609
Support for HHS-Connect, the health and human services information technology system that facilitates cross-agency data exchange, case management, eligibility screening, and online applications.							
<u>Young Men's Initiative</u>	3	--	--	8,988	8,988	--	--
Funding for youth employment and program evaluation.							
<u>Member Item Reallocation</u>			190	--	--	--	--
Member Item Reallocation							
<u>Revenue Technical Adjustment</u>			36,645	--	--	--	--
Technical adjustment to properly allocate fringe benefits in the miscellaneous budget.							
<u>HHS-Connect Technical Adjustment</u>	23	--	--	95	95	95	95
<u>JTP to WEP Conversion</u>			(5,015)	(10,279)	(10,022)	(9,744)	(9,744)
The Department of Parks and Recreation will reduce the number of Job Training Participants and increase the number of Work Experience Program participants.							
<u>Medicaid Benefit Technical Adjustment</u>			--	--	--	--	97,481
Adjustment to reflect annual growth between 2015 and 2016.							
<u>Young Men's Initiative</u>			1,272	(118)	(118)	--	--
Funding for youth employment and program evaluation.							
February							
<u>Family Justice Center - Manhattan</u>	6	--	53	182	209	209	209
Funding for operational costs of a new Family Justice Center in Manhattan that provides legal and social service counseling to victims of domestic violence.							

Expenditure Increases/Re-estimates

Department of Social Services

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>City Funding for Advantage Rental Subsidy</u>			24,000	--	--	--	--
Additional City funding to support the Advantage rental assistance program after the termination of State reimbursement.							
<u>Title XX Adjustment</u>			(1,604)	--	--	--	--
Reallocates federal Title XX funding between DSS and the Department for the Aging due to a change in allocation methodology.							
<u>CEO Funding Adjustment</u>	6	--	--	1,760	--	--	--
<u>Collective Bargaining</u>			1,059	1,059	1,059	1,059	1,059
<u>State Budget: Child Support Collections</u>			(7,700)	(15,400)	(15,400)	(15,400)	(15,400)
The SFY12-13 Executive budget authorizes localities to retain the State share of child support collected on behalf of cash assistance families as an offset to elimination of administrative reimbursement.							
<u>State Budget: Child Support Administration</u>			7,700	15,400	15,400	15,400	15,400
The SFY12-13 Executive Budget eliminates the State's reimbursement for administrative support in the child support program.							
<u>HHS-Connect Technical Adjustment</u>			--	1,820	1,820	1,820	1,820
<u>State Budget: Public Assistance Base Grant Increase Delay</u>			--	(8,331)	--	--	--
The SFY12-13 Executive Budget proposes phasing in over two years the final 10 percent of the 30 percent increase to the public assistance grant.							
<u>City Council Member Items</u>			(1)	--	--	--	--
Total Agency: Expenditure Increases/Re-estimates	66	--	57,402	(3,215)	3,640	(4,952)	92,529

AGENCY FIVE YEAR SUMMARY PROGRAM

Department of Homeless Services

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$395,939	\$389,691	\$389,728	\$389,706	\$389,706
PEG Program	(2,156)	(9,901)	(13,195)	(13,195)	(13,195)
Expenditure Increases / Re-estimates	13,492	10,920	10,920	10,920	10,920
Financial Plan of 2/02/2012	<u><u>\$407,275</u></u>	<u><u>\$390,710</u></u>	<u><u>\$387,453</u></u>	<u><u>\$387,431</u></u>	<u><u>\$387,431</u></u>
<u>Headcount</u>	<i>(City Funded)</i>				
Baseline Per Adopted Plan - 6/29/2011	1,865	1,883	1,883	1,883	1,883
PEG Program	51	51	51	51	51
Financial Plan of 2/02/2012	<u><u>1,916</u></u>	<u><u>1,934</u></u>	<u><u>1,934</u></u>	<u><u>1,934</u></u>	<u><u>1,934</u></u>

CITY PEG PROGRAM

Department of Homeless Services

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Personal Services Accruals</u>			(1,500)	--	--	--	--
Savings from delays in hiring agencywide.							
<u>Revenue Maximization</u>			(375)	(78)	(78)	(78)	(78)
Recognizes improvements in claiming for costs of families residing in Department of Housing Preservation and Development family shelters.							
<u>City Owned Shelter Reorganization</u>			--	(990)	(990)	(990)	(990)
Maximizes reimbursement for Department of Homeless Services leased shelter facilities.							
<u>Client Responsibility</u>	51	--	1,977	268	(3,026)	(3,026)	(3,026)
Enhanced focus on providing family shelter residents with appropriate employment, training and rehabilitative programs.							
<u>Shared Living for Families with Children</u>			(2,258)	(9,101)	(9,101)	(9,101)	(9,101)
DHS will create efficiencies in the family shelter system by housing small families with children in shared, apartment style units.							
Total Agency: CITY PEG PROGRAM	51	--	(2,156)	(9,901)	(13,195)	(13,195)	(13,195)

Expenditure Increases/Re-estimates

Department of Homeless Services

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>Restoration of Shared Rooms for Families With Children</u>			4,515	9,101	9,101	9,101	9,101
Restores funding for November 12 and Executive 12 initiatives to create efficiencies in family shelter system by housing small families with children in shared, apartment style units.							
<u>Delayed Implementation of Adult Shelter Diversions</u>			2,000	--	--	--	--
Restores funding for delayed implementation of an expansion of homeless prevention services to assist single adult applicants to remain in the community and avoid shelter.							
<u>CARES Technical Support</u>			6,481	1,996	1,996	1,996	1,996
Additional funding for training and maintenance of the new DHS case management and client tracking system (CARES).							
<u>Technical Adjustment</u>			375	78	78	78	78
Technical adjustment related to Revenue Maximization initiative.							
<u>Technical Adjustment</u>			--	(164)	(164)	(164)	(164)
Transfer of funds to DoITT for CITIServ.							
<u>HHS-Connect Technical Adjustment</u>			--	(23)	(23)	(23)	(23)
<u>Technical Adjustment</u>			112	--	--	--	--
Personal Services Technical Adjustment							
February							
<u>Local Initiatives</u>			9	--	--	--	--
Local Initiatives							
<u>HHS-Connect Technical Adjustment</u>			--	(63)	(63)	(63)	(63)

Expenditure Increases/Re-estimates

Department of Homeless Services

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>HHS-Connect Technical Adjustment</u>			--	(5)	(5)	(5)	(5)
Total Agency: Expenditure Increases/Re-estimates			13,492	10,920	10,920	10,920	10,920

AGENCY FIVE YEAR SUMMARY PROGRAM

Department of Youth and Community Development

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$217,111	\$142,741	\$142,741	\$142,741	\$142,741
PEG Program	(3,434)	(8,990)	(8,990)	(8,990)	(8,990)
Expenditure Increases / Re-estimates	(1,528)	16,286	5,086	151	151
Financial Plan of 2/02/2012	<u><u>\$212,149</u></u>	<u><u>\$150,037</u></u>	<u><u>\$138,837</u></u>	<u><u>\$133,902</u></u>	<u><u>\$133,902</u></u>
<u>Headcount</u>	<i>(City Funded)</i>				
Baseline Per Adopted Plan - 6/29/2011	309	302	302	302	302
Expenditure Increases / Re-estimates	3	10	3	1	1
Financial Plan of 2/02/2012	<u><u>312</u></u>	<u><u>312</u></u>	<u><u>305</u></u>	<u><u>303</u></u>	<u><u>303</u></u>

CITY PEG PROGRAM

Department of Youth and Community Development

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>Reduce OST Slots</u>			--	(5,918)	(5,918)	(5,918)	(5,918)
Seven percent reduction to the Out of School Time (OST) budget will eliminate approximately 2,300 slots.							
<u>Beacons Schools Contract Reductions</u>			(535)	(2,146)	(2,146)	(2,146)	(2,146)
Eliminates seven Beacon programs in regions with the lowest need, beginning in 2013.							
<u>Cornerstone Contract Reductions</u>			(192)	(926)	(926)	(926)	(926)
Reduces funds for 25 New York City Housing Authority community center programs by 7 percent.							
<u>Program and Administrative Accruals</u>			(3,434)	--	--	--	--
February							
<u>Cornerstone Contract Restoration</u>			192	--	--	--	--
This action restores teen and young adult services for New York City Housing Authority (NYCHA) Cornerstone community center programs.							
<u>Beacons Schools Contract Restoration</u>			535	--	--	--	--
This action restores funding to Beacons contracts for 990 slots in 15 Middle Schools.							
Total Agency: CITY PEG PROGRAM			(3,434)	(8,990)	(8,990)	(8,990)	(8,990)

Expenditure Increases/Re-estimates

Department of Youth and Community Development

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>YMI Funding</u>	2	--	--	5,000	5,000	--	--
YMI Funding for Young Adult Literacy Program (YALP), Young Adult Internship Program (YAIP) and after school mentoring.							
<u>Member Item Reallocation</u>			(1,287)	--	--	--	--
Member Item Reallocation							
<u>NYC Service</u>			20	--	--	--	--
Funding for NYC Service In Schools program awards ceremony.							
<u>Functional Transfer</u>	1	--	119	151	151	151	151
Funding for functional transfer of staff from Mayor's Office to DYCD.							
<u>YMI Funding Adjustment</u>			(350)	--	--	--	--
Transfer of funds from DYCD to HRA.							
<u>YMI Fringe Adjustment</u>			(65)	(65)	(65)	--	--
Adjustment of fringe allocation for the Young Men's Initiative (YMI).							
February							
<u>Local Member Items</u>			35	--	--	--	--
Local Member Items							
<u>CEO Funding Adjustment</u>	7	--	--	11,200	--	--	--
Funding for three CEO programs: Service Learning, Young Adult Internships, and Young Adult Literacy .							
Total Agency: Expenditure Increases/Re-estimates	10	--	(1,528)	16,286	5,086	151	151

AGENCY FIVE YEAR SUMMARY PROGRAM

Department of Health and Mental Hygiene

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$621,958	\$597,121	\$598,011	\$598,598	\$598,598
PEG Program	(8,038)	(23,455)	(23,784)	(23,853)	(23,933)
Less PEG Program Reflected in Revenue Budget	1,277	3,940	3,940	3,940	3,940
Expenditure Increases / Re-estimates	2,282	4,490	1,670	(9,754)	(9,686)
Financial Plan of 2/02/2012	<u><u>\$617,479</u></u>	<u><u>\$582,096</u></u>	<u><u>\$579,837</u></u>	<u><u>\$568,931</u></u>	<u><u>\$568,919</u></u>
<u>Headcount</u>	<i>(City Funded)</i>				
Baseline Per Adopted Plan - 6/29/2011	3,542	3,537	3,537	3,537	3,537
PEG Program	(32)	(120)	(119)	(114)	(109)
Expenditure Increases / Re-estimates	45	3	(1)	(5)	(5)
Financial Plan of 2/02/2012	<u><u>3,555</u></u>	<u><u>3,420</u></u>	<u><u>3,417</u></u>	<u><u>3,418</u></u>	<u><u>3,423</u></u>

CITY PEG PROGRAM

Department of Health and Mental Hygiene

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>OCME - Attrition & Vacancy Reductions</u>	(48)	--	(242)	(2,454)	(2,628)	(2,602)	(2,571)
Savings will be achieved in the personnel budget through attrition and vacancy reductions. Funding and hiring authority was partially restored for FY12.							
<u>OCME - Layoffs</u>	--	(13)	(222)	(951)	(1,040)	(1,056)	(1,074)
OCME will reduce 13 of approximately 600 budgeted positions through layoffs.							
<u>OCME - Grant Shifts</u>			--	(91)	--	--	--
OCME will shift personnel expenses to federal and State grants.							
<u>OCME - Overtime Reduction</u>			--	(168)	(168)	(168)	(168)
OCME will reduce overtime in its Security Department.							
<u>OCME - OTPS Reductions</u>			(26)	(311)	(244)	(255)	(268)
OCME will reduce OTPS expenses, including supplies and IT services.							
<u>Early Intervention Revenue</u>			(1,000)	--	--	--	--
EI will recognize one-time additional Medicaid revenue for outstanding claims from prior years.							
<u>Early Intervention Services</u>			(3,000)	(5,300)	(5,300)	(5,300)	(5,300)
The Early Intervention Program has strengthened eligibility determinations and service level authorizations to provide more appropriate levels of service for eligible children, in accordance with State approved regulations, memoranda, and guidelines.							
<u>Central Administration Reductions</u>	(5)	(5)	(83)	(808)	(844)	(856)	(870)
The central support offices will achieve savings mainly through vacancy reductions and reductions in supplies and materials.							

CITY PEG PROGRAM

Department of Health and Mental Hygiene

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Agencywide Reductions</u> Savings will be achieved agencywide via vacancy reductions, attrition, and shifts to other funding sources.	(16)	(14)	(138)	(2,778)	(2,889)	(2,920)	(2,957)
<u>HIV Contractual Reductions</u> The Bureau of HIV/AIDS will scale back contracts for HIV prevention that have a high cost per person reached.			--	(1,406)	(1,406)	(1,406)	(1,406)
<u>Clinic & Outreach Layoffs</u> The East Harlem Asthma Center of Excellence and the Bureau of Immunization will layoff outreach and education staff and reduce related services. Funding was restored for FY12.	--	(6)	--	(429)	(475)	(485)	(496)
<u>Clinic & Outreach Service Reductions</u> STD clinic services on Saturdays will be scaled back, seasonal contractual nurses in Immunization clinics will be reduced, and a STD testing/treatment program will be eliminated in selected high schools.	(7)	--	--	(461)	(469)	(478)	(487)
<u>Correctional Health Reductions</u> Correctional Health will eliminate vacant positions and reduce the Prison Health Services contract.	(3)	(2)	(38)	(838)	(854)	(860)	(867)
<u>Tobacco Control Reductions</u> DOHMH will cease offering Nicotine Replacement Treatment kits to 311 callers, who will instead be directed to and can receive kits from the New York State Quitline.	--	(1)	(12)	(1,167)	(1,173)	(1,174)	(1,176)
<u>Day Care Permit Revenues</u> The agency will generate additional child day care permit revenue.			--	(100)	(100)	(100)	(100)
<u>Medicaid Salary Sharing</u> The Division of Mental Hygiene will realize more Medicaid Salary Sharing revenue as a result of increased staff time spent on Medicaid funded activities.			(2,000)	(2,000)	(2,000)	(2,000)	(2,000)

CITY PEG PROGRAM

Department of Health and Mental Hygiene

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<p><u>Woodside Garage Lease Elimination</u> The Division of Administration will eliminate a lease for a vehicle garage in Queens.</p>			--	(354)	(354)	(354)	(354)
<p><u>Restaurant Enforcement Revenues</u> DOHMH is revising its health tribunal fine revenue estimate to reflect actuals and an anticipated increase in restaurant inspections.</p>			(1,277)	(3,840)	(3,840)	(3,840)	(3,840)
Total Agency: CITY PEG PROGRAM	(79)	(41)	(8,038)	(23,456)	(23,784)	(23,854)	(23,934)

Expenditure Increases/Re-estimates

Department of Health and Mental Hygiene

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>Project Ceasefire</u>			--	960	960	--	--
Project Ceasefire, a part of the Mayor's Young Men's Initiative, is an anti-violence program that uses a public health approach and "credible messengers" to reduce youth shootings and change community norms that reinforce violent behavior.							
<u>Member Item Reallocation</u>			33	--	--	--	--
Member Item Reallocation							
<u>Budget Headcount Mods From 7/1/2011 to 9/7/2011</u>	1	--	--	--	--	--	--
<u>Budget Headcount Mods From 9/8/2011 to 10/5/2011</u>	(9)	--	--	--	--	--	--
<u>HHS-Connect Technical Adjustment</u>			--	(60)	(60)	(60)	(60)
<u>CTL Transfer - HHC to DOHMH</u>			3,278	--	--	--	--
Transfer of CTL from HHC to DOHMH in order to maximize revenue for child health clinics and other initiatives.							
<u>Health Academy</u>	6	--	177	286	290	290	290
DOHMH will generate additional health academy revenue by hiring instructors and support staff to handle an increased course workload.							
<u>Mental Health Benefit Program - Realignment</u>	(3)	--	--	(347)	(347)	(347)	(347)
The Mental Health Benefit Program expired in FY11 and funding is no longer necessary.							
<u>Window Guards Transfer</u>			(48)	(48)	(48)	(48)	(48)
Funds will be transferred from DOHMH to HPD in accordance with an EXE12 plan transfer for the Window Guards program.							
<u>Technical Adjustment</u>			(1,416)	--	--	--	--
Technical adjustment transferring funding from DOHMH to ACS for Nurse Family Partnership Intracity.							

Expenditure Increases/Re-estimates

Department of Health and Mental Hygiene

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Central Admin Reductions-Fringe Offset</u>			--	97	103	109	116
Fringe offset							
<u>Tobacco Layoffs- Fringe Offset</u>			(1)	15	21	22	24
Fringe offset							
<u>Clinic/Outreach Svcs Layoffs- Fringe</u>			(3)	118	165	174	186
Fringe offset							
<u>Clinic/Outrch Svcs Reductions-Fringe</u>			--	137	145	153	163
Fringe offset							
<u>Central Admin Layoffs- Fringe</u>			(1)	65	89	94	99
Fringe offset							
<u>Central Admin Layoffs-Fringe</u>			(1)	14	21	22	23
Fringe offset							
<u>Program Efficiencies Layoffs - Fringe</u>			(10)	212	295	313	334
Fringe offset							
<u>Program Efficiencies Reductions - Fringe</u>			--	401	429	442	457
Fringe offset							
<u>Correctional Health Layoffs - Fringe</u>			(1)	31	43	46	49
Fringe offset							
<u>Correctional Health Reductions - Fringe</u>			--	61	65	68	73
Fringe offset							
<u>OCME Attrition</u>			276	808	859	833	801
Fringe Benefits offset							
<u>OCME Layoffs</u>			30	171	260	275	294
Fringe Benefits offset							
<u>OCME Revenue Offsets</u>			--	6	--	--	--
Fringe Benefits offset							

Expenditure Increases/Re-estimates

Department of Health and Mental Hygiene

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
February							
<u>Correctional Health - Queens Detention Complex</u>	4	--	--	2,921	5,320	--	--
DOHMH will provide required healthcare services at the Queens Detention Complex, which will re-open in November 2012.							
<u>Collective Bargaining Increase</u>			159	159	159	159	159
5.47% collective bargaining increase to "additions-to-gross" (ATG) items for DC-37 members retroactive to March 2, 2010.							
<u>Budget Headcount Mods From 11/18/2011 to 1/3/2012</u>	1	--	--	--	--	--	--
<u>HHS-Connect Technical Adjustment</u>			--	(217)	(217)	(217)	(217)
<u>EI State Budget Savings</u>			--	(1,500)	(6,900)	(12,100)	(12,100)
State budget changes to the Early Intervention program will achieve CTL savings through an increase in commercial insurance and utilization of a fiscal intermediary.							
<u>HHS-Connect Techn. Adjustment</u>			--	18	18	18	18
Putting back up CTL funds incorrectly taken down.							
<u>CEO: Expand Access to Healthy Foods</u>	3	--	--	182	--	--	--
CEO Funding Adjustment							
<u>FY12 CC Member Items</u>			14	--	--	--	--
Reallocation of Member items.							
<u>Clinic/Outreach Svcs Layoffs- Fringe</u>			3	--	--	--	--
Fringe offset							
<u>OCME Attrition</u>			(207)	--	--	--	--
Fringe Benefits offset							
Total Agency: Expenditure Increases/Re-estimates	3	--	2,282	4,490	1,670	(9,754)	(9,686)

AGENCY FIVE YEAR SUMMARY PROGRAM

Housing Preservation and Development

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$66,427	\$56,251	\$55,830	\$55,829	\$55,829
PEG Program	(4,361)	(3,510)	(3,320)	(3,349)	(3,384)
Less PEG Program Reflected in Revenue Budget	187	436	-	-	-
Expenditure Increases / Re-estimates	291	374	485	515	551
Financial Plan of 2/02/2012	<u>\$62,544</u>	<u>\$53,551</u>	<u>\$52,995</u>	<u>\$52,995</u>	<u>\$52,996</u>
<u>Headcount</u>	<i>(City Funded)</i>				
Baseline Per Adopted Plan - 6/29/2011	521	514	513	513	513
PEG Program	(16)	(25)	(25)	(25)	(25)
Expenditure Increases / Re-estimates	-	(2)	(2)	(2)	(2)
Financial Plan of 2/02/2012	<u>505</u>	<u>487</u>	<u>486</u>	<u>486</u>	<u>486</u>

CITY PEG PROGRAM

Housing Preservation and Development

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Admin Staff Reductions</u> The Department of Housing Preservation and Development will eliminate administrative positions.	--	(11)	(161)	(792)	(856)	(869)	(884)
<u>Vacancy Reductions</u> The Department of Housing Preservation and Development will eliminate vacant positions throughout the agency.	(9)	--	(792)	(802)	(813)	(823)	(836)
<u>Consolidation of Development Operations</u> The Department of Housing Preservation and Development has recently consolidated two large programs under the same management structure. As a result, the agency plans to terminate three duplicative administrative staff.	--	(3)	--	(189)	(225)	(228)	(232)
<u>Change J-51 Audit Procedures</u> The Department of Housing Preservation and Development will realize PS savings by reducing its J-51 audit workload.	--	(2)	(70)	(163)	(166)	(168)	(171)
<u>Reduce Sidewalk Shed Installations</u> The Department of Housing Preservation and Development will achieve savings by making facade repairs instead of installing sidewalk sheds for selected projects.			(200)	(400)	(400)	(400)	(400)
<u>AOTPS Savings</u> The Department of Housing Preservation and Development will realize savings from more efficient use of agency printing and telecommunications systems.			(253)	(303)	(303)	(303)	(303)
<u>TSD OTPS Savings</u> The Department of Housing Preservation and Development will realize savings by reducing the Technology and Strategic Development OTPS budget.			--	(108)	(108)	(108)	(108)

CITY PEG PROGRAM

Housing Preservation and Development

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Hudson Yards Reduction</u> The Department of Housing Preservation and Development will realize savings now that the Agency's property management services for Hudson Yards are no longer required.			(150)	(175)	(212)	(212)	(212)
<u>Terminate Deutsche Bank Contract</u> The Department of Housing Preservation and Development will achieve savings by utilizing in-house staff for data entry work that is currently contracted out.			--	(95)	(190)	(190)	(190)
<u>Window Guard Inspections</u> The Department of Housing Preservation and Development will reduce funds received from the Department of Health and Mental Hygiene (DOHMH) associated with the transfer of window guard work.			(48)	(48)	(48)	(48)	(48)
<u>PS Accrual</u> The Department of Housing Preservation and Development will eliminate a one-time surplus in the current year personnel budget.			(839)	--	--	--	--
<u>H&S Additional Revenue</u> The Department of Housing Preservation and Development will realize additional revenue in its Hotels and Shelters Program as a result of more efficient claiming of Federal and State sources.			(1,661)	--	--	--	--
<u>Assets Sales - Commercial</u> The Department of Housing Preservation and Development identified two city-owned properties to be sold in FY 2013, resulting in additional revenue.			--	(436)	--	--	--

CITY PEG PROGRAM

Housing Preservation and Development

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<p><u>Interest on Demolition Lien</u></p> <p>The Department received a one-time interest payment on a demolition lien.</p>			(187)	--	--	--	--
Total Agency: CITY PEG PROGRAM	(9)	(16)	(4,361)	(3,511)	(3,321)	(3,349)	(3,384)

Expenditure Increases/Re-estimates

Housing Preservation and Development

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>Vacancy Reduction</u>			74	78	83	88	93
The Department of Housing Preservation and Development will receive credit for fringe benefit savings associated with PS reductions.							
<u>Change J-51 Audit Procedures</u>			7	38	40	43	46
The Department of Housing Preservation and Development will receive credit for fringe benefit savings associated with PS reductions.							
<u>Consolidation of Dev Ops</u>			--	24	59	62	67
The Department of Housing Preservation and Development will receive credit for fringe benefit savings associated with PS reductions.							
<u>Member Item Reallocation</u>			9	--	--	--	--
Member Item Reallocation							
<u>Admin Reductions</u>			2	155	218	231	247
The Department of Housing Preservation and Development will receive credit for fringe benefit savings associated with PS reductions.							
<u>Funding Adjustment</u>			87	--	--	--	--
Funding Adjustment							
<u>Additional Vacancy Reductions</u>			92	98	104	110	117
The Department of Housing Preservation and Development will receive credit for fringe benefit savings associated with PS reductions.							
<u>Window Guards Transfer</u>			48	48	48	48	48
Funds will be transferred from DOHMH to HPD in accordance with an EXE12 plan transfer for the Window Guards program.							

Expenditure Increases/Re-estimates

Housing Preservation and Development

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
February							
<u>CITIServ Transfer to DOITT</u>	(2)	--	(28)	(67)	(67)	(67)	(67)
CITIServ Transfer to DOITT							
Total Agency: Expenditure Increases/Re-estimates	(2)	--	291	374	485	515	551

AGENCY FIVE YEAR SUMMARY PROGRAM

Department of Finance

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$220,171	\$216,110	\$215,798	\$215,548	\$215,548
PEG Program	(7,965)	(43,506)	(19,754)	(20,463)	(22,272)
Less PEG Program Reflected in Revenue Budget	10,375	46,470	22,578	23,287	25,096
Expenditure Increases / Re-estimates	1,200	768	404	404	404
Financial Plan of 2/02/2012	<u><u>\$223,781</u></u>	<u><u>\$219,842</u></u>	<u><u>\$219,026</u></u>	<u><u>\$218,776</u></u>	<u><u>\$218,776</u></u>
<u>Headcount</u>	<i>(City Funded)</i>				
Baseline Per Adopted Plan - 6/29/2011	1,965	1,965	1,965	1,965	1,965
PEG Program	38	40	40	40	40
Expenditure Increases / Re-estimates	4	3	3	3	3
Financial Plan of 2/02/2012	<u><u>2,007</u></u>	<u><u>2,008</u></u>	<u><u>2,008</u></u>	<u><u>2,008</u></u>	<u><u>2,008</u></u>

CITY PEG PROGRAM

Department of Finance

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Insource IT Functions</u> The Department proposes to insource the STARS Production control and Helpdesk function into DOF's IT Environment.			(150)	(900)	(900)	(900)	(900)
<u>Exemption Renewal and Verification</u> DOF proposes to conduct a more robust review of new and renewal exemption applications. Efforts will include the purchase of a subscription to SSA Death Index to match against active beneficiaries, resulting in revocation of benefits if they are found ineligible.	25	--	1,136	(5,402)	(5,402)	(5,402)	(5,402)
<u>Increase Audit Tax Revenue Baseline</u> DOF proposes to increase the tax audit revenue baseline as the recently approved audit initiatives such as sophisticated data mining has identified cases of tax compliance abuses, providing greater than expected audit results.	7	--	(8,851)	(33,405)	(8,545)	(8,545)	(8,545)
<u>Identification of Specialty Properties for Inclusion in Assessment Roll</u> DOF will re focus resources on accurately assessing difficult to value speciality properties such as cellular towers and billboards.			--	(1,809)	(3,617)	(5,426)	(7,235)
<u>Address Record Clean-Up for Property Tax Bills</u> DOF has identified property tax bills that are currently not mailed to the taxpayers because of incomplete addresses. DOF will acquire alternative addresses and mail delinquent notices to taxpayers requesting address changes and payment.	2	--	50	(1,690)	(990)	110	110

CITY PEG PROGRAM

Department of Finance

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<p><u>Tobacco Diversion Unit</u></p> <p>The creation of the new Tobacco Diversion Unit within the Department of Finance will generate additional revenue through a more vigorous enforcement of untaxed tobacco.</p>	6	--	(150)	(300)	(300)	(300)	(300)
Total Agency: CITY PEG PROGRAM	40	--	(7,965)	(43,506)	(19,754)	(20,463)	(22,272)

Expenditure Increases/Re-estimates

Department of Finance

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>Citywide Payments</u>			417	364	--	--	--
The Department of Finance requests expense funding to support the Citywide Payment capital project.							
<u>RPAD, Fairtax, and STARS Replacement Project</u>	4	--	700	400	400	400	400
The Department will start work on plans to replace the Real Property Tax Administration (RPAD), Fairtax, and Parking Violations Administration and Account (STARS) systems .							
<u>Transfer to DoITT</u>	(1)	--	--	(79)	(79)	(79)	(79)
This initiative tranfers 1 head to DoITT in FY 2013.							
February							
<u>CB DC37</u>			83	83	83	83	83
City funded increase to various DC37 salary differentials.							
Total Agency: Expenditure Increases/Re-estimates	3	--	1,200	768	404	404	404

AGENCY FIVE YEAR SUMMARY PROGRAM

Department of Transportation

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$422,950	\$440,347	\$453,300	\$453,300	\$453,300
PEG Program	(12,322)	(28,490)	(26,281)	(27,291)	(28,535)
Less PEG Program Reflected in Revenue Budget	10,294	15,994	16,860	17,735	18,822
Expenditure Increases / Re-estimates	1,574	3,050	3,597	3,731	3,888
Financial Plan of 2/02/2012	<u><u>\$422,496</u></u>	<u><u>\$430,901</u></u>	<u><u>\$447,476</u></u>	<u><u>\$447,475</u></u>	<u><u>\$447,475</u></u>
<u>Headcount</u>	<i>(City Funded)</i>				
Baseline Per Adopted Plan - 6/29/2011	1,901	1,971	2,103	2,103	2,103
PEG Program	(15)	(112)	(112)	(112)	(112)
Expenditure Increases / Re-estimates	33	50	50	50	50
Financial Plan of 2/02/2012	<u><u>1,919</u></u>	<u><u>1,909</u></u>	<u><u>2,041</u></u>	<u><u>2,041</u></u>	<u><u>2,041</u></u>

CITY PEG PROGRAM

Department of Transportation

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Parking Collection & Maintenance - Attrition & Redeployment</u> Due to the Citywide conversion of 51,000 single-space meters to 12,500 multi-space muni meters, less funding will be needed to conduct collections and maintenance at parking meters. 50 staff are subject to attrition or redeployment under this initiative.	(50)	--	--	(4,851)	(4,911)	(4,971)	(5,041)
<u>Parking Collection & Maintenance - Layoffs</u> Due to the Citywide conversion of 51,000 single-space meters to 12,500 multi-space muni meters, less funding will be needed to conduct collections and maintenance at parking meters. 47 staff are subject to layoffs under this initiative.	--	(47)	--	(1,904)	(2,373)	(2,429)	(2,495)
<u>Parking Collections & Maintenance - Layoffs of Administrative Staff</u> Due to the Citywide conversion of 51,000 single-space meters to 12,500 multi-space muni meters, less funding will be needed for parking administration. 15 administrative staff in the Parking Division are subject to layoffs under this initiative.	--	(15)	(370)	(921)	(939)	(957)	(978)
<u>Parking Collections and Maintenance - OTPS Savings</u> Conversion from single-space to multi-space meters allows a 5% reduction in OTPS funding for cash collection and maintenance.			--	(837)	(837)	(837)	(837)
<u>Parking Meter Initiatives and Efficiencies</u> The Department of Transportation has implemented various parking initiatives that have produced additional revenue above original projections.			--	(7,000)	(7,000)	(7,000)	(7,000)
<u>Increase Commercial Parking Meter Rates</u> The Department of Transportation will increase commercial parking rates in Manhattan from \$3 per hour to \$4 for 1 hour, \$9 for 2 hours and \$15 for 3 hours.			(849)	(3,573)	(3,573)	(3,573)	(3,573)

CITY PEG PROGRAM

Department of Transportation

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Agency-wide OTPS Reduction</u>			(1,626)	(3,701)	--	--	--
Proportional reduction of OTPS funds in all Department of Transportation divisions (Executive and Administration, Highways, Ferries, Traffic and Bridges).							
<u>Install LED Lights - Central Park, FDR Drive Underdecks, Eastern Parkway</u>			(20)	(268)	(331)	(331)	(331)
Energy and maintenance savings from replacing 2,380 existing street lights with high-efficiency LEDs in Central Park (1,588), on FDR Drive underdecks (650), and on Eastern Parkway (142).							
<u>Fleet Services Reduction - Parts Budget</u>			(300)	(300)	(300)	(300)	(300)
Reduce funding for in-house purchases of light-duty vehicle parts.							
<u>Fleet Services Reduction - Repair Contracts</u>			(200)	(200)	(200)	(200)	(200)
Reduce funding for contractual repair services of light-duty vehicles.							
<u>Reduce Lease Space at 16 Court Street</u>			49	(191)	(207)	(208)	(208)
Savings from relinquishing the entire 8th Floor at 16 Court Street in Brooklyn (4,513 square feet) and transferring highway inspection (HIQA) staff to existing space at the Brooklyn Army Terminal.							
<u>Bus Stop Shelter Scroller Revenue</u>			(5,771)	--	--	--	--
The Department of Transportation received a payment from CEMUSA for scroller revenue based on their contractual agreement.							
<u>Verizon Settlement</u>			(500)	--	--	--	--
The City realized additional revenue in FY 2012 from a settlement payment from Verizon through a joint effort between Law Department and the Department of Transportation.							

CITY PEG PROGRAM

Department of Transportation

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<p><u>Additional Revenue from Revocable Consents, Debris Container Permits, and Concessions</u> The Department of Transportation will generate additional revenue from Revocable Consents, including Electrical Transformers, the web-based issuance of the \$30 Debris Container Permits, and from rental income at the St. George and White Hall Ferry Terminals.</p>			(1,824)	(3,247)	(4,326)	(5,383)	(6,470)
<p><u>Increase Fine Amount for Two HIQA Summons Codes</u> The Department of Transportation will generate additional revenue by increasing the fine amount of two existing HIQA violations.</p>			(911)	(1,497)	(1,284)	(1,102)	(1,102)
Total Agency: CITY PEG PROGRAM	(50)	(62)	(12,322)	(28,490)	(26,281)	(27,291)	(28,535)

Expenditure Increases/Re-estimates

Department of Transportation

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>Parking Collection & Maintenance - Attrition & Redeployment</u>			--	999	1,059	1,119	1,189
Fringe benefit transfer / offset.							
<u>Parking Collection & Maintenance - Layoffs</u>			--	255	724	780	846
Fringe benefit transfer / offset.							
<u>Parking Collections & Maintenance - Layoffs of Administrative Staff</u>			41	263	281	299	320
Fringe benefit transfer / offset.							
<u>FY13 Nov Headcount Adjustment</u>	41	--	--	--	--	--	--
<u>Budget Headcount Mods From 7/1/2011 to 9/7/2011</u>	9	--	--	--	--	--	--
February							
<u>Restore One-Week Winter Layoff of Full-Time Employees in Street Maintenance & Arterial Resurfacing</u>			1,056	1,056	1,056	1,056	1,056
Restore one-week winter layoff for 641 full-time (non-seasonal) workers in Street Maintenance & Arterial Resurfacing. This initiative will restore 2012 and out years to avoid 9,000 unfilled potholes.							
<u>Collective Bargaining - Supervisor Highway Repairers</u>			444	444	444	444	444
Collective bargaining adjustment for Supervisor Highway Repairers.							
<u>Collective Bargaining - DC37 Additions to Gross (ATG)</u>			33	33	33	33	33
Collective bargaining adjustment for DC37 Additions to Gross (ATG).							
Total Agency: Expenditure Increases/Re-estimates	50	--	1,574	3,050	3,597	3,731	3,888

AGENCY FIVE YEAR SUMMARY PROGRAM

Department of Parks and Recreation

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$233,399	\$231,533	\$231,787	\$231,871	\$231,871
PEG Program	(2,687)	(21,719)	(13,000)	(13,000)	(13,000)
Less PEG Program Reflected in Revenue Budget	-	13,000	13,000	13,000	13,000
Expenditure Increases / Re-estimates	20,547	11,347	10,470	10,469	10,469
Financial Plan of 2/02/2012	<u><u>\$251,259</u></u>	<u><u>\$234,161</u></u>	<u><u>\$242,257</u></u>	<u><u>\$242,340</u></u>	<u><u>\$242,340</u></u>
<u>Headcount</u>	<i>(City Funded)</i>				
Baseline Per Adopted Plan - 6/29/2011	2,187	2,456	2,458	2,461	2,461
PEG Program	-	(137)	-	-	-
Expenditure Increases / Re-estimates	230	135	135	135	135
Financial Plan of 2/02/2012	<u><u>2,417</u></u>	<u><u>2,454</u></u>	<u><u>2,593</u></u>	<u><u>2,596</u></u>	<u><u>2,596</u></u>

CITY PEG PROGRAM

Department of Parks and Recreation

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Agency Attrition</u> The Department of Parks and Recreation will realize savings from continued attrition through FY 2013.	(91)	--	--	(5,786)	--	--	--
<u>PlaNYC Hiring Delay</u> The Department will delay the hiring of 46 full-time and 11 full-time equivalent positions from FY 2013 to FY 2014 for four PlaNYC Regional Parks not scheduled to open until FY 2014.	(46)	--	--	(2,347)	--	--	--
<u>PlaNYC OTPS Delay</u> The Department will delay OTPS costs from FY 2013 to FY 2014 for four PlaNYC Regional Parks not scheduled to open until FY 2014.			--	(586)	--	--	--
<u>Parks Revenue</u> The Department is undertaking an effort to generate additional revenue.			--	(13,000)	(13,000)	(13,000)	(13,000)
<u>Seasonal Reduction</u> Reduction to the seasonal budget for general seasonal staff as well as recreation center seasonal staff for FY 2012 only.			(2,687)	--	--	--	--
Total Agency: CITY PEG PROGRAM	(137)	--	(2,687)	(21,719)	(13,000)	(13,000)	(13,000)

Expenditure Increases/Re-estimates

Department of Parks and Recreation

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>Restoration of Layoff PEG</u>	465	--	29,063	29,703	30,402	31,158	31,158
\$29 million in cuts and 465 layoffs are being avoided through implementation of the attrition incentive program and JTP to WEP conversion.							
<u>JTP to WEP Conversion</u>			(6,774)	(13,883)	(13,536)	(13,161)	(13,161)
The Department will reduce the number of Job Training Participants and increase the number of Work Experience Program participants.							
<u>Attrition Incentive Program</u>	(330)	--	(9,776)	(15,431)	(15,777)	(16,152)	(16,152)
The Department will provide Parks full-time employees who resign or retire on a voluntary basis the opportunity for a six-month position.							
<u>Hurricane Irene Costs - Parks</u>			944	--	--	--	--
City funded 12.5 percent match for Hurricane Irene related costs.							
<u>Hurricane Irene Costs - DDC</u>			1,619	--	--	--	--
City funded 12.5 percent match for Hurricane Irene related costs. Funds will be transferred to DDC via an intra-city modification.							
<u>Flushing Meadows Corona Park Pool</u>			528	--	--	--	--
Required funding to pay the contractor through June 2012 for Flushing Meadows Corona Park Pool.							
<u>October 2011 Snow Storm</u>			700	--	--	--	--
Costs tied to the October 2011 snow storm.							
<u>Layoff Restoration - Fringe</u>			(8,282)	(8,922)	(9,620)	(10,377)	(10,377)
Fringe associated with the restoration of the layoff PEG from FY 2012 Adoption.							

Expenditure Increases/Re-estimates

Department of Parks and Recreation

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Member Item Reallocation</u>			285	--	--	--	--
Member Item Reallocation							
<u>Shape Up NYC</u>			14	--	--	--	--
Funding for Shape Up NYC							
<u>PlaNYC Hiring Delay - Fringe</u>			--	879	--	--	--
Fringe associated with delaying the hiring of 46 fulltime and 11 full time equivalent positions from FY 2013 to FY 2014 for four PlaNYC Regional Parks not scheduled to open until FY 2014.							
<u>Seasonal Reduction Fringe</u>			836	--	--	--	--
Fringe associated with the reduction to the seasonal budget for general seasonal staff as well as recreation center seasonal staff for FY 2012 only.							
<u>JTP to WEP Fringe</u>			1,759	3,604	3,514	3,417	3,417
Fringe associated with JTP to WEP conversion PEG.							
<u>JTP to WEP Offset</u>			5,015	10,279	10,022	9,744	9,744
Offset associated with JTP to WEP conversion PEG.							
<u>AIP - Fringe</u>			3,589	5,118	5,465	5,840	5,840
Fringe associated with the Attrition Incentive Program.							
February							
<u>October Snowstorm</u>			1,038	--	--	--	--
Funding for additional clean-up costs tied to the October snowstorm.							
<u>Local Initiatives</u>			(11)	--	--	--	--
Local Initiatives.							
Total Agency: Expenditure Increases/Re-estimates	135	--	20,547	11,347	10,470	10,469	10,469

AGENCY FIVE YEAR SUMMARY PROGRAM

New York Research Library

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$11,778	\$16,733	\$16,733	\$16,733	\$16,733
PEG Program	(451)	(1,004)	(1,004)	(1,004)	(1,004)
Financial Plan of 2/02/2012	<u>\$11,327</u>	<u>\$15,729</u>	<u>\$15,729</u>	<u>\$15,729</u>	<u>\$15,729</u>
<u>Headcount</u>	<i>(City Funded)</i>				
PEG Program	(15)	(15)	(15)	(15)	(15)
Financial Plan of 2/02/2012	<u>(15)</u>	<u>(15)</u>	<u>(15)</u>	<u>(15)</u>	<u>(15)</u>

CITY PEG PROGRAM

New York Research Library

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>FY13 November Plan PEG</u>	(13)	(2)	(451)	(1,004)	(1,004)	(1,004)	(1,004)
2% Reduction to FY12, 6% reduction to the out-years.							
Total Agency: CITY PEG PROGRAM	(13)	(2)	(451)	(1,004)	(1,004)	(1,004)	(1,004)

AGENCY FIVE YEAR SUMMARY PROGRAM

New York Public Library

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$51,730	\$81,625	\$81,625	\$81,625	\$81,625
PEG Program	(2,259)	(4,903)	(4,903)	(4,903)	(4,903)
Expenditure Increases / Re-estimates	249	350	-	-	-
Financial Plan of 2/02/2012	<u><u>\$49,720</u></u>	<u><u>\$77,072</u></u>	<u><u>\$76,722</u></u>	<u><u>\$76,722</u></u>	<u><u>\$76,722</u></u>
<u>Headcount</u>	<i>(City Funded)</i>				
PEG Program	(68)	(68)	(68)	(68)	(68)
Financial Plan of 2/02/2012	<u><u>(68)</u></u>	<u><u>(68)</u></u>	<u><u>(68)</u></u>	<u><u>(68)</u></u>	<u><u>(68)</u></u>

CITY PEG PROGRAM

New York Public Library

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<p><u>FY13 November Plan PEG</u></p> <p>2% Reduction to FY12, 6% reduction to the out-years. The reduction to the out-years will result in a lower estimated level of service of 5.6 days per week in FY13.</p>	(59)	(9)	(2,259)	(4,903)	(4,903)	(4,903)	(4,903)
Total Agency: CITY PEG PROGRAM	(59)	(9)	(2,259)	(4,903)	(4,903)	(4,903)	(4,903)

Expenditure Increases/Re-estimates

New York Public Library

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
February							
<u>FY13 CEO Funding Adjustment</u>			--	350	--	--	--
Each Library system will receive \$350K in CEO funding in FY13.							
<u>CPSD Reimbursement for NYPL</u>			249	--	--	--	--
Capital Project Scope Development (CPSD) reimbursement for New York Public Library.							
Total Agency: Expenditure Increases/Re-estimates			249	350	--	--	--

AGENCY FIVE YEAR SUMMARY PROGRAM

Brooklyn Public Library

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$37,712	\$60,973	\$60,973	\$60,973	\$60,973
PEG Program	(1,691)	(3,662)	(3,662)	(3,662)	(3,662)
Expenditure Increases / Re-estimates	100	350	-	-	-
Financial Plan of 2/02/2012	<u><u>\$36,121</u></u>	<u><u>\$57,661</u></u>	<u><u>\$57,311</u></u>	<u><u>\$57,311</u></u>	<u><u>\$57,311</u></u>
<u>Headcount</u>	<i>(City Funded)</i>				
PEG Program	(53)	(53)	(53)	(53)	(53)
Financial Plan of 2/02/2012	<u><u>(53)</u></u>	<u><u>(53)</u></u>	<u><u>(53)</u></u>	<u><u>(53)</u></u>	<u><u>(53)</u></u>

CITY PEG PROGRAM

Brooklyn Public Library

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<p><u>FY13 November Plan PEG</u></p> <p>2% Reduction to FY12, 6% reduction to the out-years. The reduction to the out-years will result in a lower estimated level of service of 5.3 days per week in FY13.</p>	(15)	(38)	(1,691)	(3,662)	(3,662)	(3,662)	(3,662)
Total Agency: CITY PEG PROGRAM	(15)	(38)	(1,691)	(3,662)	(3,662)	(3,662)	(3,662)

Expenditure Increases/Re-estimates

Brooklyn Public Library

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>Tri-Li Efficiency Study</u>			100	--	--	--	--
City contribution to Tri-Library efficiency study. The purpose of this study is to identify efficiencies that can be gained from the centralization of certain services among all three Library systems.							
February							
<u>FY13 CEO Funding Adjustment</u>			--	350	--	--	--
Each Library system will receive \$350K in CEO funding in FY13.							
Total Agency: Expenditure Increases/Re-estimates			100	350	--	--	--

AGENCY FIVE YEAR SUMMARY PROGRAM

Queens Borough Public Library

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$37,799	\$59,746	\$59,746	\$59,746	\$59,746
PEG Program	(1,666)	(3,588)	(3,588)	(3,588)	(3,588)
Expenditure Increases / Re-estimates	-	350	-	-	-
Financial Plan of 2/02/2012	<u><u>\$36,133</u></u>	<u><u>\$56,508</u></u>	<u><u>\$56,158</u></u>	<u><u>\$56,158</u></u>	<u><u>\$56,158</u></u>
<u>Headcount</u>	<i>(City Funded)</i>				
PEG Program	(59)	(59)	(59)	(59)	(59)
Financial Plan of 2/02/2012	<u><u>(59)</u></u>	<u><u>(59)</u></u>	<u><u>(59)</u></u>	<u><u>(59)</u></u>	<u><u>(59)</u></u>

CITY PEG PROGRAM

Queens Borough Public Library

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>FY13 November Plan PEG</u>	(40)	(19)	(1,666)	(3,588)	(3,588)	(3,588)	(3,588)
2% Reduction to FY12, 6% reduction to the out-years. The reduction to the out-years will result in a lower estimated level of service of 5.2 days per week in FY13.							
Total Agency: CITY PEG PROGRAM	(40)	(19)	(1,666)	(3,588)	(3,588)	(3,588)	(3,588)

Expenditure Increases/Re-estimates

Queens Borough Public Library

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
February							
<u>FY13 CEO Funding Adjustment</u>			--	350	--	--	--
Each Library system will receive \$350K in CEO funding in FY13.							
Total Agency: Expenditure Increases/Re-estimates			--	350	--	--	--

AGENCY FIVE YEAR SUMMARY PROGRAM

Department of Cultural Affairs

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$151,954	\$100,059	\$100,059	\$100,059	\$100,059
PEG Program	(3,056)	(6,059)	(6,059)	(6,059)	(6,059)
Expenditure Increases / Re-estimates	56	-	-	-	-
Financial Plan of 2/02/2012	<u><u>\$148,954</u></u>	<u><u>\$94,000</u></u>	<u><u>\$94,000</u></u>	<u><u>\$94,000</u></u>	<u><u>\$94,000</u></u>
<u>Headcount</u>	<i>(City Funded)</i>				
Baseline Per Adopted Plan - 6/29/2011	43	43	43	43	43
PEG Program	(109)	(109)	(109)	(109)	(109)
Financial Plan of 2/02/2012	<u><u>(66)</u></u>	<u><u>(66)</u></u>	<u><u>(66)</u></u>	<u><u>(66)</u></u>	<u><u>(66)</u></u>

CITY PEG PROGRAM

Department of Cultural Affairs

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>FY13 November Plan Reduction</u>	--	(109)	(3,056)	(6,059)	(6,059)	(6,059)	(6,059)
2% reduction to FY12, 6% reduction to the out years							
Total Agency: CITY PEG PROGRAM	--	(109)	(3,056)	(6,059)	(6,059)	(6,059)	(6,059)

Expenditure Increases/Re-estimates

Department of Cultural Affairs

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>Mayor's Office Funding for a Donations Outreach Coordinator at MFTA</u>			32	--	--	--	--
Mayor's Office funding to support a Direct Donations Coordinator position at the Department of Cultural Affairs' Materials for the Arts (MFTA) warehouse.							
<u>Member Item Reallocation</u>			(6)	--	--	--	--
Member Item Reallocation							
February							
<u>City Council Member Items</u>			30	--	--	--	--
Council Member items added 12/29/11.							
Total Agency: Expenditure Increases/Re-estimates			56	--	--	--	--

AGENCY FIVE YEAR SUMMARY PROGRAM

Department of Citywide Administrative Services

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$193,710	\$206,216	\$206,265	\$206,082	\$206,082
PEG Program	(17,067)	(3,395)	(4,471)	(4,496)	(4,527)
Less PEG Program Reflected in Revenue Budget	15,794	155	155	155	155
Expenditure Increases / Re-estimates	7,578	714	750	609	639
Financial Plan of 2/02/2012	<u>\$200,015</u>	<u>\$203,690</u>	<u>\$202,699</u>	<u>\$202,350</u>	<u>\$202,349</u>
<u>Headcount</u>	<i>(City Funded)</i>				
Baseline Per Adopted Plan - 6/29/2011	1,177	1,177	1,177	1,177	1,177
PEG Program	-	(22)	(22)	(22)	(22)
Expenditure Increases / Re-estimates	(15)	39	39	39	39
Financial Plan of 2/02/2012	<u>1,162</u>	<u>1,194</u>	<u>1,194</u>	<u>1,194</u>	<u>1,194</u>

CITY PEG PROGRAM

Department of Citywide Administrative Services

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Lease Audit Payment Recoveries</u> DCAS audits lease payments by City agencies.			(750)	--	--	--	--
<u>Additional Revenue from Salvage</u> Due to an increase in current year salvage sales of City-owned equipment, DCAS will generate additional auction revenue.			(3,540)	--	--	--	--
<u>Additional Court Reimbursement</u> DCAS will recognize one-time additional revenue from court reimbursements.			(5,703)	--	--	--	--
<u>Property Sales</u> DCAS will generate additional revenue from two city-owned property sales in the Bronx and Manhattan.			(6,500)	--	--	--	--
<u>Energy Savings from Retrofit Projects</u> Energy savings associated with various building retrofit projects.			--	(1,461)	(2,307)	(2,307)	(2,307)
<u>Photocopier Cost Containment</u> Negotiated savings on copier costs.			(523)	(122)	--	--	--
<u>Reduce Third Party Trucking Service at Storehouse</u> Reduction will be achieved via a combination of more effective and logical routing trucks to agency delivery locations, and improved coordination of delivery schedules with agencies.			--	(132)	(132)	(132)	(132)
<u>Agency Broad Banding of Managerial Vacancies</u> DCAS identified three vacancies whose duties have been reassigned to existing executive staff.	(3)	--	--	(485)	(489)	(492)	(496)
<u>Administrative Staff Sharing</u> DCAS will expand sharing of administrative staff among executives. Three current provisional staff will be laid off.	--	(3)	--	(159)	(194)	(197)	(202)

CITY PEG PROGRAM

Department of Citywide Administrative Services

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<p><u>Elimination of 16 Positions via Attrition</u> DCAS will not backfill 16 positions expected to be vacated through attrition in the upcoming fiscal year.</p>	(16)	--	--	(881)	(1,194)	(1,213)	(1,235)
<p><u>Additional BSA Filing Fees</u> Due to increased application activity, the Board of Standards and Appeals will generate additional revenue.</p>			(51)	(155)	(155)	(155)	(155)
Total Agency: CITY PEG PROGRAM	(19)	(3)	(17,067)	(3,395)	(4,471)	(4,496)	(4,527)

Expenditure Increases/Re-estimates

Department of Citywide Administrative Services

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>City Record Printing</u>			1,100	--	--	--	--
Failed PEG: City Record Printing (Implementation requires legislation)							
<u>Firefighter Exam Consultant</u>			3,600	--	--	--	--
Firefighter Exam Consultant (1st and 2nd Amendment)							
<u>DEC Consent Order</u>			216	--	--	--	--
DEC Consent Order							
<u>MCMS Maintenance & Support</u>			772	--	--	--	--
MCMS Maintenance & Support Contract (PSI)							
<u>Generators / Hurricane Irene</u>			6	--	--	--	--
Generators / Hurricane Irene (expected City share).							
<u>Hurricane Irene PS</u>			71	--	--	--	--
Hurricane Irene PS (expected City share).							
<u>Hurricane Irene OTPS</u>			7	--	--	--	--
Hurricane Irene OTPS (expected City share).							
<u>Headcount Adjustment</u>	54	--	--	--	--	--	--
Restoration of City headcount							
<u>Mayor's Youth Leadership Council</u>			--	166	166	--	--
Trains selected participants on youth leadership, and enhances their knowledge of how youth policy is created in the city. All OTPS (program contracts and administrative).							
<u>Procurement Card Rebates</u>	1	--	93	93	93	93	93
The Department of Citywide Administrative Services will collect revenue from procurement card rebates.							
<u>Fringe Offset Broad Banding - Managerial Vacancies</u>			--	74	78	81	85
Fringe Offset Broad Banding - Managerial Vacancies							

Expenditure Increases/Re-estimates

Department of Citywide Administrative Services

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Fringe Offset Administrative Staff Sharing</u>			--	22	57	60	64
Fringe Offset Administrative Staff Sharing							
<u>Fringe Offset for Elimination of 16 positions via attrition</u>			--	221	314	333	355
Fringe Offset for Elimination of 16 positions via attrition							
<u>Reduce 3rd Party Trucking Services offset</u>			--	132	132	132	132
Reduce 3rd Party Trucking Services offset							
<u>DCAS to DoITT Functional Transfer</u>	(2)	--	(76)	(118)	(118)	(118)	(118)
Raul Hernandez - \$59,724; Igor Brukker - \$57,973; It has been agreed among DoITT, DCAS, and OLR for the transfer of these two employees from DCAS to DoITT, effective 11/4/11 . Both employees are in budget code 1200							
<u>Lease Audit Offset</u>			750	--	--	--	--
Lease audit recoveries offset.							
<u>Photocopier cost containment offset</u>			505	110	--	--	--
Photocopier cost containment offset (non-DCAS portion)							
February							
<u>Family Justice Center - Manhattan</u>			--	14	28	28	28
Funding for operational costs of a new Family Justice Center in Manhattan that provides legal and social service counseling to victims of domestic violence.							
<u>Firefighter Exam</u>			590	--	--	--	--
Additional funding for the firefighter exam.							
<u>Lease Adjustment</u>			(56)	--	--	--	--
Lease Adjustment							

Expenditure Increases/Re-estimates

Department of Citywide Administrative Services

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Budget Headcount Mods From 1/4/2012 to 1/19/2012</u>	(14)	--	--	--	--	--	--
Total Agency: Expenditure Increases/Re-estimates	39	--	7,578	714	750	609	639

AGENCY FIVE YEAR SUMMARY PROGRAM

Department of Education

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$9,282,147	\$9,445,183	\$9,796,258	\$9,997,279	\$9,997,279
PEG Program	(147,012)	(301,212)	(180,462)	(189,212)	(122,300)
Expenditure Increases / Re-estimates	(7,775)	78,137	47,391	81,134	258,637
Financial Plan of 2/02/2012	<u>\$9,127,360</u>	<u>\$9,222,108</u>	<u>\$9,663,187</u>	<u>\$9,889,201</u>	<u>\$10,133,616</u>
<u>Headcount</u>	<i>(City Funded)</i>				
Baseline Per Adopted Plan - 6/29/2011	89,814 P 8,756 C	88,721 P 8,748 C	88,571 P 8,748 C	85,643 P 8,748 C	85,643 P 8,748 C
Expenditure Increases / Re-estimates	- 825 C	- 833 C	- 825 C	1,500 P 825 C	1,500 P 825 C
Financial Plan of 2/02/2012	89,814 P <u>9,581 C</u>	88,721 P <u>9,581 C</u>	88,571 P <u>9,573 C</u>	87,143 P <u>9,573 C</u>	87,143 P <u>9,573 C</u>

C = Civilian P = Pedagogical

CITY PEG PROGRAM

Department of Education

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Related Services Savings</u>			(18,000)	(18,000)	(18,000)	(18,000)	--
Savings through a reduction in contractual Special Ed spending.							
<u>Pre-K Handicapped Transportation Savings</u>			(14,412)	(14,412)	(14,412)	(14,412)	--
Savings through a reduction in contractual Special Ed spending.							
<u>Pre-K Handicapped Tuition & Related Services Reduction</u>			(30,000)	(21,500)	(25,750)	(34,500)	--
Savings through a reduction in contractual Special Ed spending.							
<u>Facilities PS Efficiencies</u>			(5,000)	(5,000)	--	--	--
Reduction is associated with improved procedures and monitoring of expenditures related to Extended use funds.							
<u>Facilities OTPS Efficiencies</u>			(12,000)	(12,000)	--	--	--
Reduction is associated with the implementation of tighter controls on Custodial emergency spending and a reduction in the allocation to in-house Custodians.							
<u>Facilities OTPS Efficiencies</u>			(8,000)	(8,000)	--	--	--
Reduction in allocation of general repair contracts.							
<u>Food Services Re-estimate</u>			(10,000)	--	--	--	--
The Federal increase in per-meal reimbursement appears adequate to cover current expectations in food inflation.							
<u>Food Services Efficiencies</u>			(2,000)	--	--	--	--
Reduction in temporary services, consultant hours and overtime.							
<u>Lease Savings</u>			(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Savings through a reduction in Lease costs.							
<u>SE PreK Revenue PEG</u>			(37,600)	(62,300)	(62,300)	(62,300)	(62,300)
November Plan State revenue re-estimate.							

CITY PEG PROGRAM

Department of Education

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<p><u>Medicaid Revenue PEG</u> Enhanced claiming processes & procedures will generate increased Federal revenue from reimbursements.</p>			--	(50,000)	(50,000)	(50,000)	(50,000)
<p><u>Building Aid for GO Debt Service</u> Building Aid to be used for education GO debt service.</p>			--	(100,000)	--	--	--
Total Agency: CITY PEG PROGRAM			(147,012)	(301,212)	(180,462)	(189,212)	(122,300)

Expenditure Increases/Re-estimates

Department of Education

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>Boiler Conversion Initiative</u>			--	--	587	--	--
Switching to cleaner fuel oil.							
<u>Young Men's Initiative</u>			--	250	250	--	--
<u>Outyear Health Recalculation</u>			--	--	70,500	106,300	285,400
Recalculates and funds the Health need associated with existing PS levels in FY14 and out.							
<u>Go Pass (DOE)</u>			6	--	--	--	--
Funds for Go Pass (DOE)							
<u>Service in Schools</u>			242	--	--	--	--
Funds for Service in Schools							
<u>CITISERV Transfer</u>			(196)	(300)	(300)	(300)	(300)
Functional transfer of CITIServ to DOITT							
<u>Building Aid for Debt Service</u>			--	100,000	--	--	--
Building Aid to be used for education GO debt service. Adjustment will be reflected in the debt service budget.							
<u>Member Item Reallocation</u>			(28)	--	--	--	--
Member Item Reallocation							
February							
<u>City Council Reallocation</u>			12	--	--	--	--
Local Initiatives							
<u>Young Men's Initiative</u>			--	(250)	(250)	--	--
Takedown of YMI Funds that are going to CUNY.							
<u>State Pension Adjustment</u>			(5,400)	(5,400)	(5,400)	(5,400)	(5,400)
Swap of State and Tax Levy for pensions.							

Expenditure Increases/Re-estimates

Department of Education

Description	City Personnel *		(City Funds in 000's)					
	Attrition	Layoff	2012	2013	2014	2015	2016	
<u>CEO-LPN Funds</u>			--	300	--	--	--	
Funding to CEO-LPN Career Ladder program in FY13.	8	--	C					
<u>HIP Rate Change</u>			(2,411)	(16,463)	(17,996)	(19,466)	(21,063)	
<u>Budget Headcount Mods From 1/20/2012 to 1/20/2012</u>			--	--	--	--	--	
	825	--	C					
Total Agency: Expenditure Increases/Re-estimates	833	--	C	(7,775)	78,137	47,391	81,134	258,637

AGENCY FIVE YEAR SUMMARY PROGRAM

City University

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$532,029	\$518,630	\$502,624	\$502,501	\$502,501
Expenditure Increases / Re-estimates	20,548	28,691	21,666	19,362	19,304
Financial Plan of 2/02/2012	<u>\$552,577</u>	<u>\$547,321</u>	<u>\$524,290</u>	<u>\$521,863</u>	<u>\$521,805</u>
<u>Headcount</u>	<i>(City Funded)</i>				
Baseline Per Adopted Plan - 6/29/2011	3,150 P	3,150 P	3,150 P	3,150 P	3,150 P
	1,590 C	1,550 C	1,550 C	1,550 C	1,550 C
Expenditure Increases / Re-estimates	30 P	30 P	30 P	30 P	(10) P
	57 C	137 C	97 C	97 C	47 C
Financial Plan of 2/02/2012	<u>3,180 P</u>	<u>3,180 P</u>	<u>3,180 P</u>	<u>3,180 P</u>	<u>3,140 P</u>
	<u>1,647 C</u>	<u>1,687 C</u>	<u>1,647 C</u>	<u>1,647 C</u>	<u>1,597 C</u>

C = Civilian P = Pedagogical

Expenditure Increases/Re-estimates

City University

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>Young Men's Initiative</u>			--	2,000	2,000	--	--
<u>Member Item Reallocation</u>			554	--	--	--	--
Member Item Reallocation							
<u>Tuition Adjustment</u>			20,000	20,000	20,000	20,000	20,000
Consistent with the NY-SUNY 2020 Challenge Grant Program Act legislation, CUNY's Board of Trustees authorized a tuition increase of \$300 effective for the Fall 2011 semester.							
<u>Headcount Plan Adjustment</u>	30	-- P	--	--	--	--	--
Realigns CUNY's PS and OTPS budget.	97	-- C					
February							
<u>City Council Reallocation</u>			(6)	--	--	--	--
<u>Young Men's Initiative</u>			--	250	250	--	--
Civic Justice Corps.							
<u>CC HIP Rate Adjustment</u>			--	(534)	(584)	(638)	(696)
<u>CEO: CUNY Prep</u>			--	3,575	--	--	--
	35	-- C					
<u>CEO:CUNY ASAP</u>			--	300	--	--	--
	3	-- C					
<u>CEO: Civic Justice Corps.</u>			--	3,100	--	--	--
	2	-- C					
Total Agency: Expenditure Increases/Re-estimates	30	-- P	20,548	28,691	21,666	19,362	19,304
	137	-- C					

AGENCY FIVE YEAR SUMMARY PROGRAM

Health and Hospitals Corporation

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>					
					<i>(City Funds in 000's)</i>
Baseline Per Adopted Plan - 6/29/2011	\$78,538	\$71,114	\$71,114	\$71,114	\$71,114
PEG Program	-	(4,265)	(4,265)	(4,265)	(4,265)
Expenditure Increases / Re-estimates	(3,278)	1,505	500	-	-
Financial Plan of 2/02/2012	<u><u>\$75,260</u></u>	<u><u>\$68,354</u></u>	<u><u>\$67,349</u></u>	<u><u>\$66,849</u></u>	<u><u>\$66,849</u></u>

CITY PEG PROGRAM

Health and Hospitals Corporation

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>Reduction to HHC's Unrestricted City Subsidy</u>			(1,545)	(4,265)	(4,265)	(4,265)	(4,265)
HHC's Unrestricted Subsidy will be reduced, which could result in further reductions in personnel and/or services at HHC.							
February							
<u>Restoration of HHC's Unrestricted City Subsidy</u>			1,545	--	--	--	--
Restoration of HHC's Unrestricted City Subsidy							
Total Agency: CITY PEG PROGRAM			--	(4,265)	(4,265)	(4,265)	(4,265)

Expenditure Increases/Re-estimates

Health and Hospitals Corporation

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>Young Men's Initiative: HHC Men's Health</u>			--	500	500	--	--
Residency training program promoting teen-friendly health services							
<u>CTL transfer to DOHMH for claiming</u>			(3,278)	--	--	--	--
CTL transfer to DOHMH IntraCities to claim revenue for AIDS and Child Health programs							
February							
<u>CEO: HHC Career Ladder Program</u>			--	1,005	--	--	--
CEO funding adjustment							
Total Agency: Expenditure Increases/Re-estimates			(3,278)	1,505	500	--	--

AGENCY FIVE YEAR SUMMARY PROGRAM

Department for the Aging

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$139,608	\$116,048	\$116,048	\$116,048	\$116,048
Expenditure Increases / Re-estimates	1,946	(22)	(22)	(22)	(22)
Financial Plan of 2/02/2012	<u><u>\$141,554</u></u>	<u><u>\$116,026</u></u>	<u><u>\$116,026</u></u>	<u><u>\$116,026</u></u>	<u><u>\$116,026</u></u>
<u>Headcount</u>	<i>(City Funded)</i>				
Baseline Per Adopted Plan - 6/29/2011	37	37	37	37	37
Expenditure Increases / Re-estimates	1	-	-	-	-
Financial Plan of 2/02/2012	<u><u>38</u></u>	<u><u>37</u></u>	<u><u>37</u></u>	<u><u>37</u></u>	<u><u>37</u></u>

Expenditure Increases/Re-estimates

Department for the Aging

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>Technical Adjustment</u>			(112)	--	--	--	--
<u>Member Item Reallocation</u>			316	--	--	--	--
Member Item Reallocation							
<u>HHS-Connect Technical Adjustment</u>			--	(14)	(14)	(14)	(14)
<u>DFTA Truancy Task Force</u>			112	--	--	--	--
Mentors for the Mayors Task force to Combat Truancy.							
February							
<u>Collective Bargaining</u>			3	3	3	3	3
<u>Title XX Adjustment</u>			1,604	--	--	--	--
Reallocates federal Title XX funding between DSS and the Department for the Aging due to a change in allocation methodology.							
<u>Local Initiatives</u>			23	--	--	--	--
Local Initiatives							
<u>HHS-Connect Technical Adjustment</u>			--	(10)	(10)	(10)	(10)
<u>HHS-Connect Technical Adjustment</u>			--	(1)	(1)	(1)	(1)
Total Agency: Expenditure Increases/Re-estimates			1,946	(22)	(22)	(22)	(22)

AGENCY FIVE YEAR SUMMARY PROGRAM

Department of Small Business Services

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$85,773	\$54,946	\$48,091	\$41,781	\$41,781
PEG Program	(2,596)	(8,286)	(5,868)	(5,577)	(5,796)
Less PEG Program Reflected in Revenue Budget	1,119	3,493	3,355	3,228	3,440
Expenditure Increases / Re-estimates	(1,617)	12,382	452	463	476
Financial Plan of 2/02/2012	<u>\$82,679</u>	<u>\$62,535</u>	<u>\$46,030</u>	<u>\$39,895</u>	<u>\$39,901</u>
<u>Headcount</u>	<i>(City Funded)</i>				
Baseline Per Adopted Plan - 6/29/2011	124	118	118	112	112
PEG Program	(9)	(14)	(14)	(14)	(14)
Expenditure Increases / Re-estimates	-	6	-	-	-
Financial Plan of 2/02/2012	<u>115</u>	<u>110</u>	<u>104</u>	<u>98</u>	<u>98</u>

CITY PEG PROGRAM

Department of Small Business Services

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>Reduction to New Initiatives - Workforce Development</u>			(107)	(389)	(223)	--	--
SBS will achieve OTPS savings in FY12-14 by reducing funding to the Workforce1 Express/Expansion Centers funded in the FY12 Preliminary Plan.							
<u>Reduction to New Initiatives - Division of Economic and Financial Opportunity</u>			--	(54)	(36)	--	--
SBS will achieve OTPS savings in FY13-14 by reducing funding to new initiatives funded in FY12 Preliminary and Executive Plans, including the Minority- and Women-Owned Business Enterprise (M/WBE) Capacity Building and Mentoring Programs.							
<u>Attrition Savings</u>	(14)	--	(373)	(656)	(700)	(711)	(724)
SBS will achieve savings through vacancy eliminations and other attrition savings in the Business District Development, Financial Management and Executive, Economic and Financial Opportunity, and Workforce Development divisions.							
<u>PS Funding Reallocation</u>			(93)	(93)	(93)	(93)	(93)
SBS will achieve PS savings by shifting tax-levy funded salaries to Federal Workforce Investment Act (WIA) funds.							
<u>SBS OTPS Savings</u>			--	(109)	(22)	(46)	(40)
SBS will achieve savings by reducing its OTPS allocations for Industrial Business Zone contracts, New Business Acceleration Team, and Administration and Division of Economic and Financial Opportunity.							
<u>City Council Funds Reduction</u>			(162)	--	--	--	--
SBS is reducing its City Council funds allocation in FY12 by 2% for PEG savings.							

CITY PEG PROGRAM

Department of Small Business Services

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<u>Increase in Contractual Payments</u>			(1,119)	(3,493)	(3,355)	(3,228)	(3,440)
EDC will increase its contractual payment to the City in FY 2012 and in the out years.							
<u>EDC Tax Levy Programs Reductions</u>			(96)	(2,042)	(11)	--	--
EDC Tax Levy funding reductions among various programs such as the Development Coordinator, the Greenpoint Williamsburg Waterfront Access Fund and the Financial Services Contracts.							
<u>City Council High Tech Connect Funding Reduction</u>			(6)	--	--	--	--
Pro rata 2% savings in the EDC City Council High Tech Connect funding.							
<u>EDC Community Court Savings</u>			(5)	(15)	(15)	(15)	(15)
Pro rata 2 % savings in FY12 and 6% in FY13 and every year in the out years in the City tax levy contribution to the Red Hook and Midtown Community Courthouse program.							
<u>PlaNYC EDC budget PEG - OER Brownfields Fund</u>			(158)	--	--	--	--
Reduction from the Office of Environmental Remediation's Brownfields Fund; 2% in FY12. The full PEG for PlaNYC funding within EDC to be taken from the Brownfields Fund.							
<u>Downtown Brooklyn Partnership Savings</u>			(4)	--	--	--	--
Pro rata 2% savings in the City tax levy contribution to the Downtown Brooklyn Partnership contract.							
<u>NYC & Company Contract Reduction</u>			(285)	(848)	(826)	(826)	(826)
NYC & Company will achieve its PEG target through a reduction in personnel, marketing and promotions, and its program for international tourism development.							
<u>Trust for Governors Island PEG</u>			(361)	(587)	(587)	(658)	(658)
The Trust for Governors Island will achieve its PEG through contract reductions in FY12-16.							

CITY PEG PROGRAM

Department of Small Business Services

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
February							
<u>City Council High Tech Connect Funding Restoration</u>			6	--	--	--	--
PEG savings taken for EDC City Council High Tech Connect from the FY13 November Plan will be restored for FY12.							
<u>EDC Community Court Restoration</u>			5	--	--	--	--
PEG savings taken for the Red Hook and Midtown Community Courthouse program from the FY13 November Plan will be restored for FY12.							
<u>City Council Funds Restoration</u>			162	--	--	--	--
SBS is restoring its City Council funds PEG reduction from the FY13 November Plan for FY12.							
Total Agency: CITY PEG PROGRAM	(14)	--	(2,596)	(8,286)	(5,868)	(5,577)	(5,796)

Expenditure Increases/Re-estimates

Department of Small Business Services

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>Trust for Governors Island Hills Consultant</u>			2,500	--	--	--	--
Trust for Governors Island Hills Design and Environmental Consultants.							
<u>EDC Civil Service Study</u>			(750)	--	--	--	--
Tax levy reduction of the FY12 funding for the EDC Civil Service Study.							
<u>EDC Graffiti Program</u>			276	276	276	276	276
City tax levy funding transfer from DSNY to EDC graffiti program in FY12 and every year in the out years.							
<u>City Council High Tech Connect Funding Match</u>			150	--	--	--	--
Funding match in FY12 for the EDC City Council funded program High Tech Connect.							
<u>Attrition Savings - Fringe Benefit Offset</u>			88	156	176	187	200
Attrition Savings - Fringe Benefit Offset							
<u>NYC Service Program - SBS</u>			50	--	--	--	--
NYC Service Program - SBS Know Before You Enroll							
<u>Young Men's Initiative: Expanding Men's Training/Jobs</u>			(1,000)	--	--	--	--
Young Men's Initiative: Expanding Men's Training/Jobs							
<u>Member Item Reallocation</u>			74	--	--	--	--
Member Item Reallocation							
February							
<u>Clean Heat Initiative</u>			5,000	--	--	--	--
Clean Heat Initiative							
<u>DEC Heating Oil Tank Penalty Reallocation</u>			(2,090)	2,090	--	--	--
Reallocate unspent DEC Heating Oil Tank Penalty payment from FY12 to FY13.							

Expenditure Increases/Re-estimates

Department of Small Business Services

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<p><u>Brownfields Fund Reallocation</u> Reallocate projected Brownfields Fund surpluses from FY12 to FY13.</p>			(5,930)	5,930	--	--	--
<p><u>CEO Funding Adjustment</u> SBS will receive FY13 funding from the Center for Economic Opportunity for Business Solutions Training, sector-focused Workforce1 Career Center, and Employment Works. There is no net change to the City's budget.</p>	6	--	--	3,930	--	--	--
<p><u>SBS City Council Member Items</u> Additional funding from SBS City Council Member Items.</p>			15	--	--	--	--
Total Agency: Expenditure Increases/Re-estimates	6	--	(1,617)	12,382	452	463	476

AGENCY FIVE YEAR SUMMARY PROGRAM

Department of Buildings

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$94,615	\$89,624	\$89,642	\$89,624	\$89,624
PEG Program	(2,297)	(6,689)	(6,689)	(6,689)	(6,689)
Less PEG Program Reflected in Revenue Budget	2,297	6,689	6,689	6,689	6,689
Expenditure Increases / Re-estimates	1,300	2,000	2,000	-	-
Financial Plan of 2/02/2012	<u>\$95,915</u>	<u>\$91,624</u>	<u>\$91,642</u>	<u>\$89,624</u>	<u>\$89,624</u>
<u>Headcount</u>	<i>(City Funded)</i>				
Baseline Per Adopted Plan - 6/29/2011	1,127	1,127	1,127	1,127	1,127
Expenditure Increases / Re-estimates	(27)	(27)	(27)	(27)	(27)
Financial Plan of 2/02/2012	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>

CITY PEG PROGRAM

Department of Buildings

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<p><u>Increased Civil Penalties</u></p> <p>As a result of revised procedures and penalty structure changes, the Department will generate additional civil penalties for work without a permit, elevator violations and boiler violations.</p>			(2,297)	(6,689)	(6,689)	(6,689)	(6,689)
Total Agency: CITY PEG PROGRAM			(2,297)	(6,689)	(6,689)	(6,689)	(6,689)

Expenditure Increases/Re-estimates

Department of Buildings

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>NYC Service Program - DOB Cool Roofs</u>			100	--	--	--	--
NYC Service Program - DOB Cool Roofs							
<u>Unfunded Headcount Reduction</u>	(27)	--	--	--	--	--	--
Reduction of headcount to account for unfunded vacancies. Dollars savings have been achieved from attrition, associated with the FY12 November Plan PEG.							
February							
<u>HUB Expansion</u>			--	2,000	2,000	--	--
Program funding for staffing costs at DOB Development Hub							
<u>Private Elevator Inspection Contract</u>			1,200	--	--	--	--
The Department of Buildings will incur additional expenses due to the cost of performing mandated elevator inspections. These expenses will be offset by revenue.							
Total Agency: Expenditure Increases/Re-estimates	(27)	--	1,300	2,000	2,000	--	--

AGENCY FIVE YEAR SUMMARY PROGRAM

Department of Environmental Protection

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Dollars</u>	<i>(City Funds in 000's)</i>				
Baseline Per Adopted Plan - 6/29/2011	\$976,738	\$954,578	\$954,939	\$955,817	\$955,817
PEG Program	(426)	(1,287)	(1,287)	(1,287)	(1,287)
Less PEG Program Reflected in Revenue Budget	315	1,010	1,010	1,010	1,010
Expenditure Increases / Re-estimates	4	4	4	4	4
Financial Plan of 2/02/2012	<u>\$976,631</u>	<u>\$954,305</u>	<u>\$954,666</u>	<u>\$955,544</u>	<u>\$955,544</u>
<u>Headcount</u>	<i>(City Funded)</i>				
Baseline Per Adopted Plan - 6/29/2011	211	211	211	211	211
Financial Plan of 2/02/2012	<u>211</u>	<u>211</u>	<u>211</u>	<u>211</u>	<u>211</u>

CITY PEG PROGRAM

Department of Environmental Protection

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
<p><u>Additional SARA Right-to-Know Fees</u></p> <p>The Department will collect additional revenue due to a new online payment system for hazardous material storage.</p>			(66)	(200)	(200)	(200)	(200)
<p><u>Reduction to Energy Program</u></p> <p>Savings from the Energy Program will be realized by reducing the salary of the current vacancy and by reducing consulting contracts starting in FY13.</p>			(50)	(150)	(150)	(150)	(150)
<p><u>Additional E-Designation Fees</u></p> <p>The Department will collect additional revenue for the review of technical documents required for the Environmental Designation Program, which provides expert assistance to facilitate the development of contaminated brownfield properties.</p>			(19)	(58)	(58)	(58)	(58)
<p><u>Reduction to Landfill Program</u></p> <p>Operation of the Pennsylvania Avenue Landfill's leachate pre-treatment Plant will be shut down, as approved by NYS Department of Environmental Conservation.</p>			(61)	(127)	(127)	(127)	(127)
<p><u>Additional Asbestos Enforcement</u></p> <p>Due to increased inspection activity, the Department will generate additional asbestos fine revenue returnable to the Environmental Control Board.</p>			(230)	(752)	(752)	(752)	(752)
Total Agency: CITY PEG PROGRAM			(426)	(1,287)	(1,287)	(1,287)	(1,287)

Expenditure Increases/Re-estimates

Department of Environmental Protection

Description	City Personnel *		(City Funds in 000's)				
	Attrition	Layoff	2012	2013	2014	2015	2016
November							
<u>Reduction to Energy Program</u>			4	4	4	4	4
Reduction to Energy Program - Fringe Benefit Offset							
Total Agency: Expenditure Increases/Re-estimates			4	4	4	4	4

Revenue Program

REVENUE PROGRAM

Description	(City Funds in 000's)				
	2012	2013	2014	2015	2016
<u>Tax Revenue</u>					
The City will realize additional revenue from a recent audit conducted by the Comptroller's Office that resulted in revocation of exemptions for ineligible taxpayers.	1,189	4,041	0	0	0
The Department of Finance will conduct a more robust review of new and renewal exemption applications. Efforts will include the purchase of a subscription to SSA Death Index to match against active beneficiaries, resulting in revocation of benefits if found to be ineligible.	0	7,111	7,111	7,111	7,111
The Department of Finance will realize increased tax audit revenue from new audit initiatives, including the use of sophisticated data mining to identify cases of tax compliance abuses that provide higher than expected audit results.	10,000	35,000	10,000	10,000	10,000
The Department of Finance will focus resources on accurately assessing difficult to value specialty properties, such as cellular towers and billboards.	0	1,809	3,617	5,426	7,235
The Department of Finance identified property tax bills which were not mailed to taxpayers because of incomplete addresses. The Department will acquire alternative addresses in order to mail delinquent notices to taxpayers requesting address changes and payment.	0	1,800	1,100	0	0

REVENUE PROGRAM

Description	(City Funds in 000's)				
	2012	2013	2014	2015	2016
<u>Tax Revenue</u>					
The creation of the new Tobacco Diversion Unit within the Department of Finance will generate additional revenue through a more vigorous enforcement of untaxed tobacco.	375	750	750	750	750
<u>Sub Total: Tax Revenue</u>	11,564	50,511	22,578	23,287	25,096

REVENUE PROGRAM

Description	(City Funds in 000's)				
	2012	2013	2014	2015	2016
<u>Miscellaneous Revenue</u>					
The Office of Management and Budget will review Trust and Agency accounts to determine the availability of funds for recovery to the General Fund.	0	1,200	1,200	1,200	1,200
The Street Activity Permit Office will generate additional revenue from increasing the fees for commercial/promotional street events and the street activity application fee from \$15 to \$25.	0	954	954	954	954
Increased collection efforts by the Comptroller's Office have resulted in the settlement of a higher volume of cases as well as increases in the average settlement per claim.	200	200	200	200	200
The Tax Commission has generated additional fee revenue above the current projection for real property assessment reviews conducted on properties valued at over \$2 million.	300	200	200	200	200
The Law Department will realize additional revenue from a Verizon settlement payment and the World Trade Center Captive Insurance reimbursement.	1,047	255	0	0	0
The Department of Investigation will increase the Full Background Investigation fee from \$120 to \$250 and the Four-Step Background fee from \$40 to \$150.	0	241	241	241	241

REVENUE PROGRAM

Description	(City Funds in 000's)				
	2012	2013	2014	2015	2016
<u>Miscellaneous Revenue</u>					
The Department of Investigation will increase Fingerprint fees from \$110 to \$130.	0	186	186	186	186
The Department of Investigation will realize additional assessment revenue based on the appointment of six additional marshals.	0	251	251	251	251
The Police Department will charge traffic control overtime costs, including fringe benefits, for athletic non-charitable events.	399	4,385	0	0	0
The Fire Department plans to charge a fee for Building Inspection Safety Protocol inspections. The establishment of this fee requires City Council approval.	0	8,371	9,880	9,896	9,916
The Fire Department will increase the Plan Review fee from \$210 to \$420.	452	1,357	1,357	1,357	1,357
Based on a full complement of Fire Prevention inspectors, the Fire Department will generate additional revenue from an increase in inspection activity.	3,000	3,000	3,000	3,000	3,000
The Fire Department will increase fine amounts for several violation codes returnable to the Environmental Control Board.	465	1,515	1,516	1,517	1,519

REVENUE PROGRAM

Description	(City Funds in 000's)				
	2012	2013	2014	2015	2016
<u>Miscellaneous Revenue</u>					
The Department of Social Services will realize increased reimbursement for programs serving domestic violence victims, food stamp clients and disabled public assistance recipients.	280	280	280	280	280
The Department of Social Services will give non-custodial parents the opportunity to fulfill outstanding obligations by negotiating reduced settlements of longstanding child support debt.	0	436	436	436	436
The Department of Social Services will recover overpayments to public assistance recipients from individuals who agreed to be financially responsible for persons they sponsored for immigration to the United States.	0	2,067	908	414	414
The Department of Social Services will recoup unused security deposits issued to landlords on behalf of public assistance recipients.	0	1,000	0	0	0
The Department of Correction solicited a vending concession for the operation of approximately 100 beverage, snack and food vending machines in various facilities throughout the City.	175	158	188	220	220
The Office of Payroll Administration has received interest income on FICA refunds from the IRS and the recoupment of a prior year overpayment of an administrative fee from Transit Center.	2,142	0	0	0	0

REVENUE PROGRAM

Description	(City Funds in 000's)				
	2012	2013	2014	2015	2016
<u>Miscellaneous Revenue</u>					
Due to the continued growth in permit applications processed, the Landmarks Preservation Commission projects an increase in permit revenue.	99	304	304	304	304
The Taxi and Limousine Commission will generate increased taxi fine revenue resulting from a recent expansion in enforcement staff, increased enforcement of administrative rules and improvements in passenger-generated consumer case convictions.	938	2,738	2,738	2,738	2,738
The Economic Development Corporation will increase its contractual payment to the City in FY 2012 and in the out years.	1,119	3,493	3,355	3,228	3,440
The Department of Housing Preservation and Development received a one-time interest payment on a demolition lien and has identified two city-owned properties to be sold in FY 2013.	187	436	0	0	0
As a result of revised procedures and penalty structure changes, the Department of Buildings will generate additional civil penalties for work without a permit, elevator violations and boiler violations.	2,297	6,689	6,689	6,689	6,689
As a result of a policy change to collect fee revenue before a viability inspection, the Department of Health and Mental Hygiene will collect additional child day care permit revenue.	0	100	100	100	100

REVENUE PROGRAM

Description	(City Funds in 000's)				
	2012	2013	2014	2015	2016
<u>Miscellaneous Revenue</u>					
The Department of Health and Mental Hygiene is revising its health tribunal fine revenue estimate to reflect actuals and an anticipated increase in restaurant inspections.	1,277	3,840	3,840	3,840	3,840
The Office of Administrative Trials and Hearings will generate additional fine revenue from an increase in case processing and adjudications at the Environmental Control Board and the DOHMH Tribunal.	1,110	3,853	3,853	3,853	3,853
The Department of Environmental Protection will collect additional fee revenue due to a new online payment system for hazardous material storage.	66	200	200	200	200
Due to increased inspection activity, the Department of Environmental Protection will generate additional asbestos fine revenue returnable to the Environmental Control Board.	230	752	752	752	752
The Department of Environmental Protection will collect additional revenue for the review of technical documents required for the Environmental Designation Program, which provides expert assistance to facilitate the development of contaminated brownfield properties.	19	58	58	58	58
Based on other companies' usage of the City's Staten Island Rail Line, the Department of Sanitation will receive a refund from its long-term export contractor.	972	0	0	0	0

REVENUE PROGRAM

Description	(City Funds in 000's)				
	2012	2013	2014	2015	2016
<u>Miscellaneous Revenue</u>					
The Department of Sanitation will generate more revenue from the sale of recycled paper and bulk materials due to increases in the market prices of paper and metal. Out year revenue estimates reflect the volatility of these prices.	5,815	2,907	2,907	2,907	2,907
The Business Integrity Commission will generate additional revenue from various new enforcement initiatives.	169	521	521	521	521
The City realized additional revenue in FY 2012 from a settlement payment from Verizon through a joint effort between Law Department and the Department of Transportation.	500	0	0	0	0
Based on their contractual agreement, the Department of Transportation received a payment from CEMUSA for scroller revenue.	5,771	0	0	0	0
The Department of Transportation will generate additional baseline revenue from Revocable Consents, including Electrical Transformers, the web-based issuance of the \$30 Debris Container Permits, and from rental income at the St. George and White Hall Ferry Terminals.	2,112	3,497	4,576	5,633	6,720
The Department of Transportation will generate additional revenue by increasing the fine amount of two existing Highway Inspection Quality Assurance violations.	911	1,497	1,284	1,102	1,102

REVENUE PROGRAM

Description	(City Funds in 000's)				
	2012	2013	2014	2015	2016
<u>Miscellaneous Revenue</u>					
The Department of Transportation will increase commercial parking rates in Manhattan from \$3 per hour to \$4 for 1 hour, \$9 for 2 hours and \$15 for 3 hours.	1,000	4,000	4,000	4,000	4,000
The Department of Transportation has implemented various parking initiatives that have produced additional revenue above original projections.	0	7,000	7,000	7,000	7,000
The Department of Parks and Recreation is undertaking an effort to generate additional revenue.	0	13,000	13,000	13,000	13,000
Due to an increase in current year salvage sales of City-owned equipment, the Department of Citywide Administrative Services will generate additional auction revenue.	3,540	0	0	0	0
The Department of Citywide Administrative Services will recognize one-time additional revenue from court reimbursements.	5,703	0	0	0	0
The Department of Citywide Administrative Services will generate additional revenue from two city-owned property sales in the Bronx and Manhattan.	6,500	0	0	0	0
Due to increased application activity, the Board of Standards and Appeals will generate additional revenue.	51	155	155	155	155

REVENUE PROGRAM

Description	(City Funds in 000's)				
	2012	2013	2014	2015	2016
<u>Miscellaneous Revenue</u>					
Based on current and historical collections, the Department of Information Technology and Telecommunications will receive additional revenue from cable television franchises.	8,000	4,000	4,000	4,000	4,000
The Department of Consumer Affairs will implement late fees for businesses that do not pay their fines and scale fees on time.	116	165	165	165	165
The Department of Consumer Affairs will modify its procedures for the drawdown of funds from the Home Improvement Contractor trust fund.	323	323	323	323	323
Due to an increase in collection rates, the Department of Consumer Affairs will generate greater than anticipated consumer protection fine revenue.	0	568	568	568	568
As proposed by the Mayor's Regulatory Review Panel, the Department of Consumer Affairs will combine the existing Laundry and Laundry Jobber licenses, and will clarify the rules that prevent some dry cleaners from being covered by the law.	0	471	471	471	471
The Department of Consumer Affairs will implement a fee for the Home Improvement Salesperson exam.	56	115	115	115	115

REVENUE PROGRAM

Description	(City Funds in 000's)				
	2012	2013	2014	2015	2016
<u>Miscellaneous Revenue</u>					
The Department of Consumer Affairs will implement fees for tow truck inspections and for towing companies that participate in the Direct Accident Response Program.	101	43	101	43	101
The Public Administrators will realize additional revenue from commissions paid to the City.	76	207	207	207	207
<u>Sub Total: Miscellaneous Revenue</u>	57,518	86,988	82,079	82,324	83,703
Total Revenue Program	69,082	137,499	104,657	105,611	108,799