

**The City of New York
Executive Budget
Fiscal Year 2007**

Michael R. Bloomberg, Mayor

Office of Management and Budget

Mark Page, Director

**Budget
Summary**

Budget Summary

Executive Budget

Fiscal Year 2007

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Overview

- ❖ **T**he FY 2006 Budget will be balanced, and \$3.4 billion in FY 2006 resources will be used to help balance FY 2007.
- ❖ **O**ur plan for balance in FY 2007 includes agency actions of \$299 million and Federal actions of \$50 million. We are also taking decisive actions and making necessary investments now to ensure the City's long-term fiscal stability and growth.
- ❖ **W**hile the economy continues to grow, there are clouds on the horizon. Interest rates and gasoline prices are rising, and Wall Street profits have been lower. Job growth continues but is slowing, nationally and in the City, while a predicted slowdown in residential real estate appears to be occurring.
- ❖ **T**he future budget gaps in FY 2008, 2009 and 2010 are significant. This is no time for the City to be complacent. We are taking steps now to address future liabilities for employee health benefits and debt service costs but we will need to continue to be fiscally vigilant to maintain long-term budget balance.

Use of One-Time Resources to Reduce Long-Term Costs

\$ in Millions

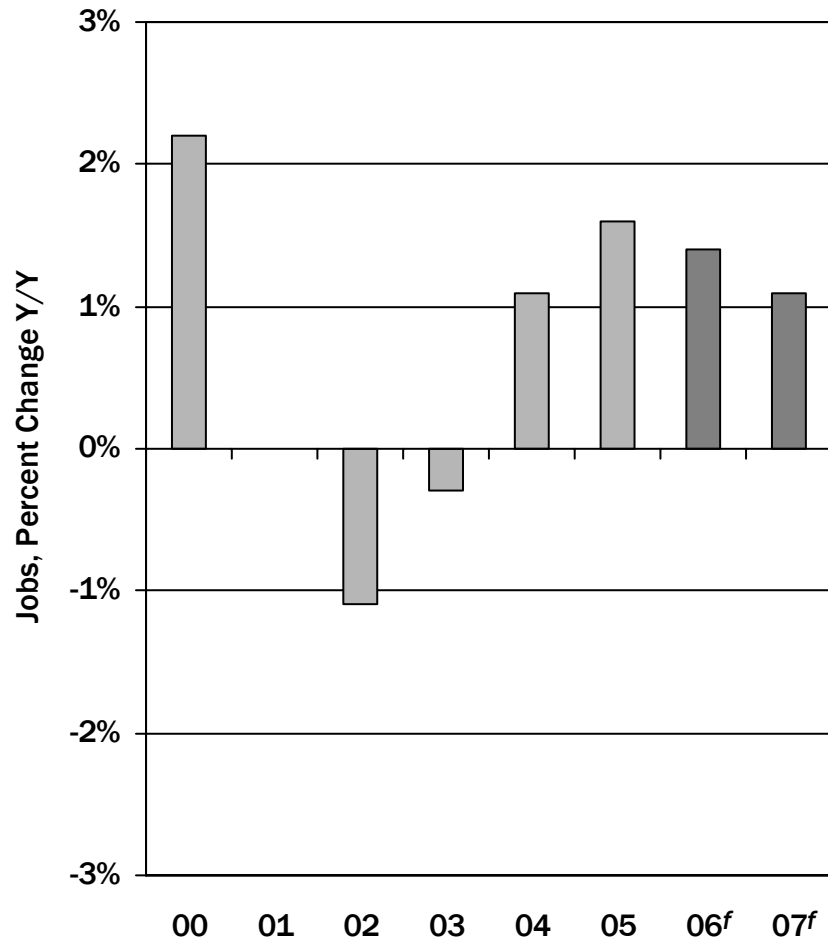
Use of One-Time Resources	\$ in Millions					Benefit
	2006	2007	2008	2009	2010	
Trust Fund for Retiree Health Benefits	(\$1,000)	(\$1,000)	\$---	\$---	\$---	\$2 Billion Reduction in Long-Term Liability for Retiree Health Care Costs of Approximately \$50 Billion
Reduction in Debt through Pay-Go Capital	(\$200)	(\$200)	(\$200)	(\$200)	(\$200)	Cumulative Debt Reduction of \$1 Billion
Out-Year Gap Reduction through TSASC Restructuring	(\$232)	(\$121)	\$454	\$22	\$24	\$500 Million in Out-Year Gap Reduction
Retirement of TFA Debt	(\$350)	\$16	\$350	\$---	\$---	\$16 Million in FY07 and \$350 Million in FY08

I. Economic Update

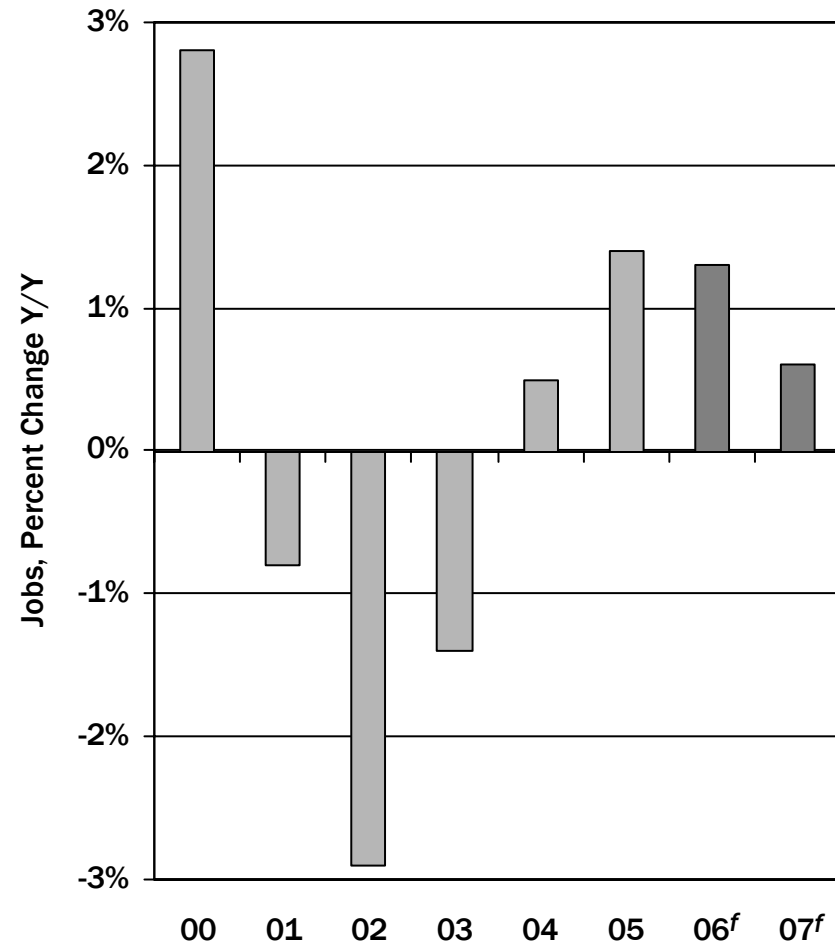
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New York City Continues to Add Jobs, But at a Slower Rate in 2006 and 2007

US Employment



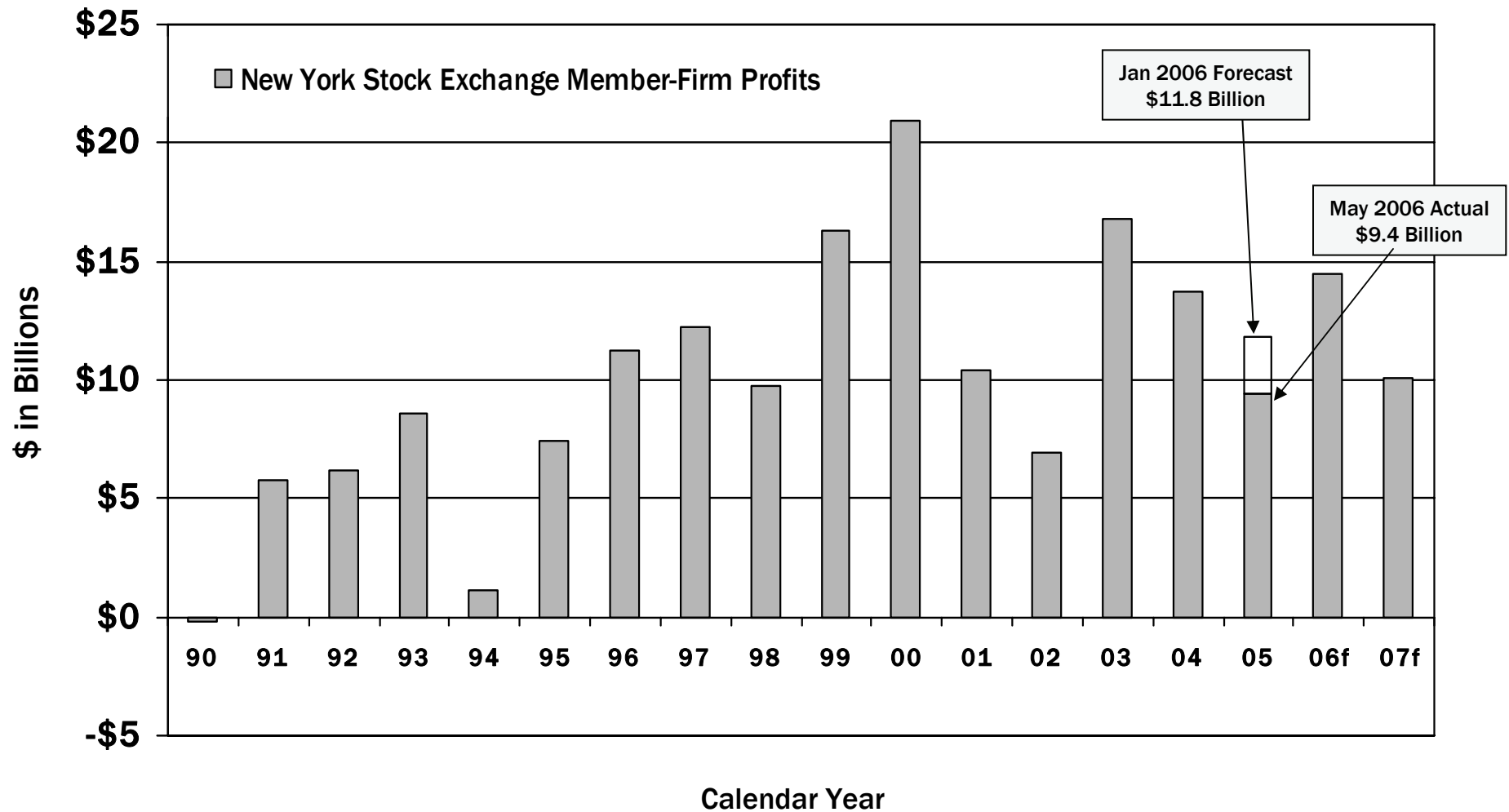
NYC Employment



f = forecast

Calendar Year

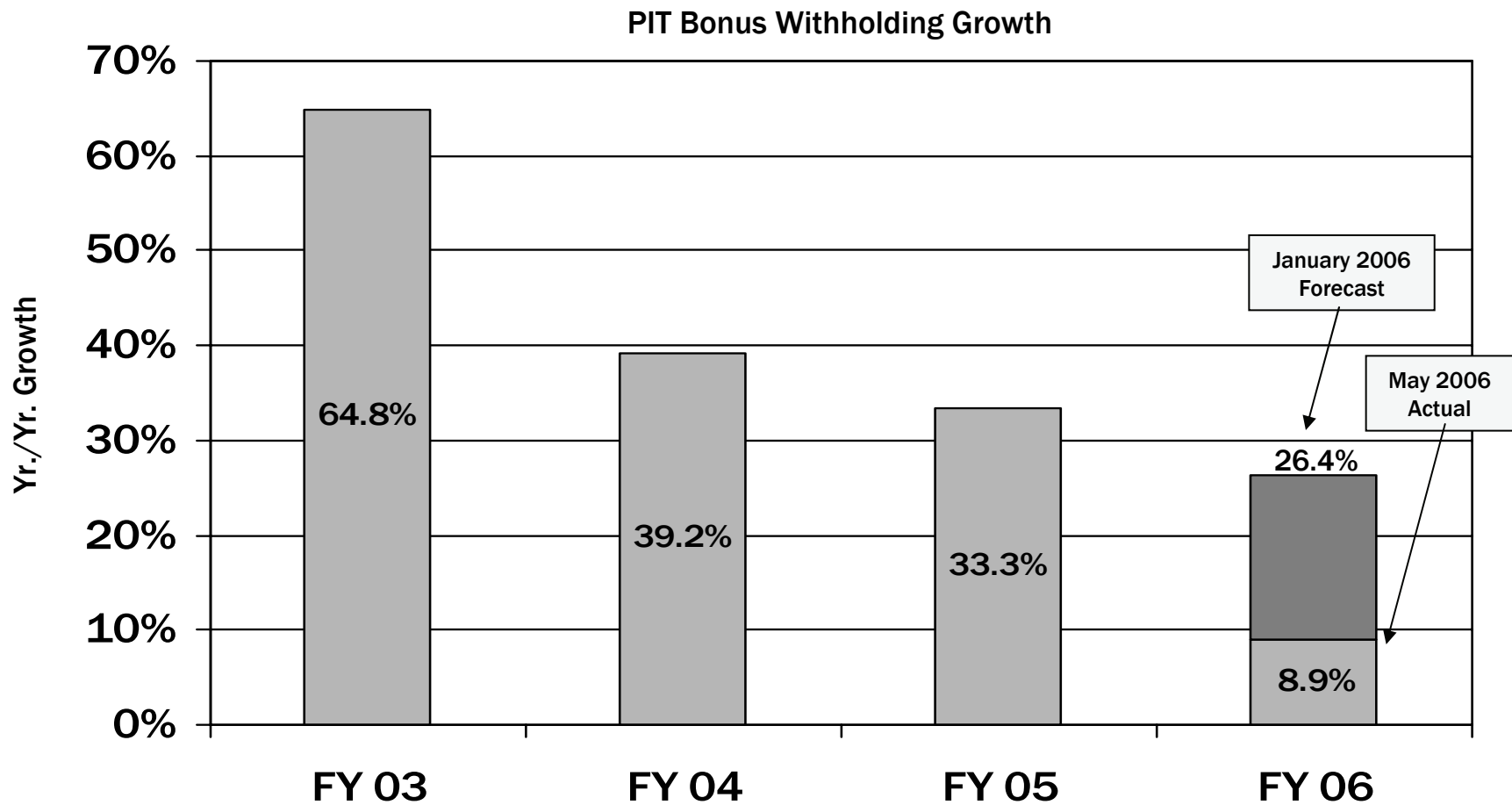
Wall Street Profits For 2005 Were Recently Revised Downward Due to a Weak 4th Quarter, Putting the 2006 Forecast at Risk



f = forecast; OMB

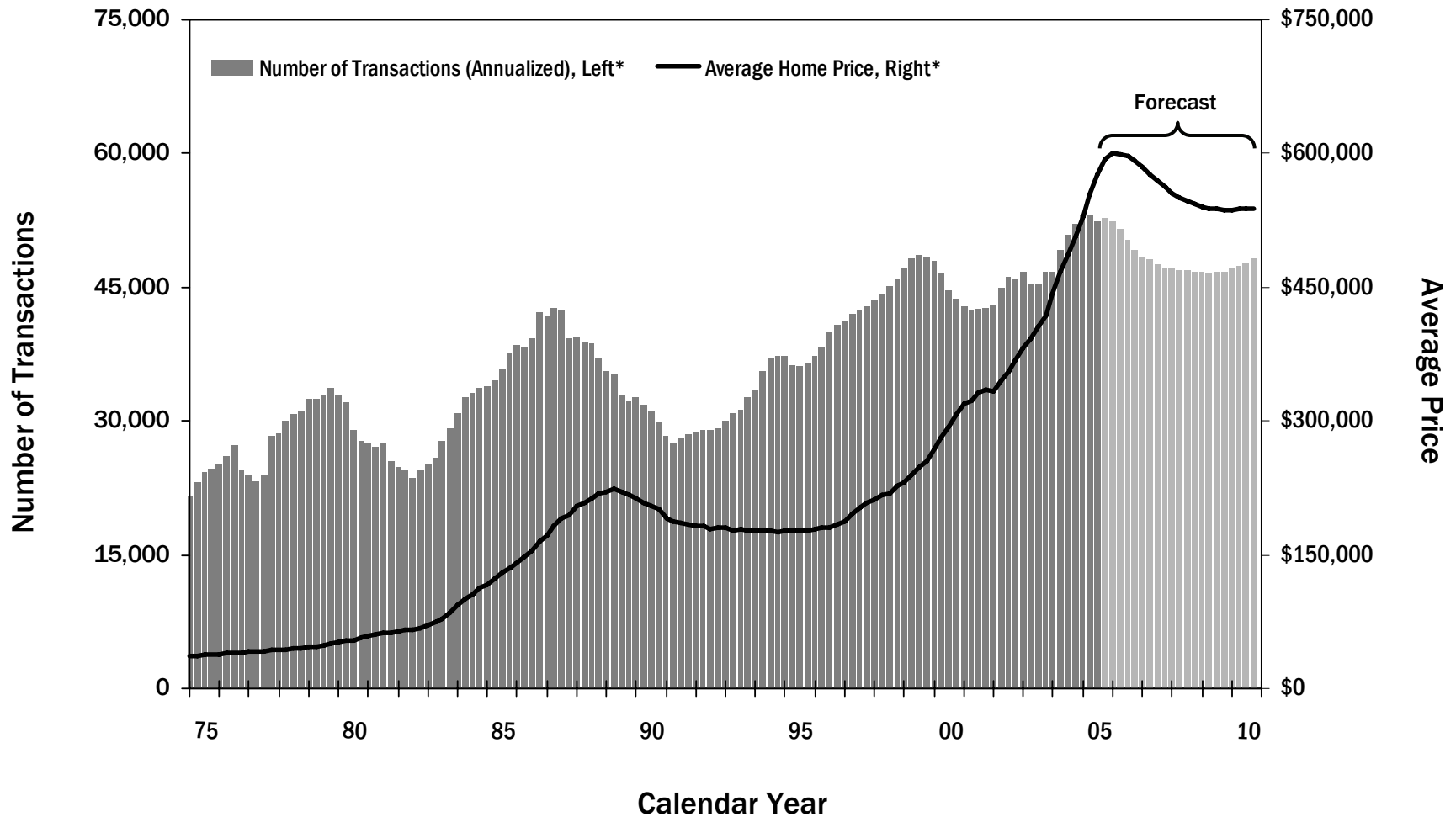
Source: Securities Industry Association

Wall Street Bonus Growth Is Slowing*



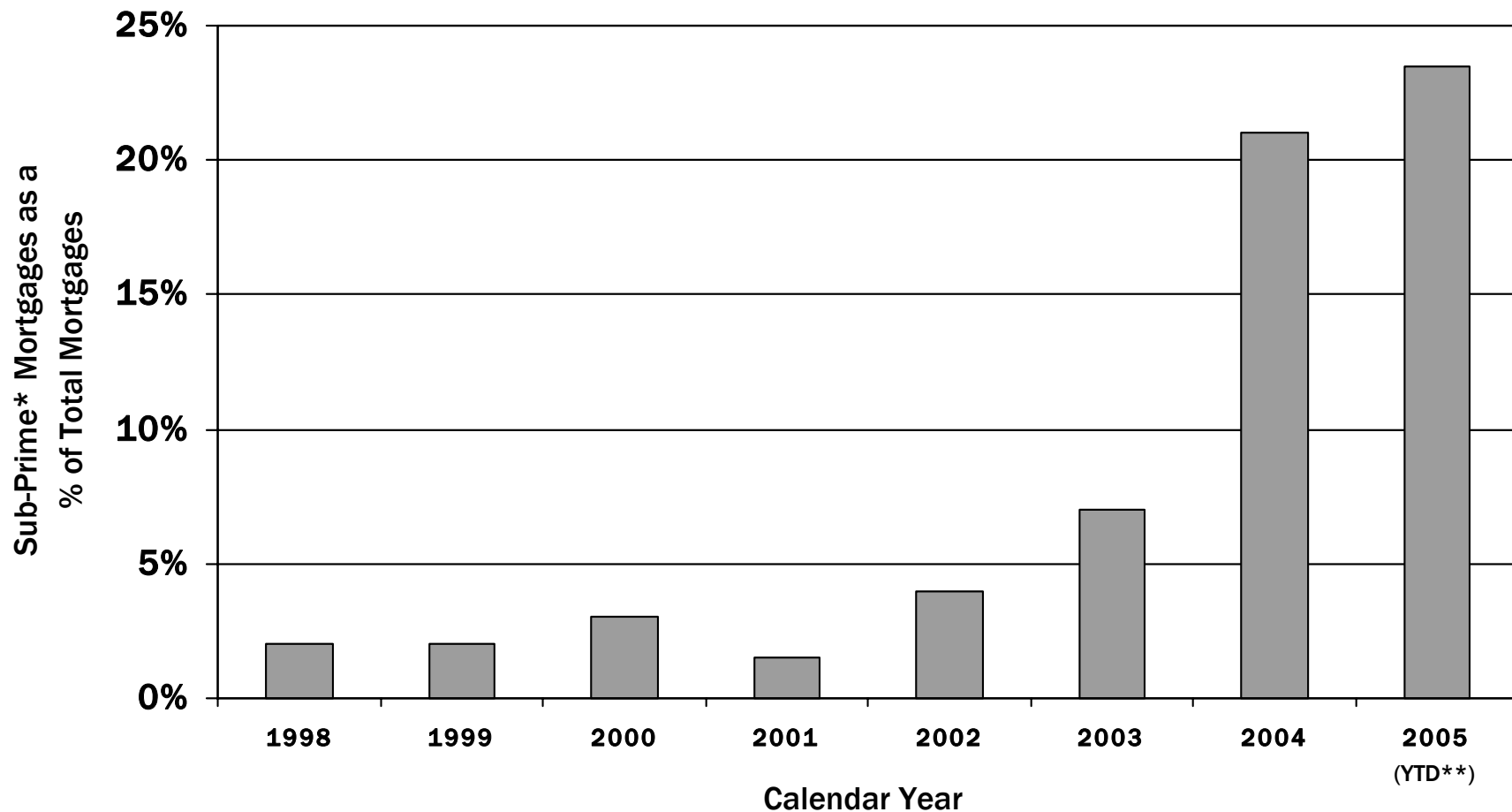
*Bonus period continues from December through March.

National and Local Data Show a Housing Slowdown Is Occurring



*Source: NYC Department of Finance (1-3 Family Homes and Condominiums, Four-Quarter Moving Average.)

Sub-Prime* Mortgages With Low Early Payments, Heavily Utilized in 2004 and 2005, Are Hitting Upward Rate Resets, Stimulating Additional Refinancing and Mortgage Tax Revenues

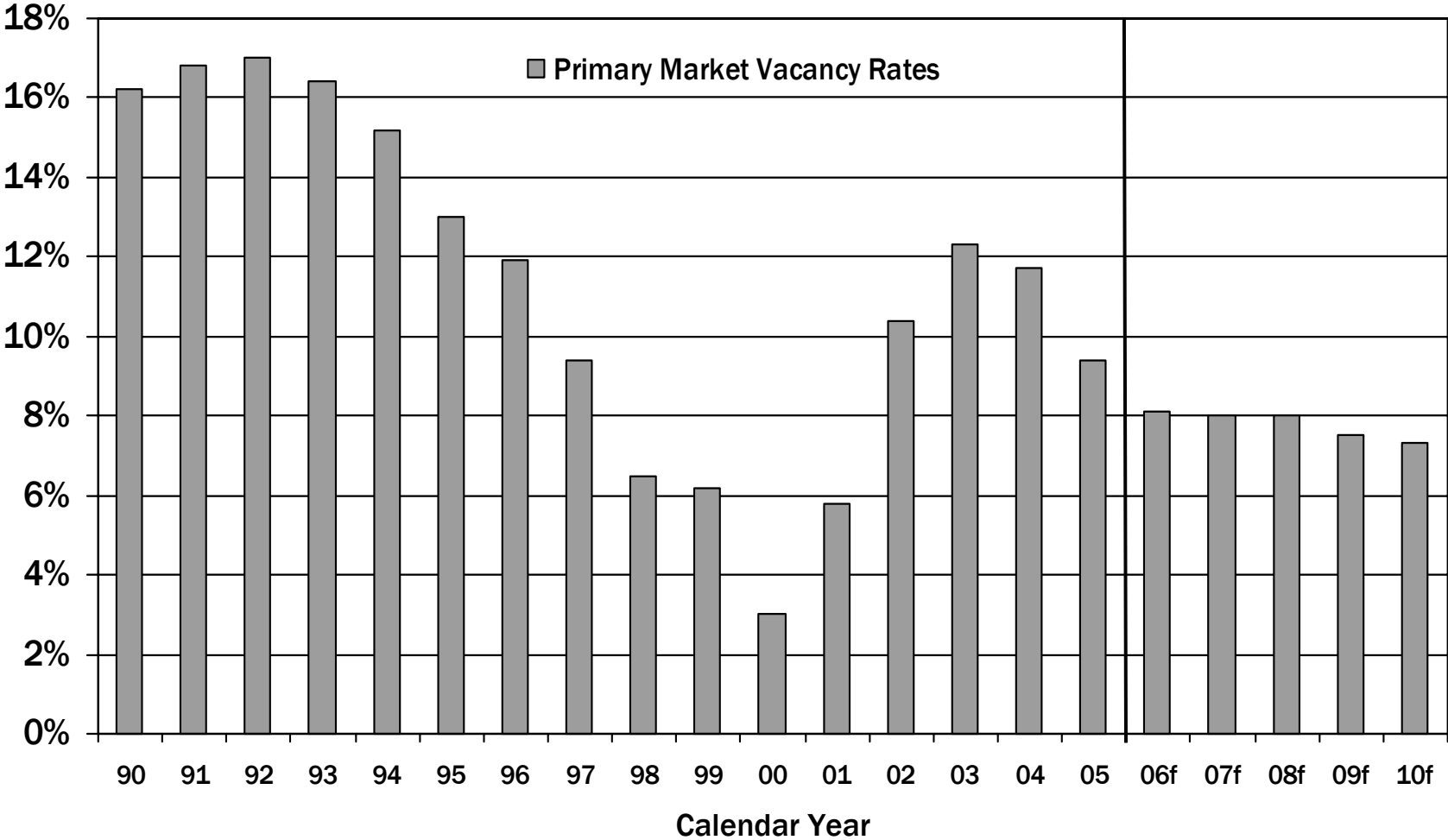


* Sub-Prime Mortgages include Option ARMs and Interest-Only ARMs.

** 2005 Year-to-Date data is through September.

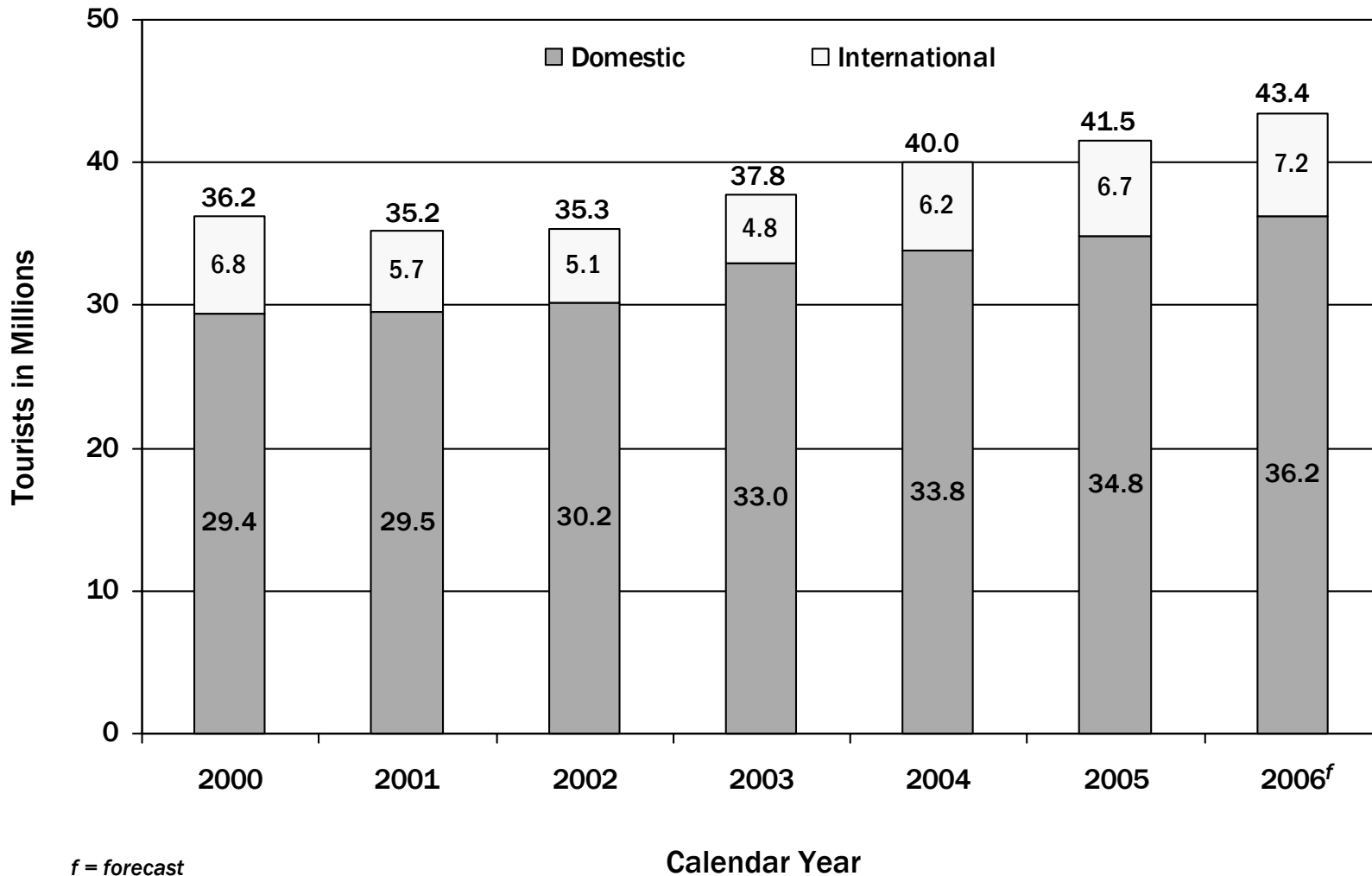
Source: LoanPerformance

The Commercial Real Estate Market Remains Quite Strong, With Further Tightening in Supply Expected



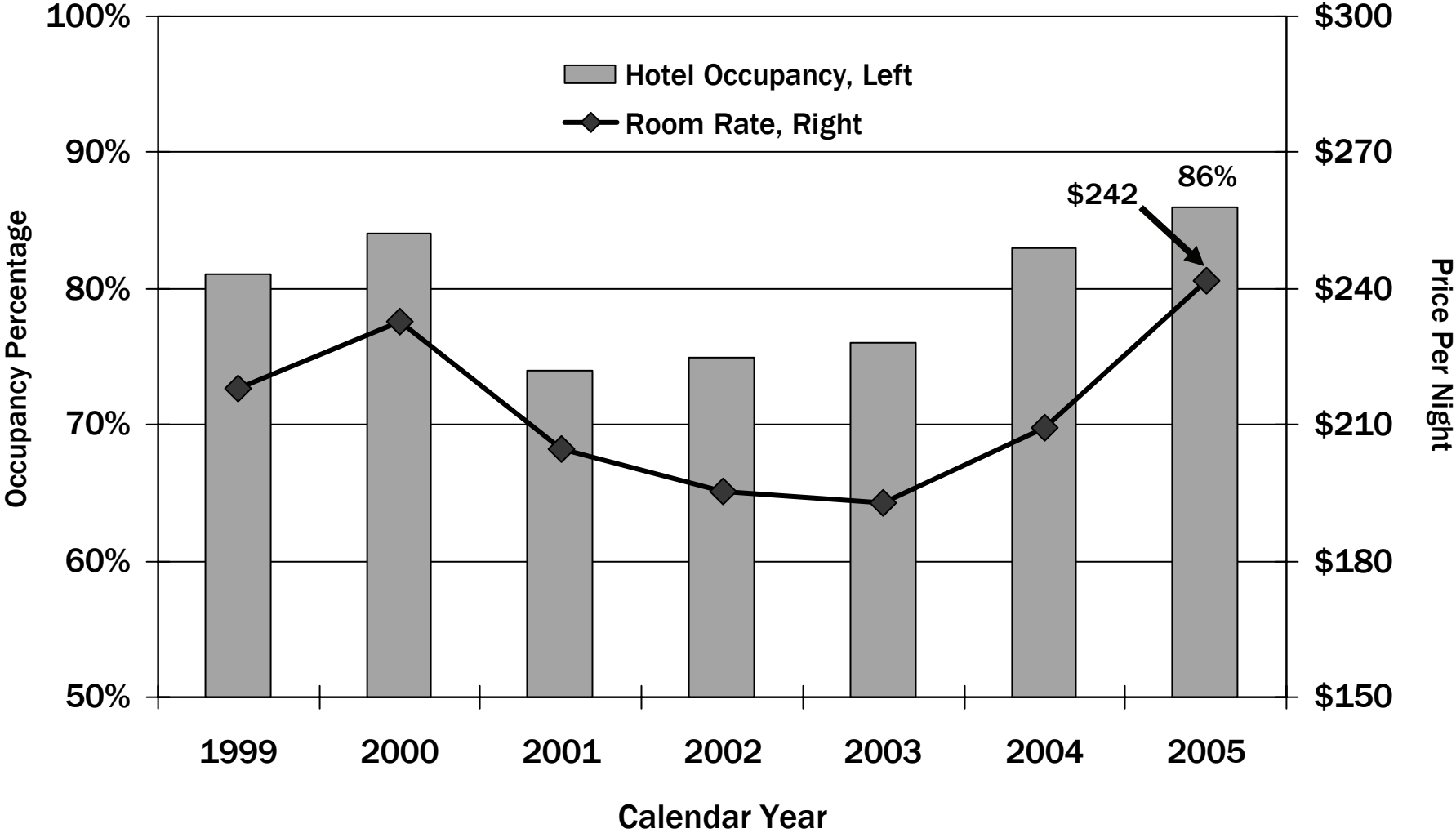
Source: Cushman and Wakefield
f = forecast, OMB

Tourists Are Visiting the City in Record Numbers



f = forecast
Source: NYC & Company

Hotel Occupancy Rates and Average Room Rates Are at Record Levels



Source: PKF Consulting

II. FY 2006-10 Budget Changes

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Revenue Forecast Changes

Since January 2006

	\$ in Millions Increase / (Decrease)	
	<u>2006</u>	<u>2007</u>
Tax Revenue Forecast		
Personal Income Tax	\$111	(\$165)
Unincorporated Business Tax	(23)	(90)
Real Property Transaction/Mortgage Recording Tax	177	147
Sales Tax	70	32
Utility Tax	13	12
General Corporation Tax	151	144
All Other Taxes	22	(18)
Total Tax Revenue Forecast	\$521	\$62
Non-Tax Revenue Forecast		
Interest on Overnight Investments	\$35	\$ ---
ECB Fines	10	7
DOB Construction Permits	7	8
HHC Payments	8	8
Water Board Payments for Operation and Maintenance	(12)	86
All Other Non-Tax Revenue	(1)	27
Total Non-Tax Revenue Forecast	\$47	\$136
Real Property Tax	\$2	\$192
Tax Audit Revenue	200	---
TFA Debt Retirement	(350)	16
Subtotal	\$420	\$406
Federal and State Actions	\$---	(\$300)
Total Increase in Revenue Forecast	\$420	\$106

Agency and Other Expense Forecast Changes

Since January 2006

	\$ in Millions Increase / (Decrease)	
	2006	2007
Agency Expense Increases		
Police (800 New Uniformed Officers and 400 Civilians)	(\$1)	\$21
Administration for Children's Services (Reduced Federal Foster Care Reimbursement, Increased Costs for Adoptions)	26	82
Health and Hospitals Corporation (Extraordinary Medicaid Claim)	385	(279)
NYC Housing Authority (Restructuring for Future Self-Sufficiency)	100	---
Department of Education (Register and School Facility Needs)	49	224
Fire (Overtime)	36	26
Social Services (Adult Protective Services)	2	10
Aging (Meals, Naturally Occurring Retirement Communities)	5	14
Transportation (Staten Island Ferry Security)	3	12
Department of Environmental Protection (Watershed Real Estate Taxes and Employee Health and Safety Programs)	(12)	68
Board of Elections (Help America Vote Act)	(8)	11
Campaign Finance Board (Increased OTPS Needs)	---	6
Law Department (Special Federal Litigation Division, Juvenile Delinquency Prosecution, Expert Witness and Outside Counsel)	---	9
Small Business Services (NYC & Company, Governors Island)	1	17
DAS (Gun Prosecutions, Revenue Enforcement)	---	17
Energy Costs	(36)	38
MTA Private Bus and Law Department Contractual Needs	(93)	42
All Other	14	83
Subtotal Agency Expense Increases	\$471	\$401
Other Expense Changes		
Debt Service	(101)	(35)
Reduce General Reserve	(60)	---
Miscellaneous Budget (Health Insurance, Judgments and Claims, Worker's Compensation and Mental Health Payments)	(75)	(75)
Total Other Expense Changes	(\$236)	(\$110)
Total Expense Changes	\$235	\$291

FY 2006 Fiscal Plan Update

	\$ in Millions (Increases Gap) / Decreases Gap FY 2006
Remaining Gap January 2006 Plan	\$ ---
Increased Revenue Forecast (see page 14)	420
Increased Agency Expense Forecast (see page 15)	(471)
Other Expense Changes (see page 15)	236
Remaining Surplus	185
Reduce FY 2007 Gap	(185)
Balance	\$ ---

FY 2007 Fiscal Plan Update

	\$ in Millions (Increases Gap) / Decreases Gap <u>FY 2007</u>
Remaining Gap January 2006 Plan	\$ ---
Increased Revenue Forecast (see page 14)	406
Increased Agency Expense Forecast (see page 15)	(401)
Other Expense Changes (see page 15)	110
State and Federal Actions (see page 14)	(300)
Apply 2006 Surplus to Reduce 2007 Gap (see page 49)	185
Balance	\$ ---

Since This Administration Began, We Have Acted to Reduce the FY 2007 Gap By \$3.9 Billion

City Funds - \$ in Thousands

Total Gap Closing Actions Affecting FY 2007

	Expense	Revenue	Total
Uniformed Forces			
Police Department	(\$388,768)	(\$137,956)	(\$526,724)
Fire Department	(146,823)	(27,620)	(174,443)
Department of Correction	(219,219)	2,736	(216,483)
Department of Sanitation	(60,897)	(39,741)	(100,638)
Health & Welfare			
Admin. For Children's Services	(\$292,677)	(\$1,828)	(\$294,505)
Department of Social Services	(112,143)	---	(112,143)
Department of Homeless Services	(114,713)	---	(114,713)
Department of Health and Mental Hygiene	(143,300)	(7,227)	(150,527)
Other Mayoral			
Libraries	(\$62,446)	\$ ---	(\$62,446)
Department for the Aging	(61,951)	---	(61,951)
Department of Cultural Affairs	(39,292)	---	(39,292)
Housing Preservation and Development	(23,889)	(12,165)	(36,054)
Department of Environmental Protection	1,469	(11,347)	(9,878)
Department of Finance	(17,672)	(104,100)	(121,772)
Department of Transportation	(36,300)	(81,055)	(117,355)
Department of Parks and Recreation	(23,783)	(23,947)	(47,730)
Department of Citywide Admin. Services	(18,344)	(9,781)	(28,125)
All Other Mayoral	(415,732)	(33,320)	(449,052)
Elected Officials			
Office of the Mayor	(\$13,106)	(\$2,214)	(\$15,320)
City Council	(1,424)	---	(1,424)
Public Advocate	(1,064)	---	(1,064)
Office of the Comptroller	(7,277)	(5,624)	(12,901)
Borough Presidents	(11,349)	(952)	(12,301)
District Attorneys	(51,361)	---	(51,361)
Other			
Health and Hospitals Corporation	(\$42,380)	\$ ---	(\$42,380)
Department of Education	(867,443)	---	(867,443)
City University	(27,573)	---	(27,573)
Total	(\$3,199,457)	(\$496,141)	(\$3,695,598)
Debt Service	(200,925)	---	(200,925)
Grand Total	(\$3,400,382)	(\$496,141)	(\$3,896,523)

FY 2006 and FY 2007 Agency Programs to Reduce the Gap

	Fiscal Year 2006			Fiscal Year 2007		
	City Funds - \$ in Thousands			City Funds - \$ in Thousands		
	Expense	Revenue	Total	Expense	Revenue	Total
Uniformed Forces						
Police	(\$28,206)	(\$1,435)	(\$29,641)	(\$37,562)	(\$28,631)	(\$66,193)
Fire	(16,049)	(5,775)	(21,824)	(19,218)	(9,350)	(28,568)
Sanitation	(7,156)	(2,508)	(9,664)	(11,106)	(14,654)	(25,760)
Correction	(7,950)	(4)	(7,954)	(4,231)	(4)	(4,235)
Health and Welfare						
Social Services	(30,748)	---	(30,748)	(3,876)	---	(3,876)
Administration for Children's Services	---	---	---	---	---	---
Homeless Services	(6,260)	---	(6,260)	(13,672)	---	(13,672)
Health & Mental Hygiene	(24,513)	(1,000)	(25,513)	(7,455)	(1,027)	(8,482)
Youth & Community Development	(687)	---	(687)	(5,119)	---	(5,119)
Other Mayoral						
Housing Preservation & Development	(2,600)	(15,030)	(17,630)	(3,800)	(3,595)	(7,395)
Finance	---	(19,050)	(19,050)	---	(11,000)	(11,000)
Transportation	(4,675)	(5,417)	(10,092)	(8,413)	(20,300)	(28,713)
Parks & Recreation	(1,501)	(2,857)	(4,358)	(3,569)	(2,594)	(6,163)
Citywide Administrative Services	(2,094)	(11,982)	(14,076)	(1,923)	---	(1,923)
All Other Agencies	(29,816)	(26,875)	(56,691)	(31,012)	(4,257)	(35,269)
Major Organizations						
Education	---	---	---	---	---	---
HHC	---	---	---	---	---	---
CUNY	---	---	---	---	---	---
Other						
Procurement Savings	---	---	---	(52,842)	---	(52,842)
Subtotal Agency Programs	(\$162,255)	(\$91,933)	(\$254,188)	(\$203,798)	(\$95,412)	(\$299,210)
Citywide Initiatives						
Federal Actions	\$ ---	\$ ---	\$ ---	\$ ---	(\$50,000)	(\$50,000)
GRAND TOTAL	(\$162,255)	(\$91,933)	(\$254,188)	(\$203,798)	(\$145,412)	(\$349,210)

Out-Year Gaps Remain Significant

	\$ in Millions (Increases Gap) / Decreases Gap		
	2008	2009	2010
Gap to be Closed January 2006 Plan	(\$3,447)	(\$3,500)	(\$2,711)
Revenue Changes			
Property Tax Revenue	\$146	\$127	\$126
Other Tax Revenue	(111)	(237)	(397)
TFA – Debt Retirement	350	---	---
Non-Tax Revenue	94	90	94
Federal and State Actions	(250)	(250)	(250)
Total Revenue Increase / (Decrease)	\$229	(\$270)	(\$427)
Expense Changes			
HHC	\$82	(\$8)	(\$8)
Agency Expenses	(422)	(425)	(412)
Education	(224)	(224)	(224)
Misc. Budget (Claims, FICA, Health Insurance)	75	75	75
Debt Service	128	150	119
Total Expense (Increase) / Decrease	(\$361)	(\$432)	(\$450)
Total Exec Budget Changes	(\$132)	(\$702)	(\$877)
Gap to be Closed May 2006 Plan	(\$3,579)	(\$4,202)	(\$3,588)

III. Budget Update

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Fiscal Year 2006 Budget

As of Current Financial Plan, May 2006

\$ in Millions

AGENCY	Personal Service Costs				Other Than Personal Service Costs						Gross Total (Including Intra-City)	Net Total (Excluding Intra-City)	City Funds Total	
	Salaries & Wages	Fringe Benefits	Pensions	PS Subtotals	Agency OTPS	PA, MA & Other Mandates	Legal Services	Judgments & Claims	Debt Service	OTPS Subtotal				
UNIFORM AGENCIES														
Police Department	\$3,458	\$1,542	\$1,393	\$6,393	\$333	---	\$36	\$100	\$53	\$522	\$6,915	\$6,756	\$6,442	
Fire Department	1,254	537	654	2,445	154	---	5	19	46	224	2,669	2,665	2,433	
Dept. of Correction	746	317	168	1,231	122	---	7	22	138	289	1,520	1,519	1,462	
Dept. of Sanitation	672	334	96	1,102	435	---	5	23	150	613	1,715	1,714	1,649	
Subtotal	\$6,130	\$2,730	\$2,311	\$11,171	\$1,044	---	\$53	\$164	\$387	\$1,648	\$12,819	\$12,654	\$11,986	
HEALTH AND WELFARE														
Administration for Children's Services	\$347	\$102	\$24	\$473	\$1,963	---	\$2	\$3	---	\$1,968	\$2,441	\$2,416	\$755	
Department of Social Services	639	283	60	982	310	5,885	3	6	58	6,262	7,244	7,218	5,084	
Department of Homeless Services	113	38	8	159	317	336	---	---	---	653	812	781	366	
Department of Health and Mental Hygiene	315	92	22	429	1,259	---	1	3	19	1,282	1,711	1,705	730	
Health and Hospitals Corporation ⁽¹⁾	---	17	---	17	424	1,158	28	190	159	1,959	1,976	\$1,859	1,638	
Subtotal	\$1,414	\$532	\$114	\$2,060	\$4,273	\$7,379	\$34	\$202	\$236	\$12,124	\$14,184	\$13,979	\$8,573	
EDUCATION														
Dept. of Education	\$8,402	\$2,559	\$1,381	\$12,342	\$4,126	---	\$15	\$32	\$797	\$4,970	\$17,312	\$17,303	\$8,682	
City University	334	77	30	441	253	---	1	1	45	300	741	687	495	
Subtotal	\$8,736	\$2,636	\$1,411	\$12,783	\$4,379	---	\$16	\$33	\$842	\$5,270	\$18,053	\$17,990	\$9,177	
OTHER AGENCIES	\$1,847	\$634	\$154	\$2,635	\$3,743	4	\$71	\$185	\$1,209	\$5,212	\$7,847	\$6,854	\$5,166	
ELECTED OFFICIALS	\$409	\$102	\$28	\$539	\$100	---	\$5	\$1	---	106	\$645	\$640	\$564	
MISC. BUDGET	\$254	---	---	\$254	---	\$1,314 ⁽²⁾	---	---	\$237	\$1,551	\$1,805	\$1,805	\$1,651	
DEBT SERVICE COSTS (unallocated)	---	---	---	---	---	---	---	---	\$268	\$268	\$268	\$268	\$168	
REESTIMATE OF PRIOR YEAR'S EXPENSES	---	---	---	---	(\$400)	---	---	---	---	(\$400)	(\$400)	(\$400)	(\$400)	
TOTAL	\$18,790	\$6,634	\$4,018	\$29,442	\$13,139	\$8,697	\$179	\$585	\$3,179	\$25,779	\$55,221	\$53,790	\$36,885	
City Funds	\$10,632	\$6,047	\$3,839	\$20,518	\$6,040	\$6,872	\$174	\$396	\$2,885	\$16,367	\$36,885			

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

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

Notes: Excludes the impact of prepayments; totals may not add due to rounding.

Fiscal Year 2007 Budget

As of Current Financial Plan, May 2006

\$ in Millions

AGENCY	Personal Service Costs				Other Than Personal Service Costs						Gross Total (Including Intra-City)	Net Total (Excluding Intra-City)	City Funds Total
	Salaries & Wages	Fringe Benefits	Pensions	PS Subtotals	Agency OTPS	PA, MA & Other Mandates	Legal Services	Judgments & Claims	Debt Service	OTPS Subtotal			
UNIFORM AGENCIES													
Police Department	\$3,470	\$1,611	\$1,629	\$6,710	\$250	---	\$34	\$114	\$67	\$465	\$7,175	\$7,006	\$6,849
Fire Department	1,210	558	734	2,502	120	---	5	21	59	205	2,707	2,696	2,529
Dept. of Correction	739	332	213	1,284	114	---	7	24	164	309	1,593	1,592	1,544
Dept. of Sanitation	685	353	139	1,177	488	---	5	25	199	717	1,894	1,894	1,848
Subtotal	\$6,104	\$2,854	\$2,715	\$11,673	\$972	---	\$51	\$184	\$489	\$1,696	\$13,369	\$13,188	\$12,770
HEALTH AND WELFARE													
Administration for Children's Services	\$364	\$109	\$36	\$509	\$2,078	---	\$3	\$4	\$1	\$2,086	\$2,595	\$2,595	\$866
Department of Social Services	667	301	84	1,052	286	6,056	2	7	88	6,439	7,491	7,471	5,529
Department of Homeless Services	107	38	11	156	297	292	---	---	---	589	745	713	346
Department of Health and Mental Hygiene	343	99	35	477	1,149	---	1	3	26	1,179	1,656	1,654	740
Health and Hospitals Corporation ⁽¹⁾	---	20	---	20	150	785	27	192	184	1,338	1,358	\$1,272	1,056
Subtotal	\$1,481	\$567	\$166	\$2,214	\$3,960	\$7,133	\$33	\$206	\$299	\$11,631	\$13,845	\$13,705	\$8,537
EDUCATION													
Dept. of Education	\$8,451	\$2,683	\$1,733	\$12,867	\$4,414	---	\$15	\$33	\$809	\$5,271	\$18,138	\$18,129	\$9,294
City University	312	70	33	415	182	---	1	1	44	228	643	635	443
Subtotal	\$8,763	\$2,753	\$1,766	\$13,282	\$4,596	---	\$16	\$34	\$853	\$5,499	\$18,781	\$18,764	\$9,737
OTHER AGENCIES	\$1,846	\$662	\$208	\$2,715	\$3,506	---	\$70	\$207	\$1,917	\$5,700	\$8,415	\$7,449	\$5,982
ELECTED OFFICIALS	\$388	\$102	\$36	\$526	\$88	---	\$7	\$1	---	\$96	\$622	\$618	\$577
MISC. BUDGET	\$516	---	---	\$516	---	\$1,486 ⁽²⁾	---	---	\$300	\$1,786	\$2,302	\$2,302	\$2,091
DEBT SERVICE COSTS (unallocated)	---	---	---	---	---	---	---	---	\$117	\$117	\$117	\$117	\$44
REESTIMATE OF PRIOR YEAR'S EXPENSES	---	---	---	---	---	---	---	---	---	---	---	---	---
TOTAL	\$19,098	\$6,937	\$4,891	\$30,926	\$13,122	\$8,619	\$177	\$632	\$3,975	\$26,525	\$57,451	\$56,143	\$39,738
City Funds	\$10,928	\$6,347	\$4,710	\$21,985	\$6,448	\$7,023	\$173	\$442	\$3,667	\$17,753	\$39,738		

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

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

Notes: Excludes the impact of prepayments; totals may not add due to rounding.

Changes Between FY 2006 and 2007 Budgets

As of Current Financial Plan, May 2006

\$ in Millions

AGENCY	Personal Service Costs				Other Than Personal Service Costs						Gross Total (Including Intra-City)	Net Total (Excluding Intra-City)	City Funds Total	
	Salaries & Wages	Fringe Benefits	Pensions	PS Subtotals	Agency OTPS	PA, MA & Other Mandates	Legal Services	Judgments & Claims	Debt Service	OTPS Subtotal				
UNIFORM AGENCIES														
Police Department	\$12	\$69	\$236	\$317	(\$83)	---	(\$2)	\$14	\$14	(\$57)	\$260	\$250	\$407	
Fire Department	(44)	21	80	57	(34)	---	---	2	13	(19)	38	31	96	
Dept. of Correction	(7)	15	45	53	(8)	---	---	2	26	20	73	73	82	
Dept. of Sanitation	13	19	43	75	53	---	---	2	49	104	179	180	199	
Subtotal	(\$26)	\$124	\$404	\$502	(\$72)	---	(\$2)	\$20	\$102	\$48	\$550	\$534	\$784	
HEALTH AND WELFARE														
Administration for Children's Services	\$17	\$7	\$12	\$36	\$115	---	\$1	\$1	\$1	\$118	\$154	\$179	\$111	
Department of Social Services	28	18	24	70	(24)	171	(1)	1	30	177	248	253	445	
Department of Homeless Services	(6)	---	3	(3)	(20)	(44)	---	---	---	(64)	(67)	(68)	(20)	
Department of Health and Mental Hygiene	28	7	13	48	(110)	---	---	---	7	(103)	(55)	(51)	10	
Health and Hospitals Corporation ⁽¹⁾	---	3	---	3	(274)	(372)	(1)	2	25	(621)	(618)	(\$587)	(582)	
Subtotal	\$67	\$35	\$52	\$154	(\$313)	(\$246)	(\$1)	\$4	\$63	(\$493)	(\$339)	(\$274)	\$36	
EDUCATION														
Dept. of Education	\$49	\$124	\$352	\$525	\$288	---	\$---	\$1	\$12	\$301	\$826	\$826	\$612	
City University	(22)	(7)	3	(26)	(71)	---	---	---	(1)	(72)	(98)	(52)	(52)	
Subtotal	\$27	\$117	\$355	\$499	\$217	---	\$---	\$1	\$11	\$229	\$728	\$774	\$560	
OTHER AGENCIES	(\$1)	\$27	\$54	\$80	(\$237)	(\$4)	(\$1)	\$22	\$708	\$488	\$567	\$595	\$816	
ELECTED OFFICIALS	(\$21)	---	\$8	(\$13)	(\$12)	---	\$2	\$---	---	(\$10)	(\$23)	(\$22)	\$13	
MISC. BUDGET	\$262	---	---	\$262	---	\$172 ⁽²⁾	---	---	\$63	\$235	\$497	\$497	\$440	
DEBT SERVICE COSTS (unallocated)	---	---	---	---	---	---	---	---	(\$151)	(\$151)	(\$151)	(\$151)	(\$124)	
REESTIMATE OF PRIOR YEAR'S EXPENSES	---	---	---	---	\$400	---	---	---	---	\$400	\$400	\$400	\$400	
TOTAL	\$308	\$303	\$873	\$1,484	(\$17)	(\$78)	(\$2)	\$47	\$796	\$746	\$2,230	\$2,353	\$2,853	
City Funds	\$296	\$300	\$871	\$1,467	\$408	\$151	(\$1)	\$46	\$782	\$1,386	\$2,853			

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

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

Notes: Excludes the impact of prepayments; totals may not add due to rounding.

City Revenue and Expense Growth

As of Current Financial Plan, May 2006

	City Funds - \$ in Millions								
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 ^f	FY 2007 ^f	FY 2008 ^f	FY 2009 ^f	FY 2010 ^f
Revenues⁽¹⁾ (see page 26)	\$26,123	\$29,404	\$31,847	\$36,056	\$36,795	\$36,299	\$37,123	\$37,919	\$39,553
<i>Year-to-Year</i>	<i>\$3,281</i>	<i>\$2,443</i>	<i>\$4,209</i>	<i>\$739</i>	<i>(\$496)</i>	<i>\$824</i>	<i>\$796</i>	<i>\$1,634</i>	<i>\$1,634</i>
<i>Change:</i>	<i>12.6%</i>	<i>8.3%</i>	<i>13.2%</i>	<i>2.0%</i>	<i>(1.3%)</i>	<i>2.3%</i>	<i>2.1%</i>	<i>4.3%</i>	<i>4.3%</i>
Expenditures⁽¹⁾									
Controllable Agency Expenses (see page 27)	\$14,908	\$14,670	\$15,223	\$16,417	\$17,216	\$17,522	\$17,705	\$17,992	\$18,273
<i>Year-to-Year</i>	<i>(\$238)</i>	<i>\$553</i>	<i>\$1,194</i>	<i>\$799</i>	<i>\$306</i>	<i>\$183</i>	<i>\$287</i>	<i>\$281</i>	<i>\$281</i>
<i>Change:</i>	<i>(1.6%)</i>	<i>3.8%</i>	<i>7.8%</i>	<i>4.9%</i>	<i>1.8%</i>	<i>1.0%</i>	<i>1.6%</i>	<i>1.6%</i>	<i>1.6%</i>
Non-Controllable Agency Expenses (see page 28)	\$13,473	\$13,993	\$16,113	\$18,028	\$19,669	\$22,216	\$22,997	\$24,129	\$24,868
<i>Year-to-Year</i>	<i>\$520</i>	<i>\$2,120</i>	<i>\$1,915</i>	<i>\$1,641</i>	<i>\$2,547</i>	<i>\$781</i>	<i>\$1,132</i>	<i>\$739</i>	<i>\$739</i>
<i>Change:</i>	<i>3.9%</i>	<i>15.2%</i>	<i>11.9%</i>	<i>9.1%</i>	<i>12.9%</i>	<i>3.5%</i>	<i>4.9%</i>	<i>3.1%</i>	<i>3.1%</i>
Total Expenditures	\$28,381	\$28,663	\$31,336	\$34,445	\$36,885	\$39,738	\$40,702	\$42,121	\$43,141
<i>Year-to-Year</i>	<i>\$282</i>	<i>\$2,673</i>	<i>\$3,109</i>	<i>\$2,440</i>	<i>\$2,853</i>	<i>\$964</i>	<i>\$1,419</i>	<i>\$1,020</i>	<i>\$1,020</i>
<i>Change:</i>	<i>1.0%</i>	<i>9.3%</i>	<i>9.9%</i>	<i>7.1%</i>	<i>7.7%</i>	<i>2.4%</i>	<i>3.5%</i>	<i>2.4%</i>	<i>2.4%</i>
Operating Results-Surplus/(Deficit)	(\$2,258)	\$741	\$511	\$1,611	(\$90)	(\$3,439)	(\$3,579)	(\$4,202)	(\$3,588)
Prepayments									
Current Year Surplus	(\$681)	(\$1,417)	(\$1,923)	(\$3,529)	(\$3,439)	\$0	\$0	\$0	\$0
Prior Year Surplus	\$2,944	\$681	\$1,417	\$1,923	\$3,529	\$3,439	\$0	\$0	\$0
Net Prepayments	\$2,263	(\$736)	(\$506)	(\$1,606)	\$90	\$3,439	\$0	\$0	\$0
Gaps to be Closed	\$5	\$5	\$5	\$5	\$--	\$--	(\$3,579)	(\$4,202)	(\$3,588)

f = forecast

⁽¹⁾Excludes the impact of prepayments.

Growth in City Revenue

	\$ in Millions								
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 ^f	FY 2007 ^f	FY 2008 ^f	FY 2009 ^f	FY 2010 ^f
Property Tax	\$8,649	\$9,943	\$11,445	\$11,464	\$12,437	\$12,972	\$13,832	\$14,488	\$15,165
Year-to-Year	\$1,294	\$1,502	\$19	973	\$535	\$860	\$656	\$677	
Change:	15.0%	15.1%	0.2%	8.5%	4.3%	6.6%	4.7%	4.7%	
Real Estate Transaction Taxes (Continuing Base)	\$902	\$1,040	\$1,097	\$1,168	\$1,256	\$1,362	\$1,478	\$1,545	\$1,594
Year-to-Year	\$138	\$57	\$71	88	\$106	\$116	\$67	\$49	
Change:	15.3%	5.5%	6.5%	7.5%	8.4%	8.5%	4.5%	3.2%	
Extraordinary Tax Revenue From Real Estate Boom	\$ ---	\$ ---	\$839	\$1,809	\$1,756	\$499	\$71	\$ ---	\$ ---
Real Estate Transaction Taxes	---	---	487	1,137	1,345	383	71	---	---
Personal Income Tax on Capital Gains From Real Estate Activity	---	---	312	490	258	116	---	---	---
Other Personal Income and Sales Tax From Real Estate Activity	---	---	40	182	153	---	---	---	---
Year-to-Year	---	\$839	\$970	(\$53)	(\$1,257)	(\$428)	(\$71)	---	
Change:	---	---	115.6%	(2.9%)	(71.6%)	(85.8%)	(100.0%)	---	
All Other Tax Revenue	\$12,167	\$12,377	\$14,160	\$16,024	\$17,217	\$17,591	\$17,575	\$18,134	\$19,019
Year-to-Year	\$210	\$1,783	\$1,864	\$1,193	\$374	(\$16)	\$559	\$885	
Change:	1.7%	14.4%	13.2%	7.4%	2.2%	(0.1%)	3.2%	4.9%	
Subtotal Tax Revenue	\$21,718	\$23,360	\$27,541	\$30,465	\$32,666	\$32,424	\$32,956	\$34,167	\$35,778
Year-to-Year	\$1,642	\$4,181	\$2,924	2,201	(\$242)	\$532	\$1,211	\$1,611	
Change:	7.6%	17.9%	10.6%	7.2%	(0.7%)	1.6%	3.7%	4.7%	
Non-Tax Revenue	\$4,405	\$6,044	\$4,306	\$5,591	\$4,129	\$3,875	\$4,167	\$3,752	\$3,775
Year-to-Year	\$1,639	(\$1,738)	\$1,285	(\$1,462)	(\$254)	\$292	(\$415)	\$23	
Change:	37.2%	(28.8%)	29.8%	(26.1%)	(6.2%)	7.5%	(10.0%)	0.6%	
Total Revenue	\$26,123	\$29,404	\$31,847	\$36,056	\$36,795	\$36,299	\$37,123	\$37,919	\$39,553
Year-to-Year	\$3,281	\$2,443	\$4,209	739	(\$496)	\$824	\$796	\$1,634	
Change:	12.6%	8.3%	13.2%	2.0%	(1.3%)	2.3%	2.1%	4.3%	

f = forecast

Note: Excludes the impact of prepayments

Growth in Controllable Agency Expenses

City Funds - \$ in Millions

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 ^f	FY 2007 ^f	FY 2008 ^f	FY 2009 ^f	FY 2010 ^f
Uniformed Forces									
Police Department	\$3,100	\$3,159	\$3,218	\$3,468	\$3,424	\$3,498	\$3,536	\$3,513	\$3,491
Fire Department	1,059	1,047	1,062	1,091	1,231	1,208	1,204	1,194	1,187
Department of Correction	812	823	792	778	841	834	825	822	817
Sanitation Department	910	957	966	1,009	1,079	1,169	1,180	1,176	1,171
Subtotal: Uniformed Forces	\$5,881	\$5,986	\$6,038	\$6,346	\$6,575	\$6,709	6,745	\$6,705	\$6,666
Health and Welfare									
Social Services	\$373	\$91	\$267	\$271	\$342	\$356	\$358	\$358	\$358
Child Services	650	627	579	622	646	739	694	694	694
Homeless Services	156	170	151	172	206	195	200	205	205
Health & Mental Hygiene	531	516	554	540	600	581	580	580	578
Subtotal: Health and Welfare	\$1,710	\$1,404	\$1,551	\$1,605	\$1,794	\$1,871	\$1,832	\$1,837	\$1,835
Other Mayoral									
HPD	\$65	\$57	\$56	\$53	\$69	\$64	\$64	\$62	\$61
Environmental Protection	626	656	661	705	763	830	807	799	797
Finance (includes City Sheriff)	180	177	201	198	199	200	200	200	200
Transportation	271	256	280	294	346	360	363	363	363
Parks	168	160	184	203	221	212	212	212	212
Administrative Services (includes DOP)	162	144	137	151	157	179	176	176	176
All Other Mayoral	1,188	1,035	1,013	1,079	1,297	1,254	1,219	1,209	1,186
Energy, Leases & OTPS Inflatons	---	---	---	---	---	---	75	139	217
Labor Reserve	351	365	337	828	254	451	663	847	1,092
Subtotal: Other Mayoral	\$3,011	\$2,850	\$2,869	\$3,511	\$3,306	\$3,550	\$3,779	\$4,007	\$4,304
Covered Organizations									
Department of Education	3,464	3,623	3,924	3,939	4,425	4,566	4,500	4,509	4,532
CUNY	288	309	353	374	397	342	342	342	342
HHC Subsidy	120	115	96	245	300	64	94	179	181
Subtotal: Covered Organizations	\$3,872	\$4,047	\$4,373	4,558	\$5,122	\$4,972	\$4,936	\$5,030	\$5,055
Elected Officials									
Mayoralty	\$68	\$51	\$54	\$52	\$61	\$64	\$63	\$63	\$63
All Other Elected	366	332	338	345	358	356	350	350	350
Subtotal: Elected Officials	\$434	\$383	\$392	\$397	\$419	\$420	\$413	\$413	\$413
Total Controllable Agency Spending	\$14,908	\$14,670	\$15,223	\$16,417	\$17,216	\$17,522	\$17,705	\$17,992	\$18,273

f = forecast

Growth in Non-Controllable Agency Expenses*

	City Funds - \$ In Millions									
	2002	2003	2004	2005	2006 ^f	2007 ^f	2008 ^f	2009 ^f	2010 ^f	
Non-Controllable Agency Expenses (see page 29)										
Pensions	\$1,334	\$1,534	\$2,263	\$3,194	\$3,839	\$4,710	\$5,432	\$5,676	\$5,541	
Year-to-Year Change:	\$200 15.0%	\$729 47.5%	\$931 41.1%	\$645 20.2%	\$871 22.7%	\$722 15.3%	\$244 4.5%	(\$135) (2.4%)		
Fringe Benefits	\$3,794	\$4,058	\$4,275	\$4,671	\$5,047	\$5,347	\$5,657	\$5,965	\$6,217	
Year-to-Year Change:	\$264 7.0%	\$217 5.3%	\$396 9.3%	\$376 8.0%	\$300 5.9%	\$310 5.8%	\$308 5.4%	\$252 4.2%		
Retiree Health Benefits Trust Fund	\$0	\$0	\$0	\$0	\$1,000	\$1,000	\$0	\$0	\$0	
Subtotal: Employee-Related Costs	\$5,128	\$5,592	\$6,538	\$7,865	\$9,886	\$11,057	\$11,089	\$11,641	\$11,758	
Year-to-Year Change:	\$464 9.0%	\$946 16.9%	\$1,327 20.3%	\$2,021 25.7%	\$1,171 11.8%	\$32 0.3%	\$552 5.0%	\$117 1.0%		
Debt Service⁽¹⁾	\$3,327	\$2,696	\$3,389	\$3,160	\$2,885	\$3,667	\$4,183	\$4,540	\$4,916	
Year-to-Year Change:	(\$631) (19.0%)	\$693 25.7%	(\$229) (6.8%)	(\$275) (8.7%)	\$782 27.1%	\$516 14.1%	\$357 8.5%	\$376 8.3%		
Medicaid	\$3,537	\$3,877	\$4,268	\$4,774	\$4,757	\$4,800	\$4,947	\$5,086	\$5,240	
Year-to-Year Change:	\$340 9.6%	\$391 10.1%	\$506 11.9%	(\$17) (0.4%)	\$43 0.9%	\$147 3.1%	\$139 2.8%	\$154 3.0%		
Re-estimate of Prior Year's Expenses	(\$413)	(\$179)	(\$329)	(\$226)	(\$400)	\$0	\$0	\$0	\$0	
Year-to-Year Change:	\$234 56.7%	(\$150) (83.8%)	\$103 31.3%	(\$174) (77.0%)	\$400 100.0%	\$0 0.0%	\$0 0.0%	\$0 0.0%		
General Reserve	\$0	\$0	\$0	\$0	\$40	\$300	\$300	\$300	\$300	
Year-to-Year Change:	\$0 0.0%	\$0 0.0%	\$0 0.0%	\$40 0.0%	\$260 650%	\$0 0.0%	\$0 0.0%	\$0 0.0%		
All Other⁽²⁾	\$1,894	\$2,007	\$2,251	\$2,455	\$2,501	\$2,392	\$2,478	\$2,562	\$2,654	
Year-to-Year Change:	\$113 6.0%	\$240 12.0%	\$208 9.3%	\$46 1.9%	(\$109) (4.4%)	\$86 3.6%	\$84 3.4%	\$92 3.6%		
Total Non-Controllable Agency Expenses	\$13,473	\$13,993	\$16,113	\$18,028	\$19,669	\$22,216	\$22,997	\$24,129	\$24,868	
Year-to-Year Change:	\$520 3.9%	\$2,120 15.2%	\$1,915 11.9%	\$1,637 9.1%	\$2,547 12.9%	\$781 3.5%	\$1,132 4.9%	\$739 3.1%		

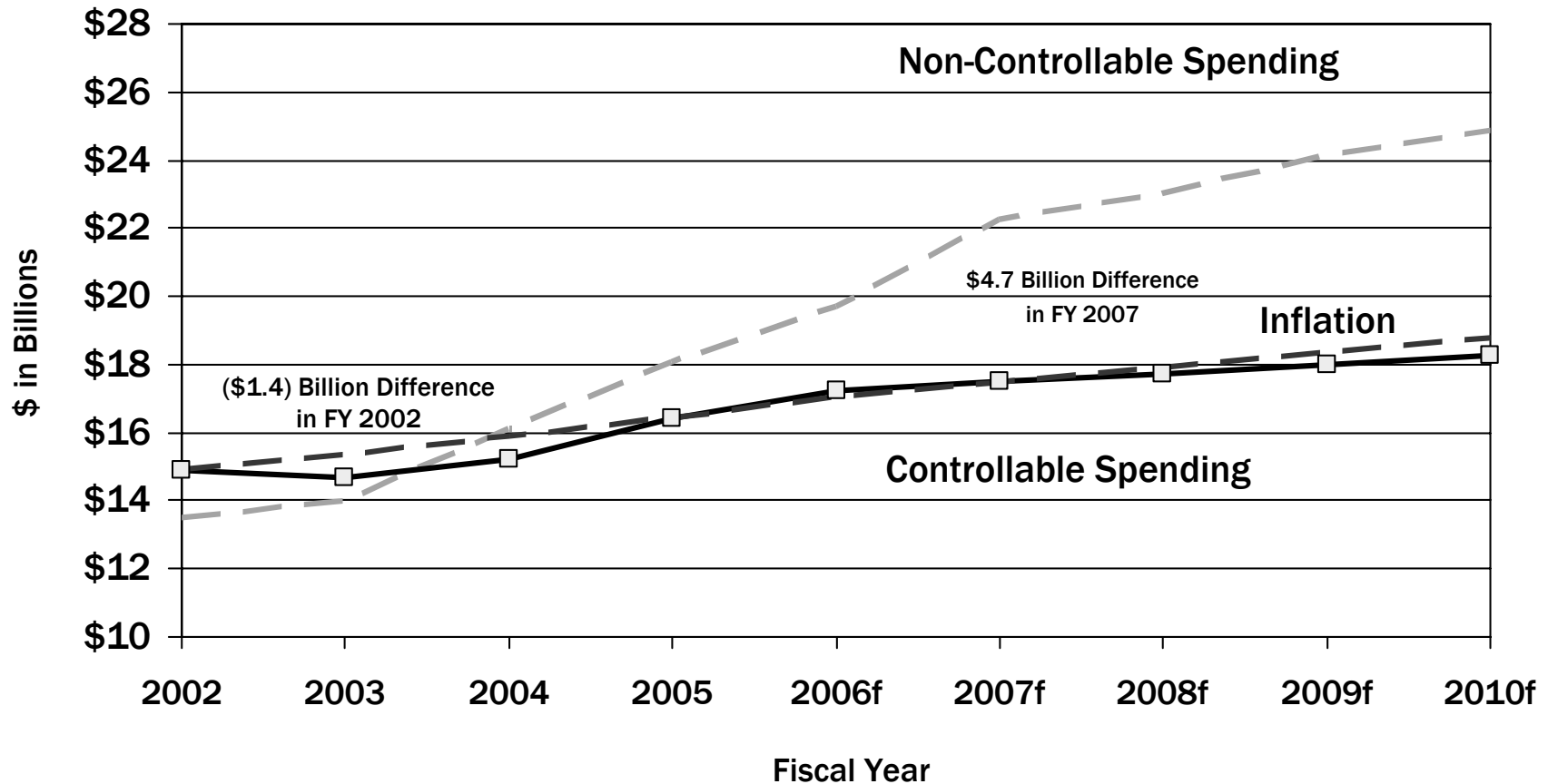
* Excludes the impact of prepayments.

^f = forecast

⁽¹⁾ Excluding TFA and Tobacco Bonds.

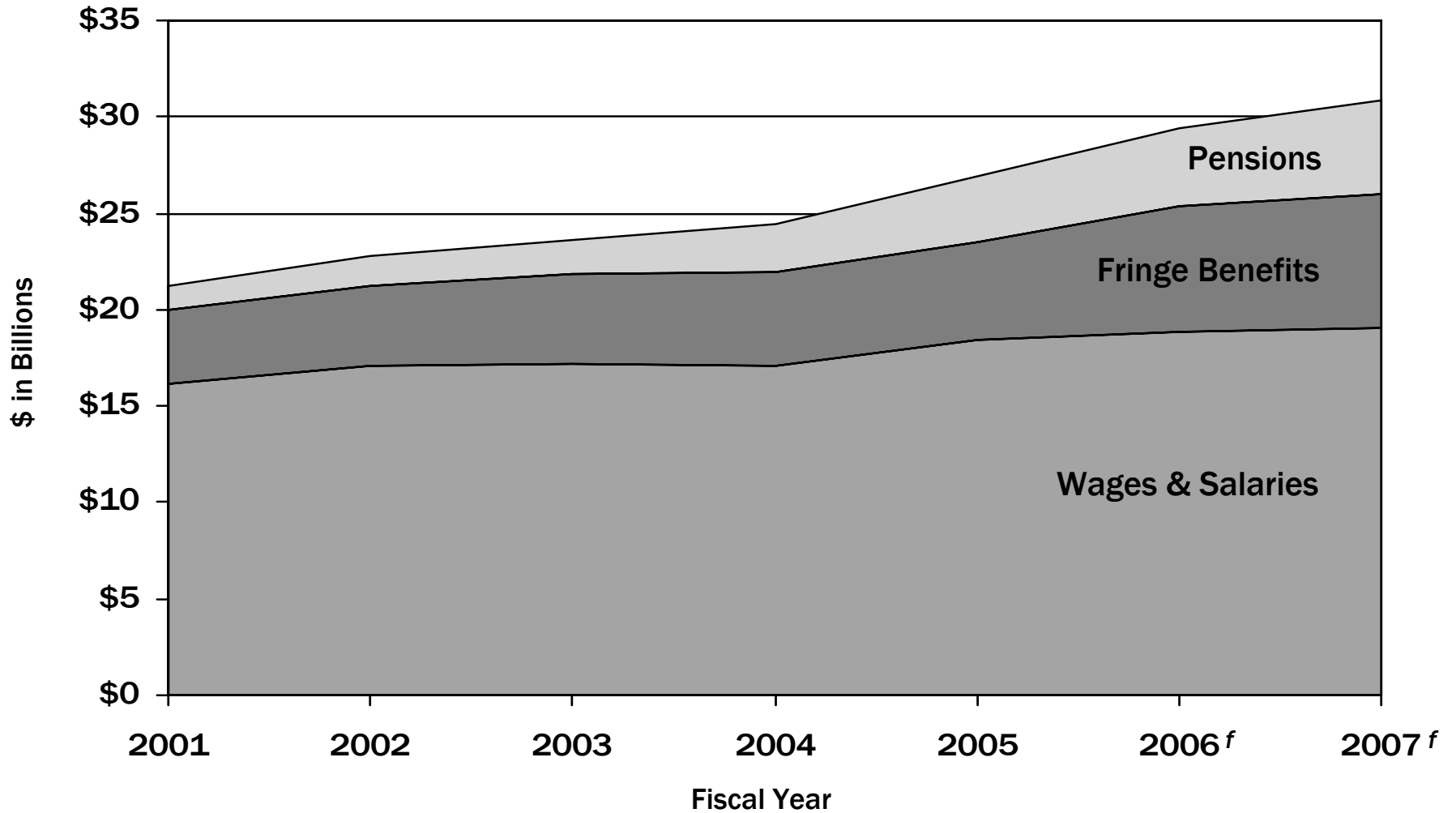
⁽²⁾ Includes judgments and claims, subsidies to the MTA and public assistance.

Our Non-Controllable Expenses Continue to Be Larger Than Controllable Expenses, and the Gap Is Widening



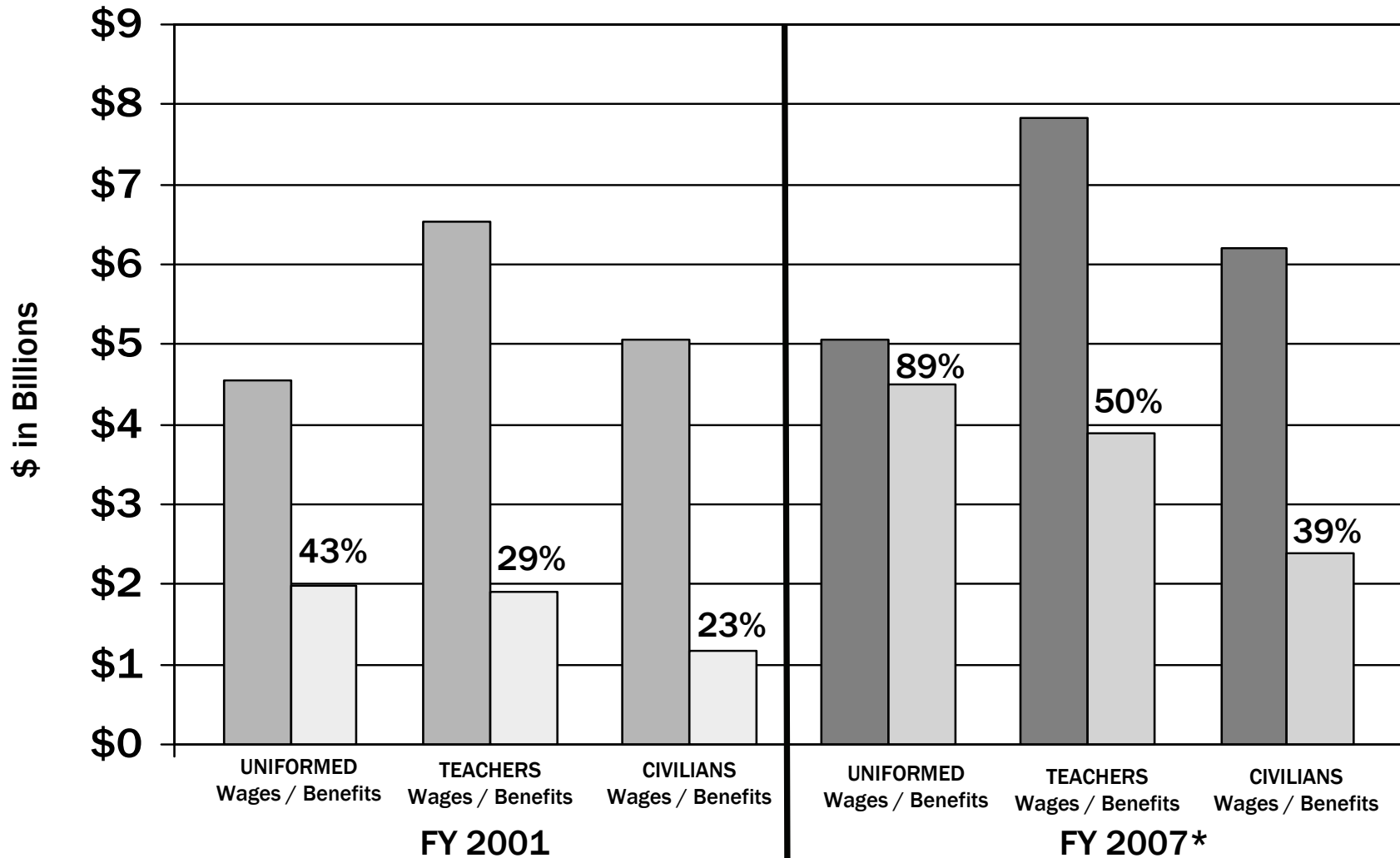
f = forecast

Pensions and Fringe Benefits Grow From \$5.1 Billion, 31% of Salaries, in FY 2001 to \$11.8 Billion, 62% of Salaries in FY 2007



f = forecast
Total Funds

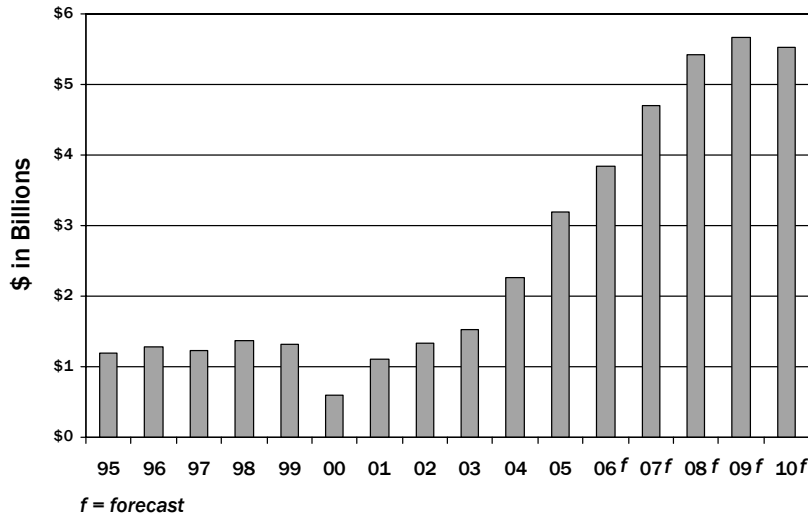
Pensions and Fringe Benefits Have Grown Substantially Since FY 2001



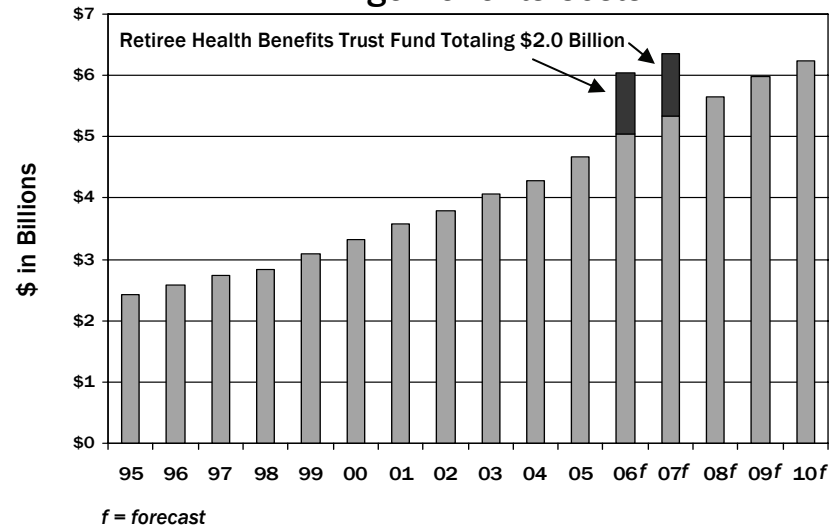
* Excludes funding for Retiree Health Benefits Trust Fund.

Non-Controllable Expenses Continue to Grow

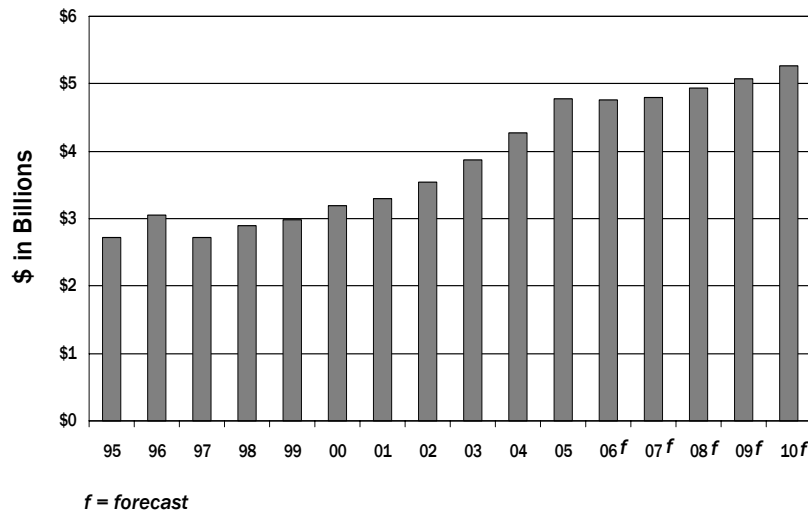
Pension Costs



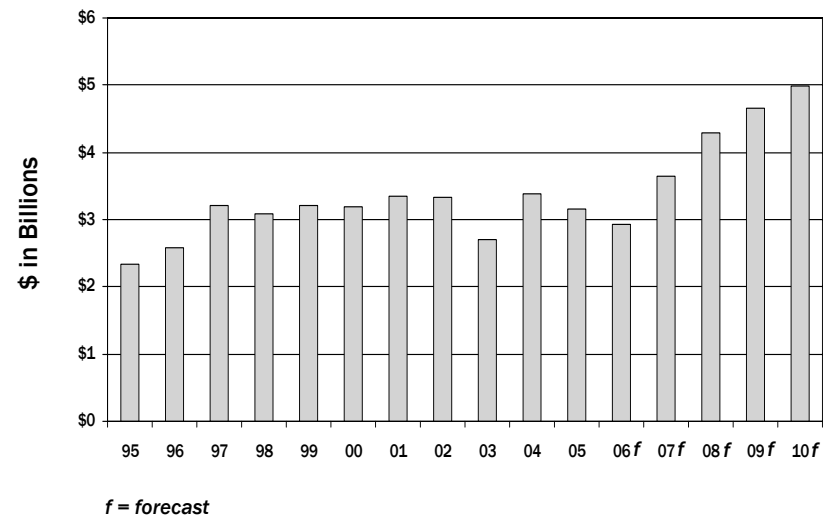
Fringe Benefits Costs



Medicaid



Debt Service



Retiree Health Benefits Trust Fund

Over \$4.0 billion will be spent annually by the City for health insurance and supplemental employee welfare benefits. Approximately \$1.1 billion reflects the “pay-as-you-go” health insurance costs for current retirees.

- ❖ New Governmental Accounting Standards Board (GASB) rules will require state and local governments to report obligations and full annual costs of retiree health benefits, similar to current reporting of pension obligations.
- ❖ The City is not required to budget for or advance-fund this future obligation.
- ❖ An actuarial valuation of the City’s liability is being conducted.
- ❖ The City is establishing a New York common law trust to fund a portion of its liability for the benefit of current and future retirees.
- ❖ Deposits to the trust are irrevocable, and all amounts on deposit in the trust must be used only to pay the costs of retiree benefits.
- ❖ In both FY 2006 and FY 2007, \$1 billion will be deposited into the trust.

IV. Impact of State Budget and Federal Agenda

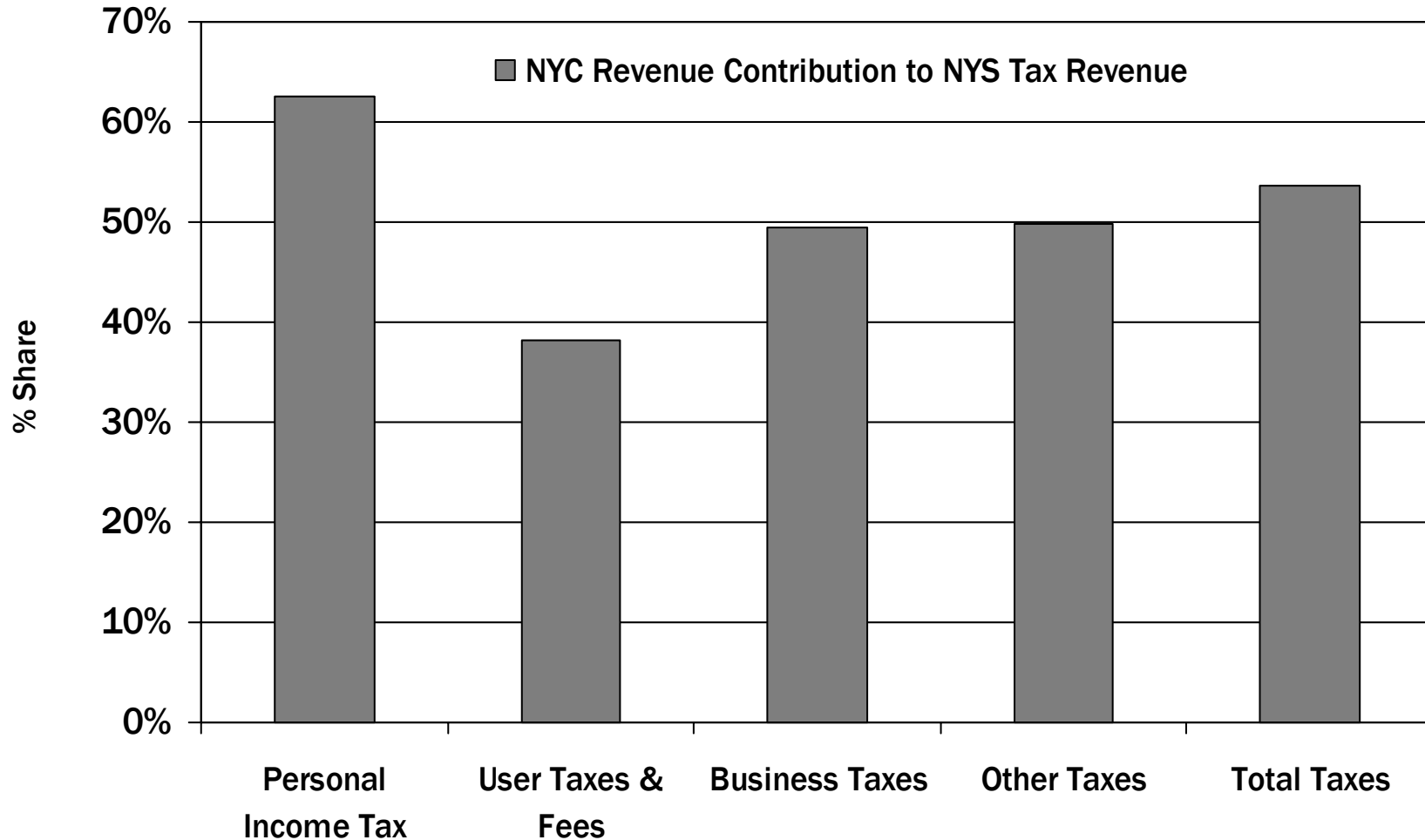
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New York State Will Fund 50% of NYC's Capital Needs for Education

❖ **The State will provide a 50% share of New York City's five-year \$13.1 billion School Capital Construction Plan with \$1.8 billion in aid and an additional \$9.4 billion in TFA borrowing authority, half of which will be paid for with State building aid. The \$1.8 billion in State aid along with the State's half of the \$9.4 billion TFA financing represents the State's full \$6.5 billion share of the City's five-year \$13.1 billion Capital Construction Plan.**

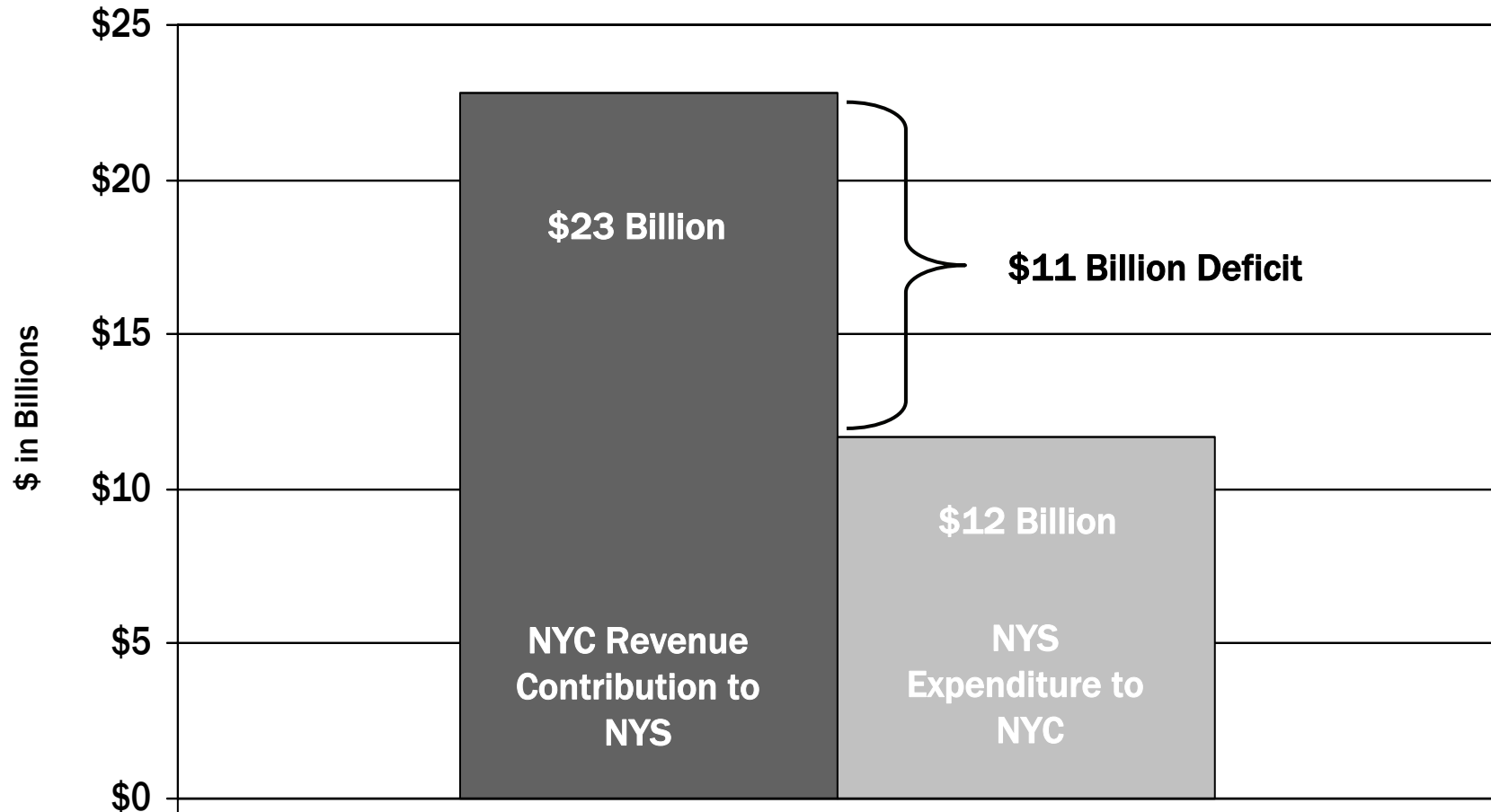
- **The Plan will add 107 new schools creating 66,000 additional seats and 50 new partnership and charter schools.**
- **\$2.5 billion will be available for needed capital improvements and repairs.**
- **\$2.1 billion will be used for technology, school safety, science lab and auditorium upgrades.**
- **\$1.5 billion will be targeted to the SIRA program designed to restructure and enhance struggling schools.**
- **\$1.5 billion will be used for code compliance and emergency lighting.**

NYC Contributes Over Half of NYS Tax Revenue



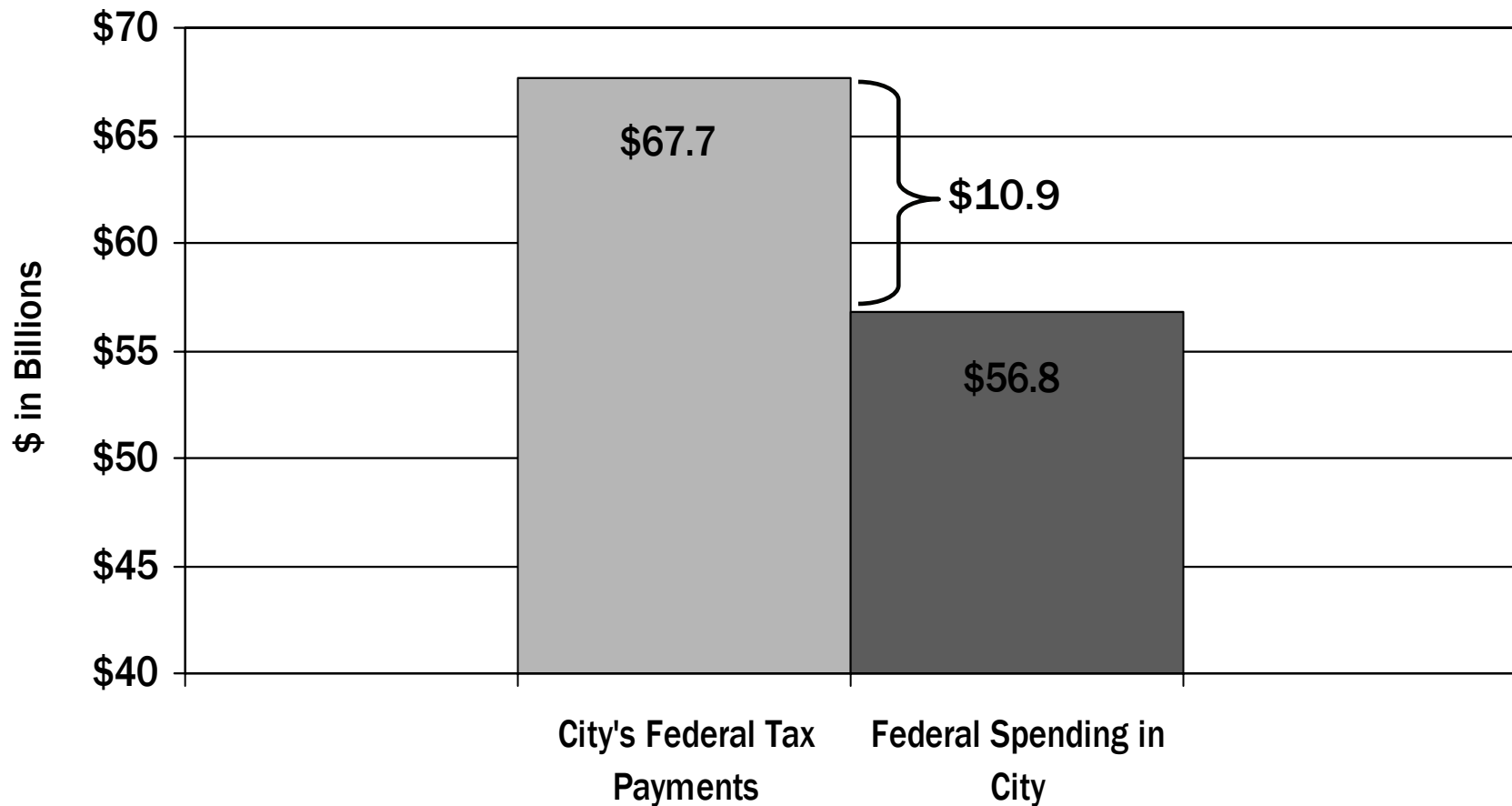
*Source: Center for Government Research, "Balance of Revenue and Expenditure Among NYS Regions," May 2004

New York City Pays \$11 Billion More in NY State Taxes Than it Gets in Funding



Source: Center for Government Research,
"Balance of Revenue and Expenditure Among NYS Regions," May 2004

New York City Pays \$10.9 Billion More in Federal Taxes Than it Gets in Funding



Source: OMB estimate based on "Tax Foundation Special Report" for Federal FY 2004, March 2006, No. 139.

Federal Agenda

- ❖ **Since the release of the City's January Financial Plan, the President has proposed a budget which includes cuts in entitlement programs totaling almost \$15 billion nationwide. This plan also recommends cuts to many domestic programs for which the City receives Federal funding, in the criminal justice, housing, health and social services areas.**
- ❖ **We have included a menu of approximately \$920 million in proposals to achieve \$50 million in Federal assistance in addition to restoring funding to these essential programs.**
- ❖ **Additionally, New York City continues to recommend that all Homeland Security funding be distributed based on risk and urges greater flexibility in allowed uses of these funds.**

Federal Initiatives

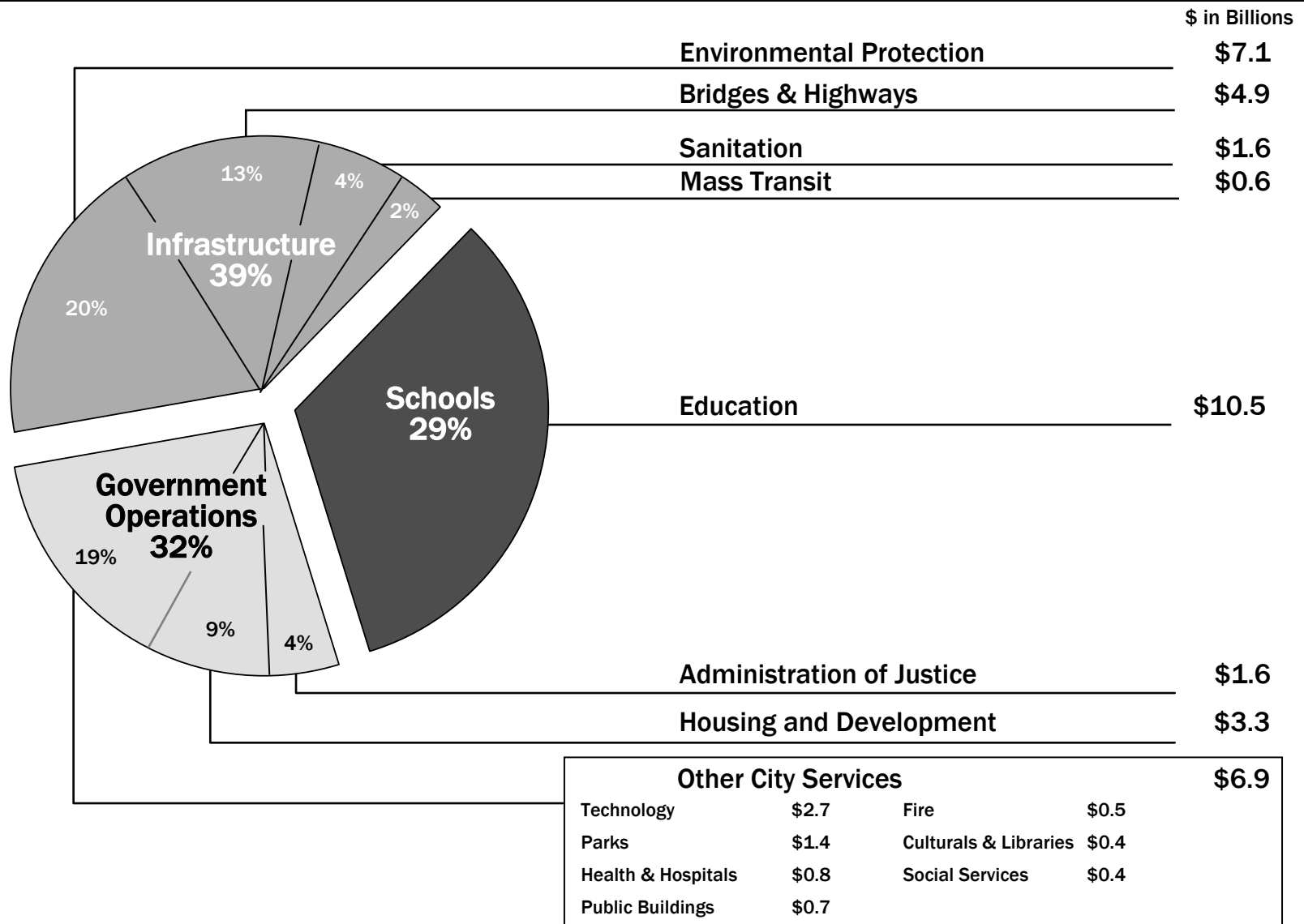
	\$ in Millions			
	2007	2008	2009	2010
Increase Title I Education Funding to Authorized Levels	\$684	\$684	\$684	\$684
Fund Criminal Justice Programs at the Authorized Levels	76	76	76	76
Provide Reimbursement for UN Protection and Adequate Future Funding	66	16	16	16
Provide Adequate Child Care Funding to Meet TANF Work Requirements	46	46	46	46
Revise Foster Care Eligibility	28	28	28	28
Reprogram CDBG Funds Distributed Outside the Formula Allocation	15	15	15	15
Reimburse the City for Outstanding Foreign Dignitary Parking Tickets	9	9	1	1
Total	\$924	\$874	\$866	\$866

V. Capital

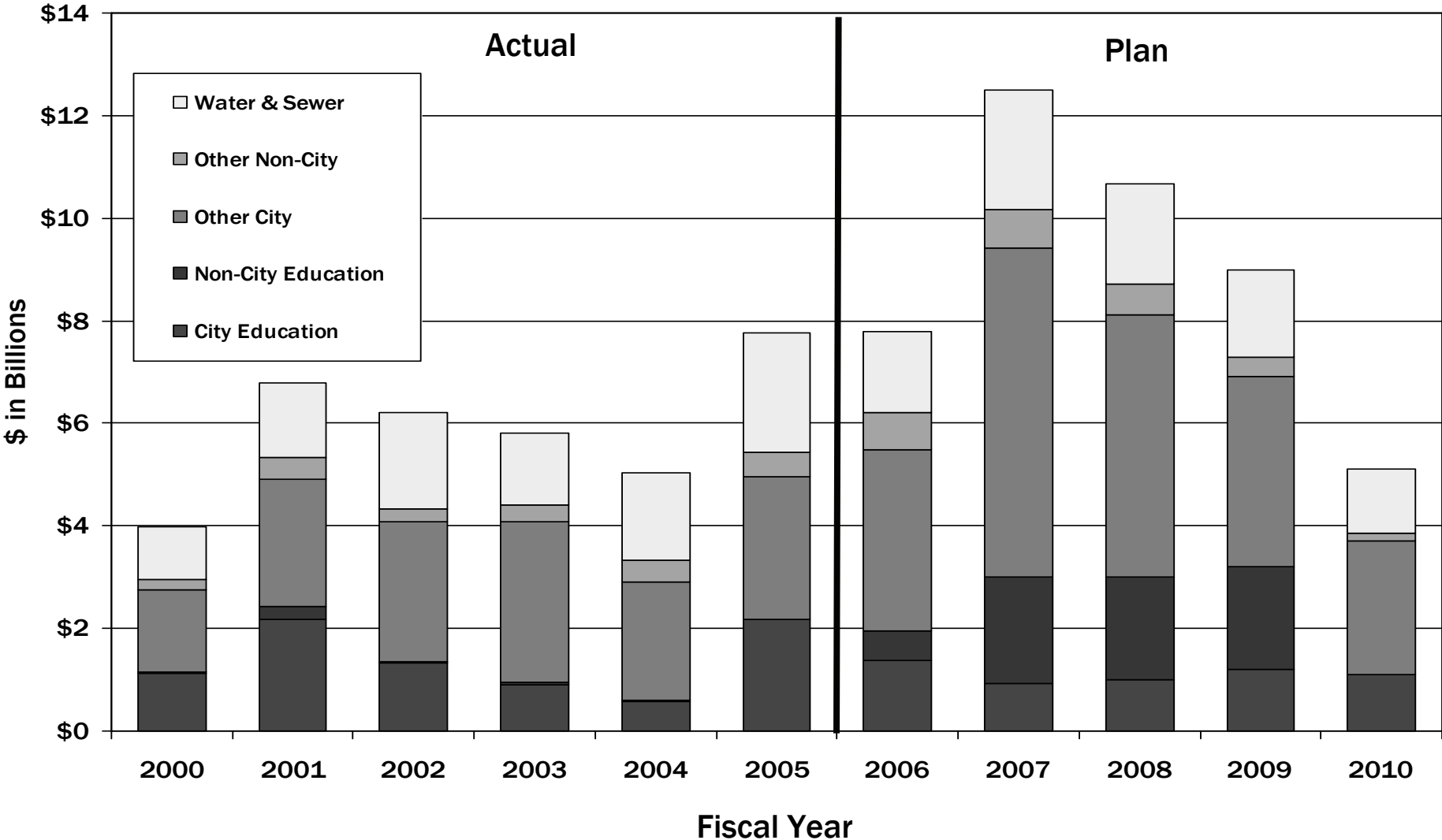
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Four-Year Capital Plan 2007-2010

Totals \$36.5 Billion in All Funds



Capital Commitments – All Funds



Highlights of the Four-Year Capital Plan 2007-2010

\$ in Millions

❖ Hudson Yards (Extension of No. 7 Subway Line, ERY Platform and Parks)	\$3,000
❖ Street Resurfacing (\$457 Million for 3,550 Lane Miles) and Reconstruction (\$845 Million for 371 Lane Miles)	1,302
❖ Croton Water Filtration Facility	1,140
➤ Bronx Park Development (68 Projects at over 50 Parks)	198
❖ Rehabilitate Police (\$187 Million) and Fire and EMS (\$308 Million) Facilities	495
❖ New Yankee Stadium Infrastructure and Parks	149
❖ Fresh Kills Park Re-development	136
❖ Atlantic Yards (Arena, Mixed-Income Housing, Office, Retail and Open Space)	107
❖ New Mets Stadium Infrastructure and Parks	105
❖ Greenpoint-Williamsburg Waterfront (Acquisition Costs, Remediation and Construction of over 30 Acres of Open Space)	99
❖ Randall's Island Sports Fields and Infrastructure	82
❖ High Line Park (Conversion of Freight Line across 10 City Blocks)	70
❖ Brooklyn Bridge Park	51
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VI. Tables

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Five-Year Financial Plan Revenues and Expenditures

\$ in Millions

Revenues	2006	2007	2008	2009	2010
Taxes					
General Property Tax	\$12,437	\$12,972	\$13,832	\$14,488	\$15,165
Other Taxes ⁽⁴⁾	19,517	18,943	18,871	19,426	20,359
Tax Audit Revenue	712	509	509	509	510
Tax Reduction Program	---	---	(256)	(256)	(256)
Miscellaneous Revenues	5,161	4,807	5,147	4,735	4,757
Unrestricted Intergovernmental Aid	490	340	340	340	340
Anticipated Federal & State Aid	---	50	---	---	---
FY 2005 Discretionary Transfer ⁽⁴⁾	947	---	---	---	---
Less: Intra-City Revenue	(1,432)	(1,307)	(1,305)	(1,307)	(1,307)
Disallowances Against Categorical Grants	(90)	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$37,742	\$36,299	\$37,123	\$37,920	\$39,553
Other Categorical Grants	1,138	1,111	972	987	992
Inter-Fund Revenues	380	395	373	365	365
Total City Funds and Inter-Fund Revenues	\$39,260	\$37,805	\$38,468	\$39,272	\$40,910
Federal Categorical Grants	5,785	5,095	5,094	5,090	5,090
State Categorical Grants	9,602	9,804	9,969	10,066	10,182
Total Revenues	\$54,647	\$52,704	\$53,531	\$54,428	\$56,182
Expenditures					
Personal Service					
Salaries and Wages	\$18,790	\$19,098	\$19,239	\$19,332	\$19,511
Pensions	4,018	4,891	5,614	5,859	5,724
Fringe Benefits	6,634	6,937	6,271	6,582	6,835
Subtotal: Personal Service	\$29,442	\$30,926	\$31,124	\$31,773	\$32,070
Other Than Personal Service					
Medical Assistance	\$4,917	\$4,935	\$5,083	\$5,222	\$5,376
Public Assistance	2,466	2,198	2,202	2,202	2,202
Pay-As-You-Go Capital	200	200	200	200	200
All Other ⁽⁴⁾	14,978	14,916	15,168	15,547	15,863
Subtotal: Other Than Personal Service	\$22,561	\$22,249	\$22,653	\$23,171	\$23,641
General Obligation, Lease and MAC Debt Service	3,179	3,975	4,338	4,693	5,066
FY 2005 Budget Stabilization and Discretionary Transfers ⁽⁴⁾	(2,582)	---	---	---	---
FY 2006 Budget Stabilization and Discretionary Transfers ⁽²⁾	3,439	(3,439)	---	---	---
General Reserve	40	300	300	300	300
Subtotal	\$56,079	\$54,011	\$58,415	\$59,937	\$61,077
Less: Intra-City Expenses	(1,432)	(1,307)	(1,305)	(1,307)	(1,307)
Total Expenditures	\$54,647	\$52,704	\$57,110	\$58,630	\$59,770
Gap To Be Closed	\$ ---	\$ ---	(\$3,579)	(\$4,202)	(\$3,588)

⁽⁴⁾Fiscal Year 2005 Budget Stabilization and Discretionary Transfers total \$3.529 billion, including prepayments of subsidies of \$645 million, lease debt service of \$88 million, Budget Stabilization of \$1.849 billion and a TFA grant in fiscal year 2005 which increased fiscal year 2006 tax revenue by \$947 million.

⁽²⁾Fiscal Year 2006 Budget Stabilization and Discretionary Transfers total \$3.439 billion, including prepayments of \$124 million in Transit subsidies, lease debt service of \$51 million and Budget Stabilization of \$3.264 billion.

Financial Plan Update

Changes Since the January 2006 Plan

\$ in Millions

(Increases Gap) / Decreases Gap	2006	2007	2008	2009	2010
Gaps to be Closed – January 2006 Plan	\$ ---	\$ --	(\$3,447)	(\$3,500)	(\$2,711)
Revenue Changes					
Property Tax Revenue	\$2	\$192	\$146	\$127	\$126
Tax Revenue Audits	200	---	---	---	---
Other Tax Revenue (see page 14)	521	62	(111)	(237)	(397)
TFA – Debt Retirement	(350)	16	350	---	---
Non-Tax Revenue (see page 14)	47	136	94	90	94
Federal and State Actions (Maintains \$50 Million Federal in 2007)	---	(300)	(250)	(250)	(250)
Total Revenues Changes	\$420	\$106	\$229	(\$270)	(\$427)
Expenses Changes					
HHC	(\$385)	\$279	\$82	(\$8)	(\$8)
Agency Expenses (see page 15)	(37)	(456)	(422)	(425)	(412)
Education	(49)	(224)	(224)	(224)	(224)
Misc. Budget (Claims, FICA, Health Insurance)	75	75	75	75	75
Debt Service	101	35	128	150	119
Reduce General Reserve to \$40 Million	60	---	---	---	---
Total Expenses Changes	(\$235)	(\$291)	(\$361)	(\$432)	(\$450)
Total Exec Budget Changes	\$185	(\$185)	(\$132)	(\$702)	(\$877)
Increase Prepayments From \$3.254 Billion	(\$185)	\$185	\$ --	\$ --	\$ --
Gap to be Closed May 2006 Plan	\$ --	\$ --	(\$3,579)	(\$4,202)	(\$3,588)