The City of New York
Michael R. Bloomberg, Mayor

January 2005 Financial Plan

Fiscal Years 2005–2009

DETAIL

Office of Management and Budget
Mark Page, Director

January 27, 2005

THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, N.Y. 10007

January 27, 2005

To the Citizens of the City of New York
Members of the City Council
Members of the Financial Control Board

My Fellow New Yorkers,

New York City's economy continues to strengthen and job growth has returned to the City. Although Wall Street profits in 2004 are projected to be below the 2003 level, the fourth quarter of 2004 was strong, providing a firm foundation for 2005. The commercial real estate market is recovering, with primary market occupancy rates increasing for the fourth consecutive quarter. Residential real estate prices have also been increasing. Both domestic and international tourists are returning to New York City, eating in our restaurants, shopping at our stores and taking in all of the wonderful sites of our City. Hotel occupancy rates are at levels not seen since before September 11th, 2001, and nightly room rates are rising.

This increased economic activity is good news for the New York City budget. We are expecting to end the current Fiscal Year 2005 with a surplus for the 25th consecutive year. Our tax collections in Fiscal Year 2005 have increased, largely due to the unprecedented volume of real estate transactions recently and the strong fourth quarter results posted by financial firms in the City. These two sectors of the economy are highly volatile, and can increase or decrease dramatically from quarter to quarter, so it is necessary to be cautious when predicting future collections from these two sectors.

This budget also includes funding for a $400 property tax rebate for New York City homeowners in Fiscal Year 2006. They were there for the City when we needed their help to balance the budget and they deserve to benefit from the City's improving financial outlook. In addition, this budget reflects the scheduled sunset of the temporary tax increases, which were necessary to see the City through its darkest financial crisis in a generation.

The non-discretionary portion of the City's budget continues to grow. Pensions, fringe benefits, Medicaid and debt service are 12.1% higher in Fiscal Year 2005, and are over $5 billion greater in 2006 than the spending by City Agencies on the services New Yorkers want and need - police, fire, sanitation and education. These non-discretionary costs, which the City does not control, must be contained.

The news is not all good. We face three budgetary risks, each of which could significantly undermine our financial plan.

- The resolution of the CFE lawsuit could penalize the City and cost billions of dollars for the failure of the State to properly fund the education of our children.

- The MTA's long-term capital plan needs a massive infusion of funds. While the City is the only service area that contributes to the MTA's capital plan, we face the risk of having to bail the agency out.

- Labor settlements reached through the State PERB process that are above the pattern set for our workers who bargained with the City directly, could impose billions of dollars in additional costs and result in severe reductions in uniformed personnel.

Each of these risks presents us with serious dislocations to the budget. A combination of these events represents a perfect fiscal storm.

We have taken over $3.8 billion in gap closing actions over the last three years to close the budget gap in Fiscal Year 2006. The city's headcount has been reduced by 16,000 in this period, while the quality of life in our City continues to improve. Police, fire sanitation and education budgets have been protected from the deepest reductions. Crime continues its historic decline, posting a 14% decrease since this administration began three years ago. In 2004, New York City had the fewest murders since 1963 and the fewest traffic fatalities since 1910.   Streets are cleaner and parks are being maintained, improved and expanded.

Our gap closing program for next year, Fiscal Year 2006, requires additional agency actions of almost $600 million. We are also counting on assistance from New York State of $500 million and assistance of $250 million from the federal government to help close the budget gap in 2006. The City has provided a list of actions New York State and the federal government could take which would provide the necessary funds to the City at no cost to the State or the federal government. In addition, the City is relying on $325 million of savings in pension and health benefit costs in Fiscal Year 2006.

We have made the difficult but correct decisions over the past three years. Because of that willingness to confront adversity, we have been able to safeguard vital services, protect the vulnerable, improve our quality of life, and position our City's economy to rebound. All this, while stabilizing the City's finances. Surely, New York City's future remains brighter than ever.

Very truly yours,

Michael R. Bloomberg
Mayor

January 2005 Financial Plan

Fiscal Years 2005—2009

The Financial Plan

The City's January 2005 Financial Plan sets forth projected revenues and expenses for operations for fiscal years 2005 through 2009 based on Generally Accepted Accounting Principles (GAAP). For 2006, a plan to balance revenues and expenses is presented in the Financial Plan and included in the 2006 Preliminary Budget.

Fiscal year 2006 will be the twenty-sixth successive budget to be balanced under generally accepted accounting principles. The total budget for fiscal year 2005 is $51.1 billion and $48.3 billion for fiscal year 2006.

Before providing for prepayments and increased appropriations to the Budget Stabilization Account and before implementation of the City's Gap Closing Program, a budget surplus of $911 million is projected for 2005, and budget gaps of $3.1 billion, $4.5 billion and $4.0 billion in 2006 through 2008 are projected.

To achieve a balanced budget for 2006 and reduce projected gaps for 2007 and 2008, a gap closing program has been developed. Program actions within the city's control include an agency program which reduces spending or increases revenues totaling $423 million, $506 million, $350 million and $349 million in 2005, 2006, 2007 and 2008 respectively; debt service savings of $10 million and $85 million in 2005 and 2006; and asset sales of $85 million in 2005. The program also includes initiatives requiring state action of $500 million, $200 million and $100 million in fiscal years 2006, 2007 and 2008 and federal action of $250 million in 2006. Additionally, there is a reduction of $325 million in pension and health insurance costs in 2006 and $200 million in 2007. Implementation of this plan will leave remaining gaps of $3.7 billion in fiscal year 2007, $3.6 billion in fiscal year 2008 and $3.2 billion in fiscal year 2009.

As a result of the above actions and the 2005 baseline changes recognized in this plan, the 2005 Budget Stabilization Account will be increased by $1.1 billion and prepayment of subsidies to the Transit Authority and the Health and Hospitals Corporation totaling $300 million are planned. Discretionary transfers in 2005 reflected in the October and January plans total $2.0 billion.

The 2005 forecast provides for a general reserve of $100 million to offset any adverse changes which may arise during the remainder of the fiscal year. For fiscal years 2006 through 2009, a general reserve of $300 million has been included in each year.

The following tables represent the City's financial plan as of October 2004, the Financial Plan Update detailing changes since the October 2004 Financial Plan, and the City's January financial plan after implementation of the Gap Closing Program.

Financial Plan Revenues and Expenditures
October 2004
($ in millions)

	2005	2006	2007	2008
REVENUES				
Taxes				
General Property Tax	$11,616	$12,087	$12,617	$13,427
Other Taxes	15,723	15,358	15,756	16,564
Tax Audit Revenue	523	508	509	509
Miscellaneous Revenues	5,980	4,293	4,231	4,263
Unrestricted Intergovernmental Aid	562	562	562	562
Anticipated Federal & State Aid	50	–	–	–
Less: Intra-City Revenue	(1,189)	(1,130)	(1,129)	(1,129)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)
Subtotal: City Funds	**$33,250**	**$31,663**	**$32,531**	**$34,181**
Other Categorical Grants	803	877	866	866
Inter-Fund Revenues	349	335	331	331
Total City Funds & Inter-Fund Revenues	**$34,402**	**$32,875**	**$33,728**	**$35,378**
Federal Categorical Grants	4,957	4,576	4,559	4,549
Federal-FEMA Insurance Program	1,000	–	–	–
State Categorical Grants	8,709	8,594	8,670	8,741
Total Revenues	**$49,068**	**$46,045**	**$46,957**	**$48,668**
EXPENDITURES				
Personal Service				
Salaries and Wages	$17,205	$17,268	$17,256	$17,156
Pensions	3,376	4,107	4,515	4,502
Fringe Benefits	5,160	5,431	5,724	6,069
Subtotal - Personal Service	**$25,741**	**$26,806**	**$27,495**	**$27,727**
Other Than Personal Service				
Medical Assistance	4,733	4,768	4,863	5,053
Public Assistance	2,353	2,302	2,303	2,303
Pay-As-You-Go Capital	200	200	200	200
All Other	14,029	12,859	13,033	13,211
Subtotal - OTPS	**$21,315**	**$20,129**	**$20,399**	**$20,767**
General Obligation and MAC Debt Service	2,327	2,905	4,068	4,350
Budget Stabilization	574	–	–	–
General Reserve	300	300	300	300
Subtotal	**$50,257**	**$50,140**	**$52,262**	**$53,144**
Less: Intra-City Expenses	(1,189)	(1,130)	(1,129)	(1,129)
Total Expenditures	**$49,068**	**$49,010**	**$51,133**	**$52,015**
Gap To Be Closed	**$–**	**($2,965)**	**($4,176)**	**($3,347)**

Financial Plan Update
($ in millions)

	2005	2006	2007	2008
Gap to be Closed October 2004 Plan	$—	($2,965)	($4,176)	($3,347)
Revenue Changes				
Taxes				
Property Tax Forecast	(41)	202	443	573
Delay Lien Sale	(54)	51	—	—
Other Tax Revenue Forecast	992	198	65	—
Total Tax Revenue Changes	**897**	**451**	**508**	**573**
Other Revenues				
TSASC	(120)	120	(2)	(2)
Federal Aid in FY 2005 Adopted Budget	(50)	—	—	—
Non Tax Revenues	55	17	20	23
Total Revenue Changes	**$782**	**$588**	**$526**	**$594**
Expenditure Changes				
Medicaid	(168)	(301)	(475)	(666)
Hudson Yards Debt Service	(6)	(46)	(95)	(139)
Other Debt Service/MAC	43	(2)	(17)	(31)
Pension and Fringe Benefits Costs	114	(149)	(21)	(224)
Education	(60)	(60)	(60)	(60)
Collective Bargaining for Contractual Employees	(55)	(23)	(23)	(23)
Other Agency Expenditures	(139)	(137)	(127)	(118)
Subtotal Expenditure Changes	**(271)**	**(718)**	**(818)**	**(1,261)**
Revised Estimate of Prior Years' Expenses	200	—	—	—
Reduce General Reserve to $100 million	200	—	—	—
Total Expenditure Changes	**$129**	**($718)**	**($818)**	**($1,261)**
Gap to be Closed January 2005 Plan	**$911**	**($3,095)**	**($4,468)**	**($4,014)**
Actions Within City's Control				
Agency Program	423	506	350	349
Debt Service	10	85	—	—
Asset Sales (Airport Lease and Taxi Medallion Sale)	85	—	—	—
Subtotal Actions Within City's Control	**$518**	**$591**	**$350**	**$349**
Budget Stablization Account/Prepayments	**(1,429)**	**1,429**	**—**	**—**
Remaining Gap to be Closed	**$—**	**($1,075)**	**($4,118)**	**($3,665)**
Additional Gap Closing Actions				
State Actions	—	500	200	100
Federal Actions	—	250	—	—
Pensions / Health Insurance	—	325	200	—
Total Additional Actions	**$—**	**$1,075**	**$400**	**$100**
Remaining Gap	**$—**	**$—**	**($3,718)**	**($3,565)**

Financial Plan Revenues and Expenditures
January 2005 - After Gap Closing Program
($ in millions)

	2005	2006	2007	2008	2009
REVENUES					
Taxes					
General Property Tax	$11,536	$12,345	$13,066	$14,006	$14,671
Other Taxes	16,715	15,556	15,821	16,564	17,386
Tax Audit Revenue	525	512	509	509	509
Miscellaneous Revenues	6,199	4,580	4,343	4,380	4,406
Unrestricted Intergovernmental Aid	562	562	562	562	562
Anticipated Federal & State Aid	—	750	200	100	100
Less: Intra-City Revenue	(1,268)	(1,206)	(1,205)	(1,205)	(1,205)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)
Subtotal: City Funds	**$34,254**	**$33,084**	**$33,281**	**$34,901**	**$36,414**
Other Categorical Grants	897	934	916	921	927
Inter-Fund Revenues	357	347	339	332	332
Total City Funds & Inter-Fund Revenues	**$35,508**	**$34,365**	**$34,536**	**$36,154**	**$37,673**
Federal Categorical Grants	5,563	4,839	4,776	4,765	4,765
Federal—FEMA Insurance Program	1,000	—	—	—	—
State Categorical Grants	8,999	9,057	9,074	9,138	9,179
Total Revenues	**$51,070**	**$48,261**	**$48,386**	**$50,057**	**$51,617**
EXPENDITURES					
Personal Service					
Salaries and Wages	$17,850	$17,499	$17,524	$17,401	$17,413
Pensions	3,243	3,894	4,294	4,681	4,609
Fringe Benefits	5,235	5,518	5,808	6,156	6,479
Subtotal - Personal Service	$26,328	$26,911	$27,626	$28,238	$28,501
Other Than Personal Service					
Medical Assistance	4,901	5,067	5,337	5,719	6,148
Public Assistance	2,487	2,365	2,354	2,354	2,354
Pay-As-You-Go Capital	200	200	200	200	200
All Other *	14,909	13,153	13,314	13,497	13,645
Subtotal - OTPS	$22,497	$20,785	$21,205	$21,770	$22,347
General Obligation, Lease and MAC Debt Service	3,332	3,475	4,178	4,519	4,853
FY2004 Budget Stabilization & Prepayments	(1,923)	—	—	—	—
FY2005 Budget Stabilization & Prepayments	2,004	(2,004)	—	—	—
General Reserve	100	300	300	300	300
Subtotal	**$52,338**	**$49,467**	**$53,309**	**$54,827**	**$56,001**
Less: Intra-City Expenses	(1,268)	(1,206)	(1,205)	(1,205)	(1,205)
Total Expenditures	**$51,070**	**$48,261**	**$52,104**	**$53,622**	**$54,796**
Gap To Be Closed	**$—**	**$—**	**($3,718)**	**($3,565)**	**($3,179)**

* *Includes $1 billion of FEMA Insurance and $400 million of 2004 prepayment of TFA Debt Service.*

Overview

The U.S. economic recovery, after hitting a soft patch over the summer, regained momentum by the end of 2004. Historically low interest rates, the addition of over two million jobs, and rising household wealth continued to sustain consumption spending which rose an estimated 3.6 percent in 2004.[1] It was investment spending, however, that helped propel the economy to its best performance in four years. Non-residential fixed investment grew by an estimated 10.4 percent, lifting Real Gross Domestic Product (GDP) up 4.4 percent for the year.

Inflationary pressures, which had been dormant in the past years, started to pick up in 2004, largely due to higher oil and import prices. As a result, the Federal Reserve increased the Federal Funds Rate in 2004 from 1.0 to 2.25 percent, signaling that the last few years of loose monetary policy have clearly come to an end. The Federal Reserve is expected to gradually increase the rate further, to 3.5 percent by the end of 2005. Higher interest rates will gradually cool the housing market, which had in the past provided additional impetus to consumers, in terms of both the wealth effect and actual equity withdrawals. This combined with less expansive fiscal policy should pull back consumption spending to growth of under three percent in 2005. Investment is expected to remain strong in 2005, supported by continued corporate profit growth, before falling back to a more sustainable six percent in the outyears. The overall economy is therefore expected to expand by a respectable 3.5 percent in 2005, enabling employment growth of 1.7 percent. A general slowdown in economic activity beginning in 2006 is anticipated, resulting in more moderate employment gains of about one percent for the outyears.

New York City's economy rebounded with the nation in 2004. After three years of job losses, the City gained 21,000 jobs last year. With the exception of health services, which added 10,000 jobs, the rest of the new jobs came from cyclically-sensitive sectors of the economy: professional services, retail trade and the tourism industry. Surprisingly however, the securities sector, usually the City's engine of growth, remained flat for the year.

While the employment picture on Wall Street was not bright, overall profits in 2004 have been respectable, albeit erratic. After posting a robust $16.8 billion in 2003, New York Stock Exchange (NYSE) member firms have already earned $9.0 billion through the third quarter of 2004 and are expected to end the year with $12.8 billion. It appears that the bounce at the end of the year has boosted bonuses in the industry as revealed in the personal income tax withholding data.

The combination of positive momentum on Wall Street and a healthy U.S. forecast justifies a moderately upbeat forecast for the City's economy in 2005. Employment is expected to climb by 44,000 jobs for the year, following similar sectoral patterns as 2004, with strength in professional & business services and the tourism-related sectors.

1) *All economic data are on a calendar year basis.*

Even though the labor market gains are expected to be relatively mild (especially compared to the late 1990s), total wage earnings grow by close to six percent in 2005 as average wages rise by over four percent. In the outyears, higher interest rates begin to slow the economy, similar to the nation. Employment is expected to grow by an average of one percent and average wages by about four percent, bringing total wage earnings up by a steady five percent per year.

With the City's employment situation improving, the local commercial real estate market rebounded in 2004. Midtown was the beneficiary of most of the renewed activity, as vacancy rates fell nearly 2.0 percentage points throughout the year to 10.2 percent. Even with this improvement, asking rents remained flat. Downtown's market lagged Midtown, as landlords were forced to reduce asking rents by over 10 percent over the year to attract tenants. The forecast for the Midtown market is largely driven by the continued steady demand from office employment. Demand should be sufficient to push vacancy rates down, putting upward pressure on asking rents. Conditions Downtown are expected to improve slowly with relatively inexpensive space luring bargain seekers.

The current U.S. and NYC economic forecasts assume that inflation will remain subdued at approximately 2.0 percent per year, with oil prices stabilizing and eventually beginning to fall. There are, however, a number of risks to this forecast. An oil shock could potentially spark inflation and cause a further drag on consumption. The current twin deficit (the federal budget and foreign trade deficits) also poses a threat to the value of the dollar and long-term interest rates. While interest rates are expected to rise gradually in a controlled manner, a rapid increase could lead to trouble for both the housing market and for the consumer. At this time, however, the probability of these risks occurring is considered low.

The strengthening economic recovery at both the national and local levels leads to tax revenue growth of 5.7 percent in 2005.[2]

New York City non-property tax revenues are forecast to grow 7.0 percent in 2005, after rebounding growth of 13.9 percent in 2004, following declines of 12.4 percent in 2002 and 2.6 percent in 2003. In 2005, the strengthening local recovery leads to employment gains, particularly in the professional services and the leisure and hospitality sectors. In addition, relatively high Wall Street profitability and continued low interest rates further support strong growth in non-property tax revenues. Personal income tax revenues increase 8.2 percent, the result of wage earnings growth of 5.3 percent coupled with estimated capital gains growth of 20 percent in calendar year 2004. Business income taxes increase 9.7 percent as calendar year 2004 Wall Street profits reach an estimated $12.8 billion and the national recovery gains momentum. Sales tax collections increase 5.6 percent, reflecting forecast wage earnings growth and strength in visitor spending as the recovery in the hotel and tourism industry continues. The federal funds rate increases have not yet impacted

2) *All tax revenue data are reported on a fiscal year basis ending June 30, unless otherwise stated. Tax revenue growth is reported on a common rate and base.*

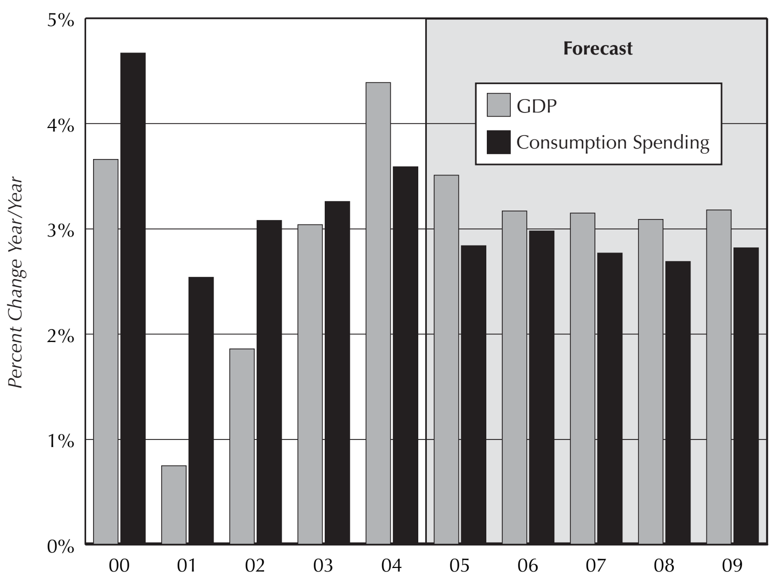
mortgage interest rates, fueling the continuation of the local real estate transaction boom into 2005. As a result, the real estate transaction taxes are forecast to grow 7.5 percent in 2005. The real property tax is forecast to grow 2.9 percent in 2005 based on a billable assessed value growth of 3.8 percent.

Non-property tax revenue in 2006, excluding real estate transaction taxes, is forecast to grow 3.6 percent as the maturing national and local economic recoveries decelerate. Non-property tax revenue is forecast to grow 4.5 percent from 2007 through 2009. The forecast rise in interest rates is expected to trigger a slowdown in real estate activity in 2006, resulting in a 37 percent decline in the transaction taxes. Property tax revenue is forecast to increase by 7.6 percent in 2006, fueled by 7.7 percent growth in billable assessed value on the tentative roll, released January 14, 2005. With market value growth slowing, yet a sizable 'pipeline' of assessed value remaining to be phased in, property tax growth averages 6.0 percent from 2007 through 2009. Total tax revenue averages 5.1 percent growth from 2007 through 2009 as the national and local economies achieve sustainable growth.

The U.S. Economy

Following the last recession, the U.S. economic recovery began with lackluster and erratic growth. Over time, however, it gained momentum. With the final tally still pending, 2004 is estimated to have pulled off a very respectable 4.4 percent growth, the highest in four years. For the first time in this recovery, business fixed investment contributed substantially to GDP growth as consumers also benefited from a low inflation and low interest rate environment further boosted by federal tax rebates. The gears are gradually shifting from recovery to expansion, as consumers are finally expected to take a respite. However, the high pace of investment activity, which started late in the business cycle, is expected to continue through much of 2005. Real GDP growth is forecast to decelerate to 3.5 percent in 2005 and then maintain a long-term trend of roughly 3.2 percent.

Consumption and GDP are forecast to decelerate in 2004 and maintain trend growth in the outyears.

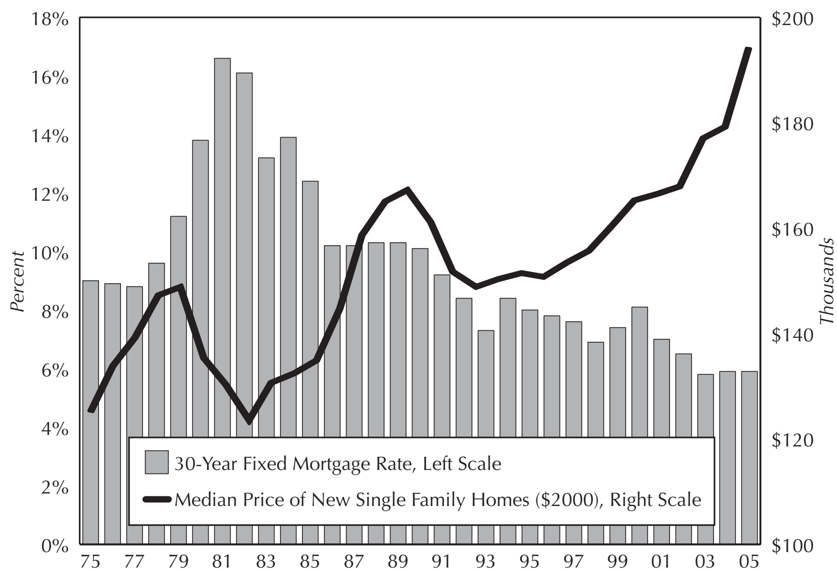


In a historically unprecedented way, consumers did not retrench during the last recession and have continued to increase spending through this current recovery. Real consumption spending ended the year up an estimated 3.6 percent. Historically low interest rates and rising wealth have combined to produce sufficient cash to offset the drag from higher oil prices which are estimated to have eroded 0.5 percent from real consumption in 2004. As a result, consumption of durables increased by an average of 6.7 percent during the last three years. Overall household wealth, including real estate, appreciated by over $3 trillion in 2004, and with mortgage rates below six percent (30-year fixed), refinancing and home equity loans became sources of easy cash. The purchasing capacity of the economy has also been boosted by the 2.2 million jobs that were added last year and by modest increases in wages.

With the housing market forecast to ease in 2005, due mainly to rising interest rates, durable consumption is projected to weaken and growth in overall consumption spending will be largely determined by employment and income gains. Disposable income will continue to receive support from low tax rates. Oil prices are not expected to cause serious jitters this year as core inflation remains subdued. Given the overall low inflation and healthy labor market outlook, consumer confidence should remain relatively upbeat. U.S. consumption spending is forecast to show moderate growth of just under three percent in 2005 and maintain this trajectory in the outyears.

The contraction in the information technology industry that lasted through 2002 and the uncertainties following the events of September 11 delayed the usual pick-up in business investment in the initial stages of the last recovery. Nonresidential fixed investment grew an estimated 10.4 percent in 2004. Although investment did not pick-up as expected during the early part of the recovery, businesses have in general reaped sizeable profits during the last three years. Several factors including productivity growth, which helped constrain business operating costs, the relative price advantage over foreign competitors due to the dollar's decline, and the deeper depreciation allowances for corporate taxes, have all helped to generate hefty profits for U.S. corporations. Corporate pre-tax profits soared by an average of 14.4 percent during 2002-04. Since the increased depreciation allowance expired in 2004, the current year will see an artificial jump in corporate profits as companies face a much smaller volume of deductible depreciation in calculating tax liability. On the other hand, economic profits (measured before accounting and tax law changes) should continue to show modest growth over the next several years. Due to this turnaround in earnings, the stock market surged last year with the S&P500 index gaining 17 percent. In line with moderate earnings growth, this index is projected to average 5.1 annual growth from 2005 to 2009.

Historically low mortgage rates have kept home prices rising even during the last recession.



Defying previous trends, the national housing market remained unscathed during the last recession, both in terms of price appreciation and volume of activity. In the early 1980s for example, prices of new single-family homes declined sharply by 20.7 percent (peak-to-trough) and sales volume was cut in half.[1] Then again in the early 1990s recession, prices dropped by 13.7 percent and sales volume fell by roughly forty percent. In contrast since 2000, prices have increased by nearly 14 percent and volume remains at record levels. Besides the fact that the last recession was very shallow, which in turn was partly the result of the relentless housing boom, the predominant driver for the housing market has been the historically low mortgage rates that offset the rise in prices by keeping payments affordable. For example, although the median price of a single family home skyrocketed to nearly $200,000 in 2004, the mortgage rate of below six percent (30-year fixed) has kept the mortgage affordability index a very comfortable 134.4.[2] The flight of capital from stocks to bonds and real estate investments may have also helped the housing market during the 2001 recession and after. In addition, changes in demographic trends have added a layer of long-term sustainable strength to the market.

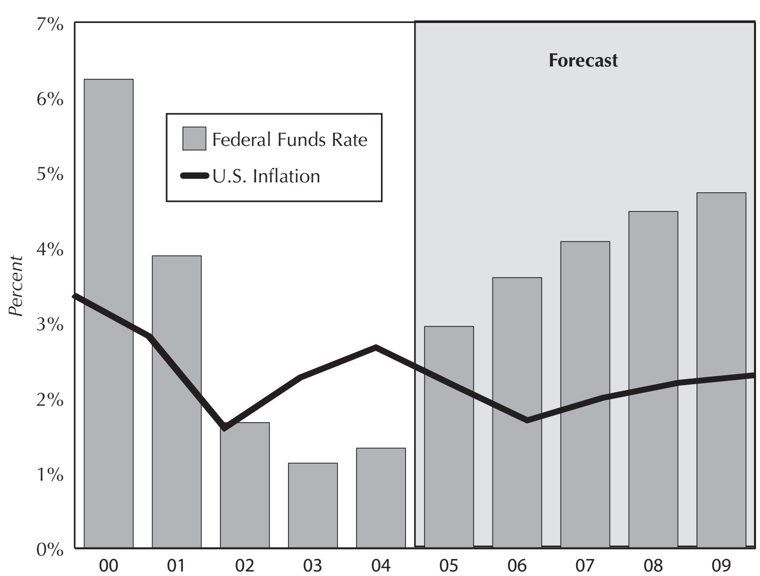
1) *Price (in 2000 dollars) and volume data refer to new single-family homes. Source: U.S. Census.*
2) *An index of 100 means that a family with median income has enough income to qualify for a mortgage on a median priced home. Source: National Association of Realtors.*

Demand for new homes and remodeling of existing homes have been buoyed by the oldest baby boomers (age 55-60) reaching their peak wealth years and younger baby boomers (age 45-54) reaching their peak earnings age. As a result, the homeownership rate in the U.S. has progressively increased during the last three decades from 64 percent in the early 1970s to 69 percent in 2004.

Although a meltdown of the housing market is not forecast in the horizon, the scenario could change abruptly if interest rates were to rise - especially if they rise more rapidly than already projected. With two-thirds of households owning homes the sheer size of the housing market has the potential to disrupt the current economic expansion, which in turn would inevitably start the downward cycle for housing. Although debt service as a percent of disposable income, currently at 13.3 percent, remains close to the historical average, the rise in both short-term and long-term interest rates would become burdensome for many households. Given the tame inflation outlook, the Federal Reserve is expected to raise interest rates very gradually and effective mortgage rates are not assumed to increase by more than fifty basis points to 6.5 percent by the end of 2005. In the meantime, recent housing data have produced mixed results. The two leading indicators, new home sales and housing starts dipped in November and later housing starts reversed direction in December. While single-family permits were slightly positive in November, new home prices showed a somewhat disturbing year-over-year decline. With mortgage rates rising a notch, the pace of the market is likely to slow towards the long-term, demographically-driven ranges.

The job market outlook is positive but not robust enough to cause the unemployment rate to fall below the current 5.4 percent. The national economy will add roughly 500,000 jobs per quarter in 2005, which translates to 1.7 percent growth. The outyear growth is projected to slow to an average of 0.9 percent. Excluding manufacturing, the private sector will perform better in the outyears with an average of 1.1 percent growth.

Assuming no surge in inflation, the Federal Reserve is expected to raise interest rates at a controlled pace.



Last year ended with inflation at 3.4 percent measured on a year-over-year basis. Assuming there is no further surge in oil prices, inflation is expected to come down to 2.2 percent this year and continue at this trend in the outyears. However, higher import prices and wage pressures are projected to push the core inflation to 2.2 percent in 2005 and keep it there in the outyears. The Federal Reserve is expected to raise the target Federal Funds Rate from the current 2.25 percent to 3.5 percent by the end of this year. Gradual rate increases are assumed to occur through 2007, rising to approximately 4.5 percent, at which point the real rate will be close to two percent.

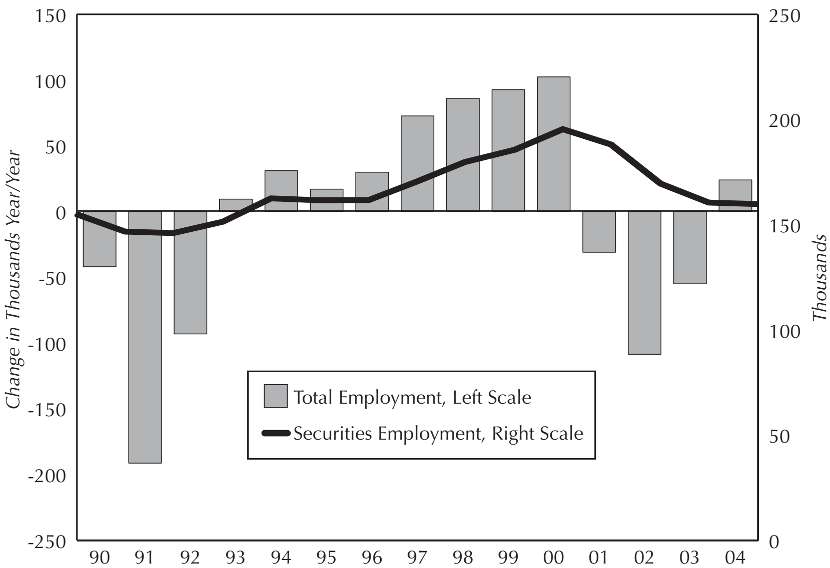
The U.S. has so far shown incredible resilience against a series of external shocks - the high-tech debacle, the events of September 11, corporate accounting scandals, the recent oil-price hike, the destruction from hurricanes and the continuing Middle Eastern crisis. At this time, assuming no further external shocks, there are still some short-term risks as the business cycle recovery matures into expansion. If inflation rises more than expected, the Federal Reserve will be forced to raise interest rates more aggressively. That would almost certainly dampen real estate activity, which has been the mainstay of growth in this recovery. Furthermore, since household and business debts are at historically very high level, higher interest rates would immediately raise debt service costs. In addition, there are some concerns about long-term interest rates as well. If the value of the dollar falls further, there is a possibility that the mounting budget deficit could raise long-term interest rates. The current U.S. economic forecast considers these risks to be low.

The New York City Economy

After three consecutive years of contraction, New York City's economy experienced a respectable rebound in 2004 that was fairly broad-based, although the pace of the rebound was not uniform throughout the quarters. The year, however, ended on a positive note marked by encouraging results on Wall Street, continued resilience in the real estate market and a resurgence in the tourism industry.

The City added about 21,000 jobs in 2004, or 0.6 percent, slightly lower than the nation's growth of 1.0 percent.[1] This follows three years of job losses, which saw employment in the City decline by over 200,000 jobs (peak-to-trough). Growth was mainly driven by the cyclical sectors of the economy: professional services, retail trade and the tourism-related industries. Together, these sectors accounted for over half of the overall job gains. A return to pre-9/11 levels in hotel occupancy rates and rising room rates brought tourism employment up by almost 10,000 jobs in 2004. A notable exception to this cyclical growth pattern was the securities industry. Typically a leading indicator for the City's economy, employment in the securities industry was essentially unchanged in 2004. Securities employment remains 40,000 below its peak level in 2000. Within the non-cyclical industries, health services increased by 10,000 jobs in 2004 while educational services remained flat. Over the past ten years, employment in health services has averaged gains of almost two percent per year, adding close to 100,000 jobs. On the downside, the largest declines continued to be in manufacturing, which posted a steep loss of 8,000 jobs in 2004.

Unlike the previous recovery, total employment in the City increased even though securities employment has not yet recovered.



In addition to employment, the other crucial barometer of the City's economic health is New York Stock Exchange (NYSE) member-firm profits, which drive bonuses on Wall Street. The year that just ended turned out to be volatile for firms on Wall Street. After an impressive start in the first quarter, when firms recorded $5.1 billion in pre-tax profits, activity on the Street abruptly hit a soft patch along with the nation's economy. In the two subsequent quarters, firms managed to eke out profits of only $3.9 billion. Based on preliminary indications, conditions improved markedly in the fourth quarter as firms recorded strong results, particularly in profitable business lines like mergers & acquisitions (M&A) and initial public offerings (IPO). Consequently, profits are expected to total $12.8 billion in 2004, down more than twenty percent from 2003's

1) Employment data are reported as annual averages. Data for 2004 will be subject to revisions in March.

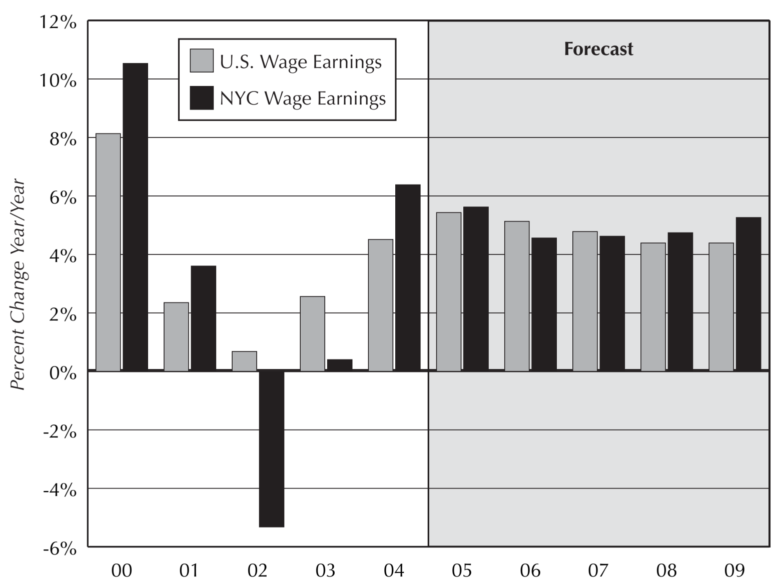
$16.8 billion level. However, given the strong year-end performance, which coincides with the timing of bonus decisions and healthy optimism going forward, the bonus pool will get an added boost this year, increasing by almost seven percent to $17 billion.

The momentum from Wall Street bonuses, combined with an above-trend forecast for the U.S. economy, will likely result in a slight pick-up in the City's economy in 2005. Overall employment is forecast to expand by 44,000 jobs on a year-over-year basis, an increase of 1.2 percent. This represents about half of the average job gains in the late 1990s, when the national economy was producing jobs at a much brisker pace. The sectoral pattern of growth is expected to be very similar to last year, led by professional services, which is forecast to add 13,000 jobs. The rebound in the tourism industry will continue as the number of international visitors to the City increases in response to the depreciation of the dollar. The securities sector should begin to regain some jobs, though competitive pressures from neighboring counties and continued productivity gains in the industry dampen growth to only 2,000 jobs in 2005.

With anecdotal evidence on M&A and IPO activity suggesting that 2005 is off to another strong start, profits for NYSE member firms are expected to edge up to $14.4 billion. While profits are forecast to be somewhat higher than in 2004, bonus compensation will remain on par with last year's lofty level. Outside of the finance sector, the average wage is estimated to have grown by four percent in 2004 and is forecast to grow by 4.2 percent in 2005. This robust forecast for average wage growth brings overall wage earnings (including finance) up by nearly six percent, compensating for sub-par employment growth.

Currently, the forecast calls for local inflation to fall back in 2005 to 2.7 percent and then 2-2.5 percent from 2006 to 2009, similar to the national outlook. A sharper increase in inflation might force the Federal Reserve to respond more aggressively, posing a considerable risk to the City's forecast. The Fed is expected to gradually raise short-term rates to 3.5 percent by year end and inch rates up to 4.5 percent by 2007.

Wage income growth subsides in the outyears on par with the nation.

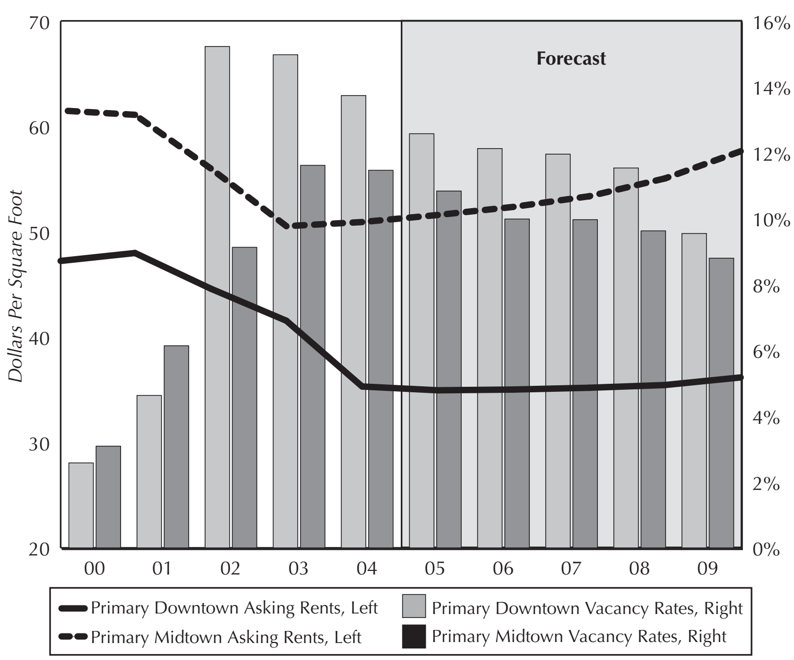


The out-year forecast (2006-2009) for the City's economy follows a trend similar to the U.S. pattern, as higher interest rates begin to slow growth in late 2005. As in the U.S. forecast, the housing market, after years of consistent and robust price appreciation, should finally stabilize. The effects of higher interest rates on the housing market, which are already evident in the national data for mortgage refinancing activity, are expected to result in a slowdown in the City as well. Refinancing activity began to slow in the second half of 2004 and a drop in purchasing activity is expected to follow beginning in mid 2005, resulting in a decline in total mortgage activity of nearly 50 percent by the end of 2006. As a result of this overall slowdown in economic activity, the City will likely add an average of 35,000 jobs or one percent per year from 2006 to 2009, while wages should rise by an average of four percent. Total wage earnings will grow by a steady five percent per year, on par with the nation.

With the City's employment situation improving, especially the information and professional services sectors, the commercial real estate market rebounded in 2004. Leasing activity in the primary market was brisk. Approximately 19 million square feet of prime office space was leased, over seven million more than 2003, making it the best year since 2000.[2] Vacancy rates, which began the year at 12.7 percent, gradually fell to 10.9 percent. However, this activity was not sufficient to put upward pressure on asking rents, which remained essentially flat.

Midtown was the beneficiary of most of the activity. Even with the completion of nearly five million square feet of new inventory, office demand was substantial enough to push Midtown's vacancy rate down from 12.0 percent in the start of 2004 to 10.2 percent by the end of the year. Since bottoming out in 2003 at just under $50 per square foot, the average asking rent for prime Midtown real estate rose by barely $1 per square foot in 2004.

Midtown's real estate market gradually improves, while Downtown's recovery remains precarious.



As expected, market conditions in Downtown lagged Midtown. Vacancy rates began 2004 above 15 percent, forcing landlords to lower asking rents by more than 10 percent from $40 per square foot to $35 by the end of the year. The $15-plus per square foot discount compared to Midtown lured some bargain-hunting firms Downtown, helping to lower vacancy rates there to 13.6 percent.

The forecast for the Midtown market is more optimistic than the Downtown market. Modest office employment growth of 10,000-20,000 jobs per year should be sufficient to fill the new inventory in Midtown over the next few years, most of which is pre-leased.[3] As a result, vacancy rates in

2) Real estate data compiled using statistics published by Cushman and Wakefield.

3) Major buildings in the pipeline include the New York Times new headquarters, the Hearst Tower, Dursts' new Bank of America building, and 11 Times Square Tower. All but 11 Times Square have been largely pre-leased.

Midtown will continue to trend downward and fall below 10 percent by the end of 2006. As vacancy rates fall, asking rents should begin to rise, climbing to about $58 by 2009. Downtown's recovery, however, is more precarious. One important litmus test will be the completion of 7 World Trade Center at the end of 2005. The two-million square foot office tower, which has yet to find a tenant, will represent the first completed office building in the World Trade Center redevelopment. There are two other major office developments Downtown, the Freedom Tower and Goldman Sachs' new world headquarters in Battery Park City, adding approximately four million square feet of inventory. The speed at which the Freedom Tower is constructed could be affected by how quickly 7 World Trade Center fills up. It is anticipated that relatively discounted asking rents will help boost demand for Downtown, although vacancy rates are not expected to fall below 10 percent until 2008 and asking rents remain essentially flat in real terms throughout this forecast.

Financial Plan Fiscal Year 2006
Forecasts of Selected United States and New York City Economic Indicators
Calendar Years 2004-2009

	2004	2005	2006	2007	2008	2009	1972-2002*
NATIONAL ECONOMY							
Real GDP							
Billions of 2000 Dollars	10,837	11,217	11,573	11,937	12,307	12,697	
Percent Change	4.4	3.5	3.2	3.2	3.1	3.2	3.0
Non-Agricultural Employment							
Millions of Jobs	131.3	133.5	135.1	136.2	137.3	138.5	
Change from Previous Year	1.4	2.2	1.6	1.1	1.1	1.2	
Percent Change	1.0	1.7	1.2	0.8	0.8	0.9	1.9
Consumer Price Index							
All Urban (1982-84=100)	188.9	193.0	196.3	200.2	204.6	209.3	
Percent Change	2.7	2.2	1.7	2.0	2.2	2.3	5.0
Wage Rate							
Dollars Per Employee	40,625	42,122	43,722	45,481	47,097	48,746	
Percent Change	3.4	3.7	3.9	3.9	3.6	3.5	5.1
Personal Income							
Billions of Dollars	9,638	10,109	10,657	11,209	11,826	12,507	
Percent Change	5.2	4.9	5.4	5.2	5.5	5.8	7.6
Before-tax Corporate Profits							
Billions of Dollars	992	1,338	1,359	1,408	1,417	1,420	
Percent Change	13.5	34.9	1.5	3.6	0.7	0.2	6.7
Unemployment Rate							
Percent	5.5	5.4	5.5	5.6	5.6	5.6	6.3 (avg)
10-Year Treasury Bond Rate							
Percent	4.3	4.7	5.2	5.4	5.9	6.4	8.1 (avg)
Federal Funds Rate							
Percent	1.3	3.0	3.6	4.1	4.5	4.7	7.2 (avg)
NEW YORK CITY ECONOMY							
Real Gross City Product**							
Billions of 2000 Dollars	439.6	450.0	459.9	473.0	489.3	509.1	
Percent Change	3.7	2.4	2.2	2.8	3.4	4.0	3.1
Non-Agricultural Employment							
Thousands of Jobs	3,549	3,593	3,630	3,665	3,701	3,741	
Change from Previous Year	20.6	43.9	37.4	34.3	35.8	40.7	
Percent Change	0.6	1.2	1.0	0.9	1.0	1.1	0.1
Consumer Price Index							
All Urban NY-NJ Area (1982-84=100)	204.8	210.2	214.7	219.6	224.8	230.2	
Percent Change	3.5	2.7	2.2	2.3	2.4	2.4	4.9
Wage Rate							
Dollars Per Employee	63,866	66,686	69,104	71,732	74,506	77,638	
Percent Change	5.8	4.4	3.6	3.8	3.9	4.2	6.0
Personal Income							
Billions of Dollars	333	349	367	384	404	428	
Percent Change	5.7	4.9	5.2	4.7	5.3	5.8	6.4
NEW YORK CITY REAL ESTATE MARKET							
Manhattan Primary Office Market							
Asking Rental Rate***							
Dollars Per Sq. Ft.	47.37	47.89	48.28	49.10	50.41	52.89	
Percent Change	-2.0	1.1	0.8	1.7	2.7	4.9	N.A.
Vacancy Rate***							
Percent	11.9	11.2	10.4	10.4	10.0	9.0	N.A.

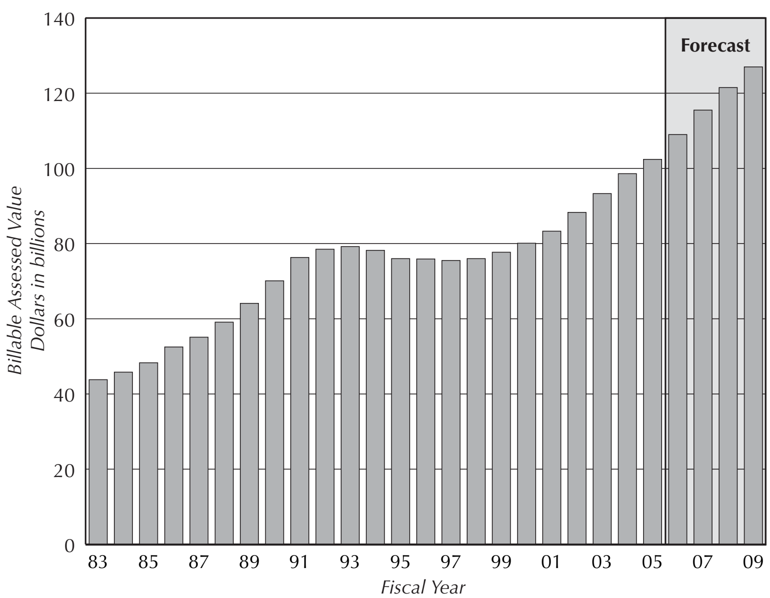
* *Compound annual growth rates for 1972-2002. Compound growth rate for Real Gross City Product covers the period 1975-2002; for NYC wage rate, 1975-2002.*
** *GCP estimated by OMB. The GCP figures have been revised due to a methodological change.*
*** *Office market data are based on statistics published by Cushman & Wakefield.*

Tax Revenue Forecast

Real Property Tax

The real property tax is estimated at $11,536 million for 2005, a growth of 0.8 percent over the prior year. The forecast for 2005 is revised downward by $80 million from the October Modification as a result of the planned delay of the lien sale of $54 million, an increase in the refund forecast of $30 million and increases to the current year reserve amount of $6 million, partially offset by an increase in the prior year collections forecast of $10 million. In 2006, the property tax is expected to yield $12,345 million in revenue, an increase of $258 million from the October Modification and growth of 7.0 percent over 2005. This results primarily from an increase to the levy forecast of $242 million based on the tentative roll and an increase in lien sale of $51 million, offset by an increase in the refund forecast of $30 million and increases to the current year reserve amount of $5 million. The property tax forecast for 2006 is based on the tentative roll[1], which was released by the Department of Finance on January 14, 2005. The total billable assessed value on the tentative roll (after accounting for the veterans and STAR exemptions) grew by $7.8 billion, or 7.7 percent, over 2005 to $110.2 billion. This is expected to be reduced by $1.2 billion on the final roll, which will be released in May, as a result of Tax Commission actions, Department of Finance changes by notice and completion of exemption processing. Billable assessed value on the final roll is expected to grow by 6.5 percent over 2005. The billable assessed value increases reflect the market value growth of 14.0 percent on the tentative roll over 2005, close to last year's growth of 15.8 percent, as well as the 'pipeline' of assessed value growth from prior years. The levy is forecast to increase by $823 million over 2005, an increase of 6.5 percent.

Reflecting Robust Market Value Growth, the Billable Assessed Value Grew 7.7% on the FY2006 Tentative Roll. Growth in Billable Assessed Value is Forecast to Continue Through the Forecast Period.



Class 1 properties (one-, two- and three-family homes) saw a 5.6 percent billable assessed value growth on the tentative roll over 2005. With an estimated tentative-to-final roll reduction of $83 million, the final roll billable assessed value (before accounting for the veterans and STAR exemptions) is expected to increase by 4.5 percent, the same pace as last year. Class 1 billable assessed value growth is expected to slow to an average of 3.0 percent from 2007 through 2009.

Class 2 properties (apartments, condominiums and cooperatives) saw a 9.1 percent billable assessed value growth on the tentative roll over 2005. With an estimated tentative-to-final roll reduction of $360 million, the billable assessed value on the final

1) *For additional detail, see the Finance Department's Tentative Property Assessment Roll for Fiscal Year 2006 press release, January 14, 2005.*

roll (before accounting for the veterans and STAR exemptions) is expected to show growth of 8.1 percent, up from last year's 5.2 percent. The strong market value growth of 14.2 percent seen in the 2006 tentative roll and the existing 'pipeline'[2] of assessed value lead to sustained growth in billable assessed value of 5.9 percent on average from 2007 through 2009.

Class 3 properties (utilities) saw a billable assessed value growth of 4.1 percent over 2005 on the tentative roll, down from last year's growth of 6.7 percent. No reduction from the tentative roll to the final roll is expected for Class 3 properties. Class 3 billable assessed value is expected to grow an average of 0.9 percent from 2007 through 2009.

Class 4 properties (office and commercial space) saw a billable assessed value growth of 7.6 percent on the tentative roll over 2005. With an estimated tentative-to-final roll reduction of $724 million, the billable assessed value on the final roll (before accounting for the veterans and STAR exemptions) is expected to grow 6.1 percent over 2005, up from 2.3 percent seen in the previous year. The strong market value growth of 13.5 percent seen in 2006 tentative roll and the existing pipeline of assessed value lead to sustained growth in billable assessed value of 6.0 percent on average from 2007 through 2009.

Real Property Transfer & Mortgage Recording Taxes

Revenue from real property transfer taxes for 2005 is forecast at $885 million, an increase of $287 million over the October Modification, growth of 15.4 percent from 2004 levels. The mortgage recording tax is forecast at $818 million for 2005, an increase of $70 million over the October Modification, yielding flat growth over 2004 levels.

Home prices in New York City have been rising strongly since the mid-1990s. This upsurge is primarily driven by growth in personal income and historically low mortgage interest rates. The City's tight real estate market has yielded some of the nation's highest rents. The recent declining trend in mortgage interest rates has made owning a home much more affordable compared to the City's high rents, spurring growth in home purchases. Even after the high levels of transaction tax activity seen in recent years (1999 through 2003), 2004 came as a surprise. Further declines in mortgage interest rates to levels not seen in over 40 years ignited a two-year boom in activity for purchases and refinancings. Residential real property transaction revenue grew 61.2 percent in 2004, while residential mortgage recording revenues grew 65.8 percent. Despite the fact that this level of activity has continued into the first half of 2005, the 9.0 percent growth in median home prices from 1996 through 2004 compared to 4.6 percent personal income growth over the same period suggests a slowdown in the number of transactions, if not also a decline in the median price, can reasonably be expected in the forecast period.

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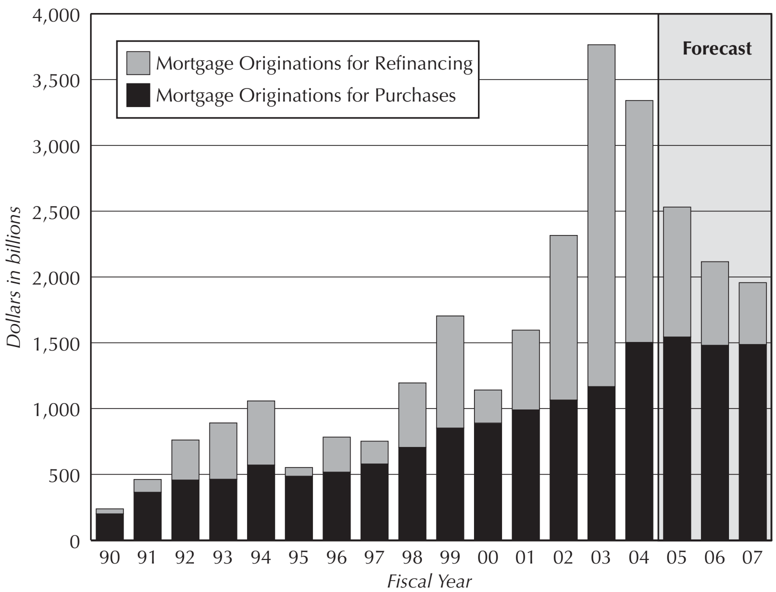
2) Increases and decreases in value are phased into billable assessments over five years for classes 2 and 4. Increases in value not yet phased into billable assessed value are referred to as the 'pipeline.'

Mortgage Refinancings are Forecast to Drop Dramatically while Mortgages for Purchases are Forecast to Only Decline Marginally



Source: Mortgage Bankers Association

Transaction activity in the residential real estate market began to show signs of slowing in November and December, but the number of property transfers and mortgage recordings still remain well above historical levels. Real property transfer tax collections from residential real estate activity are now forecast at $513 million in 2005, an increase of $136 million from the October Modification. Similarly, mortgage recording tax collections from residential real estate activity are now forecast at $552 million, an increase of $51 million over the October Modification. The collections strength seen year-to-date reflects the ongoing boom in residential sales and residential refinancings.

Following the Mortgage Bankers Association's forecast of new mortgages for purchases and for refinancings, a slowdown is expected in the second half of 2005 in real property transfers and mortgage recordings. Unlike the trend seen nationally, home price appreciation in the City has outstripped income growth and the carrying cost savings from historically low mortgage rates. In the first quarter of 2005 the New York City Housing Affordability Index[3] fell to 0.71, after remaining above or near 1.00 from calendar year 1999 through the first quarter of calendar year 2004, supporting the notion that the boom in real estate transactions seen recently is coming to an end. Further, in its most recent survey of Manhattan co-ops and condos, Prudential Douglas Elliman reported the largest declines in listing inventory in the four years it has tracked them.

In 2005, real property transfer tax from commercial activity is now forecast at $372 million while the mortgage recording tax from commercial activity is forecast at $266 million. The forecast of collections for the rest of the year from commercial activity for both taxes is significantly higher than the previous year's level and continues at the historically high levels seen in recent years. The City's commercial real estate market exhibits strong fundamentals, among the lowest office vacancy rates and the highest office asking rents in the nation. In addition, commercial activity has been supported by foreign investors drawn by the weak U.S. dollar and domestic investors looking to diversify portfolios.

In 2006, the outlook for property sales recedes from the unprecedented levels seen in 2005, but remains at historically high levels, while mortgage refinancing is expected

3) The New York City Housing Affordability Index is the ratio of 33 percent of the monthly average non-finance wage to the average monthly mortgage payment in the City.

to return to a pre-boom share of the market due to the projected rise in interest rates. Real property transfer tax collections are expected to drop 37.3 percent to $555 million, before growing an average of 3.9 percent annually from 2007 through 2009. Mortgage recording taxes are also expected to decline substantially in 2006, by 36.8 percent to $517 million, before growing an average of 4.7 percent annually from 2007 through 2009.

Commercial Rent Tax

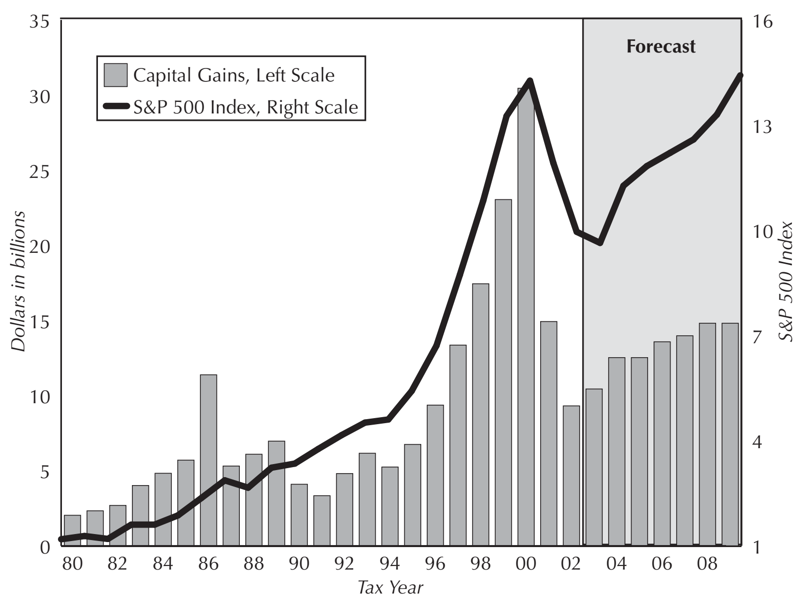
Commercial rent tax revenue for 2005 is forecast at $445 million, an increase of $6 million over the October Modification, growth of 4.5 percent over 2004. Revenue for 2006 is forecast at $457 million, an increase of $6 million over the October Modification, growth of 2.7 percent over the prior year. The projected increase in the 2005 commercial rent tax reflects strength in collections through December. Vacancy rates have begun to decline moderately in the first half of 2005 and asking rents are forecast to slowly regain strength in the Downtown market. These factors contribute to modest 2.7 percent average growth projected from 2007 through 2009.

Personal Income Tax

The personal income tax forecast, before Transitional Finance Authority (TFA) retention, has been increased by $252 million in 2005 and by $204 million in 2006 from the October Modification. Collections before TFA retention are forecast to grow 4.6 percent in 2005 and flat in 2006. Adjusting for recent tax law changes and TFA retention, personal income tax revenue is forecast to grow 8.2 percent and 3.6 percent in 2005 and 2006, respectively.

Personal income tax liability is estimated to have grown 10.0 percent in liability year 2004, on a common rate and base. This robust growth results from a confluence of positive trends. First, strong finance sector bonuses, paid January through March on tax year 2003 finance sector earnings, brought withholding growth to 11.9 percent in liability year 2004, on a common rate and base. Second, the strength of the local recovery outside the finance sector gained momentum in liability year 2004 as the City added 21,000 jobs after the employment declines seen the previous three years. Finally, nonwage income witnessed another year of recovery in liability year 2004 (growth of 8.0 percent), buoyed by capital gains realizations, estimated to have grown 20 percent in 2004 based upon

Growth in Capital Gains Realizations is Forecast to have Recovered, but Remains Well Below Levels Seen in the Late 1990's

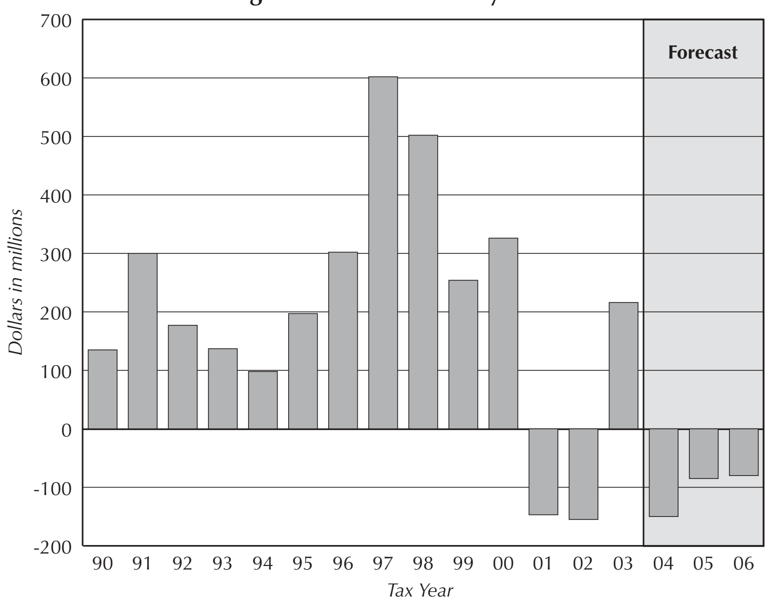


both equity market and real estate market strength. After a two-year decline from the peak in 2000, growth in taxable personal income has rebounded strongly.

Effective January 1, 2003, a temporary tax increase was enacted adding two new upper income brackets and rates, including a tax table benefit recapture provision. The new brackets are set at $100,000 in taxable income for single, $150,000 for joint and $125,000 for head of household filers and a $500,000 bracket for all filers. The two higher rates are 4.25 percent and 4.45 percent in tax year 2003. In tax years 2004 and 2005, the tax increase is phased out by dropping the first additional rate to 4.175 percent in 2004 and to 4.05 percent in 2005. Withholding tables were adjusted effective January 1, 2005 to incorporate the last reduction in the tax rates prior to the elimination of the temporary tax increase in tax year 2006. This tax increase is forecast to raise total liability by $514 million and $506 million in tax years 2004 and 2005, respectively.

In 2005, withholding is forecast to grow 5.8 percent reflecting a 5.3 percent growth in wage earnings coupled with modest growth in bonus payouts on tax year 2004 finance sector earnings. Installment payments are forecast to grow 19.6 percent in 2005 due to strong growth in forecast capital gains realizations in tax year 2004 and the failure of prior year installment payments to fully reflect the impact of the temporary tax increase. For the settlement on tax year 2004 liability (the net of final returns, refunds, extensions and City/State offsets), refunds are expected to offset remittances by approximately $150 million. A large portion of the year-over-year increase in refunds is forecast to be paid out to the recipients of the newly enacted NYC Earned Income Credit (NYC EIC).

The Personal Income Tax Settlement Can Be Volatile, Reflecting Swings in the Local Economy and Tax Laws



Tax year 2005 liability is forecast to grow 5.6 percent, on a common rate and base, reflecting forecast wage earnings growth of 5.6 percent as the local recovery gains momentum and City employment grows by 44,000 jobs. In contrast, collections growth in fiscal year 2006 (before TFA retention) is forecast flat over the prior year, due to the expiration of the temporary personal income tax increase in tax year 2006. The forecast of flat capital gains realizations growth in liability year 2005, stemming from a forecast slowdown in real estate markets in tax year 2005, suppresses estimated payments growth in 2006. Adjusting for recent tax law changes and TFA retention, the personal income tax is forecast to grow 3.6 percent in 2006 after robust growth of 8.2 percent in 2005 and 15.1 percent in 2004. The expiration of the temporary tax increase also contributes to suppressed collections growth (before TFA retention) for 2007. A return to trend growth for the national and local economies results in growth averaging 5.7 percent, on a common rate and base, from 2007 through 2009.

Business Income Tax

The forecast for business income tax collections (general corporation, banking corporation and unincorporated business taxes) has been increased by $173 million in 2005 from the October Modification, growth of 10.2 percent over the prior year. For 2006, the forecast has been increased by $49 million from the October Modification, 3.1 percent growth over the prior year, reflecting the continuing economic recovery with moderate growth in both corporate and Wall Street profits.

Through December, business income tax collections have increased 35.3 percent. General corporation tax collections are up 31.1 percent year-to-date through December, reflecting robust corporate profits (growth of 16.0 percent) and strong securities industry profits in calendar year 2004, as well as a rebounding local economy. In the first three quarters of calendar year 2004, NYSE member firms earned $9.0 billion in pre-tax profits and are expected to have earned $12.8 billion for the full year, which results in strong payments from the finance sector. The strengthening national recovery, an acceleration of business fixed investment and robust growth in corporate profits lead to strong payments in the non-finance sector. Despite paying out fewer refunds than planned year-to-date, the annual refund plan has been increased by $27 million based upon refund requests received through December. Overall, general corporation tax revenue is forecast to grow 13.9 percent in 2005.

Through December, banking corporation tax collections are up 68.6 percent. Gross collections are up 50.2 percent and the payout of refunds has declined 42.0 percent. Cash payments from large banks have rebounded this year and refund payouts have fallen, as overpayments on account from prior years have been liquidated. This strength in payments has been seen for the last four quarters. Payment growth is expected to slow in the second half of the fiscal year, leading to 6.2 percent growth in banking corporation tax collections in 2005.

Unincorporated business tax revenue continues to grow, reflecting higher liability from finance sector firms, due to strong NYSE member-firm profits in calendar year 2004, as well as non-finance payment strength as job gains in professional services lead the local employment recovery. Year-to-date through December, unincorporated business tax collections are up 22.1 percent. Cash payments from unincorporated businesses have averaged over 10 percent growth for the last four quarters, with moderate growth expected in the second half of the fiscal year, leading to forecast growth of 5.6 percent in 2005.

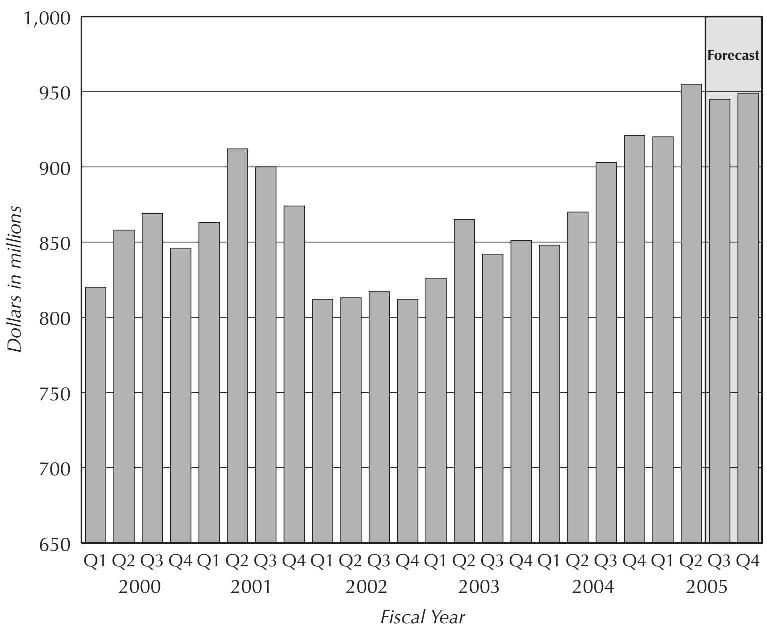
In 2006, business income tax collections growth is forecast to slow to 3.1 percent from the prior year, after growth of 10.2 percent in 2005 and 25.4 percent in 2004. The slowdown in collections growth reflects the national and local economies returning to a slower pace of economic growth as the recovery matures. The general corporation tax is forecast to grow 3.6 percent; the banking corporation tax is forecast at flat growth; and the unincorporated business tax is forecast to grow 3.9 percent. Business income tax collections are forecast to grow an average of 4.6 percent from 2007 through 2009 as the local and national economies maintain healthy growth.

Sales & Use Tax

Sales tax revenues are forecast at $4,205 million in 2005 and $4,046 million in 2006, increases of $77 million and $37 million from the October Modification. Sales tax revenue is forecast to grow 4.7 percent in 2005 and to decline 3.8 percent in 2006, after growth of 13.7 percent in 2004. Adjusted for tax law changes, growth is forecast at 5.6 percent in 2005 and 4.2 percent in 2006 after growth of 5.5 percent in 2004.

At the end of 2003, two sales tax increases were enacted enhancing sales tax revenue. The legislation included a temporary 1/8 percent increase in the sales tax rate (from 4.0 percent to 4.125 percent), effective June 4, 2003 through May 31, 2005 and the temporary repeal of the clothing and footwear exemption for purchases under $110 (effective June 1, 2003 through May 31, 2005 – after the one year extension enacted at the end of fiscal year 2004), coupled with two tax-free weeks for clothing and footwear purchases under $110 per year.

Sales Tax Collections Have Rebounded from Post 9/11 Lows



Sales tax revenue growth averaged 8.2 percent from 1997 through 2001 (common rate and base), 24considerably stronger than the long-term trend due to historic employment gains, record profits on Wall Street, and a strong emerging local tourism industry. By 2002, the national recession and the 9/11 terrorist attack combined to drastically reduce sales tax revenues (an unprecedented decline of 7.4 percent, common rate and base). Following 9/11, visitor spending fell as hotel occupancy and room rates plummeted. Retail sales activity in Lower Manhattan was severely hampered, especially in the months immediately following the attack. The City economy stabilized in 2003 and 2004, and consumption rebounded from the severely depressed levels of 2002. Sales tax revenues from hotel and tourism related consumption also increased, as occupancy and room rates started a slow recovery. Sales tax revenue grew 4.3 percent (common rate and base) in 2003 and 5.5 percent in 2004 (common rate and base), as the local recovery slowly gained momentum.

In 2005, sales tax revenue is forecast to continue to grow moderately, 5.6 percent growth over 2004 on a common rate and base. Growth in wage earnings of 5.3 percent, the continued recovery in the hotel and tourism industry, along with strong December holiday sales have lifted sales tax revenue. This has led to growth in collections year-to-date through December of 9.2 percent. Growth in sales tax revenue in the second half is forecast to slow from the high holiday sales level, as higher interest rates and a slowdown in real estate markets lead to a dampening of consumer durable consumption. In 2006, sales tax growth is forecast to decline by 3.8 percent over 2005, the result of the expiration of the 1/8 percent rate increase and the reinstatement of the sales tax exemption for clothing and footwear under $110. Average sales tax growth of 4.3 percent is expected from 2007 through 2009 reflecting the return to trend growth in the national and local economies.

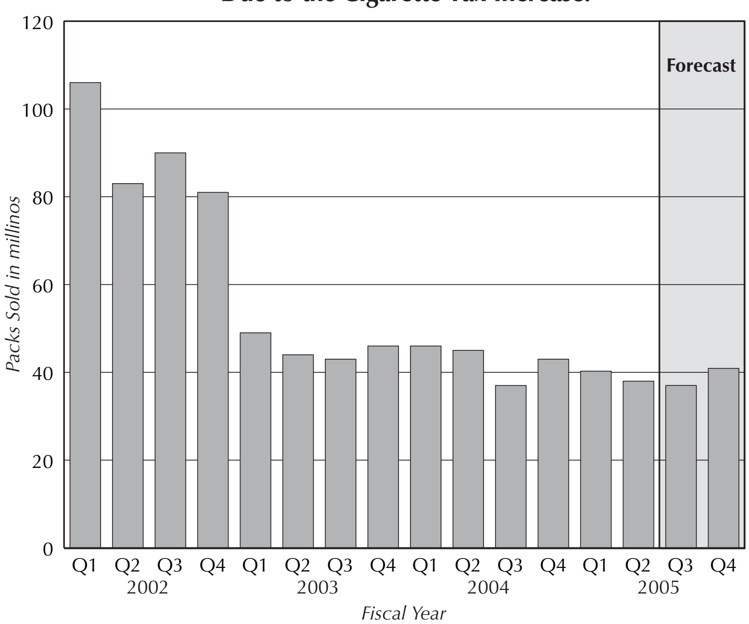
The impact of utility deregulation continues to re-shape the sales tax base. Prior to November 1, 2000, the portion of the Con Ed electric load available for competitive retail access was set by PSC agreement. On November 1, 2000, 100 percent of the Con Ed electric load was made available to competition. Estimates of the participation in competitive retail access continues to be revised. In 2004, the impact of energy deregulation and State utility reform legislation reduced revenues by approximately $14 million and is estimated to reduce revenues by $29 million in 2005. By 2006, the impact of energy deregulation and State utility reform legislation is estimated to reduce revenues by $41 million.

All Other Taxes

Utility tax revenues are forecast at $309 million for 2005, an increase of $8 million over the October Modification, and 6.2 percent growth over the prior year. The increase results primarily from the continued above trend growth of electric and natural gas prices. The utility tax revenues for 2006 are forecast at $311 million, an increase of $8 million over the October Modification, and nearly flat growth over 2005. The utility tax averages flat growth from 2007 through 2009, reflecting the uncertainty over continued above trend growth in energy prices.

Cigarette tax revenue for 2005 is forecast at $126 million, a decrease of $10 million from the October Modification and an 8.8 percent decline over the previous year. The 2006 revenue is forecast at $121 million, a decrease of $11 million from the October Modification and a 4.0 percent decline over 2005. Since the City raised the cigarette tax from $0.08 to $1.50 per pack in 2002, the number of packs sold has been declining, from 342 million packs in 2002, to 182 million in 2003, to 170 million in 2004 and to 156 million forecast in 2005. From 2007 through 2009, cigarette tax collections are projected to decline an average of 2.5 percent per year based upon the long-term historical decline in the number of packs sold.

Cigarette Sales Stabilize after 50% Decline Due to the Cigarette Tax Increase.



Hotel tax revenues are forecast at $251 million for 2005, an increase of $10 million over the October Modification, and 15.9 percent growth over 2004. The increase results primarily from an influx of visitors to the City and increased hotel room rates. With hotel occupancy rates over 80 percent, on a seasonally adjusted basis, hoteliers have gained pricing power and have consistently raised room rates all year. Domestic and international visitors to the City have also increased, although the number of higher-spending international and business travelers to the City has yet to return to pre-9/11 levels, despite support from an unusually weak U.S. dollar relative to the Euro. The hotel tax revenues for 2006 are forecast at $264 million, an increase of $3 million over the October Modification, and 5.2 percent growth over 2005. The hotel tax is forecast to grow 5.0 percent on average from 2007 through 2009 as the national and local economies return to trend growth, and foreign tourism and business travel continue to grow at a moderate pace.

The forecast of all other taxes is estimated at $453.1 million in 2005, an increase of $47.6 million from the October Modification. The forecast of all other taxes is estimated at $456.4 million for 2006.

In 2005, Payment in Lieu of Taxes (PILOTs) are forecast at $207.9 million, an increase of $40.6 million from the October Modification. In 2006, PILOTs are forecast at $206.2 million, an increase of $44.9 million from the October Modification. These increases result primarily from revisions to the Battery Park City Authority and the World Trade Center (WTC) PILOTs estimate.

Tax Enforcement Revenue

Tax audit revenue is forecast at $525.1 million in 2005. As part of the City's program to reduce the projected budget gap, the Department of Finance will rigorously pursue delinquent taxpayers through agency audit activities and computer matches. Audit revenue is forecast at $511.7 million in 2006.

Tax Revenue Forecast
($ in Millions)

	Fiscal Year				
	2005	*2006*	*2007*	*2008*	*2009*
Real Estate Related Taxes:					
Real Property	$11,536	$12,345	$13,066	$14,006	$14,671
Commercial Rent	445	457	469	482	495
Mortgage Recording	818	517	533	566	593
Real Property Transfer	885	555	571	601	623
Income Based Taxes:					
Personal Income (PIT)					
Total PIT	5,810	5,800	5,737	6,059	6,439
Less: TFA Retention	(525)	(956)	(977)	(983)	(988)
PIT - General Fund	5,285	4,844	4,760	5,076	5,451
General Corporation	1,754	1,817	1,916	2,023	2,136
Banking Corporation	441	438	433	432	440
Unincorporated Business	959	996	1,040	1,089	1,139
Other Taxes:					
Sales	4,205	4,046	4,211	4,384	4,591
Utility	309	311	310	309	309
Cigarette	126	121	118	115	112
Hotel	251	264	277	291	306
All Other	453	456	420	422	397
Subtotal	**$27,467**	**$27,168**	**$28,124**	**$29,796**	**$31,262**
Tax Audit Revenue	525	512	509	509	509
Total Baseline	**$27,992**	**$27,679**	**$28,633**	**$30,305**	**$31,771**
STAR Aid	784	734	763	774	795
Total *	**$28,776**	**$28,413**	**$29,396**	**$31,079**	**$32,566**

* *Totals may not add due to rounding.*

Tax Revenue Forecast
All Other Taxes
($ in Millions)

	Fiscal Year				
	2005	*2006*	*2007*	*2008*	*2009*
Excise Taxes:					
Beer and Liquor	21.5	21.5	21.5	21.5	21.5
Liquor Licence	3.8	3.8	3.8	3.8	3.8
Off-Track Betting (Dividend)	0.0	0.0	0.0	0.0	0.0
OTB Surtax	20.3	20.6	20.7	20.9	20.9
Auto Related Taxes:					
Commercial Motor Vehicle	47.5	47.3	47.3	47.3	47.3
Auto Use	34.2	36.0	34.2	34.2	34.2
Taxi Medallion	4.5	4.5	4.5	4.5	4.5
Miscellaneous Taxes:					
Waiver	79.1	79.1	79.1	79.1	79.1
Other Tax Refunds	(15.2)	(15.2)	(15.2)	(15.2)	(15.2)
PILOTS	207.9	206.2	172.5	172.7	148.1
Penalties and Interest:					
P&I - Real Estate Current Year	17.0	17.0	17.0	17.0	17.0
P&I - Real Estate Prior Year	46.0	46.0	46.0	46.0	46.0
P&I - Other (Refunds)	(13.6)	(10.3)	(11.1)	(10.3)	(10.3)
Total All Other Taxes *	**$453.1**	**$456.4**	**$420.3**	**$421.5**	**$397.0**

* *Totals may not add due to rounding.*

Federal and State Agenda

The 2005 Gap Closing Program calls for $250 million of initiatives requiring Federal action and $500 million of initiatives requiring State action. Specifically, the Federal and State Agenda focuses on controlling and reducing mandated costs on local governments. The Medicaid program is one of the fastest growing portions of New York City's budget. Next year, the City will spend almost $5 billion on this mandated program, but has no control over how it is spent. The Federal and State governments must find ways to control Medicaid costs and relieve localities of this significant fiscal burden, without jeopardizing the health services provided by our public hospital system to the neediest populations. In addition, the Federal and State Agenda proposes equitable reimbursement to New York City for undertaking mandated Federal and State functions. The Federal and State governments have been provided with a menu of approximately $2 billion of initiatives to help meet this $750 million target.

FEDERAL AGENDA

Medicaid Reform

Eliminate Federal Recapture of Dual Eligible Pharmaceutical Savings

President Bush signed the Medicare Prescription Drug, Improvement and Modernization Act in December, 2003. Among other programmatic changes to the Medicare program, the law now provides drug coverage to Medicare beneficiaries which begins January 1, 2006. This includes coverage for dual eligibles, those individuals eligible to receive both Medicare and Medicaid coverage. Prior to the bill's passage, Medicare provided only very limited prescription drug coverage for certain conditions. Dual eligibles received drug coverage primarily through Medicaid. However, although Medicare will now provide prescription drug coverage, states are required by the new law to return a large portion of Medicaid savings achieved in accessing the drug benefit for the dual eligible population to the Federal government. States must return a significant phased-in portion of the savings beginning in 2006, ultimately returning 75 percent over 10 years.

Dual eligibles are one of the costliest populations in Medicaid, and their associated prescription drug costs continue to grow. The Federal government should fulfill it's obligation to provide drug coverage to all Medicare beneficiaries. States and local governments should not be denied savings from the new law at a time when Medicaid prescription drug costs are skyrocketing. Eliminating the Federal recapture of savings, known as the claw–back, based on projected 2006 spending, rather than based on 2003 data, will save New York City $186 million in 2006 and grow to almost $275 by 2009. The savings from this proposal are independent of other agenda actions to reform Medicaid spending for pharmaceuticals.

Allow for Re-importation of Drugs from Canada

Statewide Medicaid prescription drug expenditures totaled almost $4.6 billion in 2004. New York City accounted for approximately 64 percent of total statewide pharmacy spending in Medicaid. Prior to any rebates received, New York City expects to spend close to $1 billion in Medicaid pharmacy costs in 2006. On average, brand name pharmaceuticals were 25 percent cheaper in Canada than in the United States in 2003. Assuming the 25% cost differential from 2003, if New York State were to import brand name prescription drugs from Canada for the Medicaid program, New York City Medicaid savings would be close to $168 million in 2006 and grow to over $260 million by 2009. The State and Federal governments would also experience significant savings.

Expand Medicare Drug Subsidies to Include Part B Premiums and Co-payments

Currently the Federal Government requires a non-Federal share to support Medicare Part B premiums and co-pays for the Medicaid dual eligible population, although the Medicare program is otherwise entirely Federally-funded. This proposal would eliminate the non-Federal share for Medicare Part B premiums and co-pays and thereby conform program spending as a Federal responsibility. This proposal would save New York City approximately $73 million in 2006.

Restore Federal Medicaid Funding for Legal Immigrants

Welfare reform legislation enacted in 1996 expressly prohibits Medicaid funding for legal immigrants who have been in the country for less than five years. Since the passage of the law, Congress has removed the ban on Federal reimbursement for certain frail immigrant populations. However, in 2001, the New York State Supreme Court ruled in *Aliessa v Novella* that the State of New York must provide Medicaid to all legal immigrants that meet the income eligibility requirements. Since the Federal government can no longer provide reimbursement as provided in Federal law, Medicaid costs for this population are split between the City and the State. The City seeks to repeal the prohibition of Federal Medicaid funds for all legal immigrants approved to enter the country by the Federal government. This action would save the City an estimated $26 million in 2006.

Homeland Security and Law Enforcement

Allocate All Homeland Security Funding to Localities Based on Threat and Allow this Funding to be Used for Counterterrorism Measures

The Homeland Security Appropriations Act of 2005 demonstrated progress towards threat-based funding that has consistently been advocated by the City. This past year, under the Urban Areas Security Initiative (UASI), the City was allocated over 20 percent of aggregate funding, up from 6 percent over last year. However, a majority of homeland security funding continues to be distributed on the basis of population, with each state and territory guaranteed a minimum amount under statutory formula. Under the State Homeland Security Grant (SHSG) the City received only $4.38 per person, while Wyoming received $25 per person. Applying the UASI distribution methodology to the SHSG program would result in an additional $200 million in funding for New York City.

Additionally, last year, Congress also made progress in providing greater flexibility on construction-related projects and in lengthening the performance period of the grants. However, greater flexibility is critically needed to support law enforcement personnel dedicated to intelligence and counter-terrorism. The City continues to bear the burden of ensuring preparedness and security. Both increased funding and additional flexibility in the use of funds are critically needed to provide reimbursement for expenses related to detection, intelligence collection, analysis of intelligence, investigation, prevention and interdiction of suspected terrorist activity, and personnel and operational costs associated with counter-terrorism and intelligence professionals.

Restore State Criminal Alien Assistance Program Funding

The Federal government reimburses state and localities for a portion of the costs of incarcerating illegal aliens who have been convicted of one felony or two misdemeanor offenses. In past years, the City has received $30 million annually to partially offset the costs of keeping these individuals in local jails through the State Criminal Alien Assistance Program (SCAAP). However, this allocation has been reduced in recent years to approximately $21 million, shifting even more of the cost of housing these individuals to the City. The City's jail system holds more than 8,000 criminal illegal aliens each year at a cost of more than $80 million. Cuts in this program force the City to divert already scarce law enforcement resources away from crime prevention and homeland security efforts. The City requests that SCAAP be funded at an appropriate level to cover the full cost of this program which will provide the City with an additional $60 million in 2006.

Reimburse the City for the Full Costs of Protecting the United Nations and Foreign Missions

Under an agreement with the State Department, New York City provides extraordinary security measures for the protection of dignitaries and foreign missions, as well as providing security for special international events held in the City. Although the State Department reimburses the City approximately $7 million a year for these services, the cost of providing protection has increased beyond the current reimbursement level to approximately $15 million annually. The City is seeking $8 million a year for reimbursement from 2002-2005 as well as an increase in the annual reimbursement rate from $7 million to $15 million for providing this special UN protection. This would provide the City of New York with a total of $32 million in 2006 for past reimbursement amounts and an additional $8 million each year thereafter.

Restore The Local Law Enforcement Block Grants

The Local Law Enforcement Block Grant (LLEBG) supports localities in their efforts to reduce crime. In New York City, LLEBG funding is used to pay the salaries of 911 call takers at the New York City Police Department, to help District Attorney's Offices enhance adjudication of violent offenders, and to help the City's anti-drug efforts. In 1999, New York City received $30 million for LLEBG; this funding level has steadily decreased and by 2004 the City received only $6 million in these funds. In addition to these cuts in program funding, LLEBG and Byrne Formula Grants were then consolidated in the 2005 Federal Omnibus Appropriations Act and replaced with the Justice Assistance Grant (JAG) program. This resulted in an overall decrease of 13 percent, for these criminal justice programs. The City requests that LLEBG funding be fully restored in 2006 which would result in an additional $24 million for New York City.

Extend Parking Summons Provisions for Foreign Diplomats

In 2002, the State Department and New York City agreed to a historic parking program that has dramatically reduced illegal parking by the diplomatic community and improved the collection of payments for summons issued. Since the implementation of the program, the rate of summonses resolved increased from 9 percent to 67 percent. Not only has the program generated more revenue for the City, it has reduced the number of parking violations issued. Given the success of this program, the City is seeking to collect fines accrued prior to the implementation of the program. More than 180 countries owe the City approximately $20 million dating back to April 1, 1997.

The 2005 Foreign Operations Appropriations bill included a provision that withheld 110 percent of the amount owed to the City from scofflaw countries, except aid that is determined to be in the national interest. The City supports incorporating similar language into the 2006 appropriations and apply that funding to unpaid fines and penalties dating back to April 1, 1997.

Other Items to Close the Gap

Update Federal Foster Care Funding

Title IV-E Eligibility: Currently a child's eligibility for foster care maintenance payments is tied to the child's eligibility as it existed prior to the 1996 Federal Welfare Reform. This proposal urges foster care payment eligibility to be linked to existing and more up-to-date public assistance (TANF) guidelines. Children in foster care would therefore qualify for Federal care and maintenance reimbursement based upon their family's current income eligibility for TANF, not outdated and impractical guidelines. This change would reduce the administrative burden on states and localities of determining separate eligibility requirements and allow the Federal government to support the care of children already eligible for Federal income maintenance. Currently approximately 62 percent of New York City's Administration for Children's Services (ACS) foster care case load is IV-E eligible. However, between eighty and ninety percent of ACS foster care children come from households where families are TANF eligible. The City would receive close to $80 million in additional Federal foster care payments in 2006 if these payments were tied to TANF eligibility.

Counseling Services: The Federal government provides an open-ended 50 percent match to New York State for eligible foster care expenditures. Federal law limits expenditures under Title IV-E to costs incurred for maintenance and care. The City supports an expansion of the Federal definition of eligible expenditures to include reimbursement for counseling services to families with foster care children. Counseling is a vital service to these vulnerable children, and can help to reduce the length of stay in foster care. The City would save $7 million if the Title IV-E reimbursed counseling services.

Close Cigarette Tax Loopholes

Tobacco taxes are both a source of revenue for New York City and a sensible public health measure as a way to discourage cigarette consumption. With the development of the Internet, tobacco products are more easily available and furthermore, it has been easier to avoid the payment of taxes on tobacco products through sales over the Internet. Since 1949, the Federal government has required retail sellers of tobacco products who ship across state lines to provide information to the state taxing authorities under the Jenkins Act. However, as detailed in a recent General Accounting Office report on Internet tobacco sales (GAO-02-743) the Jenkins Act has significant limitations. The City strongly supports strengthening the Jenkins Act. Some provisions supported by the City include: giving local authorities the ability to enforce the Act, requiring additional information be provided at the time of tobacco sale and requiring that state and local taxes be paid prior to shipment. It is estimated that these proposed Jenkins Act amendments will provide an estimated $75 million in tax revenue to the City.

Grant the CDBG Waiver for Administration

Currently, the Department of Housing and Urban Development (HUD) imposes a 15 percent limit on the amount of Community Development Block Grant (CDBG) entitlement funds that can be used for public services. Public services, as defined within the CDBG regulations include programs that are related to employment, crime prevention, child care, health, drug abuse, education, recreational needs or social services, in addition to many others. Due to the economic impact on New York City from the terrorist attacks on September 11, 2001, the City first requested an increase in the public service cap from 15 percent to 25 percent from July 1, 2002 to June 30, 2003. Furthermore, the City also requested a suspension of the requirement that the public service be new or a quantifiable increase in the level of service. In response to this request HUD has granted one year waivers for the last three city fiscal years, which saved the City $20 million each year. The City is applying for another waiver for City Fiscal Year 2006.

Expand Definition of Emergency for Homelessness

Current rules under the Temporary Aid to Needy Families (TANF) program define an "emergency" as lasting four months or less. After the four-month cutoff, services such as homeless shelters, are considered "assistance" and it is not possible to use TANF funds for the homeless families who are not TANF eligible. For those non-public assistance families, homeless services are funded exclusively by City funds. With the severely limited availability of affordable housing in New York City, homeless families generally stay in shelters an average of 11 months in the City. However, the emergency is no less real than in other localities where shelter stays may be shorter. The City urges Congress to extend the TANF definition of emergency related to homelessness beyond four months, as it was under Aid to Families with Dependent Children (AFDC), the predecessor program to TANF. Under AFDC, localities were individually allowed to define "emergency". This proposal will provide $10 million in relief in 2006.

STATE AGENDA

Medicaid Reform

Cap the Local Share of Medicaid at 2003 levels

Medicaid costs have been rising rapidly over the past few years. In fact, from 2000 until 2005 the City's Medicaid spending has increased by an average of 9 percent. In order to address this growing cost to local governments, New York State Association of Counties has proposed capping the local share of Medicaid at the 2003 level. This proposal would save New York City a significant amount of Medicaid dollars. Specifically, the City would expect to save almost $870 million in 2006 with savings reaching almost $2 billion by 2009. Medicaid costs in New York City are growing by 7.5 percent annually.

Expand State Medicaid Share to Cover all Children with Disabilities

The State and Federal government share the responsibility of providing health coverage to low-income children through Child Health Plus (CHP). However, there is still a population of children in Medicaid where local governments have to provide the standard local Medicaid share. In New York City, more than 20 percent of Medicaid expenditures for children are allocated to support the medical costs of disabled children. In light of the fact that the State currently pays the local Medicaid costs associated with severely mentally disabled children, the State should extend this responsibility to support the local Medicaid costs for all children with disabilities. A state takeover of these expenditures would save the City approximately $197 million in 2006 and $215 million by 2009.

Accelerate the State Takeover of Family Health Plus

Family Health Plus provides health insurance to uninsured low-income adults in New York State that are not income-eligible for Medicaid. Similar to Medicaid, New York City and other counties pay for 25 percent of the program. In order to provide fiscal relief to localities, the State Fiscal Year 2004-05 budget implemented a phased-in State takeover of the local share of the Family Health Plus program. Beginning January 1, 2005, the State began its takeover of 50 percent of the local share of Family Health Plus expenditures, with a planned takeover of 100 percent of the local share on January 1, 2006. The remaining 50 percent local share of Family Health Plus continues to be a significant portion of local Medicaid budgets. Implementing the entire takeover of the local share of Family Health Plus as of January 1, 2005, rather than the phase-in at 50 percent this year, will save New York City approximately $77 million in 2005 and $85 million in 2006.

Continue State Takeover of Medicaid Long Term Care

Over the last two decades, the State has made incremental changes in the way the Medicaid long term care program has been financed. In 1984, New York State took over 60 percent of the county share of long-term care Medicaid costs in response to growing expenses. In 1994, the State phased-in another partial takeover of the remaining county long term care costs, resulting in a local share of less than 10 percent. The State should continue the takeover of Medicaid long term care by implementing a phased-in 10 percent takeover annually of local long term care costs beginning in 2006. The City would save approximately $63 million in 2006. If the State took a proportional takeover each consecutive year, the takeover of the local share would be complete by 2015.

Implement a Supplemental Rebate Program and Create a Preferred Drug List

Medicaid pharmacy costs continue to increase, with New York City's share of prescription drug costs expected to reach close to $1 billion in 2006 (before rebates are received) and expenditures are expected to grow in the foreseeable future. Establishing a Preferred Drug List (PDL) into the Medicaid program would bring savings to the program both through limiting the formulary and through the associated supplemental rebates to the State. With a PDL, the State would be able to use its purchasing power to negotiate with pharmaceutical companies for lower prices without compromising services to Medicaid clients. Those brand drugs on the PDL will not require prior approval for Medicaid reimbursement. Any brand drug not on the formulary can still be prescribed and be Medicaid reimbursable through prior approval.

A PDL will also allow the State to receive additional rebates from the chosen drug manufactures above those currently received under Federal law. The additional rebates are negotiated as part of the drug's inclusion on the PDL. Savings to the City are expected to be close to $55 million in 2006 and grow to $70 million by 2009.

Reverse Local Share of Recent Graduate Medical Education Transfer to Medicaid

Last year the State shifted more of the funding for the Graduate Medical Education (GME) program from the State HCRA account to the Medicaid program. By shifting this program to Medicaid, the State leveraged local and federal contributions and achieved a net savings of $63 million, while costing the City $25 million. The State should continue to fully fund GME costs by taking over the local share of the increase. Reversal of this State cost shift would save the City $25 million a year.

Reverse State Cost Shifts

Remove State Caps on Reimbursement for Social Services Administrative Expenses

The State places a cap on the allowable reimbursement amount for local administrative expenditures for temporary and disability assistance, Medicaid and Food Stamps, with some exceptions for certain activities. Since its implementation in 1989, New York City's cap amount has been reduced by over $60 million. Each year, local government spending to administer these programs significantly exceeds the cap. In 2006 New York City spending is anticipated to surpass the cap by $160 million, of which $30 million is expected to be waived for cost containment activities. Therefore, city spending above the cap is expected to exceed $130 million next year after accounting for the exemptions. Localities continue to bear the burden of administering programs that have generated enormous savings in the form of public assistance caseload reductions due to enhanced case management employment programs, as well as containment of fraud and abuse. However, the financial benefits of these efficiencies are not equitably shared with local governments. Moving forward with welfare reform, New York State must eliminate the administrative cap and partner with its counties to share in the costs as well as the savings.

Eliminate Foster Care Block Grant

New York State continues to support its share of foster care spending through an under-funded Foster Care Block Grant. The City urges the State to eliminate the block grant and fund the State share of expenditures associated with foster care services through an open-ended match. The City would save approximately $100 million, funds which it is required to spend to support the shortfall that results from the capped appropriation.

Adjust State Reimbursement Rates

Adjust Reimbursement Rates for State-Ready Inmates

The State is required to provide reimbursement to localities for the incarceration of state-ready inmates and parole violators at $40 per inmate per day. State-ready prisoners are convicted felons who have been sentenced and committed to the State Department of Correctional Services, but have not yet been accepted by the State. Parole violators are also individuals who are temporarily detained in City correctional facilities. Despite this law, the State only reimburses localities $34 per inmate per day. Both the current rate as required by law and the rate paid by the State leaves the City with a substantial shortfall since the actual average cost per inmate per day is approximately $291. Given that these individuals are the responsibility of the State, the State should provide full reimbursement to the City for its services.

The City recognizes that the State has recently taken these individuals into their custody in a timelier manner, thereby reducing the City's costs. Given the significant burden that remains; however, the City is seeking a four-year phase-in to full reimbursement. Under the City's proposal, starting in 2006, the reimbursement rate would be 25 percent of the actual cost and this rate would grow 25 percent each fiscal year and reach 100 percent of the actual costs in 2009. Therefore, in 2006 the City would be reimbursed $40 million and full reimbursement of $160 million would be reached by 2009.

Increase Reimbursement for Probation Spending

While New York State law provides that local government probation spending shall be reimbursed up to 50 percent of eligible local spending amount, the State actually reimburses the City significantly less than this statutory maximum each year. The State's probation aid has been gradually decreasing, with reimbursement amounts ranging from 21 percent to 25 percent of approved expenditures over the last few years. As a result, the City is required to fully finance this shortfall in probation aid at close to $20 million each year. This is an enormous burden, only compounded by the fact that the City's probation services actually save the State money, since many of the individuals on probation would be in a State prison if they were not sentenced to this alternative. The State should provide the City with the more substantial reimbursement allowed by law to avoid compromising this critical alternative to incarceration. The City proposes an increase in the probation reimbursement amount up to the statutory limit.

Court Facilities Aid Reimbursement

Under State law, localities are reimbursed for a percentage of the interest on notes and bonds used to finance the costs of design, acquisition, construction, rehabilitation or improvement of unified court system facilities. The City currently receives a reimbursement of 26 percent of the interest portion on these bonds. This reimbursement, however, does not aid in the City's costs for the principal portion of the bonds for these multi-use facilities. Furthermore, over the lifespan of the amortization of the total debt service, the amount of interest declines over time while the principal costs increase over the same time period, thereby decreasing the value of the State's interest aid over time. Adjusting State law and providing reimbursement of a portion of the principal costs contained within the total debt service on the City's court facilities capital improvements would provide the City approximately $6 million in savings per year and a consistent level of State assistance over time.

Provide Reimbursement for Foster Care Children Awaiting Placement in State Institutions

Children with serious mental illness or emotional disturbances who frequently enter the foster care system are referred to the State Office of Mental Health (OMH) and the State Office of Mental Retardation and Developmental Disability (OMRDD) for residential treatment facility (RTF) placement. RTF placements are funded 100 percent by the State. Currently there are substantial waiting periods to move a child from foster care to these facilities where more appropriate services can be provided. During this time the State neither provides services nor reimburses localities the RTF rate when services are provided for children waiting to be transferred. Care for these children is fully supported by the City, even after the placement determination for care by OMH/OMRDD is made. The State must take immediate action to expand RTF capacity so these children can be transferred as soon as possible to the appropriate care setting. Since children awaiting RTF placement are legally the responsibility of the State, the State should reimburse counties in full for the cost of providing services to children prior to their placement. Further, it is unfair to require counties to spend already scarce block grant funds in order to support these activities. It is estimated that the City would save $8 million in 2006 with the enactment of this proposal.

Restore the TANF Transfer to Title XX to Federally Authorized Levels

Federal Title XX funds are used to provide a variety of child welfare services to families with children within 200 percent of poverty. Once Title XX funds are exhausted, the State reimburses localities 65 percent of the cost of providing these services. Any reduction in Title XX significantly impacts the City's financial plan as the City is required to increase spending on child welfare in order to maintain the quality and level of child welfare services. Even though the federal government permits a transfer of up to 10 percent of TANF funds to Title XX, last year's State Budget reduced the transferability from 10 percent to 5 percent, and the City's allocation percentage was reduced as well. As a result of this action, the City was forced to make-up $49 million in lost TANF funds. The City urges the State to restore the Title XX transfer percentage to the federally authorized level.

Eliminate the Home Care Savings Target

The State sets a limit on the average hours per client it will reimburse the City for the State's share of home health care expenses paid by Medicaid. A few years ago, the City was mandated to lower the average hours of service per client to save $33 million per year. Last year, the State Budget imposed further restrictions and mandated an additional $11 million in savings, for a total savings of $44 million annually. New York City is responsible for almost the entire amount. The City is required to meet this target by lowering the average hours of service per week, per client in order to avoid financial penalty. However, the number of hours per week each client receives is determined by a State mandated medical evaluation. For this reason, the target is particularly unfair since the only way for New York City to meet the savings target is to lower the average hours of service per week which directly conflicts with the mandate. The home care savings target is yet another example where the State imposes mandates on the City without providing tools to contain costs on the local level. Eliminating the entire home care savings target would save New York City $42 million.

Reduce State Cost Recovery Fees Assessed to City Public Benefit Corporations

The Public Authorities Law §2975 allows for the recovery of indirect state governmental costs from public authorities and public benefit corporations. According to this statute, every public authority or public benefit corporation created by State law with at least three members appointed by the Governor is required to reimburse the State for indirect governmental costs attributable to the provision of services to the public authority. In 2003 the aggregate amount that the State can assess public authorities under this section was increased from $20 million to $40 million. Furthermore, statutory language was amended that no longer tied assessments to the proportion of outstanding debt of each public benefit corporation to the total debt for all public benefit corporations. Instead, the amount assessed each public benefit corporation is solely determined at the discretion of the State Director of the Budget.

As a result of these recent changes, the State recovery costs assessed on both the Battery Park City Authority (BPCA) and the Municipal Assistance Corporation (MAC) have grown significantly. The state recovery costs assessed BPCA have grown from $225,000 in 2003, to $3.3 million in 2005, while the MAC cost recovery fees have shown a similar increase, growing from $600,000 in 2003 to $1.6 million in 2004. The City is requesting the State assess these fees in a fair and equitable manner and therefore reduce the amount assessed the City to the 2002 level. Furthermore, the City is requesting a full and detailed accounting of state oversight costs that correspond to the fees assessed. It is estimated that this proposal will provide the City with approximately $4 million annually.

No Cost Initiatives

Allocate Federal HAVA Funds Equitably

The Help America Vote Act (HAVA) was signed into law by President Bush in October of 2002 in response to the voting problems that occurred in Florida in the 2000 Presidential Election. Generally, HAVA imposes new election requirements on States, calls for an upgrade of voting machines and includes identification requirements for first time voters. In order to meet these new mandates, HAVA authorized Congress to appropriate $3.75 billion over 3 years, of which over $3 billion has been appropriated to date. These funds, intended for use by state and local governments, are distributed based by the Federal government on a state's share of the nationwide eligible voting-age population. One of the primary intents of this HAVA funding is for the purchase of new voting machines which are to be in place by 2006. The Federal Government has already distributed $66 million in payments to New York State to be used for the administration of elections and punch card/lever replacement for machines. In addition to this funding, New York State is scheduled to receive an additional $153 million after satisfying a number of HAVA requirements.

New York City's eligible voting age population is approximately 42 percent of the statewide eligible voting age population. The City believes that distributing the State's HAVA funds and/or machines to localities based on eligible voting age population is the best way to distribute this funding since HAVA uses that very same standard in determining its distribution formula to the states. If this formula were to be applied to the HAVA funds New York State has in custody and also future funds to be received, New York City's share of this money is $92 million. These funds not only need to be distributed equitably but in a timely manner to comply with the mandates of HAVA.

Enact Tort Reform and Collateral Source Legislation

The City proposes that the State enact far-reaching tort reform legislation. Tort liability costs have increased dramatically since the early 1990s. Last year, the City paid out almost $600 million in tort claims alone. The City's tort reform proposal includes several initiatives that are expected to produce savings for both the City and the State. The City's tort reform initiatives include:

Collateral Source Legislation: Currently, State Law subjects public employers to a double recovery of lost future earnings in tort actions brought by their employees. This inequity exists because under current law, the future lost earnings award a public employee receives in a tort action is not offset by a collateral source, such as a disability pension, that the employee will also receive to replace his or her lost earnings. An identical pension received by a private employee would be offset against the employee's tort recovery. This enactment will cure the unequal treatment provided public employers eliminate windfall recoveries and lead to significantly lower costs to municipalities and taxpayers both in New York City and throughout the State. The City estimates savings of $30 million with the enactment of this proposal.

Cap on Pain and Suffering: Setting a reasonable cap of $250,000 on pain and suffering will enable the City to compensate injured parties and their attorneys fairly.

Medical Expense Threshold: Establishing a medical expense threshold of $5,000 that plaintiff's must meet before being awarded damages for non-economic loss will prevent the City from paying substantial damage awards to claimants with only minor injuries.

Abolish Joint and Several Liability: Allowing public entities to be only proportionately liable for economic, as well as non-economic damages, will end the City's payment of full liability costs when other parties are also at fault.

Bar Recovery Where a Plaintiff's Comparative Negligence Reaches 50 percent: Modifying comparative negligence to bar recovery of damages where a claimant is assigned at least 50 percent culpability or was incurred while the claimant was committing a felony will account for a plaintiff's comparative negligence.

Limit the Interest Paid by Municipal Corporations on Judgments and Claims: Linking the statutory interest rate to the 52 week United States Treasury Bill, while maintaining a 9 percent cap, will result in municipalities paying an interest rate that is no higher than the market rate.

Confer Jurisdiction on the State Court of Claims: Extending the jurisdiction of the Court of Claims to include any tort actions brought against a local government or covered organization will continue to protect the rights of individuals, while relieving municipalities of open-ended financial exposure.

Implement Early Intervention (EI) Reform

New York City seeks a continued partnership with other localities and the State to achieve meaningful Early Intervention program reform by preserving the extensive array of services and implementing cost controls that ensure program integrity and solvency. In past State budget discussions the Executive has endorsed Early Intervention program reform. The City urges the consideration of these and other innovative reforms.

Include EI in a Medicaid Waiver: The Early Intervention program is a Federal entitlement and provides services to infants and toddlers between the ages of 0 to 3 that are developmentally delayed. There are no income eligibility limits to receive services. The cost of the EI program is split evenly by the State and local governments, with a very limited amount of Federal funding designated for specific categorical spending. The Federal government should share in the cost of the EI program as it is a Federal entitlement. New York City proposes the State include the EI program in a Medicaid waiver request that would allow EI services to be reimbursed under Medicaid, including those services provided to children whose parents do not currently qualify for Medicaid due to income eligibility. A Federal waiver is required when seeking to expand Medicaid eligibility. Allowing Medicaid eligibility under a waiver program for those EI recipients currently not Medicaid eligible permits the Medicaid program to reimburse providers for services, and therefore the Federal government covers 50 percent of the cost, with the localities and the State evenly splitting the remaining non-Federal portion. This action will save New York City $65 million.

Close Tax Loopholes Identified by Department of Finance:

REIT Loophole Closer: Real Estate Investment Trusts (REITs) are pass-through entities that are allowed to deduct dividends paid to shareholders. The Federal government no longer allows shareholders of REITs to claim a dividend-received deduction for REIT dividends. However, New York State and New York City law still permit the deduction thus allowing banks and property owners to use closely-held REITs to avoid paying taxes on mortgage interest and real estate income. This proposal will close this troublesome loophole and provide the City with an additional $10 million in revenue annually.

Utility Tax Loophole Closer: The City has had ongoing legal issues with the imposition of the utility tax on sales of natural gas by out-of-state providers to New York City consumers. The utility tax was intended to be imposed on all sales of energy for use in the City, unless expressly exempted by law. Some providers, however, have claimed that their sales are not subject to the tax. To clarify City tax treatment, New York City proposes legislation to ensure that all natural gas sales to City customers are collected. The proposal would promote a level playing field for energy providers and ensure the fair and efficient administration of the City's utility tax. The City would realize an additional $5 million in revenue in 2006.

Conform Certain Fees to State Levels

The City proposes to increase various fees in order to recoup the costs of providing these services to the public. For the most part, these fees have not been raised for at least ten years. In the State Fiscal Year 2003-04 Budget, New York State included increases for various state fees including marriage licenses and birth and death certificates; New York City's proposal is in line with the State increases.

City Clerk Fees: The City Clerk of the City of New York issues, among other things, marriage licenses and certificates, as well as certifications of appointment for Commissioner of Deeds, conducts searches for marriage licenses and issues certified copies of documents. The City Clerk has re-evaluated their fees based on a current cost analysis for providing marriage licenses, ceremonies, search and/or copy fees, and various other fees and has determined that fee increases are warranted. These fee increases are anticipated to generate and additional $1.4 million annually.

Birth and Death Certificates: The New York City Department of Health and Mental Hygiene (DOHMH) supervises the registration of births and deaths. DOHMH does not charge for an initial birth certificate but the agency charges $15 for each copy of a birth or death certificate requested. In order to cover DOHMH costs, the City is seeking to increase the fee for the issuance of these copies of birth and death certificates. These fee increases are anticipated to generate and additional $10.6 million annually.

Court and Trust Services: The City is proposing to increase four fees collected by the Department of Finance Treasury Division pursuant to State law. These fees include bail fees, fund fees, investment fees and certification of deposit fees. These fee increases are justified by the costs incurred by the City's Department of Finance to collect and manage these funds. The fee increase is anticipated to generate an additional $1.2 million annually.

Office of Chief Medical Examiner (OCME): The OCME proposes to reform the current fee structure for autopsy reports and reports of an external examination of a body. Specifically, autopsy reports fee would become a flat fee of fifty dollars per report, changed from the current fee structure of $5.00 per page with a maximum fee of $50.00 per report. The fee for a report of an external examination of a body would be a flat fee of $25.00, a flat fee of $15 dollars for a copy of death notice or proof of death; and a flat fee of fifteen dollars for documents generated in a cremation clearance. Several new fees are proposed as well.

Increase the Authorization for Red Light Cameras

New York City's Red Light Camera Program has been an extremely effective public safety tool since its inception in 1993. Thousands of cars, taxis and buses have been caught running red lights by the 50 cameras currently in place throughout the City. This program has assisted in the reduction of traffic accidents and has helped modify driver behavior. The cameras have been shown to dramatically reduce the number of violations at the intersections where they are located; approximately 40 percent to 60 percent depending on location. Given the success of this program, the City is seeking to increase the number of cameras by 50 for a total of 100. Although there will be additional expenses associated with the expansion of this program, the safety of vehicular passengers and pedestrians will be greatly increased. The City anticipates an additional $13 million in gross revenue when the new cameras are fully operational.

Enact Omnibus Racing Legislation

The City seeks to make numerous changes to the State laws governing racing and wagering in order to ease restrictions, and increase profit for the New York City Off-Track Betting Corporation (OTB). Among these changes are lowering takeout rates, reducing the State-assessed regulatory fees by .25 percent, in addition to proposals that further deregulate simulcast provisions and expand telephone wagering. These reforms would result in additional revenue of $11 million to the City in 2006.

Reform the Local Finance Laws

The City of New York proposes that the State grant the City the authority to maximize the benefits of the municipal bond market in order to reduce debt service costs. Current law unnecessarily restricts a number of refinancing mechanisms that would allow the City to take advantage of lower interest rates. The City's reform package includes the following:

General Obligation Bond Statutory Lien: This proposal would strengthen the credit of New York City General Obligation debt by making certain provisions of the Financial Emergency Act permanent and by creating a statutory lien in the debt service fund in favor of the City's bond holders. This proposal would also authorize a pledge and agreement of the State to holders of City debt relating to preservation of the general debt service fund and the statutory lien. Strengthening the City's credit would result in approximately $3 million in savings.

Omnibus Periods of Probable Usefulness: This proposal would allow the City to efficiently utilize the authority granted in 1994 to structure its bond issues using the weighted average Period of Probable Usefulness (PPUs) of the objects or purposes financed. By extending the use of Omnibus PPUs for projects with a useful life of 35, 40 or 50 years, the City will better match the average life of its debt with that of its assets. This proposal will save the City approximately $3 million.

Expansion of Investment Options: The State has recognized the continued need for the City to modernize its financial management systems. With respect to debt issuance and the City's investments, the City has been authorized to engage in increasingly sophisticated transactions, allowing the City access to the lowest cost debt possible and to maximize the yield on its investments within the restrictions of the constitution and reasonable financial management. This proposal would allow the City to invest its money temporarily in tax-exempt money market funds. Access to tax-exempt money market funds would ease the City's ability to invest in tax-exempt instruments while also maintaining responsible fiscal management.

Sinking Fund: This proposal would clarify the City's authority to issue sinking fund bonds. Currently the Local Finance Law refers only to City-invested sinking fund bonds for certain purposes (i.e., docks, water and rapid transit railroads). Clarifying that the State Constitution permits the City to issue sinking fund bonds for any purpose will allow the City to issue sinking fund bonds, if the City deems it appropriate, to take advantage of current interest rate conditions. Properly managed sinking fund investments will allow the City to achieve lower actual interest rate costs than the costs that would result from a similar issue consisting of serial bonds.

It is estimated that the City would save approximately $1.5 million with the enactment of this proposal.

Full Repeal of the Wicks Law

Currently, for construction projects costing more than $50,000, the City must issue four separate contracts for electric, plumbing, heating, ventilation and air conditioning (HVAC) and all other services. This multiple contracting requirement adds approximately 14% to the cost of every City–funded construction project and requires the City to become the "General Contractor", responsible for coordinating the activities of the four contractors. By the City acting as a General Contractor, defects in workmanship and accountability continually become a city burden. Under a single contract system, any defect in workmanship or damages caused by other contractors becomes the responsibility of the general contractor. Projects bid under multiple contract systems also cost more than single contract bids. These costs include risk of delays, litigation, unenforceable warranties and higher costs in insurance and change-orders. Therefore, the City is requesting full repeal of the Wicks Law which would provide over $1.8 billion in capital construction cost savings over the next ten years.

Capital Program

The Modified Capital Commitment Plan for Fiscal Years 2005-2008 authorizes agencies to commit $37.1 billion, of which $30.6 billion will be City-Funded. City funds include proceeds of bonds issued by the City Municipal Water Finance Authority and City general obligation bonds (as described in the Financing Program section).

The targeted level for City-funded commitments is $6.9 billion in Fiscal Year 2005. The aggregate agency-by-agency authorized commitments of $10.6 billion exceed the Fiscal Year Financial Plan by $3.7 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 2001

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

FY 2001-2004 Commitments
*($ in Millions)**

	2001 City Funds	2001 All Funds	2002 City Funds	2002 All Funds	2003 City Funds	2003 All Funds	2004 City Funds	2004 All Funds
Environmental Protection								
Equipment	$60	$68	$115	$239	$91	$91	$43	$43
Sewers	90	90	199	199	201	202	216	216
Water Mains	178	178	492	492	337	337	480	481
Water Pollution Control	970	970	806	806	681	687	877	935
Water Supply	130	130	135	135	63	63	39	39
Subtotal	**$1,428**	**$1,436**	**$1,747**	**$1,871**	**$1,373**	**$1,380**	**$1,654**	**$1,713**
Transportation								
Mass Transit	$91	$91	$6	$6	$521	$521	$80	$80
Highways	214	223	211	217	171	166	202	227
Highway Bridges	147	198	63	101	191	232	149	210
Waterway Bridges	127	269	46	35	181	236	215	360
Subtotal	**$579**	**$781**	**$327**	**$359**	**$1,064**	**$1,155**	**$646**	**$878**
Education & Hospitals								
Education	$2,178	$2,429	$1,337	$1,340	$890	$963	$571	$593
Higher Education	7	8	9	10	17	21	18	19
Hospitals	65	65	77	77	50	50	58	58
Subtotal	**$2,250**	**$2,502**	**$1,422**	**$1,427**	**$956**	**$1,033**	**$647**	**$670**
Housing & Economic Development								
Housing	$261	$390	$321	$438	$203	$313	$216	$283
Economic Development	202	213	190	193	237	255	206	221
Subtotal	**$463**	**$603**	**$510**	**$632**	**$440**	**$568**	**$422**	**$504**
City Operations & Facilities								
Correction	$107	$108	$31	$32	$110	$110	$30	$30
Fire	120	120	149	149	81	99	66	69
Police	43	43	119	119	81	81	65	65
Public Buildings	79	81	167	167	98	102	175	176
Sanitation	150	150	216	216	159	159	140	140
Parks	205	207	166	169	222	226	116	143
Other[1]	671	743	976	1,073	804	886	577	646
Subtotal	**$1,374**	**$1,452**	**$1,825**	**$1,926**	**$1,555**	**$1,662**	**$1,169**	**$1,269**
TOTAL COMMITMENTS	**$6,094**	**$6,775**	**$5,832**	**$6,214**	**$5,389**	**$5,799**	**$4,539**	**$5,034**
TOTAL EXPENDITURES	**$4,389**	**$5,310**	**$5,436**	**$6,320**	**$5,376**	**$5,734**	**$5,133**	**$5,755**

1) Includes unplanned actuals.

Note: *Actuals are adjusted to reflect DASNY Courts and DDC managed Education contract registrations*

* *Individual items may not add to totals due to rounding*

FY 2005-2008 Commitment Plan
*($ in Millions)**

	2005 City Funds	2005 All Funds	2006 City Funds	2006 All Funds	2007 City Funds	2007 All Funds	2008 City Funds	2008 All Funds
Environmental Protection								
Equipment	$130	$205	$171	$259	$77	$79	$68	$70
Sewers	222	222	163	163	170	170	179	179
Water Mains	806	808	504	504	1,827	1,827	397	397
Water Pollution Control	799	865	1,072	1,097	265	290	688	713
Water Supply	785	785	156	156	50	50	12	12
Subtotal	$2,742	$2,885	$2,067	$2,180	$2,390	$2,417	$1,344	$1,371
Transportation								
Mass Transit	$140	$140	$68	$68	$68	$68	$66	$66
Bridges	281	430	509	517	556	755	283	470
Highways	309	348	376	478	319	352	289	289
Subtotal	$731	$918	$953	$1,063	$942	$1,175	$637	$825
Education								
Education	$1,426	$1,426	$1,317	$2,629	$1,313	$2,625	$1,313	$2,625
Higher Education	105	114	62	62	22	26	52	56
Subtotal	$1,530	$1,539	$1,378	$2,691	$1,335	$2,652	$1,365	$2,682
Housing & Economic Development								
Economic Development	$462	$675	$354	$354	$594	$594	$132	$132
Housing	424	587	385	525	319	417	266	413
Subtotal	$886	$1,263	$739	$879	$913	$1,011	$398	$545
Administration of Justice								
Correction	$177	$177	$111	$111	$117	$117	$170	$170
Courts	770	772	214	215	16	16	162	162
Police	159	159	94	94	95	95	56	56
Subtotal	$1,106	$1,108	$419	$420	$228	$228	$388	$388
City Operations & Facilities								
Cultural Institutions	$376	$379	$143	$143	$70	$70	$39	$39
Fire	169	184	89	89	48	48	40	40
Health & Hospitals	634	634	275	275	209	209	198	198
Parks	524	588	265	297	195	197	112	112
Public Buildings	203	207	173	173	64	64	66	66
Sanitation	641	641	171	171	204	204	250	250
Technology & Equipment	643	678	692	737	347	347	301	301
Other	383	562	290	580	160	213	115	136
Subtotal	$3,574	$3,875	$2,097	$2,464	$1,297	$1,351	$1,122	$1,143
Total Commitments	**$10,568**	**$11,588**	**$7,653**	**$9,698**	**$7,105**	**$8,834**	**$5,255**	**$6,954**
Reserve for Unattained Commitments	**($3,695)**	**($3,695)**	**($277)**	**($277)**	**$95**	**$95**	**$680**	**$680**
Commitment Plan	**$6,873**	**$7,893**	**$7,376**	**$9,421**	**$7,200**	**$8,929**	**$5,935**	**$7,634**
Total Expenditures	**$5,310**	**$5,933**	**$5,902**	**$6,769**	**$6,358**	**$7,562**	**$6,471**	**$7,945**

* *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 maintenance schedules 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

In the past 21 years, the Mayor's Office of Management and Budget(OMB) has successfully utilized several "tools" of value management as a means of maximizing the City's return on investment. These include the value engineering, value analysis and cost estimating 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 costs, both capital and operating. 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 procedures.

- Cost estimating (CE) determines whether the expected cost for construction projects is in line with the proposed budget. Independent cost estimates of capital projects are used to verify adequacy of capital funding and to provide a "check" on the reliability of agency design estimates.

In its role as technical support to OMB, the Value Engineering Unit is able to provide expertise otherwise unavailable in-house. Also, 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. In the past year, there has been an increase in the number of VA reviews conducted that have provided agencies with operational enhancements to existing programs and services.

Financing Program

The City's financing program projects $29.4 billion of long-term borrowing for the period 2005 through 2009 to support the City's current capital program. Unless bonding capacity of the New York City Transitional Finance Authority (TFA) is increased, all but a very small portion of this financing will be implemented through General Obligation (GO) bonds of the City and bonds of the New York City Municipal Water Finance Authority (NYW or the Authority).

Financing Program

($ In millions)

	2005	*2006*	*2007*	*2008*	*2009*	*Total*
City General Obligation Bonds [1]	$3,880	$4,060	$4,460	$4,600	$4,240	$21,240
TFA[1]	0	0	0	0	0	0
TSASC[2]	49	0	0	0	0	49
NYW[3]	1,570	1,794	1,676	1,137	1,718	7,895
Conduit Debt	131	0	86	0	0	217
Total	**$5,630**	**$5,854**	**$6,222**	**$5,737**	**$5,958**	**$29,401**

1) *TFA Bonds would be increased and GO Bonds would be decreased by an amount up to half to the total GO Bond amount shown aboveif the TFA's statutory bonding cap were increased.*
2) *Amount includes projected loan drawdown from the US Department of Transportation pursuant to the Transportation Infrastructure Financing and Innovation Act.*
3) *Includes commercial paper and revenue bonds issued for the water and sewer system's capital program, and includes reserve amounts. Figures do not include bonds that defease commercial paper or refunding bonds.*

The following three tables show statistical information on debt issued by the financing entities described above.

Debt Outstanding

($ In millions)

	2005	2006	2007	2008	2009
City General Obligation Bonds	$31,249	$33,719	$36,507	$39,227	$42,013
TFA	13,064	12,682	12,335	11,948	11,538
TSASC	1,256	1,283	1,269	1,252	1,234
MAC	2,151	0	0	0	0
Conduit Debt	2,848	2,766	2,688	2,587	2,477
Total Debt Outstanding	**$50,568**	**$50,450**	**$52,799**	**$55,014**	**$57,262**
Water Finance Authority	**$14,017**	**$15,621**	**$17,094**	**$18,609**	**$20,055**

Annual Debt Service Costs

($ In millions)

	2005	2006	2007	2008	2009
City General Obligation Bonds*	$2,999	$3,169	$3,822	$4,105	$4,448
TFA	925	956	977	983	988
TSASC	91	92	92	99	100
MAC	130	10	10	10	0
Conduit Debt	129	296	346	404	405
Total Debt Service	**$4,274**	**$4,523**	**$5,247**	**$5,601**	**$5,941**
Water Finance Authority	**$724**	**$855**	**$978**	**$1,117**	**$1,250**

* *Includes interest on short-term obligation (RANs). FY 2005 and 2006 do not reflect prepayment of debt service.*

Debt Burden

	2005	2006	2007	2008	2009
Total Debt Service (NYC GO, Conduit, MAC & TFA) as % of:					
a. Total Revenue*	8.2%	9.2%	10.6%	11.0%	11.3%
b. Total Taxes**	14.4%	15.4%	17.3%	17.5%	17.7%
c. Total NYC Personal Income	1.3%	1.3%	1.4%	1.4%	1.4%
Total Debt Outstanding (NYC GO, MAC, Conduit & TFA) as % of:					
a. Total NYC Personal Income	14.8%	14.1%	14.1%	14.0%	13.8%

* *Total revenue includes amounts required to support TFA.*

** *Total tax includes amount required to support TFA debt service.*

TFA has reached its statutory bonding capacity of $11.5 billion (excluding refunding bonds and bonds to pay costs related to the September 11th terrorist attacks (Recovery Bonds)). TFA has been a cost-effective source of financing for the City over the past seven years. It has been an important source of diversification as a financing vehicle in the marketplace as well. The City may seek legislative approval to increase TFA's borrowing cap. If the TFA cap is not increased, the City will issue approximately $21.2 billion of GO bonds during the plan period, which will equal 72.2% of the total program. If the TFA cap is lifted, up to half of what otherwise would be issued in the form of GO bonds would be issued by the TFA instead. This would significantly reduce the financing cost for the remaining $10.5 billion of GO bonds still required. NYW's annual bonding amount, excluding refundings, will average approximately $1.7 billion. The aggregate NYW financing during the plan period will account for approximately 30% of the total financing program.

New York City General Obligation Bonds

Since July l, 2004, the City has implemented $1.8 billion refundings and $1.9 billion new money financings, totaling $3.7 billion. The dates, principal amounts, and the true interest costs (TIC) (with tax-exempt and taxable TICs blended) of these issues are as follows:

NYC GO Issuances
($ In millions)

Series	New$/ Refunding	Issue Date	Tax Exempt Amount	Taxable Amount	TIC	Total Par Amount
2005AB	R	7/29/2004	$551	$36	4.070%	$587
2005C	N	8/18/2004	650	80	4.968*	730
2005D	N	11/10/2004	550	100	4.729	650
2005EF	R	11/10/2004	612	0	4.318	612
2005G	N	12/21/2004	550	0	4.533	550
2005HI	R	12/21/2004	598	0	4.136	598
Total			**$3,511**	**$216**		**$3,727**

* *The tax-exempt portion of the Series 2005C transaction includes floating-rate bonds*

The three refunding transactions the City has completed to date in FY2005, totaling $1.8 billion in aggregate principal amount, generated $103 million of debt service savings in FY2006. The present value savings from the refundings were in excess of $76.8 million. The Fiscal 2005 Series A and B refunding issue included CPI bonds which bear interest indexed to changes in the Consumer Price Index. The City entered into a swap whereby the City pays a fixed rate and receives a floating rate which matches the interest due on the CPI bonds. The net effect results in the City paying a fixed rate. The three refunding transactions utilized federal legislation permitting an additional advance refunding for certain GO bonds, bringing the total amount of GO bonds and

NYW bonds which have been advance refunded under this legislation to $3.7 billion. The City used the remaining $800 million of second advance refunding capacity on the Sales Tax Asset Receivable Corporation (STAR) issue in November 2004.

All of the $216 million of taxable bonds during the current fiscal year have been issued through competitive bidding. The City's taxable bonds are generally amortized in 12 years or less so that the higher cost taxable debt is paid off sooner than the longer-term lower cost tax exempt debt. During the last eight months, the City's taxable bonds were priced approximately 35 to 63 basis points higher than those of the US Treasury bonds for maturities ranging between two and five years. For maturities between five and thirteen years, the spreads increased to 68 to 71 basis points. The absolute yields on the Series 2005D taxable bonds were 3.02% for a two-year maturity, 4.53% for an eight-year maturity and 4.80% for a 10-year maturity.

In addition to the financings described above, the City plans to issue $1.95 billion of GO bonds for capital purposes in the second half of FY2005 and $4.06 billion, $4.46 billion, $4.6 billion and $4.24 billion in FY2006, FY2007, FY2008 and FY2009, respectively.

Currently the debt service for the City and its related financing entities (TFA, TSASC, Municipal Assistance Corporation for the City of New York (MAC) and conduit debt, excluding the effect of pre-payments, and excluding debt service supported by rental revenues from NYW) is 8.2% of the City's total budgeted revenues in FY2005. That ratio will rise to 11.3% in FY2009. As a percentage of tax revenues, the debt service ratio is 14.4% in FY 2005 and is projected to increase to 17.7% in FY2009.

During fiscal year 2005, short-term interest costs relating to the $5.2 billion of variable rate bonds (including synthetic floating-rate debt, auction-rate bonds and variable-rate demand bonds) issued by the City have been 1.2% on average for tax-exempt and 1.6% for taxable GO floating rate debt. These variable rate bonds, which have traded on average at rates that are approximately 4 percentage points lower than those for the City's fixed-rate debt, resulted in an annual savings of over $208 million.

In fiscal year 2005, the City did not require a note issuance to satisfy cashflow needs. The City expects to issue $2.4 billion of Revenue Anticipation Notes or Tax Anticipation Notes in each of the next four fiscal years.

Variable Rate Debt

As discussed above, variable rate bonds have been a reliable source of cost savings in the financing of the City's capital program. In considering the proportion of the City's financing program 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, TFA and TSASC bonds but also conduit and MAC debt. The City and its related entities have over $8.6 billion of variable rate demand bonds and auction rate bonds currently outstanding. The TFA bonds are supported by liquidity facilities while the City general obligation and conduit bonds are supported by credit enhancements and liquidity facilities.

Swaps

The City has entered into various interest rate exchange agreements (swaps and swaptions) in the last 30 months, taking on various risks similar to those of variable rate bonds. The total notional amount of swaps outstanding as of December 31, 2004 was $3.026 billion, on which the termination value was negative $58 million. This is the theoretical amount which the City would pay if all of the swaps terminated under market conditions as of December 31, 2004. However, most of the swaps entered into by the City have sufficient liquidity such that there should be little or no cost to enter into replacement swaps.

During the last 12 months, the City has entered into four derivative transactions with various counterparties. The City entered into a Muni-CPI swap with Morgan Stanley. Under this swap the City pays a fixed rate in exchange for a floating rate which corresponds to the floating rate on the CPI bonds issued by the City. The City also entered into two swaptions, one with Bear Stearns and the other with Lehman Brothers. Under each swaption, the City has sold the counterparty the right to exercise an option to enter into an interest rate exchange agreement with the City on some future dates in exchange for an approximately $10 million upfront payment. If both options are exercised, the City will pay the counterparties floating-rate interest payments based on BMA on the $350 million notional amount in exchange for fixed-rate interest payments on the same amount. In addition to the upfront benefit of $10 million to the City, the swaptions, if exercised, would create additional floating-rate exposure for the City at an all-in cost below that of the City's variable rate bonds. Since the options are not exercisable until August 1, 2007, the bonds associated with the swaptions are not counted as floating-rate debt for purposes of the table below. Finally, the City entered into a basis swap with Bear Stearns, under which the City pays the BMA average on the notional amount of $500 million in exchange for a percentage of the 1-Month LIBOR which steps up as LIBOR increases. On September 15, 2005, the City will receive an upfront premium in connection with that basis swap of $20.585 million.

The following table shows the City's and its related issuers' floating rate exposure. The notional amounts of certain swaps are counted toward floating rate exposure at less than 100%, representing an equivalent tax exempt floating-rate risk. (See the Mayor's Message in the Executive Budget for FY2004 for a more detailed discussion on how these percentages are determined.) 38% of the $965 million notional amount of the synthetic fixed rate swaps, 136% of the taxable basis swap and 100% of the total return swap are considered floating rate exposure. Since the TFA cap is only a contingent liability, it is not counted as floating rate exposure.

NYC Floating Rate Exposure

($ In millions)

	GO	TFA	MAC	Lease	TSASC	Total
Natural VRDB & Auction-Rate Bonds	$3,513	$2,904	$0	$1,141	$0	$7,559
Synthetic Fixed	367					367
Taxable Basis Swap	900					900
Total Return Swap	500			76		576
Enhanced Basis Swap	500					500
Total Floating-Rate	5,780	2,904	0	1,218	0	9,901
Total Debt Outstanding*	**$31,789**	**$12,682**	**$0**	**$2,766**	**$1,283**	**$48,521**

% of Floating-Rate / Total Debt Outstanding	20.4%
Total Floating-Rate Less $2 Billion Average Balance in General Fund (Floating-Rate Assets)	$7,901
% of Net Floating Rate / Total Debt Outstanding	16.3%

* *Debt Outstanding as of the January Financial Plan*

The 20.4% floating rate exposure, including the risk from the seven synthetic fixed rate swaps, the two basis swaps, and a "total return" swap, is even more manageable after taking into account the average $2 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 16.3% of its outstanding debt. The increase in floating rate exposure from April 2004 is due primarily to the defeasance of MAC facilitated by the STAR issuance in November 2004 as discussed below.

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 $25 billion in General (First) and Second General Resolution bonds and subordinated special resolution crossover refunding bonds. Refunding bond issuance amounted to $9.3 billion. Of this aggregate bond par amount, $13.8 billion is outstanding, $8.9 billion was refinanced with lower cost debt, $434 million was defeased with revenues prior to maturity, and $1.8 billion was retired with Authority revenues as it matured.

In addition to this long-term debt, NYW uses an $800 million tax-exempt commercial paper program as a source of flexible short-term financing, including $200 million of unenhanced extendable municipal commercial paper (EMCP) notes and $600 million of commercial paper notes backed by a line of credit.

NYW continues to enjoy a strong and stable credit rating by all three rating agencies. In July 2004, Standard and Poor's Rating Services upgraded its rating on NYW's bonds to “AA+” from “AA”, just one rating level below their highest “AAA” rating. The rating upgrade was the result of "… greater predictability surrounding costs and requirements of large capital projects, moderating rate increases and gradually improving coverage." Additionally, the Standard and Poor's report makes note of the affordable rates and sound management of the system. NYW's ratings from all three rating agencies continue to reflect the credit strengths resulting from the strong legal protections provided to bondholders and structural features of NYW which provide a true gross pledge of revenue to bondholders for debt payments. NYW is rated "AA" by Fitch and "Aa2" by Moody's. Additionally, senior lien bonds issued by the New York State Environmental Facilities Corporation (EFC) for City capital projects eligible for State Revolving Fund (SRF) money are rated in the highest rating category by Moody's ("Aaa"), Standard & Poor's ("AAA") and Fitch ("AAA"). The bonds which NYW places with EFC are unrated Second Resolution bonds of NYW, and are an element of security for the EFC bonds.

To date in fiscal year 2005, NYW has closed four bond transactions, the First Resolution Fiscal 2005 Series A and B bonds consisted of bond sales directly to the public. The Second General Resolution Fiscal 2005 Series 1 and Series 2 bonds were issued to EFC to secure bonds issued by EFC on behalf of NYW. Over $1.7 billion in bonds were issued in fiscal year 2005, to date, including $517.9 million in First Resolution advance refunding bonds, which achieved 5.8% in present value savings. The remaining long term bond issuance included $567.6 million in First Resolution bonds and $621 million of Second General Resolution bonds issued through the EFC.

The four transactions closed to date are summarized in the following table. New money issuances were used to refinance commercial paper previously issued by NYW and to pay the costs of issuance. First Resolution bond proceeds are also used to fund a debt service reserve fund.

NYW Issuances

Series	(N)ew Money /(R)ef.	Issue Date	Par Amount	True Interest Cost (TIC)	Effective Interest Cost (EIC)[3]	Longest Maturity	Max Yield	Spread to "AAA" MMD
FY 2005 Series A	N	5-Aug-04	$150,000,000	5.11%	NA	2039	5.07%	16 bp
FY 2005 Series 1[1]	N	11-Aug-04	230,408,946	4.66	2.75%	2034	5.02	5 bp
FY 2005 Series 2[2]	N	30-Nov-04	390,624,553	4.53	2.62	2034	4.70[4]	3 bp
FY 2005 Series B	N&R	8-Dec-04	935,480,000	4.82	NA	2036	4.88[4]	20 bp

1) *EFC Series 2004 E*
2) *EFC Series 2004 F*
3) *Effective cost after interest rate subsidy*
4) *Yield to call*

NYW is a party to two interest rate exchange agreements (swaps) with a total notional amount of $220 million. These agreements include a $200 million synthetic variable rate swap (fixed-to-floating rate swap) entered into on December 23, 2003 with NYW receiving a fixed interest rate of 3.567% in exchange for a floating rate based on the BMA Municipal Swap Index. NYW also entered into a swap on July 9, 2002, in conjunction with its sale of $20 million of muni-CPI bonds, which pay the holder a floating rate tied to the consumer price index. Under the swap, NYW receives a payment matching the rate paid on the bonds and pays a fixed interest rate of 4.15%, which is 11 bp lower than conventional fixed rate debt at the time of issuance.

The projected financing activity for the remainder of fiscal year 2005 will consist of First Resolution bonds to be sold by NYW directly to the public for an estimated $350 million. Additionally, NYW may be able to take advantage of other potential refunding opportunities during the remainder of the fiscal year should the interest rate environment be favorable. The Authority also expects to defease certain outstanding First Resolution Bonds with revenues before the end of the fiscal year.

During the period from 2005 to 2016 NYW expects to sell an average of approximately $1.6 billion of new debt per year. Of this amount, NYW plans to issue a minimum of $300 million per year through EFC, taking advantage of the 33 to 50 percent interest rate subsidy available for qualifying projects, and minimizing the overall costs of its financing program. Additionally, NYW may be able to take advantage of refunding opportunities during this period should the interest rate environment be favorable.

Sales Tax Asset Receivable Corporation

In 2003, the State Legislature passed an act requiring the Local Government Assistance Corporation (LGAC) to pay $170 annually million to the City or its assignee. The City assigned the payments from LGAC to STAR, a local development corporation, in order to secure bonds issued to defease the remaining debt of the MAC.

In November 2004, STAR sold $1.8 billion of tax exempt fixed rate bonds and $682 million of taxable fixed rate bonds. The tax exempt bonds all carried bond insurance and sold with spreads between 1 and 9 basis points over the MMD AAA scale. The majority of the taxable bonds carried bond insurance and sold with spreads between 35.5 and 79 basis points over US Treasury securities with comparable maturities. The end result is to relieve the City of approximately $500 million of annual MAC debt service expense from 2004 through 2008.

Fiscal 2005 Escrow Securitization Corporation

The City established the Fiscal Year 2005 Securitization Corporation (Corporation), a local development corporation, in order to facilitate a restructuring of an escrow which had defeased City General Obligation bonds. The Corporation issued $682.425 million of taxable bonds on October 2004. The benefit to the City budget of the sale is approximately $48 million to be realized in FY 2006.

The Hudson Yards Infrastructure Corporation (HYIC)

In July 2004, the Hudson Yards Infrastructure Corporation, a not-for-profit local development corporation, was incorporated. The HYIC is expected to issue $3 billion of bonds over the next six years to finance a major development initiative of the City in the Husdon Yards district of Manhattan, an area defined roughly as the south side of 43rd Street on the North, the east side of Eleventh Avenue on the west, the north side of West 27th Street and West 30th Street on the south, and the west side of Seventh and Eighth Avenues on the east. Proceeds from the HYIC bonds will be used for a $2 billion extension of the Number 7 subway line west from Seventh Avenue to Tenth Avenue and then south to West 34th Street at Eleventh Avenue. Bond proceeds will also be used to construct a platform over the Eastern Rail Yards east of Eleventh Avenue between 34th Street and 35th Street, on which several office towers and facilities for a major cultural institution are expected to be constructed, and for the construction of a park and street network north of the rail yards. This will make possible the redevelopment of the Hudson Yards district including over 24 million square feet of office space and over 13,000 units of residential development over the next 30 years. Principal and most of the interest on the HYIC bonds will be repaid from revenues generated by this new development, notably payments-in-lieu-of-property taxes on the commercial development and various developer payments. On January 19, the same day that it passed the comprehensive rezoning of the Hudson Yards district, the City Council passed a Resolution supporting the $3 billion in HYIC borrowing for the Hudson Yards infrastructure projects and supporting an undertaking by the City to pay interest on the HYIC bonds, to the extent not paid by the revenues of HYIC, subject to appropriation. The Resolution of the City Council also supported the use of the TFA's revenues to credit enhance no more than $750 million of HYIC indebtedness which will make possible the use of low-cost variable rate debt for one-fourth of the $3 billion borrowing program of the HYIC. West of the Hudson Yards redevelopment area a concurrent expansion of the Javits Convention Center and the construction of a New York City Sports and Convention Center facility (NYCSCC) is planned. HYIC bonds will not be used for these two projects. The City's $350 million share of the Javits Convention Center expansion is expected be financed through the City's capital program with General Obligation bonds. The City's $300 million share of the $1.6 billion NYCSCC will be financed by the securitization of certain revenue streams to be identified in the near future.

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. In June 2000, the TFA received an additional $4 billion of bonding capacity, increasing its overall authorization to $11.5 billion. In addition, the State legislature in 2000 increased the TFA's variable rate bonding capacity to $2.3 billion or 20% of its then authorized bonding amount.

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. Pursuant to that authority, the TFA issued approximately $2 billion of long-term debt in the first half of fiscal year 2003. One billion dollars of Recovery Bond proceeds were used to pay recovery costs consisting of revenue losses associated with the September 11 event and the remaining $1.03 billion of proceeds were used to retire the Recovery Notes issued in October 2001, which were used to fund other costs and revenue losses related to the attack. The TFA Recovery Bonds are subordinated to TFA senior debt and have a shorter maturity (20 years vs. 30 years for senior bonds). As of January 1, 2005, $500 million of bonding capacity remains to pay costs related to the attack.

Since the creation of the TFA in March 1997, the TFA has sold $11.5 billion in senior bonds, $4.5 billion of Bond Anticipation Notes (BANs) and $2.3 billion of subordinate bonds. Refunding bonds, excluding bonds issued to refund BANs, amounted to $2.7 billion. Of the $13 billion of bonds currently outstanding, 53.5% will be retired by the end of 2018, with the annual amortization of about $348 million in 2005, growing gradually to $644 million in 2019 and then decreasing gradually to $244 million in 2029 and $0 in 2034.

Conduit Debt

In March 2005, JSDC expects to conclude its new money borrowing program with an issuance of approximately $45 million of variable rate debt. Proceeds of the bonds will be used to complete construction of the criminal and family court facility located at

330 Jay Street, Brooklyn. The facility reached substantial completion in December 2004.

TSASC, Inc.

TSASC, Inc., a special purpose corporation, was created by the City in November 1999 to issue bonds secured with the City's share of the Tobacco Settlement Revenues (TSRs) to be paid pursuant to a nationwide Master Settlement Agreement (MSA). TSASC has acquired the City's 3.4% share of the national total TSRs payable under the Master Settlement Agreement (MSA). After TSASC retains sufficient TSRs to pay for its debt service and operating expenses, the excess TSRs flow to the City through ownership of a residual certificate.

TSASC has issued two series of program bonds to date, totaling $1.448 billion, including $139 million of draws against a loan from the US Department of Transportation (USDOT) under the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA). TSASC expects to draw down the remaining $49 million of the TIFIA loan this year to fund one third of the capital costs associated with the Staten Island ferries and ferry terminals project. The repayment of the loan is secured with TSASC's revenues, payable over the next 30 years on parity with other TSASC program bonds.

In May 2003, RJ Reynolds, one of the four major tobacco manufacturers, was downgraded below investment grade, triggering a trapping event for TSASC. In addition, the Non-Participating Manufacturers' market share in calendar year 2003 was reported to exceed 7% based on the MSA Independent Auditor's report dated April 14, 2004, also triggering a trapping event for TSASC. The trapping event called for retaining a fraction of the residual TSRs, equal to the ratio of the amount of the previously issued program bonds to $2.76 billion until the aggregate trapped amount equals 25% of the outstanding program bonds. Since TSASC has only issued approximately 47% of the $2.76 billion program bonds, 47% of the residual TSRs, including investment revenues, will be trapped until the trapping requirement is met. As of April 15, 2005, the trapping requirement is expected to be $320 million or 25% of the $1.32 billion of the outstanding program bonds, including $102 million of the TIFIA loan. Without restructuring the existing TSASC program bonds, the trapping event would reduce the flow of residual TSRs to the City by approximately $58 million, $59 million, $61 million and $60 million in FY2005, FY2006, FY2007 and FY2008 respectively. In addition, no program bonds can be issued without rating confirmation unless the trapping requirement has been met.

TSASC is reviewing alternatives that would enable the trapped TSRs to be released to the City.

Supplemental Information

Expenditure Assumptions

The baseline expenditure estimates in the plan are derived from the four-year financial plan submitted in October 2004 and also include approved Federal and State categorical grants through January 9, 2005. The new estimates also reflect other approved budget modifications, new needs, changes in inflation assumptions and other adjustments as discussed below.

Personal Services

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

	($ in millions)				
	2005	*2006*	*2007*	*2008*	*2009*
Salaries & Wages	$17,469	$17,235	$17,226	$17,103	$17,115
Pension	3,243	4,219	4,494	4,681	4,609
Other Fringe Benefits	5,235	5,521	5,811	6,159	6,482
Reserve for Collective Bargaining:					
Department of Education	189	189	189	189	189
Other	285	257	257	257	257
Total	**$26,421**	**$27,421**	**$27,977**	**$28,389**	**$28,652**

Salaries & Wages

The baseline projections for salaries and wages reflect personnel costs associated with current and projected headcount levels including some wage adjustments for the 2002-2005 round of collective bargaining.

Pensions and Other Fringe Benefits

Pension expense baseline estimates for 2005 and beyond are based on draft valuation projections prepared by the Office of the Actuary. These valuation projections are reflective of recent years' pension fund asset performance which saw significant investment losses from 2001 through 2003, followed by investment gains in 2004. Respective years' investment losses or gains are phased-in over subsequent five-year periods. In addition, consistent with State law, the costs of funding a portion of retiree benefit increases are being phased-in over a ten year period. Other financial plan adjustments reflect, primarily, planned payroll changes.

In addition, the out-years of the financial plan include certain reserves associated with possible revised actuarial funding assumptions to be proposed by the Chief Actuary. These reserves are consistent with the findings of an independent statutory audit released in 2003.

Total pension expenses for the financial plan are shown below:

	($ in millions) 2005	2006	2007	2008	2009
City Actuarial	$3,153	$4,118	$4,390	$4,575	$4,503
Non-City Systems	51	61	64	66	66
Non-Actuarial	39	40	40	40	40
Total	**$3,243**	**$4,219**	**$4,494**	**$4,681**	**$4,609**

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 adjustments. 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. Out-year projections reflect anticipated increases in hospital and medical trends.

Reserve for Collective Bargaining

The Reserve for Collective Bargaining contains funding for the cost of collective bargaining increases for the 2002-2005 round of bargaining consistent with the DC37 settlement for the uniformed forces and the Department of Education (for the unsettled portion of their workforce), as well as smaller amounts for the 2000–2002 round. The funding for the new round of bargaining is sufficient to pay for a $1,000 one-time lump sum upon settlement and a 3.0 percent wage increase on the first day of the second year. As with the DC37 settlement, any wage increases beyond that would have to be funded entirely from productivity.

Other Than Personal Services

The following items are included in this category:

	($ in millions) 2005	2006	2007	2008	2009
Administrative OTPS	$11,040	$10,962	$11,024	$11,149	$11,234
Public Assistance	2,523	2,394	2,395	2,395	2,395
Medical Assistance	4,901	5,070	5,339	5,720	6,149
Health and Hospitals Corp.	355	131	275	265	260
Covered Agency Support & Other Subsidies	3,020	1,954	2,164	2,234	2,301
City & MAC Debt Service	3,993	1,823	4,179	4,519	4,853
Pay-As-You-Go Capital	200	200	200	200	200
General Reserve	100	300	300	300	300
Total	$26,132	$22,834	$25,876	$26,782	$27,692

Administrative OTPS

The estimates in this category include new needs in the baseline. For 2006 through 2009 most expenditures have been increased to reflect the effect of inflation. The inflation adjustment, which is shown in a citywide account, represents an annual 2.9 percent increase in 2006 through 2009. 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 2005 through 2009 reflects current projections for energy related purchases. Gasoline and fuel oil prices are projected to remain at their elevated levels for the duration of fiscal year 2005 and decrease slightly for 2006 through 2009. Higher prices are the result of increased demand, relatively low petroleum inventories, and the anticipation of OPEC reducing crude oil production. Heat, light and power costs are projected to increase by $41 million between fiscal year 2005 and fiscal year 2007 due to an increase in NYPA's production charges and an increase in Con Edison's transmission and delivery charges.

Usage adjustments are held constant, with the exception of varying workload adjustments, the privatization initiative in the In-Rem program, and the annualization of 2005 adjustments, where applicable.

The annual cost projections are as follows:

Energy Costs

	($ in millions)				
	2005	*2006*	*2007*	*2008*	*2009*
Gasoline	$52	$51	$50	$48	$48
Fuel Oil	59	58	57	57	57
HPD-In Rem	3	2	–	–	–
HPD-Emergency Repairs	4	4	–	–	–
Heat, Light & Power	533	571	574	568	565
Total	$651	$686	$681	$673	$670

Leases

Agency baseline expenditures carry the cost of leases at a constant level of $547 million for 2006 through 2009 with the exception of the annualization of 2005 adjustments where applicable. A citywide adjustment for 2006 through 2009 provides for the increased cost of leases based on a 3.0 percent annual inflator. The four-year projection includes $553 million for leases in 2006, $573 million in 2007, $590 million in 2008, and $605 million in 2009. Of these amounts, the citywide adjustment is $19 million, $35 million, $50 million and $68 million respectively in 2006 through 2009.

Public Assistance

The financial plan for Public Assistance projects 436,295 persons will be on Public Assistance in June 2005, increasing to 438,295 by June 2006.

Medical Assistance

The financial plan for Medical Assistance funds 2.6 million eligibles including 1.3 million in Medicaid Managed Care. Medicaid expenditure growth, adjusted for program changes between fiscal years, is projected at 7.4 percent between 2006 and 2007.

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 various other City services and debt service costs for HHC bonds.

This amount is estimated at $177.4 million in fiscal year 2006 with $150 million being pre-paid in fiscal year 2005, and $171.7 million in 2007. Personnel expenses remain essentially flat for fiscal years 2006 through 2009 pending the next collective bargaining agreement. Affiliation costs start with a baseline of $627.9 million in fiscal year 2006 and increase 5 percent annually. The Corporation's third party revenue is expected to increase slightly. 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 2005 and $300 million for 2006-2009 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 and Lease debt and future City issuances in accordance with the financing program for 2005-2009. 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 in 2005 for the prepayment of future years' debt service costs. Funding of $1.7 billion in 2005 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*	*MAC*	*Total City and MAC*
2005	$2,030	$–	$129	$1704	$3,863	$130	$3,993
2006	1,442	75	296	–	1,813	10	1,823
2007	3,748	75	346	–	4,169	10	4,179
2008	4,030	75	404	–	4,509	10	4,519
2009	4,373	75	405	–	4,853	–	4,853

NEW YORK CITY
Five Year Expenditure Analysis
After PEG Implementation
(All Funds - $ in millions)

	2005	2006	2007	2008	2009
Uniformed Forces					
Police Department	$3,610	$3,499	$3,520	$3,522	$3,522
Fire Department	1,224	1,145	1,160	1,159	1,158
Department of Correction	819	794	786	786	786
Department of Sanitation	1,036	1,039	1,081	1,081	1,082
Health and Welfare					
Admin. for Children Services	2,219	2,096	2,097	2,096	2,096
Department of Social Services	7,169	7,246	7,516	7,900	8,336
Dept. of Homeless Services	727	699	683	683	683
Dept Health & Mental Hygiene	1,446	1,469	1,485	1,501	1,517
Other Mayoral					
NY Public Library - Research	10	15	15	15	15
New York Public Library	51	81	81	81	81
Brooklyn Public Library	38	60	60	60	60
Queens Borough Public Library	36	56	56	56	56
Department for the Aging	233	198	198	198	198
Department of Cultural Affairs	124	101	101	101	101
Housing Preservation & Dev.	542	444	442	442	442
Dept of Environmental Prot.	774	747	745	745	745
Department of Finance	206	200	201	201	201
Department of Transportation	572	515	517	517	517
Dept of Parks and Recreation	280	262	263	257	257
Dept of Citywide Admin Srvces	765	751	752	750	750
All Other Mayoral	1,355	1,304	1,279	1,275	1,274
Major Organizations					
Department of Education	13,758	13,746	13,851	13,913	14,021
City University	594	521	518	518	518
Health and Hospitals Corp.	1,102	893	1,049	1,036	1,025
Other					
Citywide Pension Contributions	3,243	3,894	4,294	4,681	4,609
Miscellaneous	6,025	5,139	5,547	5,855	6,169
Debt Service	3,863	1,761	4,168	4,509	4,853
M.A.C. Debt Service	130	10	10	10	—
Prior Payable Adjustment	(200)	—	—	—	—
General Reserve	100	300	300	300	300
Energy Adjustment	13	48	49	41	38
Lease Adjustment	—	19	35	51	68
OTPS Inflation Adjustment	—	—	38	74	111
Elected Officials					
Mayoralty	78	74	74	73	73
All Other Elected	392	343	343	343	343
Total Including Intra-City	**$52,334**	**$49,469**	**$53,314**	**$54,830**	**$56,005**
Intra/City	1,267	1,207	1,204	1,204	1,204
Total Excluding Intra-City	**$51,067**	**$48,262**	**$52,110**	**$53,626**	**$54,801**

NEW YORK CITY
Five Year Expenditure Analysis
After PEG Implementation

(City Funds - $ in millions)

	2005	2006	2007	2008	2009
Uniformed Forces					
Police Department	$3,159	$3,201	$3,267	$3,281	$3,282
Fire Department	1,055	1,019	1,036	1,036	1,036
Department of Correction	772	750	748	748	748
Department of Sanitation	988	1,015	1,057	1,057	1,057
Health and Welfare					
Admin. for Children Services	619	568	569	569	569
Department of Social Services	5,151	5,309	5,572	5,956	6,392
Dept. of Homeless Services	298	287	290	291	291
Dept Health & Mental Hygiene	578	558	564	569	574
Other Mayoral					
NY Public Library - Research	10	15	15	15	15
New York Public Library	51	81	81	81	81
Brooklyn Public Library	38	60	60	60	60
Queens Borough Public Library	36	56	56	56	56
Department for the Aging	96	72	72	72	72
Department of Cultural Affairs	123	101	101	101	101
Housing Preservation & Dev.	116	100	97	97	97
Dept of Environmental Prot.	723	699	697	697	697
Department of Finance	202	195	197	197	197
Department of Transportation	311	314	324	324	324
Dept of Parks and Recreation	202	191	192	188	188
Dept of Citywide Admin Srvces	147	145	146	146	146
All Other Mayoral	823	855	847	847	846
Major Organizations					
Department of Education	5,583	5,618	5,690	5,693	5,766
City University	367	332	330	330	330
Health and Hospitals Corp.	990	801	957	944	933
Other					
Citywide Pension Contributions	3,070	3,721	4,120	4,506	4,435
Miscellaneous	4,527	4,674	5,088	5,396	5,710
Debt Service	3,770	1,597	4,025	4,366	4,712
M.A.C. Debt Service	130	10	10	10	—
Prior Payable Adjustment	(200)	—	—	—	—
General Reserve	100	300	300	300	300
Energy Adjustment	13	48	49	41	38
Lease Adjustment	—	16	28	40	53
OTPS Inflation Adjustment	—	—	38	74	111
Elected Officials					
Mayoralty	58	58	58	58	58
All Other Elected	348	318	318	318	318
Citywide Total	**$34,254**	**$33,084**	**$36,999**	**$38,464**	**$39,593**

Revenue Detail
($ in millions)

	2005	2006	2007	2008	2009
Taxes:					
• Real Property	$11,536	$12,345	$13,066	$14,006	$14,671
• Personal Income	5,285	4,844	4,760	5,076	5,451
• General Corporation	1,754	1,817	1,916	2,023	2,136
• Banking Corporation	441	438	433	432	440
• Unincorporated Business	959	996	1,040	1,089	1,139
• Sale and Use	4,205	4,046	4,211	4,384	4,591
• Commercial Rent	445	457	469	482	495
• Real Property Transfer	885	555	571	601	623
• Mortgage Recording	818	517	533	566	593
• Utility	309	311	310	309	309
• Cigarette	126	121	118	115	112
• Hotel	251	264	277	291	306
• All Other	453	456	420	422	396
• Tax Audit Revenue	525	512	509	509	509
• State Tax Relief Program	784	734	763	774	795
Total Taxes	**$28,776**	**$28,413**	**$29,396**	**$31,079**	**$32,566**
Miscellaneous Revenue:					
• Licenses, Franchises, Etc.	$371	$364	$360	$362	$360
• Interest Income	96	88	102	117	124
• Charges for Services	557	527	512	512	512
• Water and Sewer Charges	928	921	938	959	979
• Rental Income	921	174	170	170	170
• Fines and Forfeitures	716	712	711	711	710
• Miscellaneous	1,342	588	345	344	346
• Intra-City Revenue	1,268	1,206	1,205	1,205	1,205
Total Miscellaneous	**$6,199**	**$4,580**	**$4,343**	**$4,380**	**$4,406**

Revenue Detail
($ in millions)

	2005	2006	2007	2008	2009
Unrestricted Intergovernmental Aid:					
• N.Y. State Per Capita Aid	$327	$327	$327	$327	$327
• Other Federal and State Aid	235	235	235	235	235
Total Unrestricted Intergovernmental Aid	**$562**	**$562**	**$562**	**$562**	**$562**
Anticipated State and Federal Aid:					
• Anticipated State Aid	$—	$500	$200	$100	$100
• Anticipated Federal Aid	—	250	—	—	—
Total Anticipated Aid	**$—**	**$750**	**$200**	**$100**	**$100**
Other Categorical Grants	$897	$934	$916	$921	$927
Inter Fund Agreements	357	347	339	332	332
Reserve for Disallowance of Categorical Grants	(15)	(15)	(15)	(15)	(15)
Less: Intra City Revenue	(1,268)	(1,206)	(1,205)	(1,205)	(1,205)
TOTAL CITY FUNDS	**$35,508**	**$34,365**	**$34,536**	**$36,154**	**$37,673**
Federal Categorical Grants:					
• Community Development	$312	$243	$243	$243	$243
• Welfare	2,238	2,030	2,029	2,028	2,028
• Education	1,928	1,808	1,808	1,808	1,808
• Other	1,085	758	696	686	686
• FEMA Insurance	1,000	—	—	—	—
Total Federal Grants	**$6,563**	**$4,839**	**$4,776**	**$4,765**	**$4,765**
State Categorical Grants:					
• Welfare	$1,799	$1,875	$1,863	$1,863	$1,863
• Education	6,181	6,272	6,304	6,363	6,399
• Higher Education	177	178	178	178	178
• Department of Health and Mental Hygiene	434	428	432	436	441
• Other	408	304	297	298	298
Total State Grants	**$8,999**	**$9,057**	**$9,074**	**$9,138**	**$9,179**
TOTAL REVENUE	**$51,070**	**$48,261**	**$48,386**	**$50,057**	**$51,617**

Full-Time and Part-Time Positions (FTEs)

	12/31/01 Actual[1, 5]		11/30/04 Actual[5]		06/30/06 January Plan	
	Total Funds	City Funds	Total Funds	City Funds	Total Funds	City Funds
MAYORAL AGENCIES						
Uniform Forces						
Police Department - Uniform[2]	39,297	39,297	35,738	35,738	34,824	34,824
Police Department - Civilian	14,779	14,166	14,454	14,148	15,181	14,969
Fire Department - Uniform	11,120	11,113	11,205	11,196	11,163	11,154
Fire Department - Civilian	4,495	4,491	4,324	4,319	4,411	4,393
Sanitation Department - Uniform	7,957	7,810	7,748	7,606	7,735	7,582
Sanitation Department - Civilian	2,265	2,053	1,911	1,746	2,129	1,896
Department of Correction - Uniform	10,617	9,874	9,291	8,555	9,242	8,506
Department of Correction - Civilian	1,603	1,488	1,380	1,265	1,499	1,384
Subtotal	**92,133**	**90,292**	**86,051**	**84,573**	**86,184**	**84,708**
Health and Welfare						
Social Services	16,836	13,293	15,332	11,854	15,567	11,333
Administration for Children's Services	8,286	8,232	6,477	6,149	6,688	6,522
Homeless Services	2,090	2,081	2,222	2,189	2,289	2,288
Health and Mental Hygiene	5,442	4,398	5,535	4,183	6,131	5,109
Subtotal	**32,654**	**28,004**	**29,566**	**24,375**	**30,675**	**25,252**
Other Agencies						
Housing Preservation and Development	2,720	645	2,684	639	3,158	1,022
Environmental Protection	5,760	376	5,967	395	6,199	431
Finance	2,685	2,685	2,360	2,360	2,450	2,438
Transportation	4,415	2,498	4,267	2,006	4,259	2,225
Parks	6,630	6,231	5,829	5,405	5,717	5,223
Citywide Administrative Services	1,879	1,296	1,888	1,215	2,164	1,496
All Other	18,103	13,776	17,121	13,168	17,600	13,733
Subtotal	**42,192**	**27,507**	**40,116**	**25,188**	**41,547**	**26,568**
Education						
Department of Education - Pedagogical	112,810	95,407	110,044	89,682	110,156	91,018
Department of Education - Non-Pedagogical	25,442	22,174	24,895	22,245	24,563	21,594
City University - Pedagogical	4,273	4,273	4,537	4,530	4,173	4,168
City University - Non-Pedagogical	2,300	2,299	2,561	2,559	2,434	2,434
Subtotal	**144,825**	**124,153**	**142,037**	**119,016**	**141,326**	**119,214**
Total	**311,804**	**269,956**	**297,770**	**253,152**	**299,732**	**255,742**
COVERED ORGANIZATION AND NON-CITY EMPLOYEES SUBSTANTIALLY PAID BY CITY SUBSIDIES[3]						
Health and Hospitals Corporation	37,941	37,941	38,057	38,057	37,407	37,407
Housing Authority	14,863	—	13,562	—	14,084	—
Libraries	4,428	4,428	4,081	4,081	3,629	3,629
Cultural Institutions[4]	1,728	1,728	1,870	1,870	1,526	1,526
School Construction Authority	933	933	515	515	453	453
New York City Employees Retirement System	368	368	405	405	370	370
Economic Development Corporation	344	344	366	366	387	387
Teachers Retirement System	308	308	333	333	373	373
Police Pension Fund	66	66	122	122	136	136
All Other	155	155	173	168	183	178
Subtotal	61,134	46,271	59,484	45,917	58,548	44,459
Total	372,938	316,227	357,254	299,069	358,280	300,201

1) *Adjusted for transfers.*
2) *Police Department uniform headcount will be at 37,038 with the swearing in of attrition replacement recruit classes July 1, 2005 and January 1, 2006.*
3) *Includes non-city employees substantially paid by city subsidies. For these agencies the December 2001 data reflects staffing as of February 2002.*
4) *Includes only those employees of the Cultural Institutions Group paid by city fund subsidies.*
5) *Includes restatements for positions formerly funded under vendor contracts and for Education part-time positions not previously included in the city headcount.*

Expense Program

PEG Program

(City Funds- $ in 000's)

	Fiscal Year 2005 Expense	Fiscal Year 2005 Revenue	Fiscal Year 2005 Total	Fiscal Year 2006 Expense	Fiscal Year 2006 Revenue	Fiscal Year 2006 Total	Fiscal Year 2007 Expense	Fiscal Year 2007 Revenue	Fiscal Year 2007 Total
UNIFORMED FORCES									
Police	($130,128)	($5,370)	($135,498)	($125,288)	($5,370)	($130,658)	($79,452)	$0	($79,452)
Fire	(18,498)	(6,084)	(24,582)	(45,136)	(6,084)	(51,220)	(27,245)	(6,084)	(33,329)
Sanitation	(30,505)	(3,955)	(34,460)	(46,134)	(4,717)	(50,851)	(3,010)	(4,717)	(7,727)
Correction	(19,111)	(100)	(19,211)	(49,133)	4,218	(44,915)	(49,230)	9,160	(40,070)
HEALTH AND WELFARE									
Social Services	(10,000)	—	(10,000)	(16,229)	—	(16,229)	(15,353)	—	(15,353)
Admin. for Children's Services	(17,572)	—	(17,572)	(34,734)	—	(34,734)	(34,734)	—	(34,734)
Homeless Services	(11,500)	—	(11,500)	(7,500)	—	(7,500)	(6,276)	—	(6,276)
Health & Mental Hygiene	(7,534)	(1,200)	(8,734)	(12,704)	(3,200)	(15,904)	(12,704)	(3,200)	(15,904)
Youth & Community Dev.	(2,228)	—	(2,228)	(3,363)	—	(3,363)	(2,243)	—	(2,243)
OTHER MAYORAL									
Housing Preservation & Dev.	—	(19,250)	(19,250)	(2,900)	(4,600)	(7,500)	(2,900)	(4,600)	(7,500)
Finance	(289)	(17,795)	(18,084)	—	(3,600)	(3,600)	—	—	—
Transportation	(11,604)	(10,905)	(22,509)	(7,345)	(5,875)	(13,220)	1,740	(5,875)	(4,135)
Parks & Recreation	(2,354)	(5,990)	(8,344)	(2,967)	(8,840)	(11,807)	(1,853)	(1,990)	(3,843)
Citywide Admin. Services	—	(14,060)	(14,060)	—	—	—	—	—	—
All Other Agencies	(25,750)	(43,422)	(69,172)	(53,485)	(12,518)	(66,003)	(42,983)	(7,037)	(50,020)
MAJOR ORGANIZATIONS									
Education	—	—	—	—	—	—	—	—	—
HHC	(7,500)	—	(7,500)	(11,400)	—	(11,400)	(11,400)	—	(11,400)
CUNY	—	—	—	—	—	—	—	—	—
OTHER									
Procurement Savings	—	—	—	(36,990)	—	(36,990)	(36,990)	—	(36,990)
Subtotal Agency Programs	**($294,573)**	**($128,131)**	**($422,704)**	**($455,308)**	**($50,586)**	**($505,894)**	**($324,633)**	**($24,343)**	**($348,976)**
CITYWIDE INITIATIVES									
Federal and State Actions	—	—	—	—	(750,000)	(750,000)	—	(200,000)	(200,000)
Pensions	—	—	—	(325,000)	—	(325,000)	(200,000)	—	(200,000)
MAC Debt and Debt Service	(140)	(10,031)	(10,171)	(52,467)	(32,902)	(85,369)	(876)	—	(876)
Asset Sales	—	(85,000)	(85,000)	—	—	—	—	—	—
GRAND TOTAL	**($294,713)**	**($223,162)**	**($517,875)**	**($832,775)**	**($833,488)**	**($1,666,263)**	**($525,509)**	**($224,343)**	**($749,852)**

PEG Program

(City Funds- $ in 000's)

	Fiscal Year 2008 Expense	Fiscal Year 2008 Revenue	Fiscal Year 2008 Total	Fiscal Year 2009 Expense	Fiscal Year 2009 Revenue	Fiscal Year 2009 Total
UNIFORMED FORCES						
Police	($79,452)	$0	($79,452)	($79,452)	$0	($79,452)
Fire	(27,245)	(6,084)	(33,329)	(27,245)	(6,084)	(33,329)
Sanitation	(3,010)	(4,717)	(7,727)	(2,566)	(4,817)	(7,383)
Correction	(49,230)	8,660	(40,570)	(49,230)	7,410	(41,820)
HEALTH AND WELFARE						
Social Services	(15,353)	—	(15,353)	(15,353)	—	(15,353)
Admin. for Children's Services	(34,734)	—	(34,734)	(34,734)	—	(34,734)
Homeless Services	(6,276)	—	(6,276)	(6,276)	—	(6,276)
Health & Mental Hygiene	(12,704)	(3,200)	(15,904)	(12,704)	(3,200)	(15,904)
Youth & Community Dev.	(2,243)	—	(2,243)	(2,243)	—	(2,243)
OTHER MAYORAL						
Housing Preservation & Dev.	(2,900)	(4,600)	(7,500)	(2,900)	(4,600)	(7,500)
Finance	—	—	—	—	—	—
Transportation	1,740	(5,875)	(4,135)	1,740	(5,875)	(4,135)
Parks & Recreation	—	(1,990)	(1,990)	—	(1,990)	(1,990)
Citywide Admin. Services	—	—	—	—	—	—
All Other Agencies	(43,416)	(6,858)	(50,274)	(43,717)	(6,859)	(50,576)
MAJOR ORGANIZATIONS						
Education	—	—	—	—	—	—
HHC	(11,400)	—	(11,400)	(11,400)	—	(11,400)
CUNY	—	—	—	—	—	—
OTHER						
Procurement Savings	(36,990)	—	(36,990)	(36,990)	—	(36,990)
Subtotal Agency Programs	**($323,213)**	**($24,664)**	**($347,877)**	**($323,070)**	**($26,015)**	**($349,085)**
CITYWIDE INITIATIVES						
Federal and State Actions	—	(100,000)	(100,000)	—	(100,000)	(100,000)
Pensions	—	—	—	—	—	—
MAC Debt and Debt Service	(722)	—	(722)	—	—	—
Asset Sales	—	—	—	—	—	—
GRAND TOTAL	**($323,935)**	**($124,664)**	**($448,599)**	**($323,070)**	**($126,015)**	**($449,085)**

AGENCY FIVE YEAR SUMMARY

Police Department

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	3,275,302	3,329,492	3,351,855	3,365,537	3,365,537
Expenditure Increases / Reestimates	14,062	(2,952)	(5,533)	(5,518)	(3,595)
Financial Plan of 1/27/05 Before PEG	3,289,364	3,326,540	3,346,322	3,360,019	3,361,942
PEG Program	(135,498)	(130,658)	(79,452)	(79,452)	(79,452)
Less Amount Reflected in Revenue Budget	5,370	5,370	-	-	-
Financial Plan of 1/27/05 After PEG	3,159,236	3,201,252	3,266,870	3,280,567	3,282,490

City Funded Headcount	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	34,774U 8,828C	34,774U 9,179C	34,774U 9,179C	34,774U 9,179C	34,774U 9,179C
Expenditure Increases / Reestimates	50U 274C	50U 153C	50U 153C	50U 153C	50U 153C
PEG Program		(192)C			
Financial Plan of 1/27/05 After PEG	34,824U 9,102C	34,824U 9,140C	34,824U 9,332C	34,824U 9,332C	34,824U 9,332C

U = Uniformed
C = Civilians

Police Department

Baseline Per Financial Plan - 10/21/04	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
	34,774U 9,179C	3,275,302	3,329,492	3,351,855	3,365,537	3,365,537
Expenditure Increases / Reestimates						
COPS in Schools City matching funds required for the federal COPS in Schools grant.	50U	66	416	440	455	2,378
Reduced Federal Grant (LLEBG) City funds need associated with a reduction in the city's federal fiscal year 2004 Block Grant award.	77C	2,500	2,500	2,500	2,500	2,500
Technical Adjustment - Civilian Headcount Technical headcount adjustment to maintain financial plan levels.	76C	-	-	-	-	-
Fringe Benefit -- Police	-	12,564	6,258	-	-	-
Arrest Processing Savings District Attorney savings associated with arrest processing.	-	(1,438)	(13,521)	(9,868)	(9,868)	(9,868)
City Council Member Item City Council Member Item	-	(25)	-	-	-	-
Heat, Light and Power Heat, light and power adjustment.	-	426	426	426	426	426
Fuel Fuel adjustment	-	104	104	104	104	104

U = Uniformed
C = Civilians

* As of 6/30/06

Police Department

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
Gasoline Gasoline adjustment	-	865	865	865	865	865
Lease Adjustment Lease adjustment.	-	(1,000)	-	-	-	-
Financial Plan of 1/27/05 Before PEG Implementation	34,824U 9,332C	3,289,364	3,326,540	3,346,322	3,360,019	3,361,942
PEG PROGRAM	(192)C	(135,498)	(130,658)	(79,452)	(79,452)	(79,452)
Less Amount Reflected in the Revenue Budget	-	5,370	5,370	-	-	-
Financial Plan of 1/27/05 after PEG	34,824U 9,140C	3,159,236	3,201,252	3,266,870	3,280,567	3,282,490

U = Uniformed
C = Civilians

* As of 6/30/06

Police Department

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Increased Intergovernmental Aid Increased Intergovernmental Aid	-	(52,937)	(30,329)	-	-	-
Salary Savings Salary Savings	(192)C	(67,087)	(91,861)	(76,354)	(76,354)	(76,354)
Cadet Program Vacancy Savings Savings associated with unfilled vacancies in the NYPD Cadet Program	-	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)
NYCHA Housing Police Payment Re-estimate NYCHA Subsidy Inflator Increase	-	-	(798)	(798)	(798)	(798)
NYCHA Subsidy Re-estimate The department will receive a one-time increase in NYCHA subsidy payment for provision of Police services consistent with the terms of the merger agreement.	-	(7,804)	-	-	-	-
Additional NYPD Tow Revenue The Police Department will generate additional revenue based on current tow activity.	-	(4,110)	(4,110)	-	-	-
Additional E911 Wireless Surcharge Revenue The New York Police Department anticipates	-	(1,260)	(1,260)	-	-	-

C = Civilians

* As of 6/30/06

Police Department

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
additional revenue based on current surcharge collection rates.						
Total Agency Program	(192)C	(135,498)	(130,658)	(79,452)	(79,452)	(79,452)

C = Civilians

* As of 6/30/06

Fire Department

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	1,028,599	1,036,070	1,035,319	1,035,053	1,035,053
Expenditure Increases / Reestimates	44,453	28,228	28,303	28,360	28,434
Financial Plan of 1/27/05 Before PEG	1,073,052	1,064,298	1,063,622	1,063,413	1,063,487
PEG Program	(24,582)	(51,220)	(33,329)	(33,329)	(33,329)
Less Amount Reflected in Revenue Budget	6,084	6,084	6,084	6,084	6,084
Financial Plan of 1/27/05 After PEG	1,054,554	1,019,162	1,036,377	1,036,168	1,036,242

City Funded Headcount	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	11,154U 4,256C	11,154U 4,257C	11,154U 4,257C	11,154U 4,257C	11,154U 4,257C
Expenditure Increases / Reestimates	60C	78C	78C	78C	78C
PEG Program	6C	6C	6C	6C	6C
Financial Plan of 1/27/05 After PEG	11,154U 4,322C	11,154U 4,341C	11,154U 4,341C	11,154U 4,341C	11,154U 4,341C

U = Uniformed
C = Civilians

Fire Department

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	11,154U 4,257C	1,028,599	1,036,070	1,035,319	1,035,053	1,035,053
Expenditure Increases / Reestimates						
PS Budget Shortfall PS Budget Shortfall is due to increased Medical Leave Rates, RNC stand-by costs, and increased uniformed salary increments.	-	40,938	24,286	24,286	24,286	24,286
Paramedics to Maintain Tours FDNY requires additional paramedics in order to operate the necessary number of EMS tours.	13C	577	577	577	577	577
EMTs to Maintain Tours FDNY requires additional EMTs to maintain the appropriate number of EMS tours.	34C	1,914	1,914	1,914	1,914	1,914
EEO Unit Enhancement FDNY requires 5 additional investigators to investigate EEO issues.	5C	55	218	218	218	218
Drug Testing Unit FDNY requires one attorney to enforce the Department's zero tolerance drug policy.	1C	14	57	57	57	57
EMT Lieutenants for Kings County Hospital Station An additional 6 EMS Lieutenants and 1 Captain are needed to supervise the EMS tours that will be dispatched from the new EMS Station at Kings County Hospital.	7C	102	289	300	329	329

U = Uniformed
C = Civilians

* As of 6/30/06

Fire Department

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
Hiring EMS Lieutenants. FDNY needs an additional 18 EMS Lieutenants to enhance field supervision.	18C	-	677	740	768	843
Collective Bargaining Increase Request will cover salary increases resulting from collective bargaining agreement for nine trades titles.	-	25	25	25	25	25
City Council Item for Bensonhurst Volunteer Ambulance City Council Item for Bensonhurst Volunteer Ambulance	-	3	-	-	-	-
City Council Items for West Hamilton Beach Fire Dept. City Council Items for West Hamilton Beach Fire Dept.	-	8	-	-	-	-
Heat, Light and Power Heat, light and power adjustment.	-	(31)	(31)	(31)	(31)	(31)
Fuel Fuel adjustment	-	(74)	(74)	(74)	(74)	(74)
Gasoline Gasoline adjustment	-	290	290	290	290	290

C = Civilians

* As of 6/30/06

Fire Department

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
Delayed Telecommunications Program Savings Delay in the implementation of telecommunications enhancement project caused delay in projected savings in FY'05. The Department will achieve those savings beginning in FY'06.	-	633	-	-	-	-
Financial Plan of 1/27/05 Before PEG Implementation	11,154U 4,335C	1,073,053	1,064,298	1,063,621	1,063,412	1,063,487
PEG PROGRAM	6C	(24,582)	(51,220)	(33,329)	(33,329)	(33,329)
Less Amount Reflected in the Revenue Budget	-	6,084	6,084	6,084	6,084	6,084
Financial Plan of 1/27/05 after PEG	11,154U 4,341C	1,054,555	1,019,162	1,036,376	1,036,167	1,036,242

U = Uniformed
C = Civilians

* As of 6/30/06

Fire Department

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Eliminate 5th Post at 49 Companies According to the Roster Staffing Agreement of 1996, the Department can reduce the 5th firefighter post at 49 companies if medical leave rates show the 365 day average of medical leave exceeds 7.5%. The 365 day average exceeded 7.5% in November 2004.	-	(9,918)	(17,002)	(17,002)	(17,002)	(17,002)
Increase Firefighter Class Size By increasing hires in upcoming probationary firefighter classes, the Department can reduce uniformed overtime costs.	-	892	(5,151)	-	-	-
Reduce Uniformed OT Through Management Initiatives FDNY will reduce overtime spending through enhanced management initiatives.	-	(3,925)	(10,091)	-	-	-
ALS Revenue increase By doubling the number of Advanced Life Support (ALS) tours using 1 paramedic and 1 EMT, FDNY believes it can increase EMS revenues by $1.5 million.	-	-	(1,500)	(1,500)	(1,500)	(1,500)
Sale of EMS Bad Debt Receivables This proposal entails the sale of open EMS fee receivables to a vendor, which in turn	-	-	(1,800)	(900)	(900)	(900)

* As of 6/30/06

Fire Department

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
will yield additional revenue for the Fire Department.						
EMS Revenue Increase There will be further improvements in payment collections from commercial insurers.	6C	(1,098)	(5,143)	(5,143)	(5,143)	(5,143)
EMS HHC Subsidy - Medicaid Revenue Increase Based on HHC projections, FDNY's annual Medicaid Subsidy from HHC will increase by $2.7 million in FY'05.	-	(2,700)	(2,700)	(2,700)	(2,700)	(2,700)
Additional Revenue from 2% Tax on Fire Insurance Premiums Based on current activity, the Fire Department anticipates additional collections of the two percent tax on fire insurance premiums from foreign and alien insurers.	-	(3,984)	(3,984)	(3,984)	(3,984)	(3,984)
Additional Fine Revenue from Summonses Returnable to ECB The Fire Department will generate additional fine revenues which are returnable to the Environmental Control Board.	-	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Additional Revenue from Private Fire Alarm Companies	-	(100)	(100)	(100)	(100)	(100)

C = Civilians

* As of 6/30/06

Fire Department

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Due to an increase in demand for private fire alarm connections, the Department anticipates additional revenue collections above plan.						
Additional Fire Prevention Revenue Based on current Fire Prevention Bureau fee activity, the Department will generate additional revenue above its current revenue baseline.	-	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
OTPS Savings OTPS re-estimate.	-	(1,749)	(1,749)	-	-	-
Total Agency Program	6C	(24,582)	(51,220)	(33,329)	(33,329)	(33,329)

C = Civilians

* As of 6/30/06

AGENCY FIVE YEAR SUMMARY

Department of Sanitation

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	1,016,143	1,058,217	1,057,278	1,057,039	1,057,039
Expenditure Increases / Reestimates	2,859	2,548	2,548	2,548	2,548
Financial Plan of 1/27/05 Before PEG	1,019,002	1,060,765	1,059,826	1,059,587	1,059,587
PEG Program	(34,460)	(50,851)	(7,727)	(7,727)	(7,383)
Less Amount Reflected in Revenue Budget	3,955	4,717	4,717	4,717	4,817
Financial Plan of 1/27/05 After PEG	988,497	1,014,631	1,056,816	1,056,577	1,057,021

City Funded Headcount	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	7,630U 1,783C	7,630U 1,798C	7,630U 1,798C	7,630U 1,798C	7,630U 1,798C
Expenditure Increases / Reestimates	1C	1C	1C	1C	1C
PEG Program	6U 36C	(48)U 36C	(48)U 36C	(48)U 36C	(48)U 34C
Financial Plan of 1/27/05 After PEG	7,636U 1,820C	7,582U 1,835C	7,582U 1,835C	7,582U 1,835C	7,582U 1,833C

U = Uniformed
C = Civilians

Department of Sanitation

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	7,630U 1,798C	1,016,143	1,058,217	1,057,278	1,057,039	1,057,039
Expenditure Increases / Reestimates						
Staffing for Snow-Related Maintenance Staffing for snow shed-related maintenance.	2C	-	-	-	-	-
OTPS Adjustment OTPS adjustment.	-	11	-	-	-	-
New York Rescue Workers Detoxification Project New York Rescue Workers Detoxification Project.	-	300	-	-	-	-
Budget Mod Positions from 10/01/04 to 10/31/04	(1)C	-	-	-	-	-
Heat, Light and Power Heat, light and power adjustment.	-	364	364	364	364	364
Fuel Fuel adjustment.	-	(213)	(213)	(213)	(213)	(213)
Gasoline Gasoline adjustment.	-	2,398	2,398	2,398	2,398	2,398
Financial Plan of 1/27/05 Before PEG Implementation	7,630U 1,799C	1,019,003	1,060,766	1,059,827	1,059,588	1,059,588

U = Uniformed
C = Civilians

*** As of 6/30/06**

Department of Sanitation

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM	(48)U 36C	(34,460)	(50,851)	(7,727)	(7,727)	(7,383)
Less Amount Reflected in the Revenue Budget	-	3,955	4,717	4,717	4,717	4,817
Financial Plan of 1/27/05 after PEG	7,582U 1,835C	988,498	1,014,632	1,056,817	1,056,578	1,057,022

U = Uniformed
C = Civilians

* As of 6/30/06

Department of Sanitation

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Overtime Reduction Re-estimate of DSNY overtime.	-	-	(124)	-	-	-
Re-estimate of Differential Costs DSNY has re-estimated its differential budget. The reduction is estimated to be $2.0 million in FY05 and $1.0 million in FY06.	-	(2,000)	(1,000)	-	-	-
PS Reduction PS reduction.	-	(1,089)	(1,089)	(1,089)	(1,089)	(1,089)
Revenue from Hiring an Additional 25 Sanitation Enforcement Agents DSNY projects an increase in summons issuance from hiring an additional 25 Sanitation Enforcement Agents, 6 Sergeants, 2 Lieutenants, and 1 Clerical Associate.	34C	-	(1,736)	(1,736)	(1,736)	(1,172)
Visy Paper Truck Relay Revenue DSNY projects additional revenue for paper transfers from the Brooklyn relay site to the Visy paper processing company.	6U	-	-	-	-	-
Mayor's Basket Collection and Motorized Litter Patrol Program DSNY will revise its cleaning activities associated with the Mayor's Cleaning Program.	(54)U	-	(3,255)	(3,255)	(3,255)	(3,255)

U = Uniformed
C = Civilians

* As of 6/30/06

Department of Sanitation

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Reallocation of Revenues from Trust and Agency Account Reallocation of revenues from trust and agency account.	-	(235)	(200)	-	-	-
Revenue from Increased Visy Tonnage DSNY plans to collect additional revenue from the Visy paper processing company for the transportation of paper.	-	(830)	(830)	(830)	(830)	(830)
Increase in Visy and Other Vendor Paper Revenue DSNY expects additional revenue from the sale of paper.	-	(1,800)	(800)	(800)	(800)	(900)
NYS Recycling Grant Clean Air/Clean Water Bond Act NYS Recycling Grant Clean Air/Clean Water Bond Act for FY02-FY03 expenditures.	-	(2,000)	-	-	-	-
NYS Recycling Grant Clean Air/Clean Water Bond Act NYS Recycling Grant Clean Air/Clean Water Bond Act for FY04 expenditures.	-	(1,558)	-	-	-	-
Solid Waste Management Engineering Fresh Kills Closure Funding Re-estimates	-	(17,795)	(38,000)	-	-	-

* As of 6/30/06

Department of Sanitation

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Solid Waste Management engineering Fresh Kills closure funding re-estimates.						
Re-estimate of Recycling Processing Costs DSNY has re-estimated the processing fees paid to vendors for metal, glass and plastic, due to the lower than expected tonnage being collected.	-	(3,000)	(3,000)	-	-	-
OTPS Reduction OTPS Reduction.	-	(1,000)	(1,000)	-	-	-
Ultra Low Sulfur Fuel Conversion Cost Re-estimates Ultra Low Sulfur Fuel conversion cost re-estimates.	2C	(3,153)	184	(16)	(16)	(137)
Total Agency Program	(48)U 36C	(34,460)	(50,850)	(7,726)	(7,726)	(7,383)

U = Uniformed
C = Civilians

* As of 6/30/06

AGENCY FIVE YEAR SUMMARY

Department of Correction

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	787,608	792,450	789,400	789,400	789,400
Expenditure Increases / Reestimates	3,769	6,236	8,153	8,153	8,153
Financial Plan of 1/27/05 Before PEG	791,377	798,686	797,553	797,553	797,553
PEG Program	(19,211)	(44,915)	(40,070)	(40,570)	(41,820)
Less Amount Reflected in Revenue Budget	100	(4,218)	(9,160)	(8,660)	(7,410)
Financial Plan of 1/27/05 After PEG	772,266	749,553	748,323	748,323	748,323

City Funded Headcount	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	8,747U 1,323C	8,747U 1,376C	8,733U 1,376C	8,733U 1,376C	8,733U 1,376C
Expenditure Increases / Reestimates	2U 10C				
PEG Program	(30)U	(241)U (43)C	(241)U (43)C	(241)U (43)C	(241)U (43)C
Financial Plan of 1/27/05 After PEG	8,719U 1,333C	8,506U 1,333C	8,492U 1,333C	8,492U 1,333C	8,492U 1,333C

U = Uniformed
C = Civilians

Department of Correction

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	8,747U 1,376C	787,608	792,450	789,400	789,400	789,400
Expenditure Increases / Reestimates						
Alternative to Placement Initiative Joint initiative to provide alternative to placement programs for juveniles.	-	4,116	6,080	6,080	6,080	6,080
Fringe Benefit Savings Fringe Benefit Adjustment	-	115	2,745	3,379	3,379	3,379
Pension Savings Pension Adjustment	-	-	122	842	842	842
DA Case Processing Savings Savings associated with a decrease in length of stay from conviction to sentencing times.	-	(563)	(2,813)	(2,250)	(2,250)	(2,250)
Heat, Light and Power Heat, light and power adjustment.	-	19	19	19	19	19
Fuel Fuel adjustment	-	110	110	110	110	110
Gasoline Gasoline adjustment	-	(27)	(27)	(27)	(27)	(27)
Financial Plan of 1/27/05 Before PEG Implementation	8,747U 1,376C	791,378	798,686	797,553	797,553	797,553

U = Uniformed
C = Civilians

* As of 6/30/06

Department of Correction

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM	(241)U (43)C	(19,211)	(44,915)	(40,070)	(40,570)	(41,820)
Less Amount Reflected in the Revenue Budget	-	100	(4,218)	(9,160)	(8,660)	(7,410)
Financial Plan of 1/27/05 after PEG	8,506U 1,333C	772,267	749,553	748,323	748,323	748,323

U = Uniformed
C = Civilians

* As of 6/30/06

Department of Correction

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Surplus in DOC Food Funding The Department will achieve savings as a result of lower population levels.	-	(1,727)	(1,727)	(1,727)	(1,727)	(1,727)
Digital Photography for Inmate Processing Increased savings associated with switch from film to digital photography.	-	(50)	(50)	(50)	(50)	(50)
Post Coverage Productivity Savings Savings resulting from improved scheduling and deployment of officers.	-	-	(584)	(584)	(584)	(584)
Court Staffing Savings The Department will achieve savings in court staffing through post eliminations and staff reassignments.	(84)U	-	(3,633)	(3,976)	(3,976)	(3,976)
Consolidation of Inmate Housing The Department will achieve population management efficiencies.	(92)U	-	(2,320)	(4,354)	(4,354)	(4,354)
Medical Leave Savings Savings resulting from reduced sick leave usage.	4U	-	(526)	(526)	(526)	(526)
Department Efficiencies System-wide The Department will achieve system-wide efficiencies.	(12)U (31)C	-	(802)	(802)	(802)	(802)

U = Uniformed
C = Civilians

* As of 6/30/06

Department of Correction

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Alternative to Placement Initiative Joint initiative to provide alternative to placement programs for juveniles.	-	(4,116)	(6,080)	(6,080)	(6,080)	(6,080)
Overtime Savings Overtime savings are anticipated based on projected population and future recruit classes.	-	-	(5,654)	(4,849)	(4,849)	(4,849)
Expansion of Dorm Capacity The Department will achieve overtime savings through the consolidation and closure of housing areas and increasing dorm capacities.	-	-	(1,951)	(1,951)	(1,951)	(1,951)
Commissary Savings Savings resulting from improved commissary operations.	(27)U (12)C	-	(750)	(800)	(1,300)	(2,550)
Coin-Operated Lockers Concession The Department of Correction will bid out a concession to install and manage coin-operated lockers at visitor control centers.	-	-	(50)	(50)	(50)	(50)
Uniform Staff Savings The Department will achieve savings by eliminating funding for uniform positions	(15)U	(322)	(705)	(705)	(705)	(705)

U = Uniformed
C = Civilians

*** As of 6/30/06**

Department of Correction

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
operating at the Bronx Detention Complex (BxDC). Existing officers assigned to BxDC will be reassigned.						
Headquarters Staff Savings The Department will reduce the number of uniform positions assigned to headquarters.	(15)U	(279)	(1,179)	(1,179)	(1,179)	(1,179)
Increased Federal Reimbursement for Alien Inmates (SCAAP) Increased State Criminal Alien Assistance Program (SCAAP) revenue based on the FFY05 appropriation.	-	(5,667)	(5,667)	-	-	-
State Reimbursement for State Prisoner Court Appearances The Department will receive additional state reimbursement for housing state prisoners returned for local court appearances.	-	(452)	-	-	-	-
State Reimbursement for Prisoner Transport Additional revenue due to an increase in the state reimbursement rate for prisoner transportation.	-	(349)	(349)	(349)	(349)	(349)
Additional Revenues from Charging for Inmate Haircuts	-	(100)	(100)	(100)	(100)	(100)

U = Uniformed

* As of 6/30/06

Department of Correction

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Based on the volume of haircuts given to inmates, the Department of Correction will generate additional revenues above plan.						
Leasing Beds to Suffolk County DOC is currently leasing 100 beds to Suffolk County to house adult male detainees to address overcrowding.	-	(1,600)	(800)	-	-	-
Personal Service Surplus Re-estimate of Personal Service budget.	-	(4,549)	(11,989)	(11,989)	(11,989)	(11,989)
Total Agency Program	(241) U (43) C	(19,211)	(44,916)	(40,071)	(40,571)	(41,821)

U = Uniformed
C = Civilians

* As of 6/30/06

AGENCY FIVE YEAR SUMMARY

Admin. for Children Services

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	612,310	599,489	600,414	600,414	600,414
Expenditure Increases / Reestimates	24,218	3,228	3,228	3,228	3,228
Financial Plan of 1/27/05 Before PEG	636,528	602,717	603,642	603,642	603,642
PEG Program	(17,572)	(34,734)	(34,734)	(34,734)	(34,734)
Financial Plan of 1/27/05 After PEG	618,956	567,983	568,908	568,908	568,908

City Funded Headcount	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	6,243	6,242	6,242	6,242	6,242
Financial Plan of 1/27/05 After PEG	6,243	6,242	6,242	6,242	6,242

Admin. for Children Services

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	6,242	612,310	599,489	600,414	600,414	600,414
Expenditure Increases / Reestimates						
Increased Costs for Department of Education Specialized Schools Increase in funding for care and maintenance costs of non-foster care children who are placed by the Department of Education into institutional settings due to special needs.	-	6,809	3,809	3,809	3,809	3,809
Foster Care Provider Rate Enhancement Rates for foster care providers will be enhanced to ensure better outcomes for children in care.	-	3,500	7,000	7,000	7,000	7,000
Preventive Services Enhancement An increase in funding for preventive programs will provide additional family support services to reduce child abuse and neglect.	-	-	4,690	4,690	4,690	4,690
Aftercare Services New aftercare support services for families with children leaving foster care will stablize them and help prevent return to care.	-	-	4,690	4,690	4,690	4,690
Foster Care Rightsizing Savings The Department's plan to review appropriate	-	-	(23,094)	(23,094)	(23,094)	(23,094)

* As of 6/30/06

Admin. for Children Services

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
placement of children will reduce reliance on congregate facilities in favor of enhanced therapeutic family-based settings.						
Collective Bargaining Increase for Intra-City Agreements	-	164	164	164	164	164
Collective Bargaining Increase for Daycare Contract Employees Collective bargaining increase for L1707 workers.	-	21,189	20,540	20,540	20,540	20,540
Contract Foster Care Re-estimate Additional Savings Projected savings estimated from decline in foster care caseload, which is projected to reach 17,000 by Fiscal Year 2006.	-	-	(23,430)	(23,430)	(23,430)	(23,430)
Child Care Realignment Transfers child care funding between ACS and HRA to reflect higher proportion of public assistance children in daycare.	-	(20,975)	(23,175)	(23,175)	(23,175)	(23,175)
State Budget 04-05 Adjustments Adjustments to reflect state budget changes in Title XX, EAF and the Foster Care Block Grant.	-	(4,400)	(4,400)	(4,400)	(4,400)	(4,400)

* As of 6/30/06

Admin. for Children Services

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
Out-of-School Time Implementation Schedule Transfers funds from DYCD to ACS to reflect implementation date of Out-of-School Time contracts.	-	17,633	-	-	-	-
Riverdale Neigborhood House	-	5	-	-	-	-
Heat, Light and Power Heat, light and power adjustment.	-	293	293	293	293	293
Child Care Fee Restoration Restores funding to elimiate projected increase in parent fees for child care services.	-	-	1,900	1,900	1,900	1,900
Foster Care Rate Restoration Restores a planned 5 percent reduction to foster care provider rates.	-	-	11,856	11,856	11,856	11,856
Restore Low Priority Child Care Restores funding for low priority child care slots.	-	-	9,006	9,006	9,006	9,006
Substance Abuse Restoration Restores funding for substance abuse services for foster care youth.	-	-	5,016	5,016	5,016	5,016

* As of 6/30/06

Admin. for Children Services

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
Preventive Services Restoration Restores funding reduction in contracted services to prevent child abuse and neglect.	-	-	7,862	7,862	7,862	7,862
Independent Living Restoration Restores funding for independent living services to youth in foster care.	-	-	500	500	500	500
Financial Plan of 1/27/05 Before PEG Implementation	6,242	636,528	602,716	603,641	603,641	603,641
PEG PROGRAM	-	(17,572)	(34,734)	(34,734)	(34,734)	(34,734)
Financial Plan of 1/27/05 after PEG	6,242	618,956	567,982	568,907	568,907	568,907

* As of 6/30/06

Admin. for Children Services

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Contract Foster Care Re-estimate Projected savings estimated from decline in foster care caseload, which is projected to reach 17,000 by Fiscal Year 2006.	-	(17,572)	(34,734)	(34,734)	(34,734)	(34,734)
Total Agency Program	-	(17,572)	(34,734)	(34,734)	(34,734)	(34,734)

* As of 6/30/06

AGENCY FIVE YEAR SUMMARY

Department of Social Services

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	4,989,608	5,018,417	5,118,558	5,307,880	5,307,880
Expenditure Increases / Reestimates	171,267	306,986	468,929	663,849	1,099,319
Financial Plan of 1/27/05 Before PEG	5,160,875	5,325,403	5,587,487	5,971,729	6,407,199
PEG Program	(10,000)	(16,229)	(15,353)	(15,353)	(15,353)
Financial Plan of 1/27/05 After PEG	5,150,875	5,309,174	5,572,134	5,956,376	6,391,846

City Funded Headcount					
Baseline Per Financial Plan - 10/21/04	11,287	11,353	11,393	11,393	11,393
Expenditure Increases / Reestimates	(20)	(20)	(20)	(20)	(20)
Financial Plan of 1/27/05 After PEG	11,267	11,333	11,373	11,373	11,373

Department of Social Services

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	11,353	4,989,608	5,018,417	5,118,558	5,307,880	5,307,880
Expenditure Increases / Reestimates						
Medicaid Reestimate	-	152,722	284,553	446,496	641,416	1,076,886
Intra-City Technical Adjustment Transfers funds between HRA and DHS; DHS will submit claims for State and federal revenue for domestic violence victims directly.	-	(3,186)	(3,186)	(3,186)	(3,186)	(3,186)
Early Intervention Revenue Maximization Transfer of funds between DOHMH and HRA for expanded initiative to claim Medicaid and third party insurance.	-	-	1,197	1,197	1,197	1,197
Collective Bargaining Increase for Intra-City Agreements	-	118	118	118	118	118
Child Care Realignment Transfers child care funding between ACS and HRA to reflect higher proportion of public assistance children in daycare.	-	20,975	23,150	23,150	23,150	23,150
State Budget 04-05 Adjustments Adjustments to reflect state budget changes in Title XX, EAF and Foster Care Block Grant.	-	(200)	(200)	(200)	(200)	(200)
Administrative Revenue Adjustment Adjust intra-city funding for the Mayor's Office of Domestic Violence.	-	270	270	270	270	270

* As of 6/30/06

Department of Social Services

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
Protective Services Adjustment Aligns funding and headcount for Adult Protective Services program.	(28)	-	-	-	-	-
Funding Transfer Transfers baseline employment funding from DYCD back to HRA.	-	411	980	980	980	980
Council Member Items 105	-	53	-	-	-	-
Budget Mods Positions from 11/01/04 to 11/30/04.	8	-	-	-	-	-
Heat, Light and Power	-	91	91	91	91	91
Fuel Adjustment	-	13	13	13	13	13
Financial Plan of 1/27/05 Before PEG Implementation	11,333	5,160,875	5,325,403	5,587,487	5,971,729	6,407,199
PEG PROGRAM	-	(10,000)	(16,229)	(15,353)	(15,353)	(15,353)
Financial Plan of 1/27/05 after PEG	11,333	5,150,875	5,309,174	5,572,134	5,956,376	6,391,846

* As of 6/30/06

Department of Social Services

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Medicaid for Prisoner Hospital Costs Savings associated with claiming Medicaid for eligible prisoners' inpatient stays.	-	-	(5,600)	(5,600)	(5,600)	(5,600)
Expand Medicare Part B Enrollment Additional Medicaid clients identified for enrollment in Medicare Part B insurance will produce savings.	-	-	(2,629)	(1,753)	(1,753)	(1,753)
Public Assistance Re-estimate Projected savings estimated from decline in public assistance caseload, assumes an average caseload of 437,371 persons in Fiscal Year 2006.	-	(10,000)	(8,000)	(8,000)	(8,000)	(8,000)
Total Agency Program	-	(10,000)	(16,229)	(15,353)	(15,353)	(15,353)

* As of 6/30/06

Dept. of Homeless Services

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	306,181	290,078	293,335	294,222	294,222
Expenditure Increases / Reestimates	3,258	4,211	3,278	3,278	3,278
Financial Plan of 1/27/05 Before PEG	309,439	294,289	296,613	297,500	297,500
PEG Program	(11,500)	(7,500)	(6,276)	(6,276)	(6,276)
Financial Plan of 1/27/05 After PEG	297,939	286,789	290,337	291,224	291,224

City Funded Headcount					
Baseline Per Financial Plan - 10/21/04	2,256	2,288	2,288	2,288	2,288
Financial Plan of 1/27/05 After PEG	2,256	2,288	2,288	2,288	2,288

Dept. of Homeless Services

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	2,288	306,181	290,078	293,335	294,222	294,222
Expenditure Increases / Reestimates						
MIS Development Funding for Client Tracking and Rehousing Systems development.	-	-	933	-	-	-
Intra-City Technical Adjustment Transfers funds between HRA and DHS; DHS will submit claims for State and federal revenue for domestic violence victims directly.	-	3,186	3,186	3,186	3,186	3,186
Council Member Items	-	(20)	-	-	-	-
Heat, Light and Power Adjustment	-	71	71	71	71	71
Fuel Adjustment	-	22	22	22	22	22
Financial Plan of 1/27/05 Before PEG Implementation	2,288	309,440	294,290	296,614	297,501	297,501
PEG PROGRAM	-	(11,500)	(7,500)	(6,276)	(6,276)	(6,276)
Financial Plan of 1/27/05 after PEG	2,288	297,940	286,790	290,338	291,225	291,225

* As of 6/30/06

Dept. of Homeless Services

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Elimination of Overnight Placements An expedited application process for families will produce savings from the elimination of overnight placements.	-	-	-	(4,619)	(4,619)	(4,619)
Additional Reimbursement for Family Shelters Increased State and federal revenue for family shelters due to earlier than anticipated increases in public assistance enrollment.	-	(11,500)	(7,500)	-	-	-
Reduction in Family Shelter Debt Service Savings from the expiration of debt service payments for contracted facilities in the family shelter system.	-	-	-	(1,657)	(1,657)	(1,657)
Total Agency Program	-	(11,500)	(7,500)	(6,276)	(6,276)	(6,276)

* As of 6/30/06

AGENCY FIVE YEAR SUMMARY

Department for the Aging

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	92,506	70,573	70,573	70,573	70,573
Expenditure Increases / Reestimates	3,648	5,382	5,382	5,382	5,382
Financial Plan of 1/27/05 Before PEG	96,154	75,955	75,955	75,955	75,955
PEG Program	-	(4,235)	(4,235)	(4,235)	(4,235)
Financial Plan of 1/27/05 After PEG	96,154	71,720	71,720	71,720	71,720

City Funded Headcount	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	15	15	15	15	15
Expenditure Increases / Reestimates	100	78	78	78	78
Financial Plan of 1/27/05 After PEG	115	93	93	93	93

Department for the Aging

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	15	92,506	70,573	70,573	70,573	70,573
Expenditure Increases / Reestimates						
State Budget 04-05 Adjustments Adjustments to reflect state budget changes in Title XX, EAF and Foster Care Block Grant.	-	3,600	3,600	3,600	3,600	3,600
Headcount Adjustment Adjustment to reflect accurate City and grant funded headcount.	78	-	-	-	-	-
Value Analysis Study Funding for management study to improve the efficiency of the Senior Citizen Rent Increase Exemption Program (SCRIE).	-	60	-	-	-	-
City Council Member Items	-	(157)	-	-	-	-
Heat, Light and Power Adjustment	-	144	144	144	144	144
Restoration of Information & Referral Contracts Restoration of funding for Information & Referral contracts.	-	-	1,637	1,637	1,637	1,637
Financial Plan of 1/27/05 Before PEG Implementation	93	96,153	75,954	75,954	75,954	75,954

* As of 6/30/06

Department for the Aging

Description	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
PEG PROGRAM	-	-	(4,235)	(4,235)	(4,235)	(4,235)
Financial Plan of 1/27/05 after PEG	93	96,153	71,719	71,719	71,719	71,719

* As of 6/30/06

Department for the Aging

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Funding for Senior Services Reduces funding for miscellaneous services including meals, transportation, and case assistance.	-	-	(2,462)	(2,462)	(2,462)	(2,462)
Discretionary Reduction Eliminates funding for miscellaneous contracted programs.	-	-	(1,772)	(1,772)	(1,772)	(1,772)
Total Agency Program	-	-	(4,234)	(4,234)	(4,234)	(4,234)

* As of 6/30/06

Dept Health & Mental Hygiene

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	597,342	576,758	585,618	586,487	586,487
Expenditure Increases / Reestimates	(12,210)	(6,463)	(9,308)	(4,729)	(27)
Financial Plan of 1/27/05 Before PEG	585,132	570,295	576,310	581,758	586,460
PEG Program	(8,734)	(15,904)	(15,904)	(15,904)	(15,904)
Less Amount Reflected in Revenue Budget	1,200	3,200	3,200	3,200	3,200
Financial Plan of 1/27/05 After PEG	577,598	557,591	563,606	569,054	573,756

City Funded Headcount	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	2,789	3,179	3,168	3,183	3,183
Expenditure Increases / Reestimates	(26)	(25)	(7)	15	20
PEG Program	(31)	(84)	(84)	(84)	(84)
Financial Plan of 1/27/05 After PEG	2,732	3,070	3,077	3,114	3,119

Dept Health & Mental Hygiene

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	3,179	597,342	576,758	585,618	586,487	586,487
Expenditure Increases / Reestimates						
Early Intervention Revenue Maximization Staff A new Revenue Maximization unit will investigate and reclaim denied Medicaid and insurance claims. This initiative also baselines funding for Facilitated Enrollers already in place.	4	1,000	1,187	1,187	1,187	1,187
Golden Apple Quality Improvement Program The Department will institute an incentive program to increase restaurants' compliance with the NYC heath codes.	30	1,765	1,739	1,739	1,739	1,739
Management Information Systems Support This initiative provides funding for the on-going support of the Electronic Death Registration System and other DOHMH systems and for the Department's high speed data transmission usage.	-	1,227	1,453	1,549	1,549	1,549
Preventable Disease Initiatives This initiative provides baseline funds for successful programs such as colonoscopy testing and smoking cessation initiatives which have previously been funded with one-time grants and underspending in other programs.	-	1,221	1,221	1,221	1,221	1,221

* As of 6/30/06

Dept Health & Mental Hygiene

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
Epidemiology & Vital Records Baseline Provides funding to maintain the Department's programs that assess Citywide and Community health conditions and monitor the effectiveness of health programs.	-	855	855	855	855	855
Agencywide Program Enhancements Includes a number of initiatives to enhance Department services and operations, including the expansion of rapid HIV testing in STD clinics and additional funds for lab operations.	-	1,506	1,948	1,948	1,948	1,948
Funds to Offset Loss of State and Federal Grants This initiative reflects funds to offset reductions in State and Federal grants for Tuberculosis and the West Nile Virus programs.	-	130	1,217	1,217	1,217	1,217
Increased funding for School Nurses Additional funding to restore nurses in non-public schools and to ensure adequate funds for the School Health Program.	-	1,195	4,695	5,195	5,695	6,195
Correctional Health Cost Increases This reflects increased staffing and	-	9,256	9,256	10,781	10,781	10,781

* As of 6/30/06

Dept Health & Mental Hygiene

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
equipment costs for contracted correctional health services.						
HIV/AIDS Prevention for Communities of Color Provides baseline funding of $5 million for HIV/AIDS prevention and education in communities of color that are most affected.	-	-	3,200	3,200	3,200	3,200
Early Intervention Revenue Maximization Transfer of funds between DOHMH and HRA for expanded initiative to claim Medicaid and third party insurance.	-	-	(1,197)	(1,197)	(1,197)	(1,197)
Early Intervention Re-estimate Re-estimate of Early Intervention expenses reflects a decline in the projected annual rate of growth from 7.5% to 2% in 2005 and 3% in the out years. It also reflects increased Medicaid revenue as a result of improved reimbursement activities.	-	(32,665)	(34,526)	(39,491)	(35,412)	(31,211)
Collective Bargaining Increase for Intra-City Agreements	-	1,759	1,759	1,759	1,759	1,759
Transfer from Department of Education for Vision and Hearing Screening Summer School Initiative	-	192	-	-	-	-

* As of 6/30/06

Dept Health & Mental Hygiene

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
Transfer OCME Surplus for WTC Related Costs A transfer of surplus personnel funds to finance a number of contracts related to identification and storage of World Trade Center victims' remains.	(59)	-	-	-	-	-
City Council Member Items	-	(381)	-	-	-	-
Heat, Light and Power Heat, light and power adjustment.	-	696	696	696	696	696
Fuel Fuel adjustment	-	14	14	14	14	14
Gasoline Gasoline adjustment	-	19	19	19	19	19
Financial Plan of 1/27/05 Before PEG Implementation	3,154	585,131	570,294	576,310	581,758	586,459
PEG PROGRAM	(84)	(8,734)	(15,904)	(15,904)	(15,904)	(15,904)

* As of 6/30/06

Dept Health & Mental Hygiene

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Less Amount Reflected in the Revenue Budget	-	1,200	3,200	3,200	3,200	3,200
Financial Plan of 1/27/05 after PEG	3,070	577,597	557,590	563,606	569,054	573,755

* As of 6/30/06

Dept Health & Mental Hygiene

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
OCME DNA Building Surplus Delay in the construction of the DNA Building will result in personnel surpluses for 2005 and 2006. This initiative also permanently reduces planned staffing for the building, which is scheduled to open in November 2006.	(84)	(1,101)	(3,103)	(3,103)	(3,103)	(3,103)
Administrative Efficiencies This initiative represents administrative reductions and agencywide efficiencies including a reforecast of expenses for NYPD in-custody hospitalization and an anticipated reduction in maintenance costs due to capital investments.	-	-	(1,013)	(1,013)	(1,013)	(1,013)
Early Intervention Revenue Maximization The Department will generate additional revenue through a new Revenue Maximization Unit's efforts to retroactively claim for Medicaid and insurance denials and also reforecasts revenue received for program administration.	-	(6,865)	(9,739)	(9,739)	(9,739)	(9,739)
Additional Revenue from Pest Control Fees and Administrative Tribunal Fines	-	(768)	(2,048)	(2,048)	(2,048)	(2,048)

* As of 6/30/06

Dept Health & Mental Hygiene

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM The Department projects additional revenue from Pest Control Fees and Administrative Tribunal Fines.						
Total Agency Program	(84)	(8,734)	(15,903)	(15,903)	(15,903)	(15,903)

* As of 6/30/06

Housing Preservation & Dev.

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	110,423	93,823	91,356	91,356	91,356
Expenditure Increases / Reestimates	5,574	8,747	8,774	8,774	8,774
Financial Plan of 1/27/05 Before PEG	115,997	102,570	100,130	100,130	100,130
PEG Program	(19,250)	(7,500)	(7,500)	(7,500)	(7,500)
Less Amount Reflected in Revenue Budget	19,250	4,600	4,600	4,600	4,600
Financial Plan of 1/27/05 After PEG	115,997	99,670	97,230	97,230	97,230

City Funded Headcount					
Baseline Per Financial Plan - 10/21/04	855	855	855	855	855
Expenditure Increases / Reestimates	117	117	117	117	117
Financial Plan of 1/27/05 After PEG	972	972	972	972	972

Housing Preservation & Dev.

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	855	110,423	93,823	91,356	91,356	91,356
Expenditure Increases / Reestimates						
Personnel - Mitchell Lama The Department of Housing Preservation & Development requires additional personnel due to the increasing workload within the Mitchell-Lama program.	10	168	471	498	498	498
Section 8 Ineligibles Swap Changes in Federal guidelines required the transfer of 106 employees previously funded with Federal Section 8 funds to tax levy.	106	5,244	5,244	5,244	5,244	5,244
Fringe Benefit Funding Shift The Department of Housing Preservation & Development received City tax levy in exchange for Federal funds to fund fringe benefits for eligible employees.	-	-	2,900	2,900	2,900	2,900
Conversion of TSD Consultant The Department of Housing Preservation & Development converted one information systems consultant to a full-time position.	1	55	55	55	55	55
Council Member Items Council Member Items	-	30	-	-	-	-
Heat, Light and Power Heat, light and power adjustment.	-	77	77	77	77	77

* As of 6/30/06

Housing Preservation & Dev.

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
Financial Plan of 1/27/05 Before PEG Implementation	972	115,997	102,570	100,130	100,130	100,130
PEG PROGRAM	-	(19,250)	(7,500)	(7,500)	(7,500)	(7,500)
Less Amount Reflected in the Revenue Budget	-	19,250	4,600	4,600	4,600	4,600
Financial Plan of 1/27/05 after PEG	972	115,997	99,670	97,230	97,230	97,230

* As of 6/30/06

Housing Preservation & Dev.

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Increased Revenue from Section 421-a Fees The Department of Housing Preservation and Development will collect additional Section 421-a fees in excess of FY 2005 revenues.	-	(3,300)	(1,000)	(1,000)	(1,000)	(1,000)
Manhattan Plaza Retroactive Taxes The Department of Housing Preservation and Development successfully pursued the collection of an outstanding commercial real property tax liability at Manhattan Plaza, a Mitchell-Lama development.	-	(13,600)	-	-	-	-
Manhattan Plaza Commercial Real Estate Taxes - Ongoing Due to the success of the Housing Preservation Department's efforts to collect real property taxes from Manhattan Plaza, ongoing tax payments to the City will be resumed.	-	(1,750)	(3,600)	(3,600)	(3,600)	(3,600)
Additional Revenues from Trust and Agency Review The Department of Housing Preservation and Development has collected additional revenues as a result of a review of Trust and Agency accounts.	-	(600)	-	-	-	-

* As of 6/30/06

Housing Preservation & Dev.

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Fringe Benefit Funding Shift The Department of Housing Preservation & Development utilized Federal funds to fund the fringe benefits of eligible employees to create tax levy savings.	-	-	(2,900)	(2,900)	(2,900)	(2,900)
Total Agency Program	-	(19,250)	(7,500)	(7,500)	(7,500)	(7,500)

* As of 6/30/06

Department of Buildings

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	59,411	53,747	51,977	51,856	51,856
Expenditure Increases / Reestimates	6,935	6,744	7,610	6,444	4,879
Financial Plan of 1/27/05 Before PEG	66,346	60,491	59,587	58,300	56,735
Financial Plan of 1/27/05 After PEG	66,346	60,491	59,587	58,300	56,735

City Funded Headcount	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	892	877	835	835	835
Expenditure Increases / Reestimates	40	95	102	102	60
Financial Plan of 1/27/05 After PEG	932	972	937	937	895

Department of Buildings

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	877	59,411	53,747	51,977	51,856	51,856
Expenditure Increases / Reestimates						
Offsite Storage and Retrievals Contract for offsite storage and retrieval of vital and archival records and plans.	-	185	185	185	185	185
Licensing Testing Services Funding for the administration of exams by a private contractor for Department of Buildings site safety managers, elevator agency directors and private elevator inspectors.	-	75	75	75	75	75
Credit Card Merchant Fees The Department of Buildings requires additional funding to offset merchant fees incurred by the agency resulting from credit card transactions made by the public for the payment of fees.	-	70	70	70	70	70
QA Contract for Private Elevator Inspections Based on the terms of a new private elevator inspection contract, the Department of Buildings is required to fund a Quality Assurance vendor to monitor private elevator companies' performance.	-	400	400	400	200	-
Scanning and Indexing Various Documents The Department of Buildings requires	-	100	100	100	100	100

* As of 6/30/06

Department of Buildings

Description	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
additional funding to scan and index Environmental Control Board violations, Certificates of Occupancy, and other documents. These efforts will make the documents more accessible to the general public.						
DoITT Telecommunications Increase The Department of Buildings requires funding for increased telecom expenses.	-	590	-	-	-	-
Bureau of Electrical Control -Technical Support Services Additional funding for the provision of technical support services to rectify problems with the Department of Building's Bureau of Electrical Control billing system.	-	100	-	-	-	-
Training Certifications for Inspectors The Department of Buildings will train inspectors in all units to ensure that they are current and knowledgeable in inspection procedures and understand when and how to cite violations. Training will also assist inspectors in obtaining appropriate professional certification.	-	50	100	100	100	100

* As of 6/30/06

Department of Buildings

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
Technical Adujstments Additional two years of funding for Department of Buildings inspection and administrative staff in the areas of Construction Permit Staffing, Code Violation Staffing and IBC Staffing, beginning January 2006.	35	-	952	2,317	1,365	-
BIS Enhancement Staffing Funding of technical support needs associated with enhancements to the Department of Buildings information system.	8	370	680	680	680	680
Plan Exam Notification System The Department of Buildings requires clerical support in each borough for the Plan Exam Notification System to handle referrals from 311, the monitoring of no-show and late applicants, and the scheduling of non-standard appointments.	10	200	325	325	325	325
Industrial Retention (Zoning) Inspections The Department of Buildings will hire two inspectors to increase the monitoring, identification and inspection of illegal conversions of industrial properties to residential uses.	2	70	125	125	125	125

* As of 6/30/06

Department of Buildings

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
Short Term Application Processing Resources The Department of Buildings requires temporary staffing to support clericals in the agency's borough offices and central inspection units.	-	500	-	-	-	-
Plan Examination Staffing Due to sustained increases in the number of applications filed annually, the Department of Buildings will hire additional plan examiners to increase service levels to the public and to overhaul the professional certification process.	25	390	1,430	1,413	1,413	1,413
Excavation and Residential Sweep Inspections The Department of Buildings will perform inspections of excavations for new construction of small buildings citywide. The Department requires funding for ten inspectors and two clerical staff to process notifications of excavations and enter inspection results.	12	190	603	590	590	590
Training Academy Staffing Funding will be provided to the Department of Buildings for implementation and staffing of its Training Academy. The Academy will	2	-	115	115	115	115

* As of 6/30/06

Department of Buildings

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
provide a structured framework of classes for inspectors, plan examiners, and other departmental staff.						
Garment Center Enforcement DOB requests an additional analyst to manage enforcement of garment center zoning requirements.	1	38	68	68	68	68
IT Infrastructure Projects DOB requests funding for software and hardware upgrades, licenses, and maintenance for various IT infrastructure projects.	-	1,771	577	533	533	533
IT Scheduled Non-Infrastructure Projects DOB requests funding for hardware and software purchase, licensing and maintenance for various scheduled non-infrastructure IT projects.	-	370	111	98	84	84
eFiling DOB requests funds to implement the eFiling initiative, designed to facilitate filing plan documents via the internet.	-	1,087	311	-	-	-
Recruitment Advertising To meet steadily increasing workload needs in	-	150	100	-	-	-

* As of 6/30/06

Department of Buildings

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
recent years, the Department of Buildings will advertise for open inspector and plan examination positions.						
Lease Space Expansion - 11 Park Place To accommodate agency growth resulting from increased construction activity, the Department of Buildings will expand the office space currently occupied by the department personnel.	-	38	150	150	150	150
Training Academy Courses Funding will be provided to the Department of Buildings for the provision of courses at its Training Academy. The courses will focus on training inspectors, plan examiners, and other departmental staff to improve their technical, administrative and professional skills.	-	-	75	75	75	75
Heat, Light and Power Heat, light and power adjustment.	-	192	192	192	192	192
Financial Plan of 1/27/05 Before PEG Implementation	972	66,347	60,491	59,588	58,301	56,736
Financial Plan of 1/27/05 after PEG	972	66,347	60,491	59,588	58,301	56,736

* As of 6/30/06

Dept of Environmental Prot.

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	719,394	693,939	692,389	692,389	692,389
Expenditure Increases / Reestimates	3,216	4,716	4,716	4,716	4,716
Financial Plan of 1/27/05 Before PEG	722,610	698,655	697,105	697,105	697,105
PEG Program	(1,413)	(1,150)	(1,150)	(1,150)	(1,150)
Less Amount Reflected in Revenue Budget	1,650	1,419	1,419	1,419	1,419
Financial Plan of 1/27/05 After PEG	722,847	698,924	697,374	697,374	697,374

City Funded Headcount					
Baseline Per Financial Plan - 10/21/04	296	296	296	296	296
PEG Program	5	5	5	5	5
Financial Plan of 1/27/05 After PEG	301	301	301	301	301

Dept of Environmental Prot.

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	296	719,394	693,939	692,389	692,389	692,389
Expenditure Increases / Reestimates						
Heat, Light and Power Adjustment	-	2,791	2,791	2,791	2,791	2,791
Fuel Adjustment	-	1,762	1,762	1,762	1,762	1,762
Gasoline Adjustment	-	162	162	162	162	162
Lease Costs Adjustment	-	(1,500)	-	-	-	-
Financial Plan of 1/27/05 Before PEG Implementation	296	722,609	698,654	697,104	697,104	697,104
PEG PROGRAM	5	(1,413)	(1,150)	(1,150)	(1,150)	(1,150)
Less Amount Reflected in the Revenue Budget	-	1,650	1,419	1,419	1,419	1,419
Financial Plan of 1/27/05 after PEG	301	722,846	698,923	697,373	697,373	697,373

* As of 6/30/06

Dept of Environmental Prot.

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Increase in Environmental Control Board (ECB) Fine Revenue The Department of Environmental Protection anticipates increased revenue collections from ECB fines. This revenue is offset by the costs of five additional positions and various other expenditures.	5	(163)	(1,000)	(1,000)	(1,000)	(1,000)
Additional Watershed Forest Timber Sales Revenue The Department of Environmental Protection will collect additional revenue from timber sales.	-	(50)	(50)	(50)	(50)	(50)
Additional Rental Revenue from Easements and Permit Fees The Department of Environmental Protection projects additional annual revenue for rental income.	-	(600)	(100)	(100)	(100)	(100)
Additional One-Time Miscellaneous Collection The Department of Environmental Protection	-	(600)	-	-	-	-

* As of 6/30/06

Dept of Environmental Prot.

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM has collected additional miscellaneous revenues from utility payments, tax refunds and other unplanned payments.						
Total Agency Program	5	(1,413)	(1,150)	(1,150)	(1,150)	(1,150)

* As of 6/30/06

Department of Finance

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	191,620	189,326	190,559	190,628	190,628
Expenditure Increases / Reestimates	10,209	6,171	6,171	6,171	6,171
Financial Plan of 1/27/05 Before PEG	201,829	195,497	196,730	196,799	196,799
PEG Program	(18,084)	(3,600)	-	-	-
Less Amount Reflected in Revenue Budget	17,795	3,600	-	-	-
Financial Plan of 1/27/05 After PEG	201,540	195,497	196,730	196,799	196,799

City Funded Headcount	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	2,248	2,248	2,248	2,248	2,248
Expenditure Increases / Reestimates	(1)	(1)	(1)	(1)	(1)
Financial Plan of 1/27/05 After PEG	2,247	2,247	2,247	2,247	2,247

Department of Finance

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	2,248	191,620	189,326	190,559	190,628	190,628
Expenditure Increases / Reestimates						
New York City Consolidated Services Project (NYCServ) Additional funds are required to maintain the New York City Consolidated Services (NYCServ) system.	-	9,636	6,000	6,000	6,000	6,000
Transfer of Clerical Support Position The Department of Finance will transfer one office machine aide to the Department of Investigation.	(1)	(11)	(21)	(21)	(21)	(21)
Heat, Light and Power Heat, light and power adjustment.	-	192	192	192	192	192
Lease Adjustment Lease adjustment.	-	392	-	-	-	-
Financial Plan of 1/27/05 Before PEG Implementation	2,247	201,829	195,497	196,730	196,799	196,799
PEG PROGRAM	-	(18,084)	(3,600)	-	-	-

* As of 6/30/06

Department of Finance

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Less Amount Reflected in the Revenue Budget	-	17,795	3,600	-	-	-
Financial Plan of 1/27/05 after PEG	2,247	201,540	195,497	196,730	196,799	196,799

* As of 6/30/06

Department of Finance

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Tax Compliance Initiative - Audit Revenue from Audits of Cash Businesses The Audit Division within the Department of Finance will undertake a new initiative to increase tax compliance for cash businesses which will generate additional audit revenue.	-	(2,000)	(3,000)	-	-	-
Audit Enhancement - New York City Personal Income Tax Collections A new audit initiative will generate additional revenue by focusing on income from flow-through entities like S-Corporations and unincorporated businesses to enhance collections of the New York City Personal Income Tax.	-	(250)	(500)	-	-	-
Register Small Hotel Operators The Department of Finance will offer small hotel operators the opportunity to settle open periods in return for registering with the Department of Finance.	-	(150)	(100)	-	-	-
NYS Reimbursement for the purchase of Laptops for the Tax Enforcement Metro Unit New York State Department of Taxation & Finance will reimburse New York City for laptop computers utilized by the Department of Finance Tax Enforcement Metro Unit.	-	(95)	-	-	-	-

* As of 6/30/06

Department of Finance

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Enhanced Collections of City Register Fees The Department of Finance will collect additional revenue due to an increase in activity for real estate transactions.	-	(15,300)	-	-	-	-
25 Elm Place Funding - Prepayment Final payment for leased space at 25 Elm Place was in FY'04. Therefore, the FY'05 funding for this purpose is no longer needed.	-	(289)	-	-	-	-
Total Agency Program	-	(18,084)	(3,600)	-	-	-

* As of 6/30/06

Department of Transportation

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	316,260	316,908	317,578	317,578	317,578
Expenditure Increases / Reestimates	6,280	4,799	4,894	4,894	4,894
Financial Plan of 1/27/05 Before PEG	322,540	321,707	322,472	322,472	322,472
PEG Program	(22,509)	(13,220)	(4,135)	(4,135)	(4,135)
Less Amount Reflected in Revenue Budget	10,905	5,875	5,875	5,875	5,875
Financial Plan of 1/27/05 After PEG	310,936	314,362	324,212	324,212	324,212

City Funded Headcount					
Baseline Per Financial Plan - 10/21/04	2,147	2,188	2,188	2,188	2,188
Expenditure Increases / Reestimates	20	38	38	38	38
PEG Program	(32)	(64)	22	22	22
Financial Plan of 1/27/05 After PEG	2,135	2,162	2,248	2,248	2,248

Department of Transportation

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	2,188	316,260	316,908	317,578	317,578	317,578
Expenditure Increases / Reestimates						
Additional DOT Drug & Alcohol Testing DOT will require additional funds for agency-wide drug and alcohol testing.	-	200	200	200	200	200
Additional Overtime Required for Republican National Convention DOT requires additional funds to cover overtime incurred during the Republican National Convention.	-	531	-	-	-	-
Headcount Adjustment Converting Contractual Part-Time to Full-Time Positions A technical headcount adjustment is needed to correctly reflect 64 temporary positions that have been converted to civil service status.	64	-	-	-	-	-
Building Systems Operation at the Whitehall Ferry Terminal DOT will require additional funding and positions to operate the boiler, HVAC, and the sprinkler systems at the newly renovated Whitehall Ferry Terminal	4	100	215	215	215	215
New Ferryboat 3rd new ferryboat (Spirit of America) crew requirements	14	-	840	840	840	840

* As of 6/30/06

Department of Transportation

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
Explosives Detection Canines for Ferry Security DOT will require additional funds to cover the additional Explosive Detection Canine Team expenses for Staten Island Ferry operations needed in FY05 during MARSEC level II.	-	1,500	-	-	-	-
Maritime Security Level II Guards for Ferry Terminals DOT requires funds to cover additonal guard service needed at the Staten Island Ferry Terminals due to Marsec II security level in FY05.	-	325	-	-	-	-
Guard Service for St. George Ferry Terminal DOT requires funds to cover additonal guard service needed at the Staten Island St. George Ferry Terminal until the camera surveillance monitoring room is ready.	-	373	-	-	-	-
Streetlight Maintenance Contract DOT will require funds to cover the increased cost of the new streetlight maintenance contract. The cost of the contract increased due to the higher cost of steel, salaries of the union employees and additional supply requirements.	-	1,603	1,782	1,782	1,782	1,782

* As of 6/30/06

Department of Transportation

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
DOT Mobile Telecommunications Franchises Department of Information Technology and Telecommunications will lease space on traffic and street light poles to mobile communications companies for the provision of wireless services. DOT's staffing expenses associated with this initiative will be offset by the lease revenue.	6	97	205	300	300	300
Queensborough Bridge 197A Design Project	-	(5)	-	-	-	-
Budget Mod Positions from 10/01/04 to 10/31/04	(50)	-	-	-	-	-
Heat, Light and Power Heat, light and power adjustment.	-	498	498	498	498	498
Fuel Fuel adjustment	-	(23)	(23)	(23)	(23)	(23)
Gasoline Gasoline adjustment	-	1,082	1,082	1,082	1,082	1,082
Financial Plan of 1/27/05 Before PEG Implementation	2,226	322,541	321,707	322,472	322,472	322,472

* As of 6/30/06

Department of Transportation

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM	(64)	(22,509)	(13,220)	(4,135)	(4,135)	(4,135)
Less Amount Reflected in the Revenue Budget	-	10,905	5,875	5,875	5,875	5,875
Financial Plan of 1/27/05 after PEG	2,162	310,937	314,362	324,212	324,212	324,212

* As of 6/30/06

Department of Transportation

Description	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
PEG PROGRAM						
Additional Electrical Transformer Revenue DOT anticipates collecting additional revenue from Con Edison electrical transformers as a result of a new revocable consent agreement.	-	(1,745)	(1,802)	(1,802)	(1,802)	(1,802)
Increased Parking Card Sales The Department of Transportation anticipates additional revenue attributable to an increase in parking card sales. Additional staff will be needed to maintain revenue and process these card requests.	22	(2,377)	(873)	(923)	(923)	(923)
Lease of Certain DOT Assets The Department of Transportation will earn one-time revenue from the lease of certain assets to private investors.	-	(4,000)	-	-	-	-
Additional Revenue from Revocable Consents DOT will realize additional revenue from various revocable consent agreements.	-	(410)	(410)	(410)	(410)	(410)
Increase of Minimum Payment for Bus Stop Shelters The Department of Transportation has extended the Bus Stop Shelter franchise agreement. The agreement increases the guaranteed minimum quarterly payment and is retroactive to January 1, 2004.	-	(1,250)	(1,000)	(1,000)	(1,000)	(1,000)

* As of 6/30/06

Department of Transportation

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
State Multi Modal Funding Reimbursement DOT will replace City funds with Multimodal revenue received for Bulkhead Reconstruction at Shad Creek Road, Queens.	-	(465)	-	-	-	-
State CHIPS funds for Highways, Traffic & Bridge Infrastructure Rehabilitation DOT will replace City funds with State funds for design & rehabilitation of infrastructure (arterial fencing & guardrails, traffic signs, signals & parking meters, and bridge structures) that serves a roadway purpose, and has a life of ten years.	(86)	(6,078)	(8,636)	-	-	-
Williamsburg Bridge Transit Authority (TA) Payment DOT will use a one time payment from the Transit Authority for work done under the Williamsburg contract #6 to replace City funds.	-	(4,000)	-	-	-	-
Additional State Funds For Ferries (FY05) DOT expects to receive additonal State subsidy for operation and maintenance of ferryboats.	-	(648)	-	-	-	-
Additional Federal Funding for Ferry Maintenance	-	(500)	(500)	-	-	-

* As of 6/30/06

Department of Transportation

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
DOT will replace City funds with Federal funding it has received for maintaining ferry assets purchased with Federal funds.						
State MassTransit Operating Assistance for Ferries DOT has received additional State subsidy from NYS Mass Operating Assistance Fund.	-	(1,036)	-	-	-	-
Total Agency Program	(64)	(22,509)	(13,221)	(4,135)	(4,135)	(4,135)

* As of 6/30/06

AGENCY FIVE YEAR SUMMARY

Dept of Parks and Recreation

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	201,277	191,157	191,157	185,157	185,157
Expenditure Increases / Reestimates	3,546	2,416	2,416	2,416	2,416
Financial Plan of 1/27/05 Before PEG	204,823	193,573	193,573	187,573	187,573
PEG Program	(8,344)	(11,807)	(3,843)	(1,990)	(1,990)
Less Amount Reflected in Revenue Budget	5,990	8,840	1,990	1,990	1,990
Financial Plan of 1/27/05 After PEG	202,469	190,606	191,720	187,573	187,573

City Funded Headcount	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	1,524	1,524	1,524	1,494	1,494
Expenditure Increases / Reestimates	35	34	34	34	34
Financial Plan of 1/27/05 After PEG	1,559	1,558	1,558	1,528	1,528

Dept of Parks and Recreation

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	1,524	201,277	191,157	191,157	185,157	185,157
Expenditure Increases / Reestimates						
Central Park Conservancy - City Match to Concession Revenue Parks is contractually obligated to subsidize the CPC 50% of annual net concession revenue above $6 million for the prior year.	-	1,670	-	-	-	-
East 54th Street Recreation Center New Need The East 54th Street Recreation Center had been closed for renovations since June 2001. Parks is requesting expense funding for the operation and maintenance of the center.	22	498	747	747	747	747
Fort Totten Site As a result of the new land acquisition, Parks is requesting maintenance and operations staffing, PEP officers, vehicles and equipment to improve and maintain the 50 acre surrounding grounds and landmark designated building at Fort Totten.	12	177	500	500	500	500
Louis Howard Latimer Fund Louis Howard Latimer Fund - City Council Member Item	-	3	-	-	-	-
Heat, Light and Power Heat, light and power adjustment.	-	334	334	334	334	334

* As of 6/30/06

Dept of Parks and Recreation

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
Fuel Fuel adjustment	-	242	242	242	242	242
Gasoline Gasoline adjustment	-	595	595	595	595	595
Lease Adjustment Lease adjustment.	-	26	-	-	-	-
Financial Plan of 1/27/05 Before PEG Implementation	1,558	204,822	193,575	193,575	187,575	187,575
PEG PROGRAM	-	(8,344)	(11,807)	(3,843)	(1,990)	(1,990)
Less Amount Reflected in the Revenue Budget	-	5,990	8,840	1,990	1,990	1,990
Financial Plan of 1/27/05 after PEG	1,558	202,468	190,608	191,722	187,575	187,575

* As of 6/30/06

Dept of Parks and Recreation

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
<u>**Asian Long-Horned Beetle Program Delayed Implementation**</u> Savings due to a delay in the implementation of the Asian Long-Horned Beetle Program to collect and chip uninfested wood waste with in-house forces.	-	(850)	-	-	-	-
<u>**Asian Longhorned Beetle - Federal Funding Switch**</u> Parks received Federal funding for their Waste Management Contract which allows for a reduction in city tax levy funding for the collection and chipping of uninfested wood waste.	-	(406)	-	-	-	-
<u>**Asian Longhorned Beetle Vehicle Lease Savings**</u> The Department will realize expense savings from purchasing vehicles through the capital and expense budget.	-	-	(797)	(1,103)	-	-
<u>**Increase Stadia Parking Fee**</u> The Department of Parks and Recreation anticipates generating additional revenue by increasing the parking fee at Yankee and Shea Stadiums.	-	(300)	(800)	(800)	(800)	(800)
<u>**Triborough Bridge and Tunnel Authority Payment (Randall's Island)**</u>	-	(3,000)	(3,000)	-	-	-

* As of 6/30/06

Dept of Parks and Recreation

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Triborough Bridge and Tunnel Authority will compensate the Department of Parks and Recreation for on-going construction work underway on and around Randall's Island.						
Yankee Stadium Security Fund The Department of Parks and Recreation will transfer into the General Fund parking revenue initially reserved in the Yankee Stadium Security Fund.	-	-	(1,000)	-	-	-
Concessions Baseline Change The Department of Parks and Recreation will earn additional concession revenue from various concessionaire agreements, re-bids, and new citywide revenue initiatives.	-	(1,690)	(1,190)	(1,190)	(1,190)	(1,190)
Stadia Rent The Department of Parks and Recreation anticipates collecting additional rent revenue from both the Yankees and Mets organizations. This revenue is the result of a Comptroller's audit of Yankee rent payments and an amendment to the Mets stadium lease.	-	(1,000)	(2,850)	-	-	-
Tree Restitution Funding Switch This one-time private funding is being used to offset city-tax levy operating expenses.	-	(598)	-	-	-	-

* As of 6/30/06

Dept of Parks and Recreation

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Washington Square Park Capital Funding Switch Washington Square Park Capital Funding Switch	-	(500)	(1,250)	(750)	-	-
Vehicle Lifecycle Replacement Delay The Parks Department was given funding to replace a fleet of approximately 1,000 vehicles that are over 10 years old, representing 38% of their fleet. The reduction in this OTPS item is a result of a delay in the replacement program.	-	-	(920)	-	-	-
Total Agency Program	-	(8,344)	(11,807)	(3,843)	(1,990)	(1,990)

* As of 6/30/06

AGENCY FIVE YEAR SUMMARY

Dept of Citywide Admin Srvces

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	156,157	155,647	155,647	155,757	155,757
Expenditure Increases / Reestimates	(8,720)	(10,906)	(10,076)	(10,076)	(10,018)
Financial Plan of 1/27/05 Before PEG	147,437	144,741	145,571	145,681	145,739
PEG Program	(14,060)	-	-	-	-
Less Amount Reflected in Revenue Budget	14,060	-	-	-	-
Financial Plan of 1/27/05 After PEG	147,437	144,741	145,571	145,681	145,739

City Funded Headcount					
Baseline Per Financial Plan - 10/21/04	1,144	1,143	1,143	1,143	1,143
Expenditure Increases / Reestimates	(20)	(20)	(20)	(20)	(20)
Financial Plan of 1/27/05 After PEG	1,124	1,123	1,123	1,123	1,123

Dept of Citywide Admin Srvces

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	1,143	156,157	155,647	155,647	155,757	155,757
Expenditure Increases / Reestimates						
Fifty Cent Per Hour Increase in Prevailing Rate for Uniform Security Guards The Comptroller's Office has increased the prevailing rate by $0.50 per hour for uniform security guards who work under a contract for the Division of Administration and Security, retroactive to July 1, 2004.	-	300	300	300	300	300
Firefighter Promotional Exam The firefighter promotional exam will be offered every eighteen months in order to meet the Fire Department's hiring needs.	1	89	99	42	42	99
Division of Citywide Personnel Services Investigations Unit Funding for two new positions to alleviate the increased workload and case backlog.	2	64	86	86	86	86
New York City Automated Personnel System (NYCAPS) OTPS Transfer Transfer OTPS funds to the Financial Information Services Agency to support the New York City Automated Personnel System (NYCAPS).	-	-	(2,236)	(2,236)	(2,236)	(2,236)
OATH Special Education Transfer Transfer of FY'05 funding for special	(24)	(3,185)	(3,185)	(3,185)	(3,185)	(3,185)

* As of 6/30/06

Dept of Citywide Admin Srvces

Description	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
education hearings to the Department of Education.						
Transfer Funds from Mayor's Office This initiative transfers funding for one person from the Voter Assistance Commission to DCAS.	1	25	42	42	42	42
Heat, Light and Power Heat, light and power adjustment.	-	(4,535)	(4,535)	(4,535)	(4,535)	(4,535)
Heat, Light and Power Heat, light and power adjustment.	-	(1,732)	(1,732)	(844)	(844)	(844)
Fuel Fuel adjustment	-	264	264	264	264	264
Gasoline Gasoline adjustment	-	(10)	(10)	(10)	(10)	(10)
Financial Plan of 1/27/05 Before PEG Implementation	1,123	147,437	144,740	145,571	145,681	145,738

* As of 6/30/06

Dept of Citywide Admin Srvces

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM	-	(14,060)	-	-	-	-
Less Amount Reflected in the Revenue Budget	-	14,060	-	-	-	-
Financial Plan of 1/27/05 after PEG	1,123	147,437	144,740	145,571	145,681	145,738

* As of 6/30/06

Dept of Citywide Admin Srvces

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Down Payment Property Sales The Division of Real Estate Services collected additional revenue due to the success of the July 2004 property auction.	-	(7,560)	-	-	-	-
Mortgage Settlement The Department of Citywide Administrative Services has collected additional revenue from a one-time mortgage settlement.	-	(6,500)	-	-	-	-
Total Agency Program	-	(14,060)	-	-	-	-

* As of 6/30/06

NY Public Library - Research

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	9,864	16,134	16,134	16,134	16,134
Expenditure Increases / Reestimates	623	84	84	84	84
Financial Plan of 1/27/05 Before PEG	10,487	16,218	16,218	16,218	16,218
PEG Program	(539)	(968)	(968)	(968)	(968)
Financial Plan of 1/27/05 After PEG	9,948	15,250	15,250	15,250	15,250

NY Public Library - Research

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	-	9,864	16,134	16,134	16,134	16,134
Expenditure Increases / Reestimates						
Pension Subsidy Adjustment to New York Research Library - Technical Adjustment Pension Subsidy Adjustment to New York Research Library - Funding for this initiative is located in the Pension Budget (095).	-	539	-	-	-	-
Heat, Light and Power Heat, light and power adjustment.	-	84	84	84	84	84
Financial Plan of 1/27/05 Before PEG Implementation	-	10,487	16,218	16,218	16,218	16,218
PEG PROGRAM	-	(539)	(968)	(968)	(968)	(968)
Financial Plan of 1/27/05 after PEG	-	9,948	15,250	15,250	15,250	15,250

* As of 6/30/06

NY Public Library - Research

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
New York Research Library Subsidy Reduction 6% reduction to FY06 base.	-	-	(968)	(968)	(968)	(968)
Pension Subsidy Adjustment to New York Research Library Pension Subsidy Adjustment to New York Research Library	-	(539)	-	-	-	-
Total Agency Program	-	(539)	(968)	(968)	(968)	(968)

* As of 6/30/06

New York Public Library

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	51,079	85,672	85,672	85,672	85,672
Expenditure Increases / Reestimates	3,013	197	197	197	197
Financial Plan of 1/27/05 Before PEG	54,092	85,869	85,869	85,869	85,869
PEG Program	(2,816)	(5,141)	(5,141)	(5,141)	(5,141)
Financial Plan of 1/27/05 After PEG	51,276	80,728	80,728	80,728	80,728

New York Public Library

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	-	51,079	85,672	85,672	85,672	85,672
Expenditure Increases / Reestimates						
Pension Subsidy Adjustment to New York Public Library - Technical Adjustment Pension Subsidy Adjustment to New York Public Library - Funding for this initiative is located in the Pension Budget (095).	-	2,816	-	-	-	-
Heat, Light and Power Heat, light and power adjustment.	-	197	197	197	197	197
Financial Plan of 1/27/05 Before PEG Implementation	-	54,092	85,869	85,869	85,869	85,869
PEG PROGRAM	-	(2,816)	(5,141)	(5,141)	(5,141)	(5,141)
Financial Plan of 1/27/05 after PEG	-	51,276	80,728	80,728	80,728	80,728

* As of 6/30/06

New York Public Library

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
New York Public Library Subsidy Reduction 6% reduction to FY 06 base budget	-	-	(5,141)	(5,141)	(5,141)	(5,141)
Pension Subsidy Adjustment to New York Public Library Pension Subsidy Adjustment to New York Public Library	-	(2,816)	-	-	-	-
Total Agency Program	-	(2,816)	(5,141)	(5,141)	(5,141)	(5,141)

* As of 6/30/06

Brooklyn Public Library

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	37,863	63,471	63,471	63,471	63,471
Expenditure Increases / Reestimates	2,245	158	158	158	158
Financial Plan of 1/27/05 Before PEG	40,108	63,629	63,629	63,629	63,629
PEG Program	(2,087)	(3,808)	(3,808)	(3,808)	(3,808)
Financial Plan of 1/27/05 After PEG	38,021	59,821	59,821	59,821	59,821

Brooklyn Public Library

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	-	37,863	63,471	63,471	63,471	63,471
Expenditure Increases / Reestimates						
Pension Subsidy Adjustment to Brooklyn Public Library - Technical Adjustment Pension Subsidy Adjustment to Brooklyn Public Library - Funding for this initiative is located in the Pension Budget (095).	-	2,087	-	-	-	-
Heat, Light and Power Heat, light and power adjustment.	-	158	158	158	158	158
Financial Plan of 1/27/05 Before PEG Implementation	-	40,108	63,629	63,629	63,629	63,629
PEG PROGRAM	-	(2,087)	(3,808)	(3,808)	(3,808)	(3,808)
Financial Plan of 1/27/05 after PEG	-	38,021	59,821	59,821	59,821	59,821

* As of 6/30/06

Brooklyn Public Library

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Brooklyn Public Library Subsidy Reduction 6% reduction to FY 06 base budget	-	-	(3,808)	(3,808)	(3,808)	(3,808)
Pension Subsidy Adjustment to Brooklyn Public Library Pension Subsidy Adjustment to Brooklyn Public Library	-	(2,087)	-	-	-	-
Total Agency Program	-	(2,087)	(3,808)	(3,808)	(3,808)	(3,808)

* As of 6/30/06

Queens Borough Public Library

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	35,960	59,915	59,915	59,915	59,915
Expenditure Increases / Reestimates	2,114	139	139	139	139
Financial Plan of 1/27/05 Before PEG	38,074	60,054	60,054	60,054	60,054
PEG Program	(1,976)	(3,595)	(3,595)	(3,595)	(3,595)
Financial Plan of 1/27/05 After PEG	36,098	56,459	56,459	56,459	56,459

Queens Borough Public Library

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	-	35,960	59,915	59,915	59,915	59,915
Expenditure Increases / Reestimates						
Pension Subsidy Adjustment to Queens Borough Public Library - Technical Adjustment Pension Subsidy Adjustment to Queens Borough Public Library - Funding for this initiative is located in the Pension Budget (095).	-	1,976	-	-	-	-
Heat, Light and Power Heat, light and power adjustment.	-	139	139	139	139	139
Financial Plan of 1/27/05 Before PEG Implementation	-	38,075	60,054	60,054	60,054	60,054
PEG PROGRAM	-	(1,976)	(3,595)	(3,595)	(3,595)	(3,595)
Financial Plan of 1/27/05 after PEG	-	36,099	56,459	56,459	56,459	56,459

* As of 6/30/06

Queens Borough Public Library

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Queens Public Library Subsidy Reduction 6% reduction to FY 06 base budget	-	-	(3,595)	(3,595)	(3,595)	(3,595)
Pension Subsidy Adjustment to Queens Borough Public Library Pension Subsidy Adjustment to Queens Borough Public Library	-	(1,976)	-	-	-	-
Total Agency Program	-	(1,976)	(3,595)	(3,595)	(3,595)	(3,595)

* As of 6/30/06

Department of Cultural Affairs

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	123,350	103,565	103,565	103,565	103,565
Expenditure Increases / Reestimates	3,175	3,296	3,296	3,296	3,296
Financial Plan of 1/27/05 Before PEG	126,525	106,861	106,861	106,861	106,861
PEG Program	(3,700)	(6,214)	(6,214)	(6,214)	(6,214)
Financial Plan of 1/27/05 After PEG	122,825	100,647	100,647	100,647	100,647

City Funded Headcount	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	32	32	32	32	32
Financial Plan of 1/27/05 After PEG	32	32	32	32	32

Department of Cultural Affairs

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	32	123,350	103,565	103,565	103,565	103,565
Expenditure Increases / Reestimates						
Additional Allocation to Cultural Institutions (CIGs) Additional allocation to Institutions.	-	2,000	2,000	2,000	2,000	2,000
Adjustment to Bronx Zoo Cogeneration Funding New Need for Bronx Zoo Cogeneration	-	627	627	627	627	627
City Council Member Items City Council Member Items	-	(121)	-	-	-	-
Heat, Light and Power Heat, light and power adjustment.	-	669	669	669	669	669
Financial Plan of 1/27/05 Before PEG Implementation	32	126,525	106,861	106,861	106,861	106,861
PEG PROGRAM	-	(3,700)	(6,214)	(6,214)	(6,214)	(6,214)
Financial Plan of 1/27/05 after PEG	32	122,825	100,647	100,647	100,647	100,647

* As of 6/30/06

Department of Cultural Affairs

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
Decrease to the Cultural Institutions (CIGs) Subsidy 6% reduction to FY06 base.	-	-	(5,479)	(5,479)	(5,479)	(5,479)
Reduction to the Cultural Program Grants 6% reduction to FY06 base.	-	-	(735)	(735)	(735)	(735)
Adjustment to Subsidy Requirements Adjustment to Subsidy Requirements	-	(3,700)	-	-	-	-
Total Agency Program	-	(3,700)	(6,214)	(6,214)	(6,214)	(6,214)

* As of 6/30/06

Dept. Small Business Services

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	33,563	27,994	24,386	24,386	24,386
Expenditure Increases / Reestimates	(1,956)	98	98	98	98
Financial Plan of 1/27/05 Before PEG	31,607	28,092	24,484	24,484	24,484
PEG Program	(3,100)	-	-	-	-
Less Amount Reflected in Revenue Budget	3,100	-	-	-	-
Financial Plan of 1/27/05 After PEG	31,607	28,092	24,484	24,484	24,484

City Funded Headcount	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	97	97	94	94	94
Expenditure Increases / Reestimates	3				
Financial Plan of 1/27/05 After PEG	100	97	94	94	94

Dept. Small Business Services

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	97	33,563	27,994	24,386	24,386	24,386
Expenditure Increases / Reestimates						
Empowerment Zone New Need Surplus Empowerment Zone funds from FY04 will be allocated to FY05.	-	200	-	-	-	-
Council member items	-	(2,254)	-	-	-	-
Heat, Light and Power Heat, light and power adjustment.	-	98	98	98	98	98
Financial Plan of 1/27/05 Before PEG Implementation	97	31,607	28,092	24,484	24,484	24,484
PEG PROGRAM	-	(3,100)	-	-	-	-
Less Amount Reflected in the Revenue Budget	-	3,100	-	-	-	-
Financial Plan of 1/27/05 after PEG	97	31,607	28,092	24,484	24,484	24,484

* As of 6/30/06

Dept. Small Business Services

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
SBS - Settlement of Theatre Row	-	(3,100)	-	-	-	-
Total Agency Program	-	(3,100)	-	-	-	-

* As of 6/30/06

Department of Education

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	5,499,427	5,530,795	5,602,611	5,604,950	5,604,950
Expenditure Increases / Reestimates	84,061	87,251	87,786	88,363	160,681
Financial Plan of 1/27/05 Before PEG	5,583,488	5,618,046	5,690,397	5,693,313	5,765,631
Financial Plan of 1/27/05 After PEG	5,583,488	5,618,046	5,690,397	5,693,313	5,765,631

City Funded Headcount	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	90,143P 8,111NP	90,066P 8,111NP	90,049P 8,111NP	90,049P 8,111NP	90,049P 8,111NP
Expenditure Increases / Reestimates	24NP	24NP	24NP	24NP	24NP
Financial Plan of 1/27/05 After PEG	90,143P 8,135NP	90,066P 8,135NP	90,049P 8,135NP	90,049P 8,135NP	90,049P 8,135NP

P = Pedagogical
NP = Non-Pedagogical

Department of Education

Baseline Per Financial Plan - 10/21/04	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
	90,066P 8,111NP	5,499,427	5,530,795	5,602,611	5,604,950	5,604,950
Expenditure Increases / Reestimates						
FY06 Jan Plan - FICA Re-estimate. FY06 Jan Plan - FICA Re-estimate.	-	18,028	18,028	18,028	18,028	7,631
FY06 Jan Plan - Health Insurance FY'06 Jan Plan - Health Insurance Re-estimate.	-	(9,736)	(9,736)	(9,736)	(9,736)	75,391
FY06 Jan Plan - Increment, Differential & Longevity FY06 Jan Plan - Increment, Differential & Longevity.	-	-	-	-	-	12,000
FY06 Jan Plan - In-State Contract Schools This inititative reflects an increase in cost to support In-State Contract Schools for FY'05 and outyears.	-	15,742	15,742	15,742	15,742	20,076
FY06 Jan Plan - Carter Cases This initiative reflects an increase in cost to support Carter Cases in FY'05 and outyears.	-	17,756	17,756	17,756	17,756	11,026
FY 06 Jan Plan - Out-State Contract Schools This initative reflects an increase in cost to support Out-State Contract Schools in FY'05 and outyears.	-	8,153	8,153	8,153	8,153	9,420

P = Pedagogical
NP = Non-Pedagogical

* As of 6/30/06

Department of Education

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
FY06 Jan Plan - Charter Schools This initiative reflects an increase in Charter Schools enrollment for FY'05 and outyears.	-	14,168	14,168	14,168	14,168	285
FY06 Jan Plan - SE Pre-K FY06 Jan Plan - SE Pre-K Re-estimate.	-	(4,111)	(4,111)	(4,111)	(4,111)	(4,111)
FY06 Jan Plan - Health Insurance FY06 Jan Plan - Health Insurance	-	927	6,377	6,913	7,490	8,089
Return of Impartial Hearing Office Funds from OATH This initiative returns the Impartial Hearing Office budget to the DOE from OATH because the transfer of this function has been delayed.	24NP	3,185	3,185	3,185	3,185	3,185
FY06 Jan Plan - Summer Vision Screening This initiative transfers funds to the Department of Health for the cost associated with the Summer Vision Screening program.	-	(246)	-	-	-	-
FY06 Jan Plan- Transfer from DOI - OTPS to Dept of Education IG This initiative transfers OTPS funds from Department of Investigation to DOE to the Office of Special Commissioner.	-	40	125	125	125	125

NP = Non-Pedagogical

* As of 6/30/06

Department of Education

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
FY06 Jan Plan Elimination of U/A 301 and 311 and Creation of U/A 401 This initiative reflects changes to the newly created u/a 401. DOE new u/a 401 General Instruction and School Leadership combines u/a 301, GE Elementary & Middle Schools PS funding with u/a 311 GE HS PS funding to more accurately reflect DOE allocation of funding to schools.	4P 7NP	-	-	-	-	-
FY06 Jan Plan Elimination of U/A 302 and 312 and Creation of U/A 402 This initiative reflects changes to the newly created u/a 402. DOE new u/a 402 General Instruction and School Leadership combines u/a 302, GE Elementary & Middle Schools OTPS funding with u/a 312 GE HSs to more acurately reflect DOE allocation of resources to schools.	-	-	170	170	170	170
FY06 Jan Plan Elimination of U/A 303 and 313 and Creation of U/A 403 This initiative reflects changes to the newly created u/a 403. DOE new u/a 403 Special Instruction and School Leadership combines u/a 303, District SE Instruction OTPS funding with u/a 313 SE HS OTPS funding to more	(334)P	-	(22,223)	(22,223)	(22,223)	(22,223)

P = Pedagogical
NP = Non-Pedagogical

* As of 6/30/06

Department of Education

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
accurately reflect DOE allocation of funding to schools.						
FY06 Jan plan - Elimination of U/A 304 and 314 and Creation of U/A 404. This initiative reflects changes to the newly created u/a 404. DOE new u/a 404 Special Instruction and School Leadership combines u/a 304, District SE Instruction OTPS funding with u/a 314 SE HS OTPS funding to more accurately reflect DOE allocation of funding to schools.	-	-	(712)	(712)	(712)	(712)
FY06 Jan Plan Elimination of U/A 315 and 327 and Creation of U/A 415 This initiative reflects changes to the newly created u/a 415. DOE new u/a 415, Regional and CW Instructional and Operational Administration combines the function of DOE u/a 315, Ten Learning Support Centers and Six Regional Offices with u/a 327 CW Administration & CSE.	(146)P 80NP	-	(13,454)	(13,454)	(13,454)	(13,454)
FY06 Jan Plan Elimination of U/A 316 and 328 and Creation of U/A 416 This initiative reflects changes to the newly ceated u/a 416. DOE new u/a 416, Regional &	-	-	10,216	10,216	10,216	10,216

P = Pedagogical
NP = Non-Pedagogical

* As of 6/30/06

Department of Education

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
CW Instructional and Operational Administration combines the function of DOE u/a 315, Ten Learning Support Centers & Six Regional Offices with u/a 328 CW Administration & CSE.						
FY06 Jan Plan New U/A 421 This initiative reflects changes to the newly created u/a 421. This new u/a 421 contains the PS budget for Citywide Special Education Instruction and School Leadership support.	91P (180)NP	-	(11,359)	(11,359)	(11,359)	(11,359)
FY06 Jan Plan New U/A 422 This initiative reflects changes to the newly created u/a 422. This new u/a 422 contains the OTPS budget for Citywide Special Education Instruction and School Leadership support.	-	-	(8,614)	(8,614)	(8,614)	(8,614)
FY06 Jan Plan - Elimination of U/A 323 and Creation of U/A 423 This initiative reflects changes to the newly created u/a 423. This new u/a 423, Special Education Instructional Support contains the PS budget for DOE's SBSTcentrally administered Related Services Programs for Elementary, Middle, High and Citywide schools.	334P	-	22,223	22,223	22,223	22,223

P = Pedagogical
NP = Non-Pedagogical

* As of 6/30/06

Department of Education

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
FY06 Jan Plan Elimination of U/A 324 and Creation of U/A 424 This initiative reflects changes to the newly created u/a 424. This new u/a 424, Special Education Instructional Support contains the PS budget for DOE's SBSTcentrally administered Related Services Programs for Elementary, Middle, High and Citywide schools.	-	-	(9,797)	(9,797)	(9,797)	(9,797)
FY06 Jan Plan Elimination of U/A 353 and Creation of U/A 453 This initiative reflects changes to the newly created u/a 453. This new u/a 453, Central Administration is a reclassification of DOE previous u/a 353.	51P 93NP	-	24,813	24,813	24,813	24,813
FY06 Jan Plan Elimination of U/A 354 and Creation of U/A 454 This initiative reflects changes to the newly created u/a 454. This new u/a 453, Central Administration is a reclassification of DOE previous u/a 354.	-	-	8,738	8,738	8,738	8,738
I.S. 201 PTA I.S. 201 PTA	-	5	-	-	-	-

P = Pedagogical
NP = Non-Pedagogical

* As of 6/30/06

Department of Education

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
Public School 312 PTA Public School 312 PTA	-	5	-	-	-	-
Ronald Edmonds Learning Center, Junior High School 113 Ronald Edmonds Learning Center, Junior High School 113	-	5	-	-	-	-
Grace Dodge Vocational High School Grace Dodge Vocational High School	-	4	-	-	-	-
Sound Business, Inc. at A. Philip Randolph High School Sound Business, Inc. at A. Philip Randolph High School	-	(5)	-	-	-	-
Alternative Scholarship Fund Alternative Scholarship Fund	-	3	-	-	-	-
Consortium of Worker Education Consortium of Worker Education	-	2,000	-	-	-	-
Henson Preparatory School Henson Preparatory School	-	(6)	-	-	-	-
Music Masters Music Masters	-	45	-	-	-	-

* As of 6/30/06

Department of Education

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
Institute for Student Achievement Institute for Student Achievement	-	178	-	-	-	-
Midori and Friends Midori and Friends	-	110	-	-	-	-
South Street Seaport Museum South Street Seaport Museum	-	250	-	-	-	-
Heat, Light and Power Heat, light and power adjustment.	-	12,562	12,562	12,562	12,562	12,562
Fuel Fuel adjustment	-	5,002	5,002	5,002	5,002	5,002
Financial Plan of 1/27/05 Before PEG Implementation	90,066P 8,135NP	5,583,491	5,618,047	5,690,399	5,693,315	5,765,632
Financial Plan of 1/27/05 after PEG	90,066P 8,135NP	5,583,491	5,618,047	5,690,399	5,693,315	5,765,632

P = Pedagogical
NP = Non-Pedagogical

* As of 6/30/06

AGENCY FIVE YEAR SUMMARY

City University

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	365,717	330,935	328,514	328,283	328,283
Expenditure Increases / Reestimates	1,324	1,376	1,391	1,407	1,423
Financial Plan of 1/27/05 Before PEG	367,041	332,311	329,905	329,690	329,706
Financial Plan of 1/27/05 After PEG	367,041	332,311	329,905	329,690	329,706

City Funded Headcount	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	2,450P 1,472NP	2,444P 1,454NP	2,444P 1,454NP	2,444P 1,454NP	2,444P 1,454NP
Expenditure Increases / Reestimates	250P 158NP	256P 180NP	256P 180NP	256P 180NP	256P 180NP
Financial Plan of 1/27/05 After PEG	2,700P 1,630NP	2,700P 1,634NP	2,700P 1,634NP	2,700P 1,634NP	2,700P 1,634NP

P = Pedagogical
NP = Non-Pedagogical

City University

Baseline Per Financial Plan - 10/21/04	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
	2,444P 1,454NP	365,717	330,935	328,514	328,283	328,283
Expenditure Increases / Reestimates						
Community College and Hunter Campus School Health Insurance Increase Health insurance increase for Community College and Hunter Campus School (3%).	-	-	180	195	211	228
Hunter Campus School Parent Coordinator The parent coordinator will help parents engage in school issues and respond to inquiries.	1NP	-	49	49	49	49
Hunter Campus School Library Books The library books will be revamped and upgraded to provide current and updated editions.	-	-	40	40	40	40
Hunter Campus School Security Personnels Provide funding for three security personnels.	3NP	-	105	105	105	105
Hunter Campus School Computers Upgrade and increase computer accessibility.	-	-	155	155	155	155
Community College and Hunter Campus School Headcount Adjustment Adjustment of full-time regular and pedagogical positions to reflect actual numbers.	256P 176NP	-	-	-	-	-

P = Pedagogical
NP = Non-Pedagogical

* As of 6/30/06

City University

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Expenditure Increases / Reestimates						
Community College - City Council Member Items Centro de Estudios Puertoriquenos (-13,000); Immigration Center (60,111); Creative Arts Team (305,000); Italian American Museum (50,000); Queensborough (75,000)	-	477	-	-	-	-
Heat, Light and Power Heat, light and power adjustment.	-	680	680	680	680	680
Fuel Fuel adjustment	-	167	167	167	167	167
Financial Plan of 1/27/05 Before PEG Implementation	2,700P 1,634NP	367,041	332,311	329,905	329,690	329,707
Financial Plan of 1/27/05 after PEG	2,700P 1,634NP	367,041	332,311	329,905	329,690	329,707

P = Pedagogical
NP = Non-Pedagogical

* As of 6/30/06

Health and Hospitals Corp.

City Funds ($ In Thousands)	2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	833,002	947,684	944,484	938,384	938,384
Expenditure Increases / Reestimates	164,951	(135,271)	24,240	16,973	5,802
Financial Plan of 1/27/05 Before PEG	997,953	812,413	968,724	955,357	944,186
PEG Program	(7,500)	(11,400)	(11,400)	(11,400)	(11,400)
Financial Plan of 1/27/05 After PEG	990,453	801,013	957,324	943,957	932,786

Health and Hospitals Corp.

	City Personnel*	City Funds ($ In Thousands)				
		2005	2006	2007	2008	2009
Baseline Per Financial Plan - 10/21/04	-	833,002	947,684	944,484	938,384	938,384
Expenditure Increases / Reestimates						
Medicaid Reestimate	-	15,000	16,000	28,000	25,000	18,500
Prepayment of HHC Subsidy	-	150,000	(150,000)	-	-	-
Coney Island Hospital-Ida Israel Clinic	-	25	-	-	-	-
HHC Debt Service/Subsidy Exchange Exchange operating subsidy for debt financing of Gouverneur DT&C and Kings County Behavioral Health Center construction.	-	(74)	(1,271)	(3,760)	(8,027)	(12,698)
Financial Plan of 1/27/05 Before PEG Implementation	-	997,953	812,413	968,724	955,357	944,186
PEG PROGRAM	-	(7,500)	(11,400)	(11,400)	(11,400)	(11,400)
Financial Plan of 1/27/05 after PEG	-	990,453	801,013	957,324	943,957	932,786

* As of 6/30/06

Health and Hospitals Corp.

Description	City Personnel*	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
PEG PROGRAM						
HHC City Subsidy Reduction Reduces City subsidy by the PEG targets.	-	(7,500)	(11,400)	(11,400)	(11,400)	(11,400)
Total Agency Program	-	(7,500)	(11,400)	(11,400)	(11,400)	(11,400)

* As of 6/30/06

Revenue Program

Description	City Funds ($ In Thousands)				
	2005	2006	2007	2008	2009
Tax Revenue					
The Comptroller's Office conducted audits of tax classifications of real property in Brooklyn and Queens. As a result, properties were reclassified and the correct property tax will be billed.	0	2,024	2,024	2,024	2,024
The Department of Housing Preservation and Development successfully pursued the collection of an outstanding commercial real property tax liability at Manhattan Plaza, a Mitchell-Lama development.	13,600	0	0	0	0
Due to the success of the Housing Preservation Department's efforts to collect real property taxes from Manhattan Plaza, ongoing tax payments to the City will be resumed.	1,750	3,600	3,600	3,600	3,600
New York State Department of Taxation & Finance will reimburse New York City for laptop computers utilized by the Department of Finance Tax Enforcement Metro Unit.	95	0	0	0	0
The Audit Division within the Department of Finance will undertake a new initiative to increase tax compliance for cash businesses which will generate additional audit revenue.	2,000	3,000	0	0	0
A new audit initiative will generate additional revenue by focusing on income from flow-through entities like S-Corporations and unincorporated businesses to enhance collections of the New York City Personal Income Tax.	250	500	0	0	0

Description	City Funds ($ In Thousands)				
	2005	**2006**	**2007**	**2008**	**2009**
Tax Revenue					
The Department of Finance will offer small hotel operators the opportunity to settle open periods in return for registering with the Department of Finance.	150	100	0	0	0
Sub Total: Tax Revenue	**17,845**	**9,224**	**5,624**	**5,624**	**5,624**

Description	City Funds ($ In Thousands)				
	2005	2006	2007	2008	2009
Miscellaneous Revenue					
Through the cooperative efforts of the Economic Development Corporation, the Department of Transportation, and the Mayor's Office, including the Office of Management and Budget, a parking garage and lot were sold to a private entity to encourage future development of the sites.	4,000	0	0	0	0
The City has selected a new vendor to provide procurement services to all city agencies. This will result in the release of funds held by the previous vendor.	137	0	0	0	0
The Loft Board will increase revenues through the addition of enforcement resources, coupled with a $50 increase in Loft Board registration fees.	185	218	178	0	0
The Mayor's Office of Midtown Enforcement recently launched an initiative to close down trademark and counterfeit goods distribution centers. Additional fine revenue will more than offset the Law Department's costs of preparing and handling the associated court cases.	185	90	0	0	0
The Borough President's office will explore opportunities to generate additional revenue.	688	1,082	0	0	0

Description	City Funds ($ In Thousands)				
	2005	2006	2007	2008	2009
Miscellaneous Revenue					
The Comptroller's Office will realize additional revenue from several audits and the release of excess funds held in Trust and Agency accounts.	1,242	1,750	600	600	600
The Law Department's Affirmative Litigation Division will collect various one-time settlement revenues and recurring revenues in the out-years from the Con Edision Right of Way settlement.	11,842	5,428	2,308	2,308	2,308
The Department of Investigation collected additional revenue resulting from an investigation of tax assessors.	17,597	0	0	0	0
The Police Department will realize additional revenue based on projected surcharge collection rates for 2005 and 2006.	1,260	1,260	0	0	0
The Police Department will generate additional revenue in 2005 and 2006 based on current staffing and tow productivity.	4,110	4,110	0	0	0
The Fire Department will collect additional revenue from the Tax on Insurance Premiums from foreign and alien insurers based on current activity.	3,984	3,984	3,984	3,984	3,984

Description	City Funds ($ In Thousands)				
	2005	2006	2007	2008	2009
Miscellaneous Revenue					
Based on current summons issuance levels and collection rates, the Fire Department will generate additional fine revenue. These fines are returnable to the the Environmental Control Board.	1,000	1,000	1,000	1,000	1,000
The Fire Department will collect additional revenue due to an increased demand for private fire alarms connected directly to the City's emergency response services system.	100	100	100	100	100
Based on an increase in Fire Prevention inspection activity, the Fire Department will generate additional fee revenue above its current plan.	1,000	1,000	1,000	1,000	1,000
Based on an increase in the number of haircuts given and a higher than anticipated collection rate, the Department of Correction will generate additional revenue from inmate haircuts.	100	100	100	100	100
The Department of Correction will bid out a concession to install and manage coin-operated lockers at visitor control centers.	0	50	50	50	50
The Department of Correction will bid out the commissary services on Riker's Island. This initiative will reduce both the current revenues and expenditures of the Department for these services.	0	(4,368)	(9,310)	(8,810)	(7,560)

Description	City Funds ($ In Thousands)				
	2005	2006	2007	2008	2009
Miscellaneous Revenue					
The additional residual proceeds from the restructuring of the FY 2005 Escrow Securitization Corporation bonds.	0	32,902	0	0	0
Additional funds resulting from the sale of STAR bonds in November 2004.	10,031	0	0	0	0
The Law Department has settled an outstanding mortgage which was held by the Department of Citywide Administrative Services and the Economic Development Corporation.	3,100	0	0	0	0
The Department of Housing Preservation and Development will collect additional Section 421-a fee revenue due to an increased number of applicants and an increased number of large developments.	3,300	1,000	1,000	1,000	1,000
The Department of Housing Preservation and Development has undertaken a review of Trust and Agency accounts and identified eligible funds that were subsequently released for deposit into the General Fund.	600	0	0	0	0
The Department of Health will generate additional revenue from pest control fees and administrative tribunal fines as a result of improved collections.	1,200	3,200	3,200	3,200	3,200

Description	City Funds ($ In Thousands)				
	2005	2006	2007	2008	2009
<u>Miscellaneous Revenue</u>					
The Department of Environmental Protection will receive increased revenue based on both improved fee collection procedures and increased property rental activity.	600	100	100	100	100
The Department of Environmental Protection will generate additional fine revenue from an increase in case processing and adjudications at the Environmental Control Board. This revenue will be offset by the costs of five additional positions and various other expenditures.	400	1,269	1,269	1,269	1,269
The Department of Environmental Protection will collect additional revenue from timber sales.	50	50	50	50	50
The Department of Environmental Protection has collected additional miscellaneous revenues from utility payments, tax refunds and other unplanned payments.	600	0	0	0	0
The Department of Sanitation will generate additional fine revenue from increased summons issuance from hiring 25 Sanitation Enforcement Agents. This revenue will be offset by the costs of hiring these additional agents.	1,100	2,787	2,787	2,787	2,787
The Department of Sanitation will collect additional revenue for the transportation of paper from the 59th Street Marine Transfer Station to Visy in Staten Island.	830	830	830	830	830

Description	City Funds ($ In Thousands)				
	2005	2006	2007	2008	2009
Miscellaneous Revenue					
The Department of Sanitation will generate additional revenue from various processors for the sale of recycled newspaper and recycled bulk materials.	1,800	800	800	800	900
The Department of Sanitation will collect additional revenue for paper transfers from the Brooklyn relay site to the Visy paper processing company.	225	300	300	300	300
The Business Integrity Commission will generate additional biennial revenue from renewal licenses for 50 companies and from registrations for 72 companies.	154	0	154	0	154
The Business Integrity Commission anticipates additional payments from audits of companies in the trade waste industry.	0	324	171	324	171
Due to an increase in activity for real estate transactions, the Department of Finance will collect additional revenue above the current plan.	15,300	0	0	0	0
The Department of Transportation will earn one-time revenue from the lease of certain assets to private investors.	4,000	0	0	0	0

Description	City Funds ($ In Thousands)				
	2005	2006	2007	2008	2009
Miscellaneous Revenue					
The Department of Transportation will realize additional revenue from various revocable consent agreements.	410	410	410	410	410
The Department of Transportation has extended the Bus Stop Shelter franchise agreement. The agreement increases the guaranteed minimum quarterly payment and is retroactive to January 1, 2004.	1,250	1,000	1,000	1,000	1,000
As a result of a new revocable consent agreement, the Department of Transportation will collect additional revenue from Con Edison electrical transformers.	2,045	2,102	2,102	2,102	2,102
The Department of Transportation will collect additional revenue attributable to an increase in the sale of parking cards. Additional staff will be needed to process these additional card requests.	3,200	2,363	2,363	2,363	2,363
The Department of Parks and Recreation will generate additional parking revenue by increasing the fee at Yankee and Shea Stadiums from $10 to $12.	300	800	800	800	800
Triborough Bridge and Tunnel Authority will compensate the Department of Parks and Recreation for on-going construction work underway on and around Randall's Island.	3,000	3,000	0	0	0

Description	City Funds ($ In Thousands)				
	2005	2006	2007	2008	2009
Miscellaneous Revenue					
The Department of Parks and Recreation will transfer parking revenue initially reserved for increased security costs during post-season games into the General Fund.	0	1,000	0	0	0
The Department of Parks and Recreation will earn additional concession revenue from various concessionaire agreements, re-bids, and new citywide revenue initiatives.	1,690	1,190	1,190	1,190	1,190
The Department of Parks and Recreation anticipates collecting additional rent revenue from both the Yankees and Mets organizations. This revenue is the result of a Comptroller's audit of Yankee rent payments and an amendment to the Mets stadium lease.	1,000	2,850	0	0	0
The Department of Citywide Administrative Services collected additional revenue due to the success of the July 2004 property auction.	7,560	0	0	0	0
The Department of Citywide Administrative Services has collected additional revenue from a one-time mortgage settlement.	6,500	0	0	0	0
The Department of Information Technology and Telecommunications will receive refund payments from its vendors as a result of on-going telecommunication audits.	1,400	0	0	0	0

Description	City Funds ($ In Thousands) 2005	2006	2007	2008	2009
Miscellaneous Revenue					
The Department of Information Technology and Telecommunications will receive a one-time refund in FY 2005 as the result of newly negotiated telecommunication rates.	1,125	0	0	0	0
The Department of Records and Information Services will generate additional revenue due to the implementation of e-payments for Vital Records and Tax Photo Sales.	117	183	183	183	183
Sub Total: Miscellaneous Revenue	**120,316**	**74,264**	**18,720**	**19,041**	**20,392**
Total Revenue Program	**138,161**	**83,489**	**24,344**	**24,665**	**26,016**