

**The City of New York**

**Michael R. Bloomberg, Mayor**

# **Budget Summary**

**Fiscal Years 2010 - 2014**

**Office of Management and Budget**

**Mark Page, Director**

**May 6, 2010**

# Financial Plan Summary

Fiscal Years 2010 - 2014

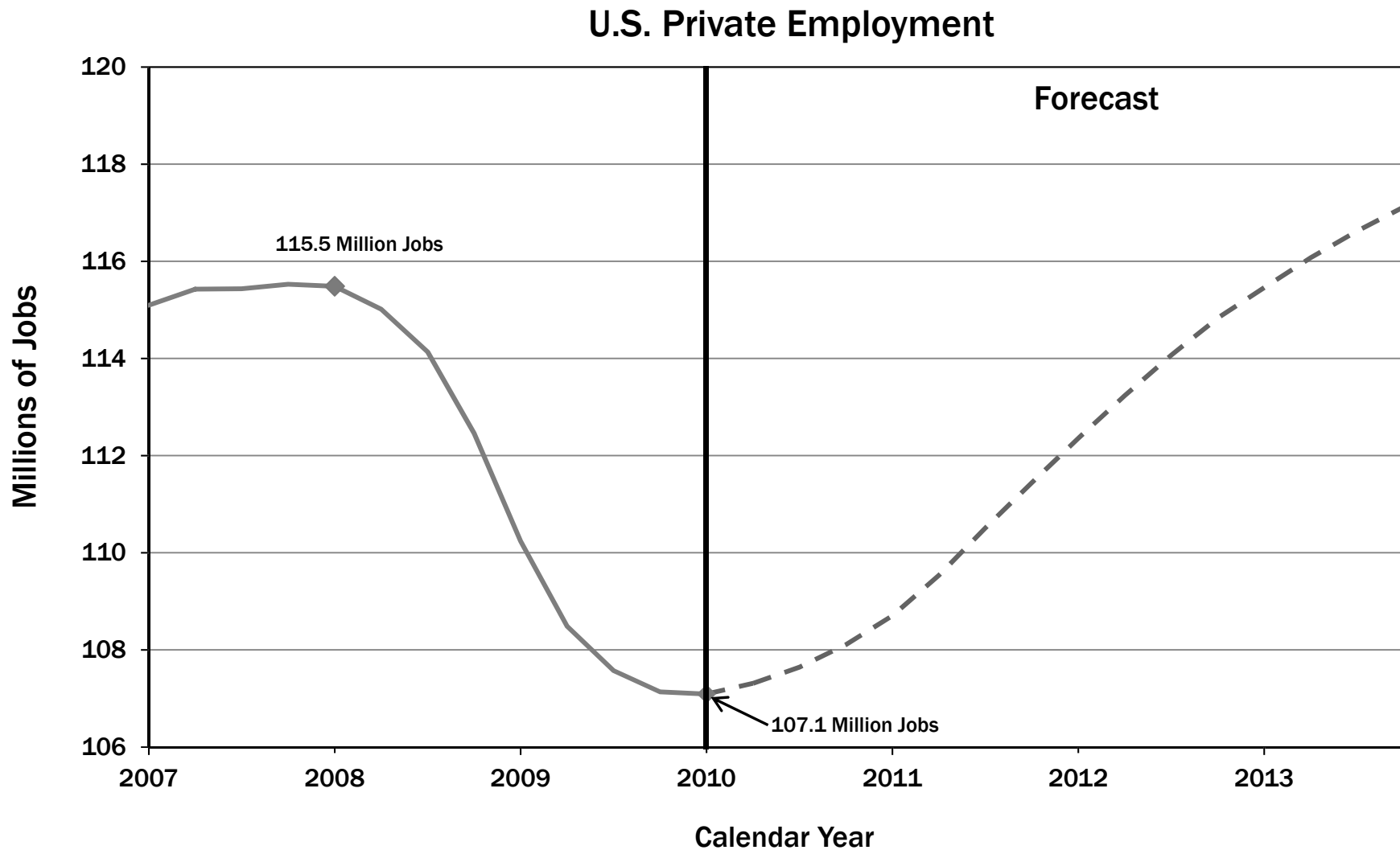
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# **I. Economic Update**

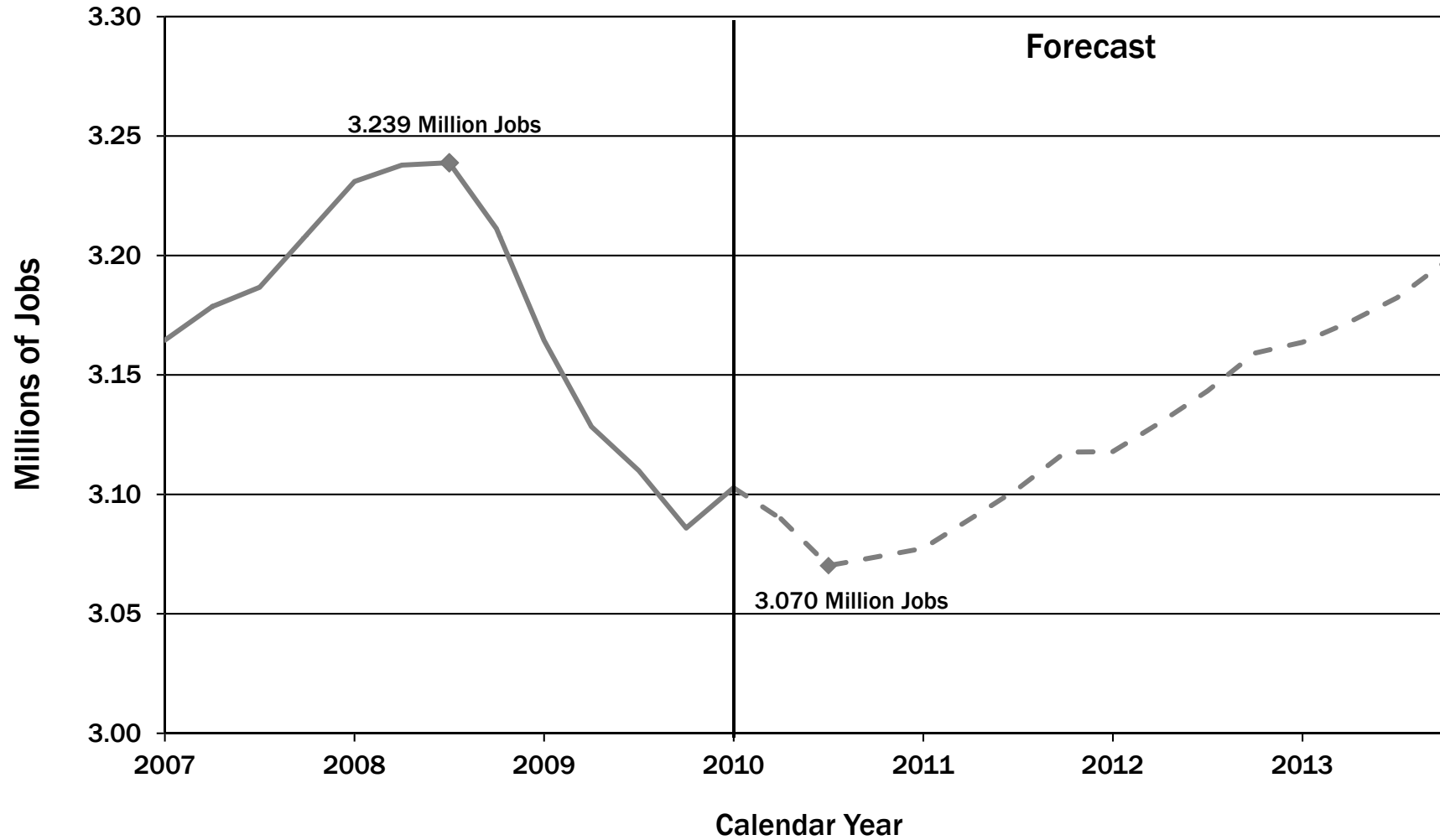
# U.S. Job Losses Are Forecast to Abate in Early 2010. However, it Is Forecast to Take Until 2013 to Regain the 8 Million Jobs Lost in the U.S. During the Recession



Source: U.S. Bureau of Labor Statistics, OMB

# The City Is Expected to Post Steady Employment Gains in the Second Half of 2010. However, the City Will Have Lost 169,000 Private Sector Jobs During the Recession

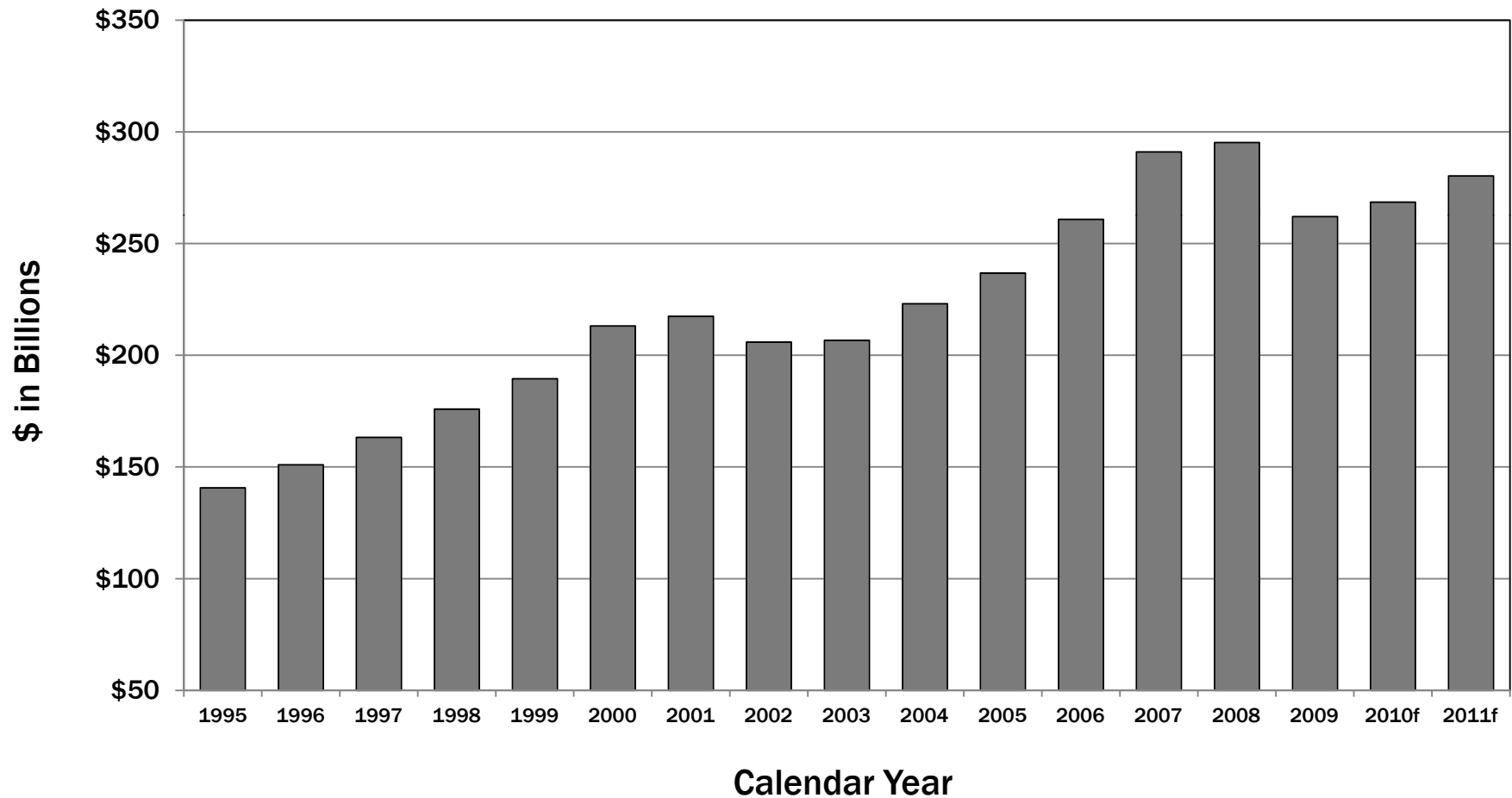
## NYC Private Employment



Source: NYS Department of Labor, OMB

# NYC Wage Earnings Begin to Recover in 2010, But Remain Below the Levels Reached in 2008

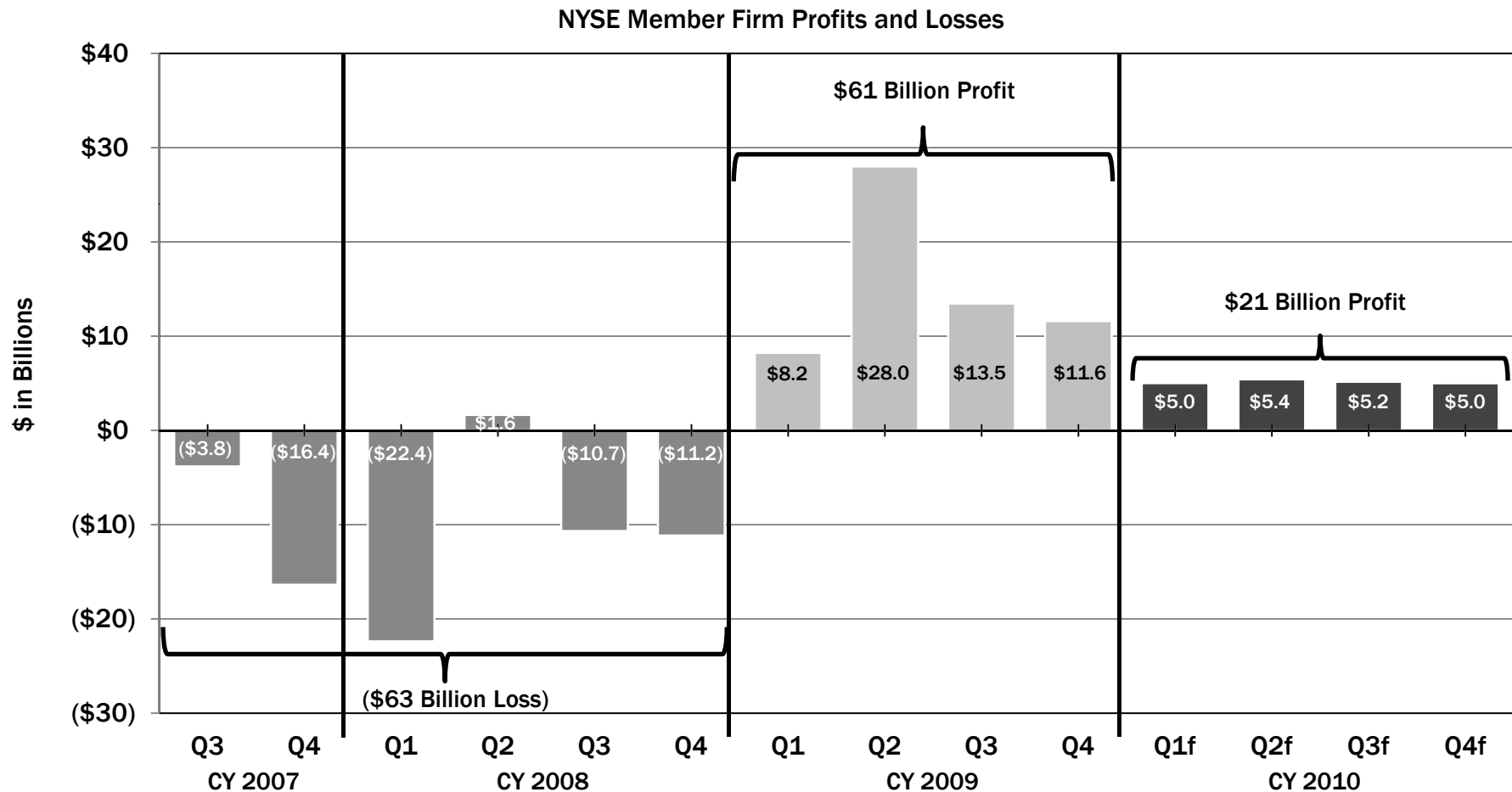
## NYC Wage Earnings



Source: NYS Department of Labor, OMB  
f = forecast

# Although Wall Street Posted Record Profits in 2009, These Profits Offset the Record Losses in 2007-2008

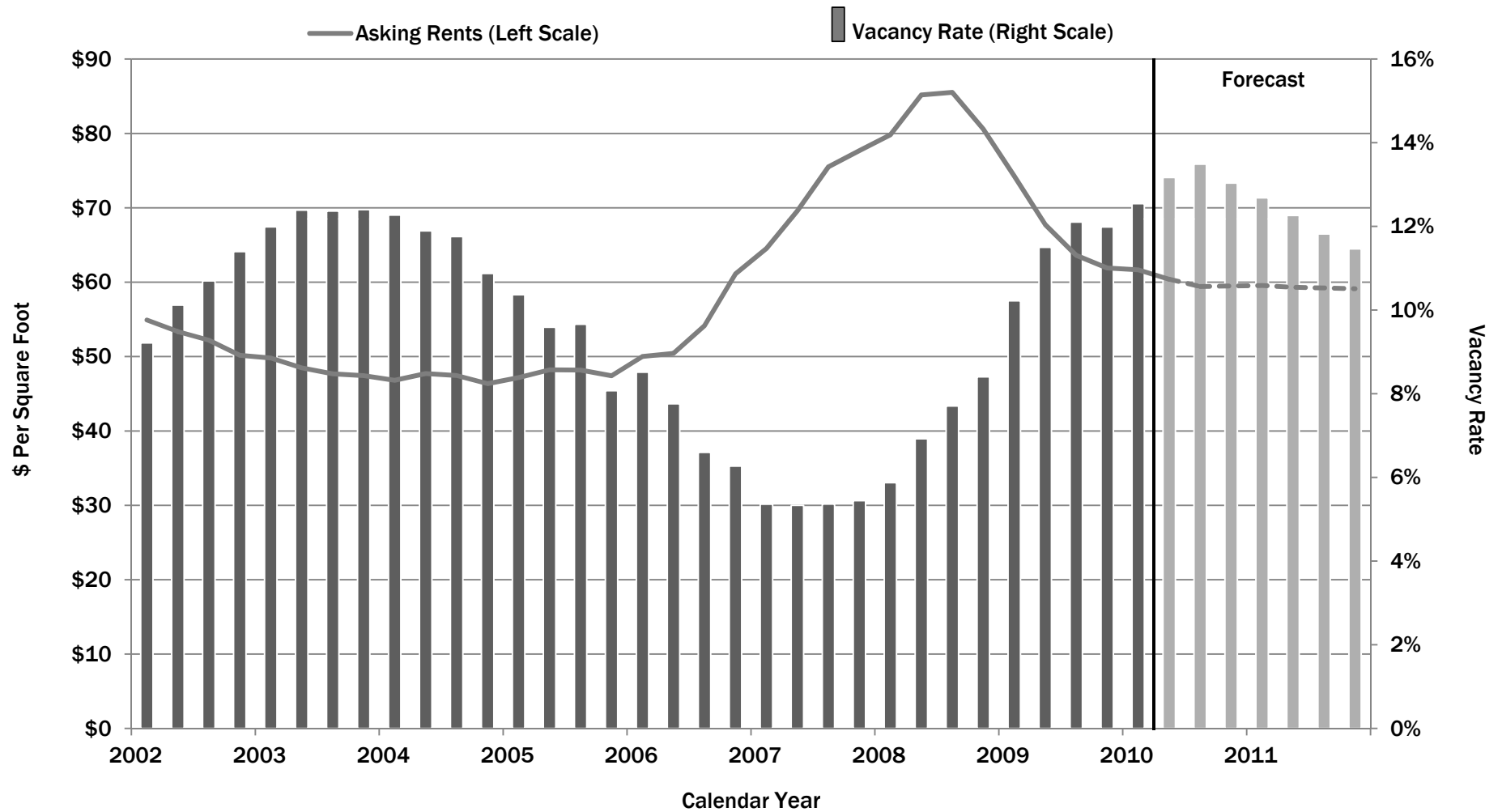
The Average Annual Profit 2007-2010 is \$7 Billion. The Last Time Profits Were Comparable Was 1993-1996. OUR FORECAST ASSUMES NO DETERIORATION IN THE TAX AND REGULATORY TREATMENT OF WALL STREET FIRMS



Source: NYSE, OMB  
f = forecast

# The City's Office Market Is Expected to Stabilize in 2011

In 2010, Vacancy Rates Are Forecast to Peak and Although Asking Rents Are Steady, They Remain Below 2008 Levels

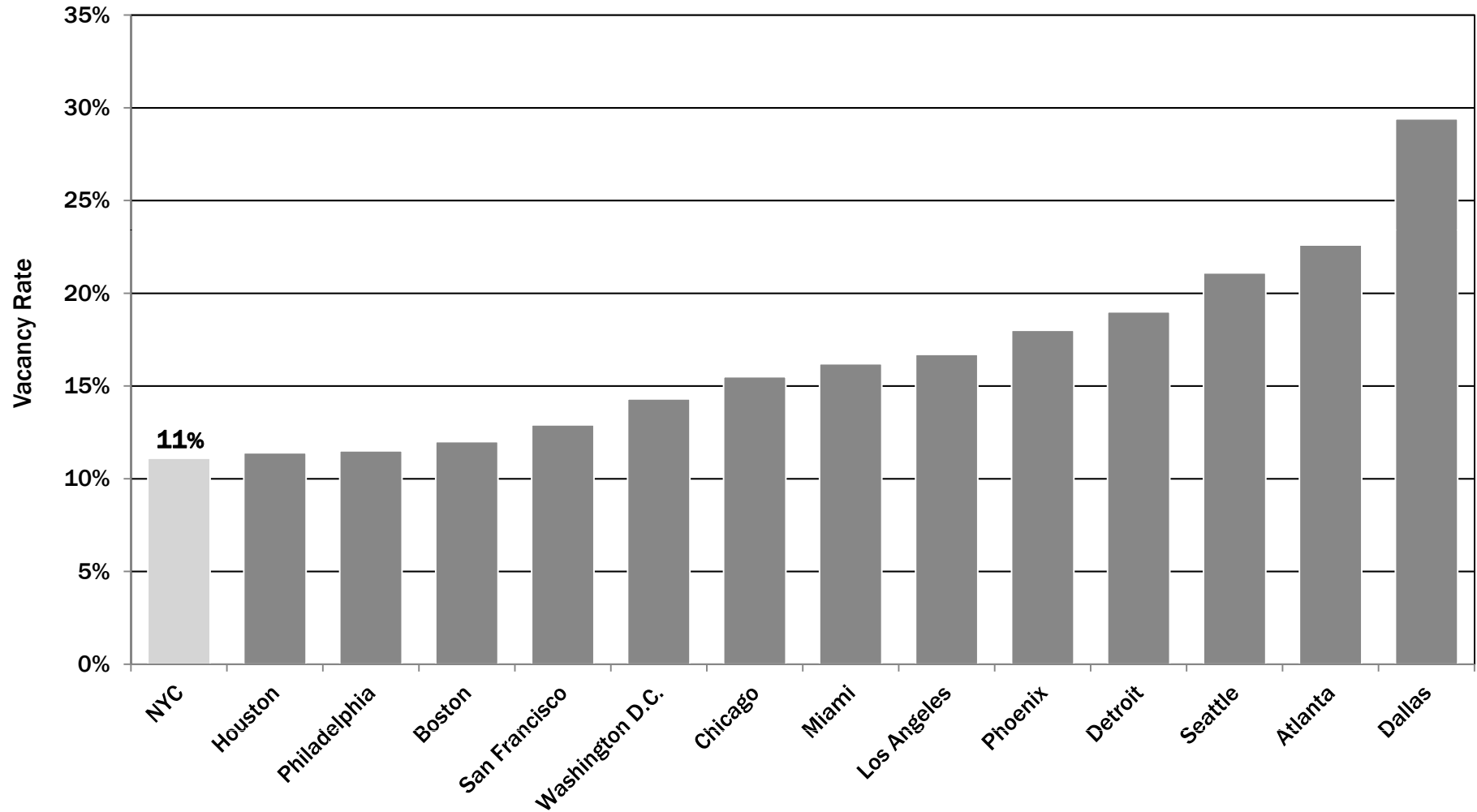


Source: Cushman & Wakefield, OMB



# The City's Office Market Remains the Strongest in the Nation

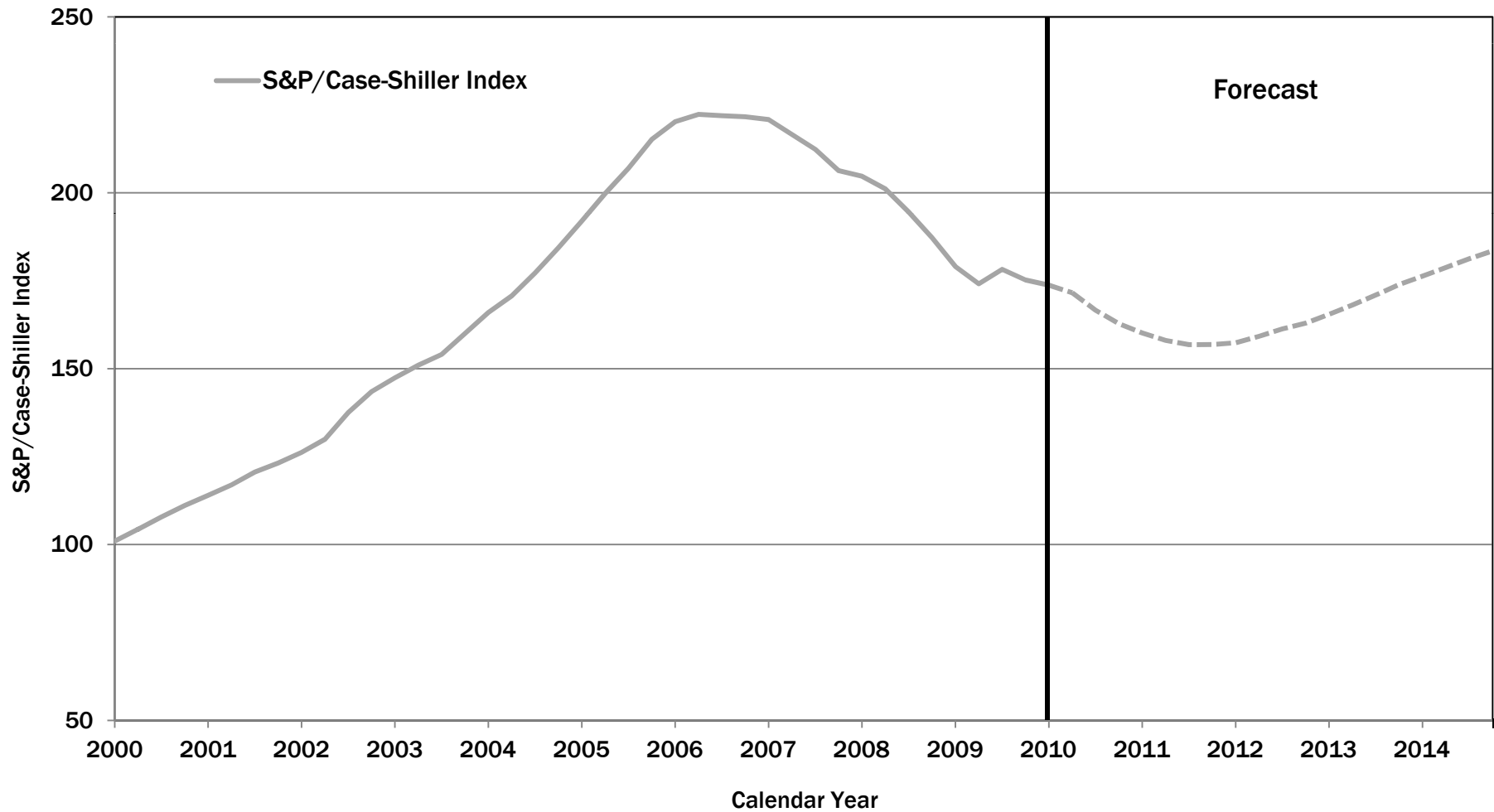
## The City Has the Lowest Vacancy Rate for Office Space in the Country



Source: Cushman & Wakefield 2009 Q4, Central Business District

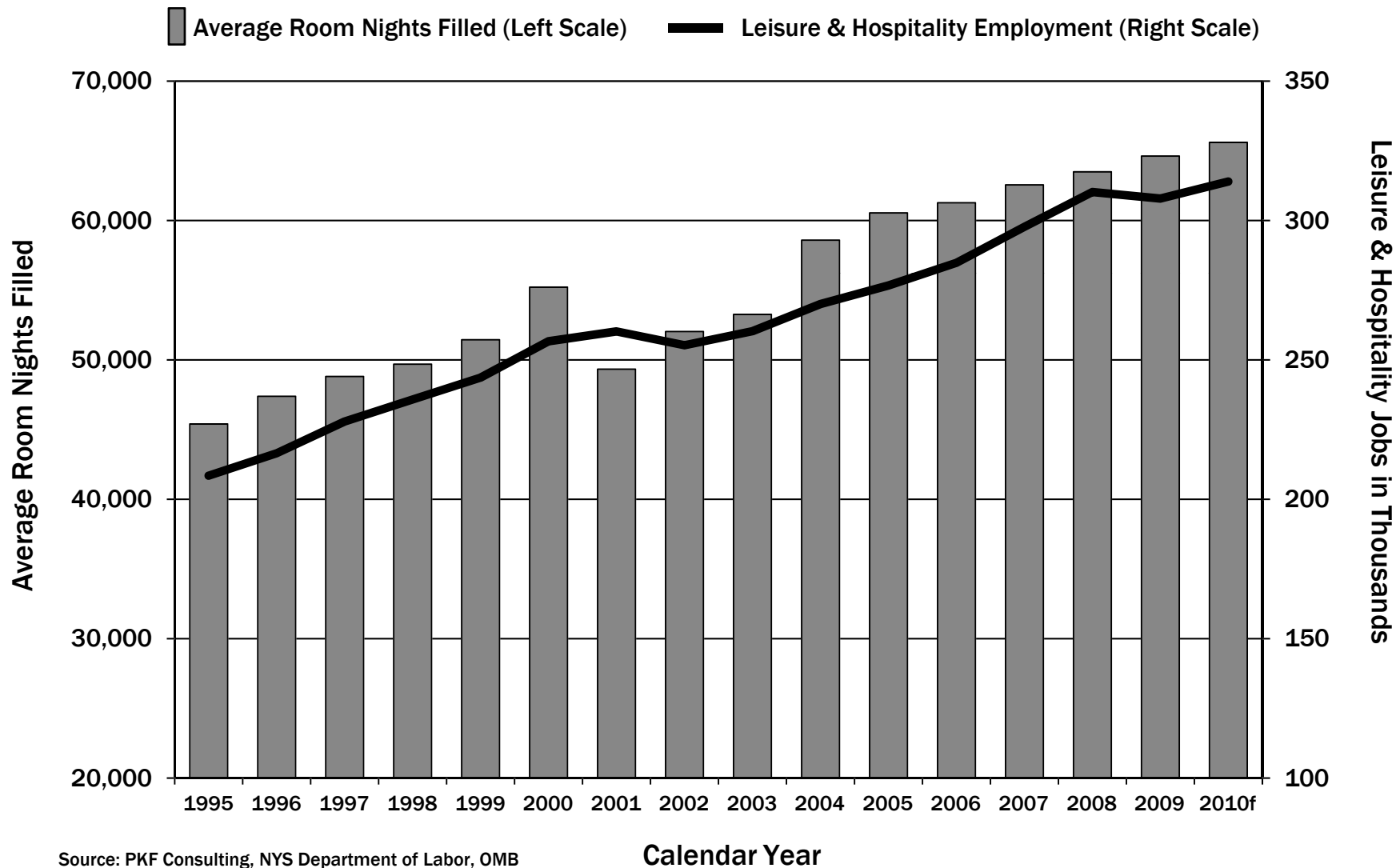
# The NYC Housing Market Continues to Struggle

Prices Have Fallen by 20 Percent and Are Expected to Slide Further Before Growth Returns in 2012



Source: S&P/Case-Shiller Index, Moody's Economy.com

# Visitors Continue to Fill Hotels, Contributing to Record Leisure and Hospitality Employment



Source: PKF Consulting, NYS Department of Labor, OMB  
f = forecast

# Economically Sensitive Taxes Remain Below FY 2008 Peak Levels Through FY 2012

## City Revenue May 2010 Plan

		\$ in Millions					
		FY 2002	FY 2008 <sup>(1)</sup>	FY 2009	FY 2010f	FY 2011f	FY 2012f
<b>Property Tax</b>		\$8,649	\$13,062	\$14,338	\$16,109	\$16,760	\$17,423
	<i>Year-to-Year</i>		4,413	1,276	1,771	651	663
	<i>Change:</i>		51.0%	9.8%	12.4%	4.0%	4.0%
<b>Economically Sensitive Taxes</b>		\$13,520	\$25,703	\$21,673	\$21,100	\$22,132	\$23,394
	<i>Year-to-Year</i>		12,183	(4,030)	(573)	1,032	1,262
	<i>Change:</i>		90.1%	(15.7%)	(2.6%)	4.9%	5.7%
<b>Subtotal - Tax Revenue</b>		\$22,169	\$38,765	\$36,011	\$37,209	\$38,892	\$40,817
	<i>Year-to-Year</i>		16,596	(2,754)	1,198	1,683	1,925
	<i>Change:</i>		74.9%	(7.1%)	3.3%	4.5%	4.9%
<b>Non-Tax Revenue</b>		\$4,404	\$5,172	\$4,954	\$4,857	\$4,273	\$4,207
	<i>Year-to-Year</i>		768	(218)	(97)	(584)	(66)
	<i>Change:</i>		17.4%	(4.2%)	(2.0%)	(12.0%)	(1.5%)
<b>Total Revenue</b>		\$26,573	\$43,937	\$40,965	\$42,066	\$43,165	\$45,024
	<i>Year-to-Year</i>		17,364	(2,972)	1,101	1,099	1,859
	<i>Change:</i>		65.3%	(6.8%)	2.7%	2.6%	4.3%

The growth in property tax revenue begins to slow in FY 2011 because of the phase-in of lower property values. Total Revenue remains below FY 2008 levels until FY 2012.

<sup>(1)</sup> Change is FY 2002 - 2008

f = forecast

Restated to include TFA PIT Retention.

## **II. Our May 2010 Plan Recognizes Several Important Factors**

# The City's May 2010 Plan Recognizes Several Important Factors

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- ❖ New York City businesses and residents pay billions of dollars more to the State than the City receives back in State payments.
- ❖ Our plan reflects the impact of \$1.3 billion of reduced State payments to the City proposed in the Governor's Budget.
- ❖ We are recognizing a two-quarter extension of the increased federal participation in Medicaid, which is pending in Congress.
- ❖ We are funding the City's share of a joint plan with HHC to address the Corporation's operating deficit through FY 2014 and its cash requirements in FY 2011.
- ❖ Our plan includes funding for the Midtown and Downtown Manhattan Security Initiatives.

## **The City's Budget and Financial Plan Reflects the Impact of \$1.3 Billion of Reduced State Payments to the City Proposed in the Governor's Budget**

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- ❖ **The State of New York does not yet have a budget for its FY 2010–2011 Fiscal Year which began on April 1<sup>st</sup> and our Executive Budget assumes that the Governor's Budget, which included reduced State payments to the City of \$1.3 billion, is adopted as proposed.**
- ❖ **The Governor's Budget includes \$493 million in reduced State payments to the City's Department of Education. This reduction, if not mitigated by the State, would require over 6,400 fewer City teachers in FY 2011.**
- ❖ **In addition to the \$493 million reduction at the Department of Education, the City is implementing a PEG program of \$1.3 billion in FY 2011 (an increase of approximately \$200 million from the \$1.1 billion PEG Program proposed in January). This could be mitigated by State payments to the City above the levels proposed in the Governor's Budget.**

**Our Joint Plan with HHC Includes the Initiatives Below.  
When Fully Implemented, The Plan Will Save HHC  
Over \$600 Million Annually By FY 2013**

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- ❖ **A current hiring freeze has reduced 1,300 FTE's; additional attrition savings are expected through the next fiscal year**
- ❖ **Consolidating programs to match capacity with patient volume will reduce staffing and increase physician productivity**
- ❖ **Care management programs to reduce inpatient length of stay for targeted conditions and achieving federally qualified health center (FQHC) status for large community-based health centers will increase rates to better match the cost of providing services**
- ❖ **Staffing non-clinical services at industry benchmark levels and adopting further automation of business systems will reduce the need for 1,700 FTE's**



## Immediate Financial Support for HHC Is Necessary While Operational Reforms to Address Structural Deficits Are Implemented

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\$ in Millions

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>Opening Cash Balance</b>	\$234	\$668	\$492	\$203	\$127
<b>HHC Operating Surplus/(Deficit)</b>	(161)	(762)	(1,255)	(1,308)	(1,387)
City Support	349	82	229	300	300
<b>Balance Surplus/(Deficit)</b>	188	(680)	(1,026)	(1,008)	(1,087)
Federal Initiatives	---	143	250	321	321
HHC Actions	246	361	487	612	655
<b>Net Operating Deficit</b>	434	(176)	(289)	(76)	(112)
<b>Closing Cash Balance</b>	\$668	\$492	\$203	\$127	\$15

# **Our Plan Includes Funding for Security Initiatives in Midtown and Downtown Manhattan**

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- ❖ **The Police Department will provide enhanced security in critical areas of Manhattan through the Lower Manhattan and Midtown Manhattan Security Initiatives.**
- ❖ **Total investment in this coordinated system is expected to exceed \$200 million.**

**III. NYC Is Taking \$1.3 Billion of Gap-Closing Actions and a \$493 Million Reduction in School Spending in FY 2011 to Maintain Budget Balance**

**The \$493 Million is Due to a Reduction in State Payments. Over Half (approximately \$800 Million) of the Remaining \$1.3 Billion of Actions are Made Necessary by Other Reductions in State Payments to the City**

# NYC Is Taking \$1.3 Billion of Gap-Closing Actions and a \$493 Million Reduction in School Spending in FY 2011 to Maintain Budget Balance

## May 2010 Plan Agency Programs to Reduce the Gap Increases the Gap / (Decreases the Gap)

	Fiscal Year 2011			
	City Funds - \$ in Millions			
	Expense	Revenue	Total	Percentage
<b>Uniformed Forces</b>				
Police	(\$47)	\$ ---	(\$47)	(0.9%)
Fire	(27)	(2)	(29)	(1.7%)
Correction	(71)	---	(71)	(5.8%)
Sanitation	(89)	---	(89)	(5.7%)
<b>Health and Welfare</b>				
Administration for Children's Services	(83)	---	(83)	(10.9%)
Social Services	(75)	---	(75)	(10.8%)
Homeless Services	(25)	---	(25)	(7.3%)
Youth & Community Development	(18)	---	(18)	(10.5%)
Health & Mental Hygiene	(49)	---	(49)	(11.0%)
<b>Other Mayoral</b>				
Housing Preservation & Development	(4)	(3)	(7)	(9.3%)
Finance	(6)	(26)	(32)	(12.7%)
Transportation	(44)	(17)	(61)	(11.3%)
Parks & Recreation	(45)	---	(45)	(13.3%)
Libraries	(31)	---	(31)	(11.3%)
Department of Cultural Affairs	(15)	---	(15)	(11.3%)
Citywide Administrative Services	(15)	(15)	(30)	(11.4%)
All Other Agencies	(243)	(24)	(267)	(13.6%)
<b>Education</b>				
Education	(317)	---	(317)	(4.0%)
<b>Total Agency Programs</b>	<b>(\$1,204)</b>	<b>(\$87)</b>	<b>(\$1,291)</b>	<b>(5.4%) *</b>
<b>State School Funding Loss</b>			<b>(\$493)</b>	
<b>Grand Total Including Loss in State School Funding</b>			<b>(\$1,784)</b>	

\* Reduction in Agency Controllable Expenses and Fringe Benefits

# Examples of Agency Programs to Eliminate the Gap

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Increase the Gap /  
(Decrease the Gap)  
City Funds - \$ In Millions

Agency Programs	FY 2011
Libraries: Reduce Subsidies to Library Systems	(\$31.2)
Parks: Close 4 Pools and Shorten Outdoor Pool Season by 2 Weeks	(\$1.4)
Fire: Eliminate Staffing of 4 Engine Companies, in Addition to the 16 in the Baseline	(\$5.6)
Fire: Eliminate 5 <sup>th</sup> Firefighter on 60 Engine Companies	(\$7.9)
Transportation: Increase Parking Rates from \$2 to \$2.50 Per Hour in Midtown Manhattan	(\$12.2)
Children's Services: Eliminate 32 Units in Protective Services Increasing Caseload Average to 10.9 from 9.5	(\$5.9)
Social Services: Reduce by 248 Direct City Case Management Staff at HIV/AIDS Services Administration	(\$4.2)
Homeless: Close a 24 Hour Drop-In Center in Manhattan	(\$2.4)
Health: Eliminate Nurse Coverage for Elementary Schools with Less than 300 Students	(\$3.1)
Juvenile Justice: Reduce Secure Detention Capacity	(\$5.0)
Transportation: Energy Savings Realized by Completing Installation of Energy Efficient Street Lighting	(\$3.3)
Aging: Close 50 Senior Centers Serving 1,600 Seniors Daily	(\$4.2)
Youth & Community Development: Eliminate City Funded Adult Literacy Programs Under Contract at DYCD	(\$4.6)

# FY 2011 Headcount Reduction

State Restoration of Payments of \$493 Million for Education Would Reduce These Figures by 6,693 Positions.  
 State Restoration of \$800 Million of Other Payments Would Also Reduce These Figures Substantially

		<b>FY 2011</b>		
		Layoffs	Attrition	Total
<b>MAYORAL AGENCIES:</b>				
<b>Uniform Forces</b>				
Police		---	---	---
Fire		---	(399)	(399)
Sanitation		---	(302)	(302)
Correction		---	(509)	(509)
	<i>Subtotal</i>	---	(1,210)	(1,210)
<b>Health and Welfare:</b>				
Social Services		---	(407)	(407)
Admin. For Children Services		---	(250)	(250)
Homeless Services		---	(57)	(57)
Health and Mental Hygiene		(164)	(76)	(240)
	<i>Subtotal</i>	(164)	(790)	(954)
<b>Other Agencies:</b>				
Housing Preservation and Development		(15)	(28)	(43)
Environmental Protection		---	(5)	(5)
Finance		(69)	54	(15)
Transportation		---	(100)	(100)
Parks		---	(377)	(377)
Citywide Administrative Services		(3)	(19)	(22)
All Other		(188)	(366)	(554)
	<i>Subtotal</i>	(275)	(841)	(1,116)
<b>Department of Education:</b>				
Pedagogical		(4,419)	(1,995)	(6,414)
Civilian		(279)	---	(279)
	<i>Subtotal</i>	(4,698)	(1,995)	(6,693)
<b>LIBRARIES AND CULTURALS:</b>				
Libraries		(605)	(135)	(740)
Cultural Institutions		(284)	---	(284)
	<i>Subtotal</i>	(889)	(135)	(1,024)
<b>Total</b>		<b>(6,026)</b>	<b>(4,971)</b>	<b>(10,997)</b>

## **IV. Labor**

## **Although the Economic Climate Is Challenging, the City Faces Serious Budget Constraints, and the State Has Proposed Cuts to Education Funding in NYC, We Still Have a Plan to Increase Salaries at DOE**

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- ❖ **In this budget, we have included funding for a 2% increase on the first \$70,000 of salary for teachers, principals, and managers, this year and next. (The managers at DOE have already received this increase)**
- ❖ **As compared to the previous 4% annual increases, this reduction in expenses of \$160 million in FY 2010 and \$357 million in FY 2011 grows to over \$500 million less in expenses annually by FY 2013**



# The May 2010 Plan Includes Zero Funding for the Next Round of Collective Bargaining for City Employees

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- ❖ The next round of collective bargaining was previously funded at 1.25% per year for 2 years.
- ❖ But due to the City's budget constraints these funds were removed from the financial plan.
- ❖ The savings from this reduction grow to almost \$1 billion annually by FY 2014.

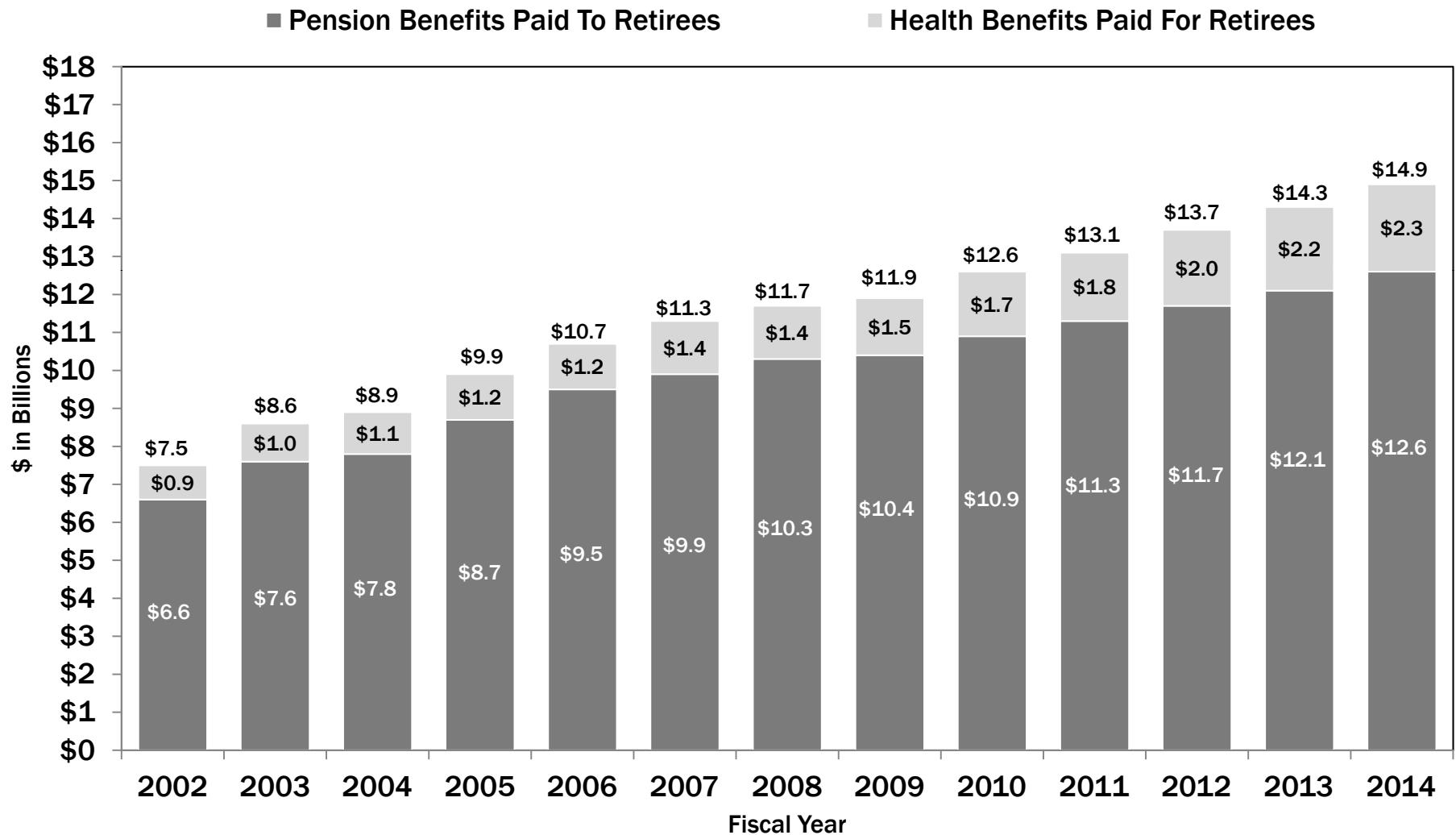
	<u>Year One</u>	<u>Year Two</u>
<b>Collective Bargaining % Increase Included in the May 2010 Plan</b>	0%	0%

**Any Increase in the Next Round of Collective Bargaining Will Be Funded by Productivity, Savings in Health Insurance, and Savings in Pension Costs. This Is the Only Way the City Will Be Able to Afford Raises for City Employees**

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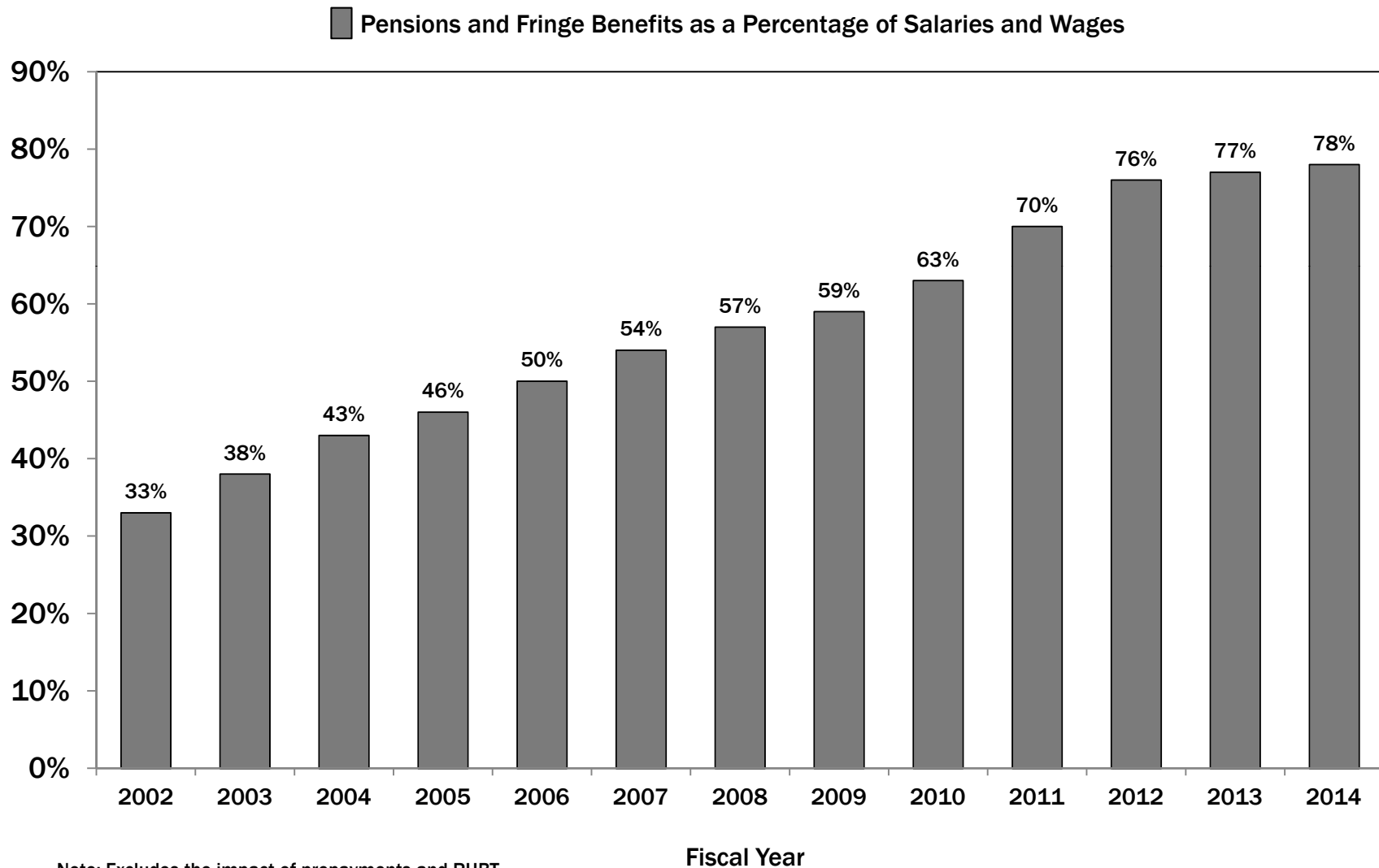
<b>Sources of Funding for the Next Round of Collective Bargaining:</b>	<b>\$ in Millions</b>				
	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
Productivity	TBD	TBD	TBD	TBD	TBD
Savings from Health Insurance Contributions	---	(\$357)	(\$386)	(\$418)	(\$451)
Savings from Tier 5 Pension Proposal	---	(\$200)	(\$200)	(\$200)	(\$200)

# Payments To Retirees for Pensions (Not Direct City Budget Expense) and Health Benefits Grow from \$7.5 Billion to \$15.2 Billion Between FY 2002 and FY 2014



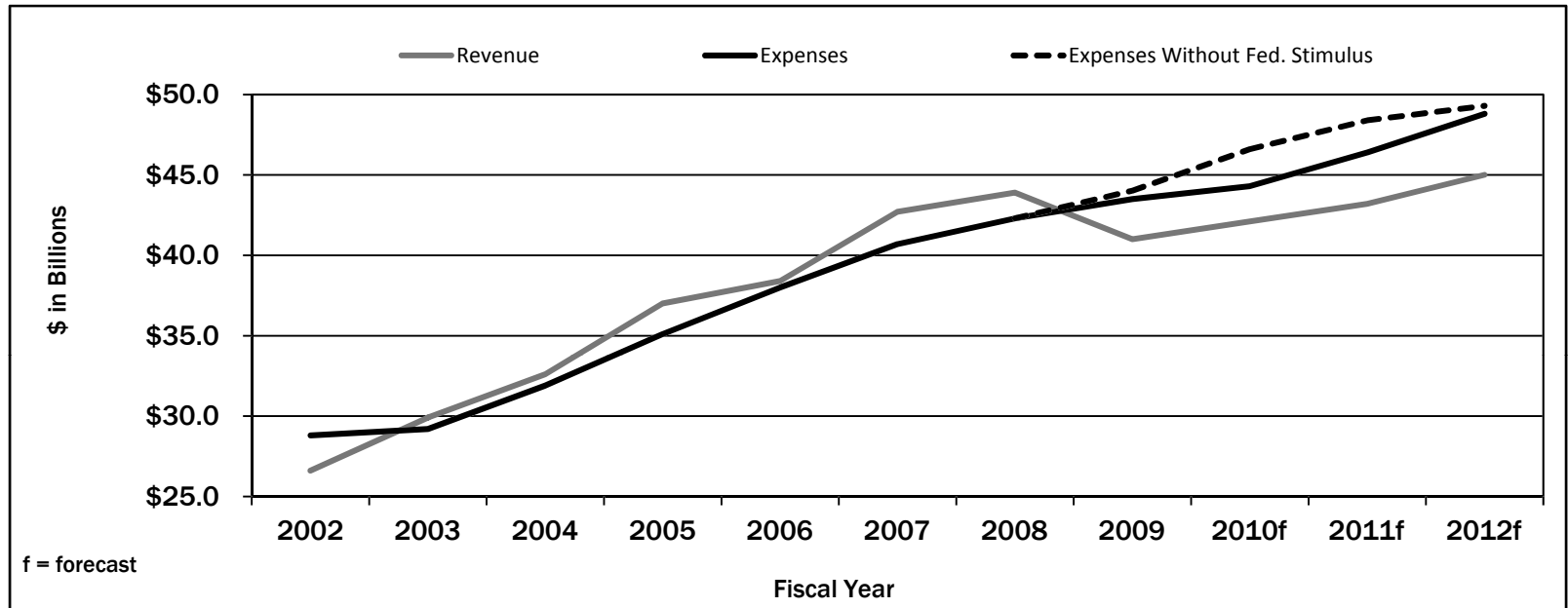
Note: Pension Benefits include covered organizations and benefit payments from variable supplement funds.  
 Retiree Health Benefits exclude covered organizations.

# Pensions and Fringe Benefits as a Percentage of Salaries and Wages Continue to Increase



## **V. Budget Update**

# Revenue and Expenses May 2010 Plan



	City Funds (\$ in Billions)										
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010f</u>	<u>2011f</u>	<u>2012f</u>
<b>Revenue</b>	<b>\$26.6</b>	<b>\$29.9</b>	<b>\$32.6</b>	<b>\$37.0</b>	<b>\$38.4</b>	<b>\$42.7</b>	<b>\$43.9</b>	<b>\$41.0</b>	<b>\$42.1</b>	<b>\$43.2</b>	<b>\$45.0</b>
<i>Year-to-Year Change:</i>	(4.5%)	12.7%	8.8%	13.4%	3.8%	11.3%	2.9%	(6.8%)	2.7%	2.6%	4.3%
<b>Expenses</b>	<b>\$28.8</b>	<b>\$29.2</b>	<b>\$31.9</b>	<b>\$35.1</b>	<b>\$38.0</b>	<b>\$40.7</b>	<b>\$42.3</b>	<b>\$43.5</b>	<b>\$44.3</b>	<b>\$46.5</b>	<b>\$48.8</b>
<i>Year-to-Year Change:</i>	2.7%	1.3%	9.1%	10.3%	8.1%	7.2%	3.9%	2.7%	2.0%	4.7%	5.1%
<b>Operating Surplus/(Deficit)</b>	<b>(\$2.2)</b>	<b>\$0.7</b>	<b>\$0.7</b>	<b>\$1.9</b>	<b>\$0.4</b>	<b>\$2.0</b>	<b>\$1.6</b>	<b>(\$2.5)</b>	<b>(\$2.2)</b>	<b>(\$3.3)</b>	<b>(\$3.8)</b>
<b>Cumulative Surplus/(Deficit)</b>	<b>\$0.7</b>	<b>\$1.4</b>	<b>\$2.1</b>	<b>\$4.0</b>	<b>\$4.4</b>	<b>\$6.4</b>	<b>\$8.0</b>	<b>\$5.5</b>	<b>\$3.3</b>	<b>\$---</b>	<b>(\$3.8)</b>

Note: Excludes the impact of prepayments and debt defeasances. FY 2009 and prior years' revenue and expenses adjusted to include TFA.

# FY 2010 - City Funds Changes Between January 2010 Plan and May 2010 Plan

(City Funds - \$ in Millions)

In the January 2010 Plan, We Presented a Plan for Balance Which Included an Agency Program of (\$484) Million

		FY 2010			
		January 2010 Plan <sup>(3)</sup>	May 2010 Plan	Change Between January 2010 Plan and May 2010 Plan	Percent Change Between January 2010 Plan and May 2010 Plan
<b>Revenue</b>		<b>\$41,716</b>	<b>\$42,066</b>	<b>\$350</b>	<b>0.8%</b>
(see page 12)	<i>Change from 2009 Actual:</i>	\$751	\$1,101		
	<i>% Change from 2009 Actual:</i>	1.8%	2.7%		
<b>Expenses <sup>(4)</sup></b>					
<b>Controllable Agency Expenses</b>		<b>\$21,090</b>	<b>\$20,855</b>	<b>(\$235)</b>	<b>(1.1%)</b>
(see page 33)	<i>Change from 2009 Actual:</i>	\$887	\$652		
	<i>% Change from 2009 Actual:</i>	4.4%	3.2%		
<b>Debt Service</b>		<b>\$5,002</b>	<b>\$4,915</b>	<b>(\$87)</b>	<b>(1.7%)</b>
	<i>Change from 2009 Actual:</i>	\$387	\$300		
	<i>% Change from 2009 Actual:</i>	8.4%	6.5%		
<b>Non-Controllable Expenses</b>		<b>\$18,764</b>	<b>\$18,563</b>	<b>(\$201)</b>	<b>(1.1%)</b>
(see page 34)	<i>Change from 2009 Actual:</i>	\$125	(\$76)		
	<i>% Change from 2009 Actual:</i>	0.7%	(0.4%)		
<b>Total Expenses</b>		<b>\$44,856</b>	<b>\$44,333</b>	<b>(\$523)</b>	<b>(1.2%)</b>
	<i>Change from 2009 Actual:</i>	\$1,399	\$876		
	<i>% Change from 2009 Actual:</i>	3.2%	2.0%		
<b>Operating Surplus/(Deficit)</b>		<b>(\$3,140)</b>	<b>(\$2,267)</b>	<b>\$873</b>	
<b>Current Year Roll (Cost)</b>		<b>(\$2,883)</b>	<b>(\$3,272)</b>	<b>(\$389)</b>	
<b>Prior Year Roll - Benefit</b>		<b>\$2,813</b>	<b>\$2,813</b>	<b>\$---</b>	
<b>Net Impact of Prior Debt Defeasances <sup>(2)</sup></b>		<b>\$2,726</b>	<b>\$2,726</b>	<b>\$---</b>	
<b>Gap to be Closed</b>		<b>(\$484)</b>	<b>\$---</b>	<b>\$484</b>	

- ❖ Our Current Plan forecasts City Funds Revenue to be \$42,066 in FY 2010, an increase of \$350 million (0.8%) since the January 2010 Plan
- ❖ Our Current Plan forecasts City Funds Controllable Agency Expenses to be \$20,855 in FY 2010, a decrease of \$235 million (-1.1%) since the January 2010 Plan
- ❖ Our Current Plan forecasts City Funds Debt Service to be \$4,915 in FY 2010, a decrease of \$87 million (-1.7%) since the January 2010 Plan
- ❖ Our Current Plan forecasts City Funds Non-Controllable Expenses to be \$18,563 in FY 2010, a decrease of \$201 million (-1.1%) since the January 2010 Plan
- ❖ Our Current Plan forecasts City Funds Total Expenses to be \$44,333 in FY 2010, a decrease of \$523 million (-1.2%) since the January 2010 Plan
- ❖ Our Current Plan forecasts City Funds a roll of \$3,272 billion out of FY 2010 into FY 2011 to help balance the FY 2011 budget

January 2010 and May 2010 Combined Agency Program	
Revenue Increases	\$76
Controllable Agency Expense Decreases	(\$376)
Non-Controllable Expense Decreases	(\$37)
<b>Total</b>	<b>\$489</b>

<sup>(1)</sup> Excludes the impact of prepayments and debt defeasances.  
<sup>(2)</sup> Includes FY 2007 and FY 2008 debt defeasances which reduced debt service by \$690 million and \$2.036 billion, respectively, in FY 2010.  
<sup>(3)</sup> Excluding January 2010 Plan Agency Program of (\$484) million in FY 10 and (\$1.1) billion in FY 11 not yet implemented.

# FY 2011 - City Funds Changes Between January 2010 Plan and May 2010 Plan

(City Funds - \$ in Millions)

In the January 2010 Plan, We Presented a Plan for Balance Which Included an Agency Program of (\$1.1) Billion Which Has Yet to Be Enacted

		FY 2011			
		January 2010 Plan <sup>(2)</sup>	May 2010 Plan	Change Between January 2010 Plan and May 2010 Plan	Percent Change Between January 2010 Plan and May 2010 Plan
<b>Revenue</b>		<b>\$43,499</b>	<b>\$43,165</b>	<b>(\$334)</b>	<b>(0.8%)</b>
<i>(see page 12)</i>	<i>Change - 2010 to 2011:</i>	\$1,783	\$1,099		
	<i>% Change - 2010 - 2011:</i>	4.3%	2.6%		
<b>Expenses <sup>(4)</sup></b>					
<b>Controllable Agency Expenses</b>		<b>\$21,275</b>	<b>\$20,427</b>	<b>(\$848)</b>	<b>(4.0%)</b>
<i>(see page 33)</i>	<i>Change - 2010 to 2011:</i>	\$185	(\$428)		
	<i>% Change - 2010 - 2011:</i>	0.9%	(2.1%)		
<b>Debt Service</b>		<b>\$5,352</b>	<b>\$5,255</b>	<b>(\$97)</b>	<b>(1.8%)</b>
	<i>Change - 2010 to 2011:</i>	\$350	\$340		
	<i>% Change - 2010 - 2011:</i>	7.0%	6.9%		
<b>Non-Controllable Expenses</b>		<b>\$20,871</b>	<b>\$20,755</b>	<b>(\$116)</b>	<b>(0.6%)</b>
<i>(see page 34)</i>	<i>Change - 2010 to 2011:</i>	\$2,107	\$2,192		
	<i>% Change - 2010 - 2011:</i>	11.2%	11.8%		
<b>Total Expenses</b>		<b>\$47,498</b>	<b>\$46,437</b>	<b>(\$1,061)</b>	<b>(2.2%)</b>
	<i>Change - 2010 to 2011:</i>	\$2,642	\$2,104		
	<i>% Change - 2010 - 2011:</i>	5.9%	4.7%		
<b>Operating Surplus/(Deficit)</b>		<b>(\$3,999)</b>	<b>(\$3,272)</b>	<b>\$727</b>	
<b>Current Year Roll (Cost)</b>		<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ ---</b>	
<b>Prior Year Roll - Benefit</b>		<b>\$2,883</b>	<b>\$3,272</b>	<b>\$389</b>	
<b>Net Impact of Prior Debt Defeasances</b>		<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ ---</b>	
<b>Gap to be Closed</b>		<b>(\$1,116)</b>	<b>\$ ---</b>	<b>\$1,116</b>	

- ❖ Our Current Plan forecasts City Funds Revenue to be \$43,165 in FY 2011, a decrease of \$334 million (-0.8%) since the January 2010 Plan
- ❖ Our Current Plan forecasts City Funds Controllable Agency Expenses to be \$20,427 in FY 2011, a decrease of \$848 million (-4.0%) since the January 2010 Plan
- ❖ Our Current Plan forecasts City Funds Debt Service to be \$5,255 in FY 2011, a decrease of \$97 million (-1.8%) since the January 2010 Plan
- ❖ Our Current Plan forecasts City Funds Non-Controllable Expenses to be \$20,755 in FY 2011, a decrease of \$116 million (-0.6%) since the January 2010 Plan
- ❖ Our Current Plan forecasts City Funds Total Expenses to be \$46,437 in FY 2011, a decrease of \$1,061 million (-2.2%) since the January 2010 Plan

January 2010 and May 2010 Combined Agency Program	
Revenue Increases	\$87
Controllable Agency Expense Decreases	(\$1,109)
Non-Controllable Expense Decreases	(\$95)
<b>Total</b>	<b>\$1,291</b>

<sup>(4)</sup> Excludes the impact of prepayments and debt defeasances.

<sup>(2)</sup> Excluding January 2010 Plan Agency Program of (\$484) million in FY 10 and (\$1.1) billion in FY 11 not yet implemented.



# Controllable Agency Expenses<sup>(1)</sup>

## May 2010 Plan

City Funds - \$ in Millions

	FY 2002	FY 2008 <sup>(2)</sup>	FY 2009	FY 2010f	FY 2011f	FY 2012f
<b>Uniformed Forces</b>						
Police Department	\$3,100	\$3,735	\$4,057	\$4,195	\$4,127	\$4,152
Fire Department	1,059	1,323	1,364	1,440	1,417	1,405
Department of Correction	812	927	975	989	969	984
Sanitation Department	910	1,206	1,222	1,285	1,308	1,336
<b>Subtotal: Uniformed Forces</b>	<b>\$5,881</b>	<b>\$7,191</b>	<b>\$7,618</b>	<b>\$7,909</b>	<b>\$7,821</b>	<b>\$7,877</b>
Year-to-Year Change:		1,310 22.3%	427 5.9%	291 3.8%	(88) (1.1%)	56 0.7%
<b>Health and Welfare</b>						
Social Services	\$359	\$391	\$469	\$515	\$483	\$482
Children's Services	652	830	818	700	749	757
Homeless Services	252	360	350	447	412	410
Health and Mental Hygiene	532	570	656	638	600	613
HHC Subsidy	120	128	94	89	84	110
<b>Subtotal: Health and Welfare</b>	<b>\$1,915</b>	<b>\$2,279</b>	<b>\$2,387</b>	<b>\$2,389</b>	<b>\$2,328</b>	<b>\$2,372</b>
Year-to-Year Change:		364 19.0%	108 4.7%	2 0.1%	(61) (2.6%)	44 1.9%
<b>Other Mayoral</b>						
Housing Preservation & Development	\$65	\$75	\$74	\$76	\$55	\$55
Environmental Protection	626	850	908	1,214	955	925
Finance	180	210	219	224	217	216
Transportation	271	422	457	436	420	424
Parks and Recreation	168	277	279	268	230	236
Citywide Administrative Services	162	196	217	226	201	198
All Other Mayoral	1,538	2,101	1,953	1,700	1,449	1,580
<b>Subtotal: Other Mayoral</b>	<b>\$3,010</b>	<b>\$4,131</b>	<b>\$4,107</b>	<b>\$4,144</b>	<b>\$3,527</b>	<b>\$3,634</b>
Year-to-Year Change:		1,121 37.2%	(24) (0.6%)	37 0.9%	(617) (14.9%)	107 3.0%
<b>Education</b>						
Department of Education (see below)	\$3,468	\$4,918	\$5,154	\$5,407	\$5,799	\$5,651
CUNY	288	445	481	523	503	496
<b>Subtotal: Education</b>	<b>\$3,756</b>	<b>\$5,363</b>	<b>\$5,635</b>	<b>\$5,930</b>	<b>\$6,302</b>	<b>\$6,147</b>
Year-to-Year Change:		1,607 42.8%	272 5.1%	295 5.2%	372 6.3%	(155) (2.5%)
<b>Elected Officials</b>						
Mayoralty	\$68	\$64	\$66	\$69	\$69	\$68
All Other Elected	366	398	390	414	380	376
<b>Subtotal: Elected Officials</b>	<b>\$434</b>	<b>\$462</b>	<b>\$456</b>	<b>\$483</b>	<b>\$449</b>	<b>\$444</b>
Year-to-Year Change:		28 6.5%	(6) (1.3%)	27 5.9%	(34) (7.0%)	(5) (1.1%)
<b>Total Controllable Agency Spending</b>	<b>\$14,996</b>	<b>\$19,426</b>	<b>\$20,203</b>	<b>\$20,855</b>	<b>\$20,427</b>	<b>\$20,474</b>
Year-to-Year Change:		4,430 29.5%	777 4.0%	652 3.2%	(428) (2.1%)	47 0.2%
<b>Dept of Education (including State and Federal funds)</b>	<b>\$10,136</b>	<b>\$14,311</b>	<b>\$15,090</b>	<b>\$15,435</b>	<b>\$15,392</b>	<b>\$15,214</b>
Year-to-Year Change:		4,175 41.2%	779 5.4%	345 2.3%	(43) (0.3%)	(178) (1.2%)

Note: Excludes the impact of prepayments; <sup>(1)</sup> Actual Change. <sup>(2)</sup> Changes from FY 2002. f = forecast

# Non-Controllable Expenses

## May 2010 Plan

	City Funds - \$ in Millions					
	FY 2002	FY 2008 <sup>(4)</sup>	FY 2009	FY 2010 <sup>(5)</sup>	FY 2011f	FY 2012f
<b>Non-Controllable Agency Expenses</b>						
Pensions	\$1,334	\$5,571	\$6,217	\$6,595	\$7,447	\$7,753
Year-to-Year		\$4,237	\$646	\$378	\$852	\$306
Change:		317.6%	11.6%	6.1%	12.9%	4.1%
Health Insurance <sup>(1)</sup>	\$2,409	\$3,831	\$4,006	\$3,833	\$4,289	\$4,670
Year-to-Year		\$1,422	\$175	(\$173)	\$456	\$381
Change:		59.0%	4.6%	(4.3%)	11.9%	8.9%
Other Fringe Benefits <sup>(2)</sup>	\$1,382	\$1,673	\$1,762	\$1,706	\$1,738	\$1,890
Year-to-Year		\$291	\$89	(\$56)	\$32	\$152
Change:		21.1%	5.3%	(3.2%)	1.9%	8.7%
Retiree Health Benefits Trust	\$ ---	\$ ---	\$ ---	(\$82)	(\$395)	(\$672)
<b>Employee-Related Costs</b>	<b>\$5,125</b>	<b>\$11,075</b>	<b>\$11,985</b>	<b>\$12,052</b>	<b>\$13,079</b>	<b>\$13,641</b>
Year-to-Year		\$5,950	\$910	\$67	\$1,027	\$562
Change:		116.1%	8.2%	0.6%	8.5%	4.3%
Medicaid	\$3,731	\$5,667	\$5,620	\$5,643	\$5,886	\$6,206
Year-to-Year		\$1,936	(\$47)	\$23	\$243	\$320
Change:		51.9%	(0.8%)	0.4%	4.3%	5.4%
FMAP (Federal Matching Percent for Medicaid)	\$ ---	\$ ---	(\$459)	(\$663)	(\$856)	(\$395)
Re-estimate of Prior Year Expenses	(\$413)	(\$399)	(\$453)	(\$800)	\$ ---	\$ ---
General Reserve	\$ ---	\$ ---	\$ ---	\$100	\$300	\$300
All Other <sup>(3)</sup>	\$1,615	\$1,867	\$1,946	\$2,231	\$2,346	\$2,514
Year-to-Year		\$252	\$79	\$285	\$115	\$168
Change:		15.6%	4.2%	14.6%	5.2%	7.2%
<b>Total Non-Controllable Expenses</b>	<b>\$10,058</b>	<b>\$18,210</b>	<b>\$18,639</b>	<b>\$18,563</b>	<b>\$20,755</b>	<b>\$22,266</b>
Year-to-Year		\$8,152	\$429	(\$76)	\$2,192	\$1,511
Change:		81.0%	2.4%	(0.4%)	11.8%	7.3%

<sup>(1)</sup> Includes funding for welfare funds.

<sup>(2)</sup> Includes Social Security Contributions, Worker's Compensation, Unemployment Insurance, Annuity Contributions, Uniform Allowance, and Disability Benefits Insurance.

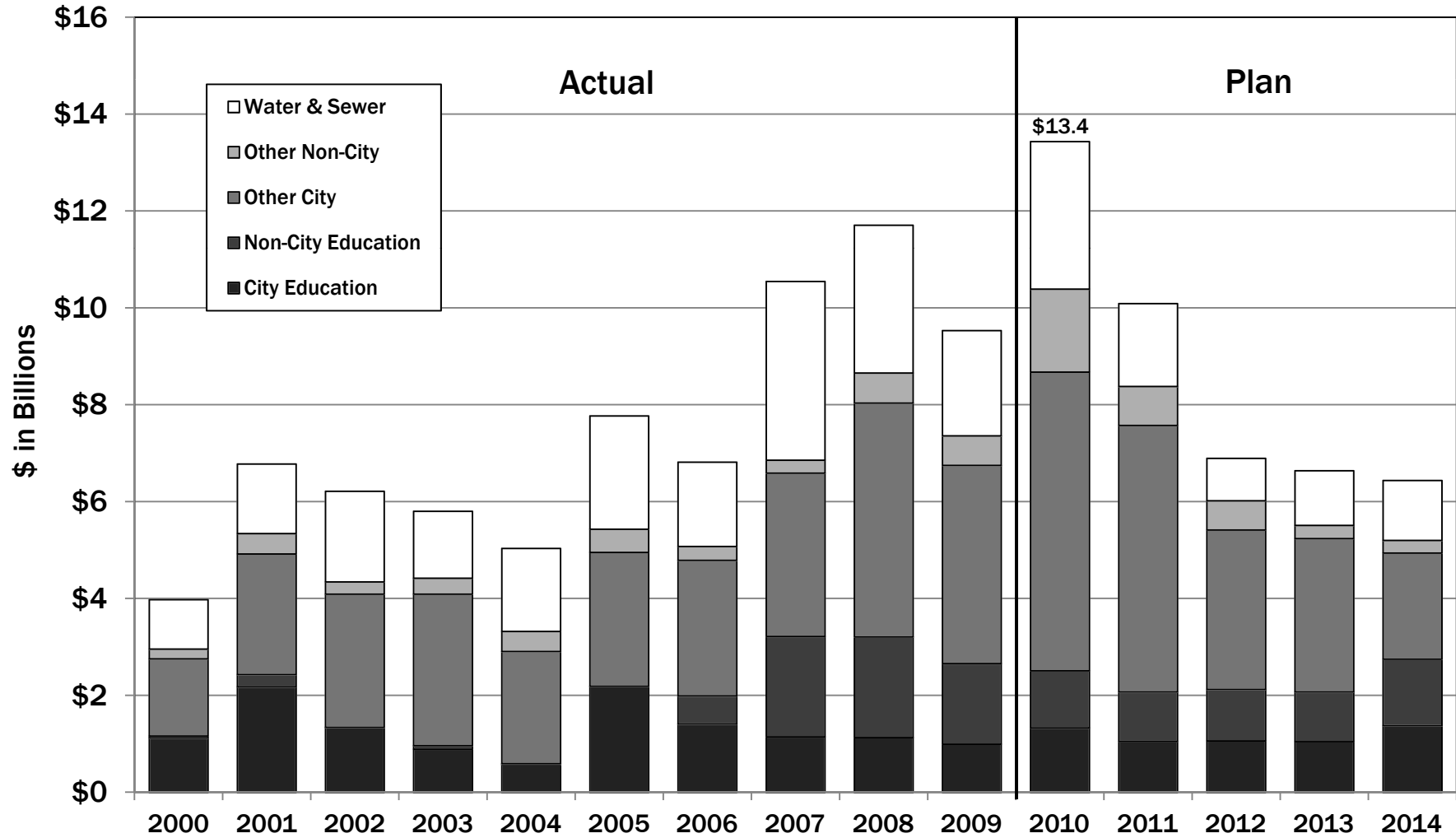
<sup>(3)</sup> Includes Public Assistance, Judgments & Claims, Indigent Defense Service, Contractual, Criminal Justice and Water & Sewer for City Facilities.

<sup>(4)</sup> Change is from FY 2002. <sup>(5)</sup> Decrease in FY2010 due to receipt of ARRA funding and negotiated agreement with unions on health benefit savings. Note: Excludes the impact of prepayments.

## **VI. Capital**

# Capital Commitments - All Funds

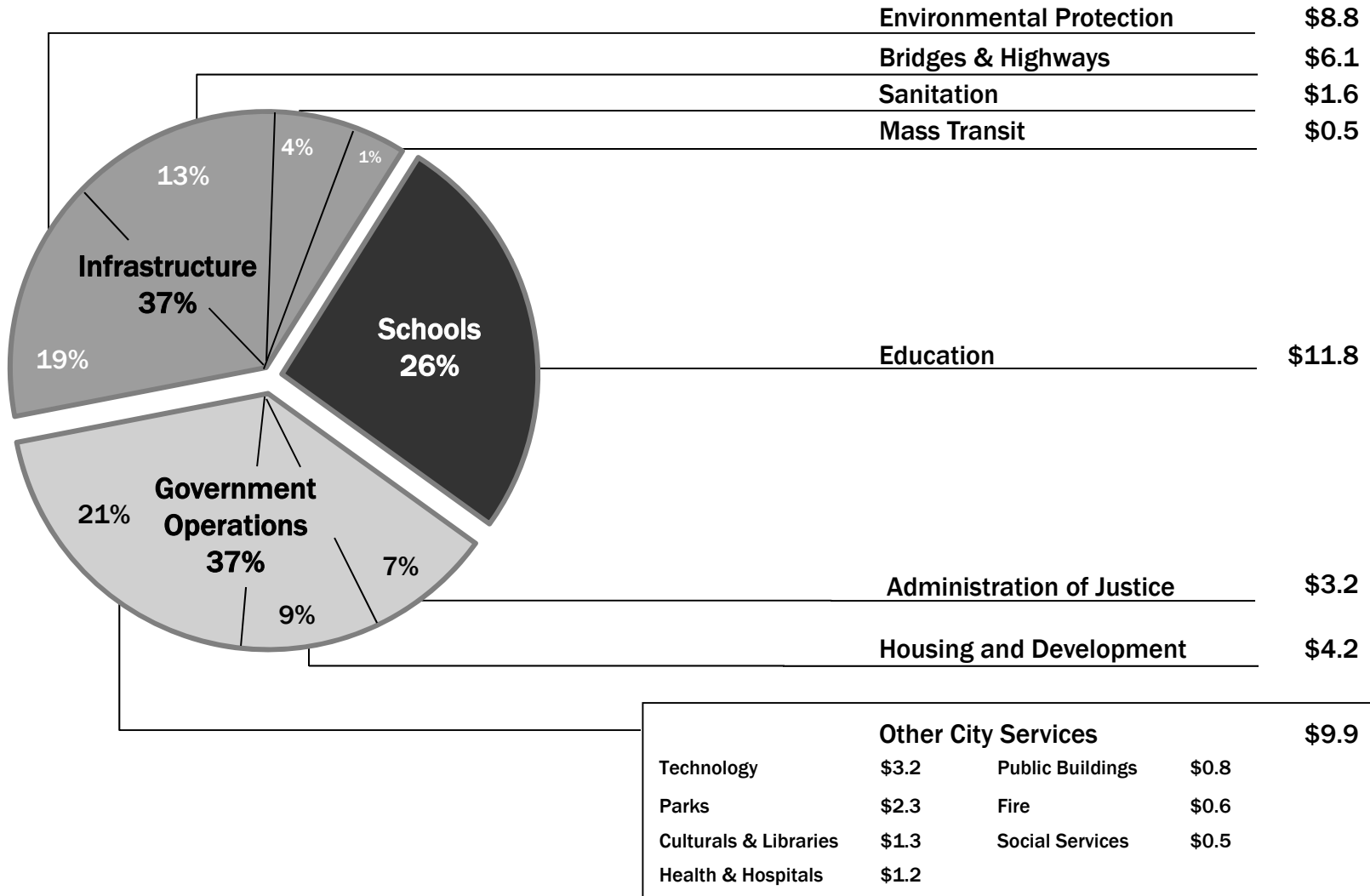
\$ in Billions



# Our Capital Commitments FY 2010 – FY 2014

## Total \$46.1 Billion

\$ in Billions



# Highlights of the Capital Plan 2010-2014

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## Highlights of Five-Year Plan

	<u>\$ In Millions</u>
❖ Educational Facilities	\$11,275
❖ Emergency Communications Systems & Facilities	\$1,271
❖ Street Resurfacing (4,000 Lane Miles)	\$734
❖ New Police Academy/Training Facility	\$709
❖ Newtown Creek Wastewater Treatment Plant	\$672
❖ PlaNYC 2030 Energy Efficiency Projects	\$467
❖ Willets Point Redevelopment	\$369
❖ Schoharie Reservoir/Gilboa Dam	\$347
❖ PlaNYC 2030 Replacement of Fuel Burners in Public Schools	\$244
❖ North Shore Marine Transfer Station	\$191
❖ Harlem Hospital Major Modernization	\$171
❖ New Public Health Lab	\$151

## VII. Tables

# Fiscal Year 2010 Budget

\$ in Millions

AGENCY	Personal Service Costs				Other Than Personal Service Costs						Gross Total (Includes Intra-City)	Net Total (Excludes Intra-City)	City Fund Total	
	Salaries & Wages	Fringe Benefits	Pensions	PS Subtotal	Agency OTPS	PA, MA & Other Mandates	Legal Services	Judgment & Claims	Debt Service	OTPS Subtotal				
<b>UNIFORM AGENCIES</b>														
Police Department	\$4,212	\$1,561	\$2,142	\$7,915	\$469	---	\$42	\$180	\$97	\$788	\$8,703	\$8,471	\$8,039	
Fire Department	1,514	541	942	2,997	219	---	7	33	95	354	3,351	3,339	2,981	
Department of Correction	872	348	275	1,495	129	---	9	31	201	370	1,865	1,864	1,809	
Department of Sanitation	770	324	211	1,305	520	---	8	45	270	843	2,148	2,145	2,087	
<b>Subtotal</b>	<b>\$7,368</b>	<b>\$2,774</b>	<b>\$3,570</b>	<b>\$13,712</b>	<b>\$1,337</b>	<b>---</b>	<b>\$66</b>	<b>\$289</b>	<b>\$663</b>	<b>\$2,355</b>	<b>\$16,067</b>	<b>\$15,819</b>	<b>\$14,916</b>	
<b>HEALTH AND WELFARE</b>														
Administration for Children's Services	\$378	\$115	\$49	\$542	\$2,473	---	\$3	\$3	---	\$2,479	\$3,021	\$2,970	\$777	
Department of Social Services	738	288	104	1,130	1,007	6,725	5	4	78	7,819	8,949	8,941	6,299	
Department of Homeless Services	118	40	15	173	867	---	1	1	---	869	1,042	871	487	
Department of Health & Mental Hygiene	430	116	48	594	1,282	1	2	3	41	1,329	1,923	1,904	817	
Health and Hospitals Corporation <sup>(4)</sup>	---	21	---	21	199	---	6	---	182	387	408	307	292	
<b>Subtotal</b>	<b>\$1,664</b>	<b>\$580</b>	<b>\$216</b>	<b>\$2,460</b>	<b>\$5,828</b>	<b>\$6,726</b>	<b>\$17</b>	<b>\$11</b>	<b>\$301</b>	<b>\$12,883</b>	<b>\$15,343</b>	<b>\$14,993</b>	<b>\$8,672</b>	
<b>EDUCATION</b>														
Department of Education	\$9,858	\$3,034	\$2,576	\$15,468	\$5,725	---	\$20	\$46	\$1,236	\$7,027	\$22,495	\$22,283	\$11,116	
City University	417	101	51	569	278	---	---	1	41	320	889	843	618	
<b>Subtotal</b>	<b>\$10,275</b>	<b>\$3,135</b>	<b>\$2,627</b>	<b>\$16,037</b>	<b>\$6,003</b>	<b>---</b>	<b>\$20</b>	<b>\$47</b>	<b>\$1,277</b>	<b>\$7,347</b>	<b>\$23,384</b>	<b>\$23,126</b>	<b>\$11,734</b>	
<b>OTHER AGENCIES</b>	\$2,585	\$747	\$293	\$3,625	\$4,656	---	\$87	\$268	\$2,188	\$7,199	\$10,824	\$9,859	\$7,477	
<b>ELECTED OFFICIALS</b>	\$477	\$115	\$54	\$646	\$95	---	\$5	\$3	---	\$103	\$749	\$745	\$662	
<b>MISCELLANEOUS BUDGET</b>	\$46	---	---	\$46	---	\$1,538 <sup>(2)</sup>	---	---	\$450	\$1,988	\$2,034	\$2,034	\$1,646	
<b>DEBT SERVICE COSTS (Unallocated)</b>	---	---	---	---	---	---	---	---	\$120	\$120	\$120	\$120	\$108	
<b>RE-ESTIMATE OF PRIOR YEARS' EXPENSES</b>	---	---	---	---	(\$800)	---	---	---	---	(\$800)	(\$800)	(\$800)	(\$800)	
<b>TOTAL<sup>(3)</sup></b>	<b>\$22,415</b>	<b>\$7,351</b>	<b>\$6,760</b>	<b>\$36,526</b>	<b>\$17,119</b>	<b>\$8,264</b>	<b>\$195</b>	<b>\$618</b>	<b>\$4,999</b>	<b>\$31,195</b>	<b>\$67,721</b>	<b>\$65,896</b>	<b>\$44,415</b>	
<b>City Funds</b>	<b>\$12,293</b>	<b>\$5,539</b>	<b>\$6,595</b>	<b>\$24,427</b>	<b>\$7,590</b>	<b>\$6,682</b>	<b>\$183</b>	<b>\$618</b>	<b>\$4,915</b>	<b>\$19,988</b>	<b>\$44,415</b>			
Less: Retiree Health Benefits Trust (RHBT)	---	\$82	---	\$82	---	---	---	---	---	---	\$82	\$82	\$82	
Less: Prepayments	---	\$225	---	\$225	\$185	\$294	---	---	\$1,563	\$2,042	\$2,267	\$2,267	\$2,267	
<b>Total After Prepayments and RHBT</b>	<b>\$22,415</b>	<b>\$7,044</b>	<b>\$6,760</b>	<b>\$36,219</b>	<b>\$16,934</b>	<b>\$7,970</b>	<b>\$195</b>	<b>\$618</b>	<b>\$3,436</b>	<b>\$29,153</b>	<b>\$65,372</b>	<b>\$63,547</b>	<b>\$42,066</b>	

<sup>(4)</sup> Only reflects funding appropriated in the City's Budget.

<sup>(2)</sup> Includes subsidies to the MTA, General Reserve, Indigent Defense Services and Other Contractual Services.

<sup>(3)</sup> Excludes the impact of prepayments, debt defeasances and RHBT.



# Fiscal Year 2011 Budget

\$ in Millions

AGENCY	Personal Service Costs				Other Than Personal Service Costs						Gross Total (Includes Intra-City)	Net Total (Excludes Intra-City)	City Fund Total	
	Salaries & Wages	Fringe Benefits	Pensions	PS Subtotal	Agency OTPS	PA, MA & Other Mandates	Legal Services	Judgment & Claims	Debt Service	OTPS Subtotal				
<b>UNIFORM AGENCIES</b>														
Police Department	\$4,123	\$1,652	\$2,459	\$8,234	\$269	---	\$40	\$151	\$107	\$567	\$8,801	\$8,571	\$8,380	
Fire Department	1,452	557	1,050	3,059	130	---	6	27	124	287	3,346	3,335	3,114	
Department of Correction	864	373	314	1,551	123	---	8	26	199	356	1,907	1,907	1,844	
Department of Sanitation	775	344	240	1,359	539	---	7	38	270	854	2,213	2,210	2,149	
<b>Subtotal</b>	<b>\$7,214</b>	<b>\$2,926</b>	<b>\$4,063</b>	<b>\$14,203</b>	<b>\$1,061</b>	<b>---</b>	<b>\$61</b>	<b>\$242</b>	<b>\$700</b>	<b>\$2,064</b>	<b>\$16,267</b>	<b>\$16,023</b>	<b>\$15,487</b>	
<b>HEALTH AND WELFARE</b>														
Administration for Children's Services	\$391	\$128	\$66	\$585	\$2,305	---	\$3	\$3	---	\$2,311	\$2,896	\$2,895	\$903	
Department of Social Services	745	296	125	1,166	898	6,728	5	3	72	7,706	8,872	8,868	6,440	
Department of Homeless Services	118	40	18	176	718	---	1	1	---	720	896	798	458	
Department of Health & Mental Hygiene	389	117	58	564	1,169	---	2	3	47	1,221	1,785	1,776	796	
Health and Hospitals Corporation <sup>(1)</sup>	---	23	---	23	172	---	5	190	184	551	574	495	264	
<b>Subtotal</b>	<b>\$1,643</b>	<b>\$604</b>	<b>\$267</b>	<b>\$2,514</b>	<b>\$5,262</b>	<b>\$6,728</b>	<b>\$16</b>	<b>\$200</b>	<b>\$303</b>	<b>\$12,509</b>	<b>\$15,023</b>	<b>\$14,832</b>	<b>\$8,861</b>	
<b>EDUCATION</b>														
Department of Education	\$9,604	\$3,094	\$2,802	\$15,500	\$5,921	---	\$18	\$46	\$1,316	\$7,301	\$22,801	\$22,601	\$11,949	
City University	423	87	60	570	232	---	---	1	50	283	853	839	616	
<b>Subtotal</b>	<b>\$10,027</b>	<b>\$3,181</b>	<b>\$2,862</b>	<b>\$16,070</b>	<b>\$6,153</b>	<b>---</b>	<b>\$18</b>	<b>\$47</b>	<b>\$1,366</b>	<b>\$7,584</b>	<b>\$23,654</b>	<b>\$23,440</b>	<b>\$12,565</b>	
<b>OTHER AGENCIES</b>	\$2,149	\$709	\$354	\$3,212	\$3,890	---	\$79	\$225	\$2,415	\$6,609	\$9,821	\$8,871	\$7,062	
<b>ELECTED OFFICIALS</b>	\$432	\$113	\$66	\$611	\$87	---	\$4	\$2	---	\$93	\$704	\$701	\$638	
<b>MISCELLANEOUS BUDGET</b>	\$60	---	---	\$60	---	\$2,000 <sup>(2)</sup>	---	---	\$388	\$2,388	\$2,448	\$2,448	\$1,982	
<b>DEBT SERVICE COSTS (Unallocated)</b>	---	---	---	---	---	---	---	---	\$290	\$290	\$290	\$290	\$237	
<b>RE-ESTIMATE OF PRIOR YEARS' EXPENSES</b>	---	---	---	---	---	---	---	---	---	---	---	---	---	
<b>TOTAL<sup>(3)</sup></b>	<b>\$21,525</b>	<b>\$7,533</b>	<b>\$7,612</b>	<b>\$36,670</b>	<b>\$16,453</b>	<b>\$8,728</b>	<b>\$178</b>	<b>\$716</b>	<b>\$5,462</b>	<b>\$31,537</b>	<b>\$68,207</b>	<b>\$66,605</b>	<b>\$46,832</b>	
<b>City Funds</b>	<b>\$12,100</b>	<b>\$6,027</b>	<b>\$7,447</b>	<b>\$25,574</b>	<b>\$8,164</b>	<b>\$7,145</b>	<b>\$168</b>	<b>\$526</b>	<b>\$5,255</b>	<b>\$21,258</b>	<b>\$46,832</b>			
Less: Retiree Health Benefits Trust (RHBT)	---	\$395	---	\$395	---	---	---	---	---	---	\$395	\$395	\$395	
Less: Prepayments	---	---	---	---	\$164	---	---	---	\$3,108	\$3,272	\$3,272	\$3,272	\$3,272	
<b>Total After Prepayments and RHBT</b>	<b>\$21,525</b>	<b>\$7,138</b>	<b>\$7,612</b>	<b>\$36,275</b>	<b>\$16,289</b>	<b>\$8,728</b>	<b>\$178</b>	<b>\$716</b>	<b>\$2,354</b>	<b>\$28,265</b>	<b>\$64,540</b>	<b>\$62,938</b>	<b>\$43,165</b>	

<sup>(1)</sup> Only reflects funding appropriated in the City's Budget.

<sup>(2)</sup> Includes subsidies to the MTA, General Reserve, Indigent Defense Services and Other Contractual Services.

<sup>(3)</sup> Excludes the impact of prepayments and RHBT.

# Changes Between FY 2010 and FY 2011 Budgets

## \$ in Millions

AGENCY	Personal Service Costs				Other Than Personal Service Costs						Gross Total (Includes Intra-City)	Net Total (Excludes Intra-City)	City Fund Total	
	Salaries & Wages	Fringe Benefits	Pensions	PS Subtotal	Agency OTPS	PA, MA & Other Mandates	Legal Services	Judgment & Claims	Debt Service	OTPS Subtotal				
<b>UNIFORM AGENCIES</b>														
Police Department	(\$89)	\$91	\$317	\$319	(\$200)	---	(\$2)	(\$29)	\$10	(\$221)	\$98	\$100	\$341	
Fire Department	(62)	16	108	62	(89)	---	(1)	(6)	29	(67)	(5)	(4)	133	
Department of Correction	(8)	25	39	56	(6)	---	(1)	(5)	(2)	(14)	42	43	35	
Department of Sanitation	5	20	29	54	19	---	(1)	(7)	---	11	65	65	62	
<b>Subtotal</b>	<b>(\$154)</b>	<b>\$152</b>	<b>\$493</b>	<b>\$491</b>	<b>(\$276)</b>	<b>---</b>	<b>(\$5)</b>	<b>(\$47)</b>	<b>\$37</b>	<b>(\$291)</b>	<b>\$200</b>	<b>\$204</b>	<b>\$571</b>	
<b>HEALTH AND WELFARE</b>														
Administration for Children's Services	\$13	\$13	\$17	\$43	(\$168)	---	---	---	---	(\$168)	(\$125)	(\$75)	\$126	
Department of Social Services	7	8	21	36	(109)	3	---	(1)	(6)	(113)	(77)	(73)	141	
Department of Homeless Services	---	---	3	3	(149)	---	---	---	---	(149)	(146)	(73)	(29)	
Department of Health & Mental Hygiene	(41)	1	10	(30)	(113)	(1)	---	---	6	(108)	(138)	(128)	(21)	
Health and Hospitals Corporation <sup>(1)</sup>	---	2	---	2	(27)	---	(1)	190	2	164	166	188	(28)	
<b>Subtotal</b>	<b>(\$21)</b>	<b>\$24</b>	<b>\$51</b>	<b>\$54</b>	<b>(\$566)</b>	<b>\$2</b>	<b>(\$1)</b>	<b>\$189</b>	<b>\$2</b>	<b>(\$374)</b>	<b>(\$320)</b>	<b>(\$161)</b>	<b>\$189</b>	
<b>EDUCATION</b>														
Department of Education	(\$254)	\$60	\$226	\$32	\$196	---	(\$2)	---	\$80	\$274	\$306	\$318	\$833	
City University	6	(14)	9	1	(46)	---	---	---	9	(37)	(36)	(4)	(2)	
<b>Subtotal</b>	<b>(\$248)</b>	<b>\$46</b>	<b>\$235</b>	<b>\$33</b>	<b>\$150</b>	<b>---</b>	<b>(\$2)</b>	<b>---</b>	<b>\$89</b>	<b>\$237</b>	<b>\$270</b>	<b>\$314</b>	<b>\$831</b>	
<b>OTHER AGENCIES</b>	(\$436)	(\$38)	\$61	(\$413)	(\$766)	---	(\$8)	(\$43)	\$227	(\$590)	(\$1,003)	(\$988)	(\$415)	
<b>ELECTED OFFICIALS</b>	(\$45)	(\$2)	\$12	(\$35)	(\$8)	---	(\$1)	(\$1)	---	(\$10)	(\$45)	(\$44)	(\$24)	
<b>MISCELLANEOUS BUDGET</b>	\$14	---	---	\$14	---	\$462 <sup>(2)</sup>	---	---	(\$62)	\$400	\$414	\$414	\$336	
<b>DEBT SERVICE COSTS (Unallocated)</b>	---	---	---	---	---	---	---	---	\$170	\$170	\$170	\$170	\$129	
<b>RE-ESTIMATE OF PRIOR YEARS' EXPENSES</b>	---	---	---	---	\$800	---	---	---	---	\$800	\$800	\$800	\$800	
<b>TOTAL<sup>(3)</sup></b>	<b>(\$890)</b>	<b>\$182</b>	<b>\$852</b>	<b>\$144</b>	<b>(\$666)</b>	<b>\$464</b>	<b>(\$17)</b>	<b>\$98</b>	<b>\$463</b>	<b>\$342</b>	<b>\$486</b>	<b>\$709</b>	<b>\$2,417</b>	
<b>City Funds</b>	<b>(\$193)</b>	<b>\$488</b>	<b>\$852</b>	<b>\$1,147</b>	<b>\$574</b>	<b>\$463</b>	<b>(\$15)</b>	<b>(\$92)</b>	<b>\$340</b>	<b>\$1,270</b>	<b>\$2,417</b>			
Less: Retiree Health Benefits Trust (RHBT)	---	\$313	---	\$313	---	---	---	---	---	---	\$313	\$313	\$313	
Less: Prepayments	---	(\$225)	---	(\$225)	(\$21)	(\$294)	---	---	\$1,545	\$1,230	\$1,005	\$1,005	\$1,005	
<b>Total After Prepayments and RHBT</b>	<b>(\$890)</b>	<b>\$94</b>	<b>\$852</b>	<b>\$56</b>	<b>(\$645)</b>	<b>\$758</b>	<b>(\$17)</b>	<b>\$98</b>	<b>(\$1,082)</b>	<b>(\$888)</b>	<b>(\$832)</b>	<b>(\$609)</b>	<b>\$1,099</b>	

<sup>(1)</sup> Only reflects funding appropriated in the City's Budget.

<sup>(2)</sup> Includes subsidies to the MTA, General Reserve, Indigent Defense Services and Other Contractual Services.

<sup>(3)</sup> Excludes the impact of prepayments, debt defeasances and RHBT.

# Changes Since the January 2010 Plan<sup>(1)</sup>

## City Funds - \$ in Millions

In the January 2010 Plan, We Presented a Plan for Balance Which Included an Agency Program of (\$484) Million and (\$1.1) Billion Which Has Yet to Be Enacted

	FY 2010	FY 2011	FY 2012	FY 2013
<b>Revenue - Increase / (Decrease)</b>				
Tax Revenue Increase	\$223	\$97	\$47	(\$33)
Eliminate Tax Fairness Program	---	(219)	(241)	(262)
BPCA Joint Purpose Funds	134	66	---	---
HHC Revenue Due to City	(181)	---	---	---
State Budget Impact (Revenue Sharing/Cigarette Tax)	(178)	(340)	(340)	(340)
Non-Tax Revenue	276	(25)	(40)	(53)
Agency Program	76	87	37	38
<b>Total Revenue Changes</b>	<b>\$350</b>	<b>(\$334)</b>	<b>(\$537)</b>	<b>(\$650)</b>
<b>Controllable Expenses - Increase / (Decrease)</b>				
Labor Reserve	(\$213)	(\$268)	(\$336)	(\$266)
State Budget Impact	90	119	96	96
Other Controllable Expenses	264	410	196	200
Agency Program	(376)	(1,109)	(1,087)	(1,009)
<b>Total Controllable Expense Changes</b>	<b>(\$235)</b>	<b>(\$848)</b>	<b>(\$1,131)</b>	<b>(\$979)</b>
<b>Debt Service - Increase / (Decrease)</b>	<b>(\$87)</b>	<b>(\$97)</b>	<b>(\$37)</b>	<b>(\$29)</b>
<b>Non-Controllable Expenses - Increase / (Decrease)</b>				
Medicaid (Additional FMAP)	\$187	(\$561)	(\$395)	(\$422)
HHC Deficit Reduction	167	83	229	300
Increase Reserve for Pensions Assumptions and Methods Changes	---	400	150	150
GASB 49 (Pollution Remediation)	---	150	150	200
IFA Rate Increase	(74)	(61)	(36)	(36)
Pension	---	(56)	75	79
State Budget Impact	2	28	28	28
Prior Payables	(300)	---	---	---
General Reserve	(100)	---	---	---
Other Non-Controllable Changes	(46)	(4)	60	79
Agency Program	(37)	(95)	(162)	(248)
<b>Total Non-Controllable Expense Changes</b>	<b>(\$201)</b>	<b>(\$116)</b>	<b>\$99</b>	<b>\$130</b>
<b>Total Expense Changes</b>	<b>(\$523)</b>	<b>(\$1,061)</b>	<b>(\$1,069)</b>	<b>(\$878)</b>
<b>Net Changes to Operating Surplus / (Deficit)</b>	<b>\$873</b>	<b>\$727</b>	<b>\$532</b>	<b>\$228</b>
<b>FY 2010 Prepayment of FY 2011 Expenses</b>	<b>(\$389)</b>	<b>\$389</b>	<b>\$---</b>	<b>\$---</b>
<b>Net Changes Since January 2010 Plan</b>	<b>\$484</b>	<b>\$1,116</b>	<b>\$532</b>	<b>\$228</b>

<sup>(1)</sup> Excluding January 2010 Plan Agency Program of (\$484) million in FY 10 and (\$1.1) billion in FY 11 not yet implemented.

# Five-Year Financial Plan

## Revenues and Expenditures

(All Funds - \$ in Millions)

Revenues	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>Taxes</b>					
General Property Tax	\$16,109	\$16,760	\$17,423	\$17,692	\$17,829
Other Taxes	20,210	21,510	22,773	24,018	25,210
Tax Audit Revenue	890	622	621	620	620
<b>Subtotal: Taxes</b>	<b>\$37,209</b>	<b>\$38,892</b>	<b>\$40,817</b>	<b>\$42,330</b>	<b>\$43,659</b>
Miscellaneous Revenues	6,526	5,876	5,708	5,737	5,780
Unrestricted Intergovernmental Aid	171	14	12	12	12
Less: Intra-City Revenue	(1,825)	(1,602)	(1,498)	(1,502)	(1,502)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)
<b>Subtotal: City Funds</b>	<b>\$42,066</b>	<b>\$43,165</b>	<b>\$45,024</b>	<b>\$46,562</b>	<b>\$47,934</b>
Other Categorical Grants	1,134	1,284	1,142	1,139	1,137
Inter-Fund Revenues	583	558	493	492	492
<b>Total City, Capital IFA &amp; Oth. Cat. Funds</b>	<b>\$43,783</b>	<b>\$45,007</b>	<b>\$46,659</b>	<b>\$48,193</b>	<b>\$49,563</b>
Federal Categorical Grants	8,193	6,691	5,690	5,640	5,632
State Categorical Grants	11,571	11,240	12,200	12,416	12,831
<b>Total Revenues</b>	<b>\$63,547</b>	<b>\$62,938</b>	<b>\$64,549</b>	<b>\$66,249</b>	<b>\$68,026</b>
<b>Expenditures</b>					
<b>Personal Service</b>					
Salaries and Wages	\$22,415	\$21,525	\$21,042	\$21,335	\$21,888
Pensions	6,760	7,612	7,920	8,070	8,173
Fringe Benefits <sup>(1)</sup>	7,351	7,533	7,970	8,279	8,783
Retiree Health Benefits Trust	(82)	(395)	(672)	---	---
<b>Subtotal: Personal Service</b>	<b>\$36,444</b>	<b>\$36,275</b>	<b>\$36,260</b>	<b>\$37,684</b>	<b>\$38,844</b>
<b>Other Than Personal Service</b>					
Medical Assistance	\$5,146	\$5,166	\$5,947	\$6,171	\$6,778
Public Assistance	1,580	1,563	1,603	1,591	1,591
All Other <sup>(1)</sup>	19,370	19,046	19,447	20,057	20,601
<b>Subtotal: Other Than Personal Service</b>	<b>\$26,096</b>	<b>\$25,775</b>	<b>\$26,997</b>	<b>\$27,819</b>	<b>\$28,970</b>
General Obligation, Lease and TFA Debt Service <sup>(1),(2),(3)</sup>	4,999	5,462	6,273	6,576	6,817
General Obligation and TFA Debt Defeasances (Net) <sup>(3)</sup>	(2,726)	---	---	---	---
FY 2009 Budget Stabilization & Discretionary Transfers <sup>(1)</sup>	(2,813)	---	---	---	---
FY 2010 Budget Stabilization & Discretionary Transfers <sup>(2)</sup>	3,272	(3,272)	---	---	---
General Reserve	100	300	300	300	300
<b>Subtotal</b>	<b>\$65,372</b>	<b>\$64,540</b>	<b>\$69,830</b>	<b>\$72,379</b>	<b>\$74,931</b>
Less: Intra-City Expenses	(1,825)	(1,602)	(1,498)	(1,502)	(1,502)
<b>Total Expenditures</b>	<b>\$63,547</b>	<b>\$62,938</b>	<b>\$68,332</b>	<b>\$70,877</b>	<b>\$73,429</b>
<b>Gap To Be Closed</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>(\$3,783)</b>	<b>(\$4,628)</b>	<b>(\$5,403)</b>

(1) Fiscal Year 2009 Budget Stabilization and Discretionary Transfers total \$2.813 billion, including Budget Stabilization of \$1.286 billion, lease debt service of \$110 million, subsidies of \$643 million, Retiree Health Benefits of \$225 million, TFA debt service of \$546 million, and net equity contribution in bond refunding of \$3 million.

(2) Fiscal Year 2010 Budget Stabilization and Discretionary Transfers total \$3.272 billion, including Budget Stabilization of \$3.108 billion and subsidies of \$164 million.

(3) FY 2007 GO debt defeasance of \$536 million reduced debt service by \$27 million, \$279 million and \$277 million in FY 2008 through FY 2010, respectively. FY 2008 GO debt defeasance of \$1.986 billion reduced debt service by \$2.036 billion in FY 2010. FY 2007 TFA debt defeasance of \$718 million reduced debt service by \$33 million, \$362 million and \$382 million in FY 2008 through FY 2010, respectively. FY 2007 JSDC debt defeasance of \$65 million reduced debt service by \$34 million and \$31 million in FY 2009 and FY 2010.