

The City of New York  
Executive Budget  
Fiscal Year 2019

Bill de Blasio, Mayor

Mayor's Office of Management and Budget  
Melanie Hartzog, Director

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# Message of the Mayor

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April 26, 2018

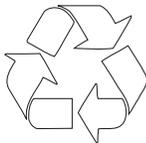
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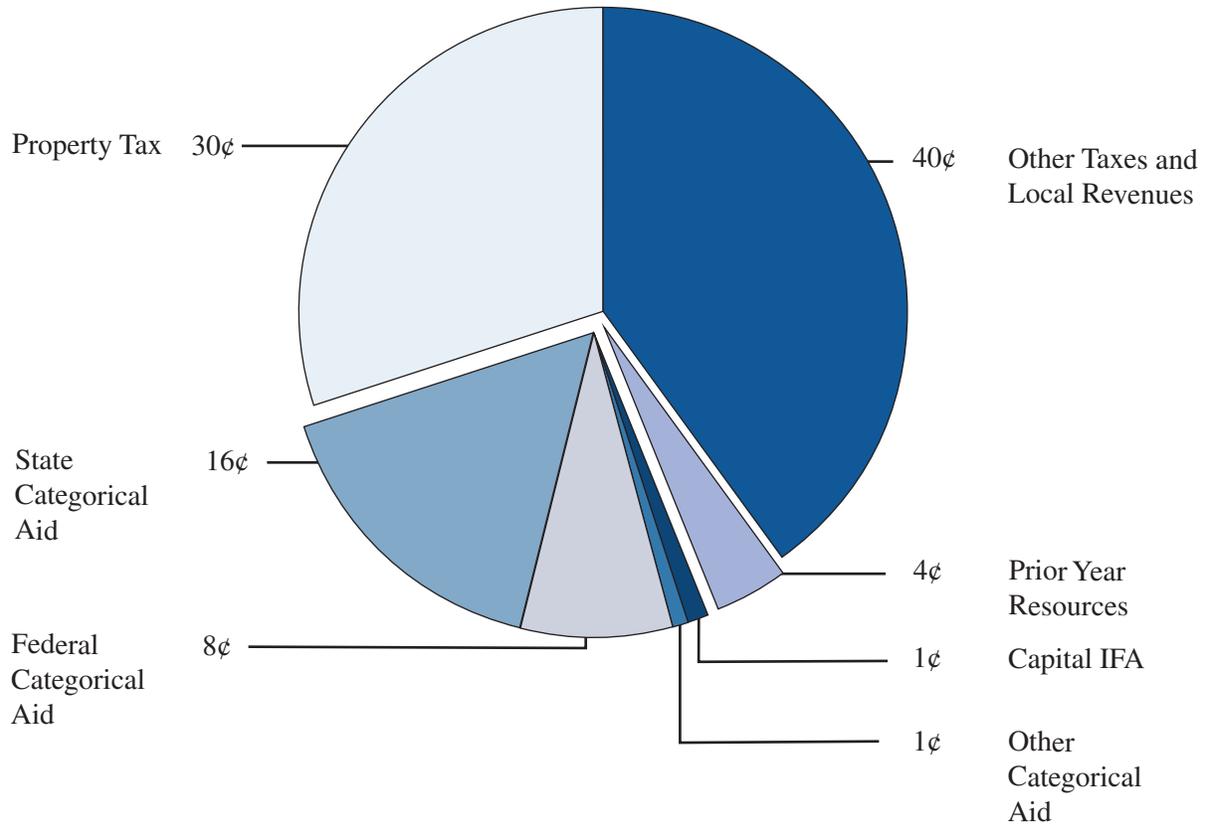
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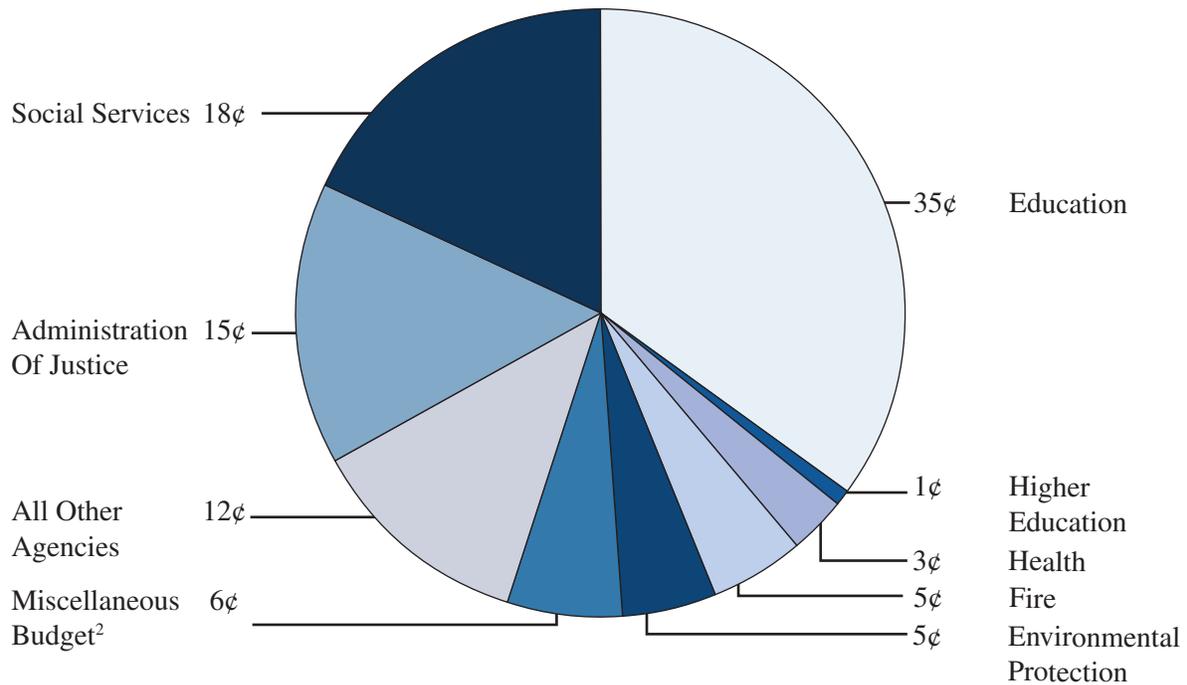
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# Budget and Financial Plan Summary

# Where the 2019 Dollar Comes From



# Where the 2019 Dollar Goes To<sup>1</sup>



<sup>1</sup> Reflects the allocation of Fringe Benefits, Pensions and Debt Service to the agencies. Excludes the impact of prepayments.

<sup>2</sup> Includes Labor Reserve, General Reserve, Capital Stabilization Reserve, Judgments and Claims, MTA Subsidies and Other Contractual Services.

Source: NYC OMB

**BUDGET AND FINANCIAL PLAN OVERVIEW**

The Fiscal Year 2019 Executive Expense Budget is \$89.1 billion. This is the thirty-ninth consecutive budget which is balanced under Generally Accepted Accounting Principles (GAAP), except for the application of Statement No. 49 of the Government Accounting Standards Board (“GASB 49”) which prescribes the accounting treatment of pollution remediation costs. The following chart details the revenues and expenditures for the five year financial plan.

	(\$ in Millions)				
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<i>Revenues</i>					
<i>Taxes:</i>					
General Property Tax .....	\$26,194	\$27,789	\$29,295	\$30,711	\$31,702
Other Taxes .....	30,774	31,231	32,333	33,330	34,072
Tax Audit Revenue.....	1,299	1,056	721	721	721
<b>Subtotal - Taxes.....</b>	<b>\$58,267</b>	<b>\$60,076</b>	<b>\$62,349</b>	<b>\$64,762</b>	<b>\$66,495</b>
Miscellaneous Revenues.....	7,128	6,789	6,830	6,735	6,714
Unrestricted Intergovernmental Aid	—	—	—	—	—
Less: Intra-City Revenues.....	(2,208)	(1,824)	(1,770)	(1,774)	(1,774)
Disallowances Against					
Categorical Grants .....	85	(15)	(15)	(15)	(15)
<b>Subtotal - City Funds.....</b>	<b>\$63,272</b>	<b>\$65,026</b>	<b>\$67,394</b>	<b>\$69,708</b>	<b>\$71,420</b>
Other Categorical Grants .....	1,088	879	871	866	861
Inter-Fund Revenues.....	646	682	641	638	638
Federal Categorical Grants.....	8,799	7,507	7,127	7,106	7,089
State Categorical Grants .....	14,865	14,969	15,299	15,760	16,243
<b>Total Revenues.....</b>	<b>\$88,670</b>	<b>\$89,063</b>	<b>\$91,332</b>	<b>\$94,078</b>	<b>\$96,251</b>
<i>Expenditures</i>					
<i>Personal Service</i>					
Salaries and Wages .....	\$27,146	\$28,717	\$29,611	\$30,359	\$30,060
Pensions .....	9,632	9,852	9,903	10,162	10,367
Fringe Benefits <sup>1</sup> .....	9,989	10,733	11,647	12,418	13,098
<b>Subtotal – Personal Service .....</b>	<b>\$46,767</b>	<b>\$49,302</b>	<b>\$51,161</b>	<b>\$52,939</b>	<b>\$53,525</b>
<i>Other Than Personal Service</i>					
Medical Assistance .....	5,915	5,915	5,915	5,915	5,915
Public Assistance .....	1,583	1,605	1,617	1,617	1,617
All Other <sup>1</sup> .....	30,860	29,505	28,864	29,085	29,364
<b>Subtotal – Other Than</b>					
<b>    Personal Service.....</b>	<b>\$38,358</b>	<b>\$37,025</b>	<b>\$36,396</b>	<b>\$36,617</b>	<b>\$36,896</b>
Debt Service <sup>1,2</sup> .....	6,231	6,962	7,511	7,903	8,608
FY 2017 Budget Stabilization					
& Discretionary Transfers <sup>1</sup> .....	(4,180)	—	—	—	—
FY 2018 Budget Stabilization <sup>2</sup> .....	3,652	(3,652)	—	—	—
Capital Stabilization Reserve.....	—	250	250	250	250
General Reserve.....	50	1,000	1,000	1,000	1,000
<b>Subtotal.....</b>	<b>\$90,878</b>	<b>\$90,887</b>	<b>\$96,318</b>	<b>\$98,709</b>	<b>\$100,279</b>
Less: Intra-City Expenses.....	(2,208)	(1,824)	(1,770)	(1,774)	(1,774)
<b>Total Expenditures.....</b>	<b>\$88,670</b>	<b>\$89,063</b>	<b>\$94,548</b>	<b>\$96,935</b>	<b>\$98,505</b>
<b>Gap To Be Closed .....</b>	<b>\$—</b>	<b>\$—</b>	<b>\$(3,216)</b>	<b>\$(2,857)</b>	<b>\$(2,254)</b>

<sup>1</sup> Fiscal Year 2017 Budget Stabilization and Discretionary Transfers total \$4.180 billion, including GO of \$1.560 billion, TFA-PIT of \$1.909 billion, Retiree Health Benefits of \$400 million, net equity contributions in bond refunding of \$11 million and subsidies of \$300 million.

<sup>2</sup> Fiscal Year 2018 Budget Stabilization totals \$3.652 billion, including GO of \$1.652 billion and TFA-PIT of \$2.0 billion.

## STATE AND FEDERAL AGENDA

### STATE

Overall, the State Budget results in over \$600 million in cuts or new funding mandates to the City. This includes fifty percent of the costs for MTA's Subway Action Plan (\$418 million) and Capital funding for the Hudson River Park Trust Fund (\$50 million). State cuts eliminate funding for the Close to Home Program (\$31 million) and reduces funding for LINC1 rental assistance programs (\$9 million).

In Education, School Aid increases by \$334 million or 3.3%. The School Aid growth falls below anticipated levels and leaves a budget shortfall of \$140 million.

Within Human Services, the State Budget reauthorizes the Close to Home program for five years through March 2023 but eliminates State reimbursement for the program, resulting in a cut of \$31 million in City Fiscal Year 2019. The budget also reduces funding for Linc1 from \$40 million to \$31 million. Additionally, the State Budget authorizes the Office of Temporary and Disability Assistance to withhold or deny resource allocations if the City fails to develop, submit, or implement an approved outreach or homeless services plan.

On Housing, the State Budget provides \$250 million for capital projects and other improvements at the New York City Housing Authority (NYCHA) in accordance with the development of an emergency remediation plan under the Governor's Executive Order. The State Budget also grants the New York City Department of Design and Construction and NYCHA two years of design-build authority to remediate certain conditions. The budget also authorizes design-build for the rehabilitation of the Brooklyn-Queens Expressway

and the construction of borough based facilities to facilitate Rikers closure plans.

The Governor's Budget proposed a number of costs shifts that are excluded from the Enacted Budget. The Enacted Budget rejects the Governor's proposed cuts to Charter School tuition and rental assistance reimbursements. It also omits cuts to special education, and reimbursements for child welfare services.

### FEDERAL

In February, the President released his proposed budget for Federal Fiscal Year 2019. The proposals contained significant cuts to major programs such as SNAP, Section 8 funding, Low Income Heat Energy Assistance Program, the Community Services Block Grant, TANF, Public Housing, and a complete elimination of the Community Development Block Grant. If adopted by Congress, these cuts would impact many programs serving children, seniors and economically disadvantaged people.

Though most of the proposed cuts and reductions included in the President's budget for the prior year were not enacted for FY18, we are mindful that these risks are still very real and we continue to monitor Washington's actions. Congress is currently considering the Federal Fiscal Year 2019 spending, but at this time, the House and Senate have not yet taken up appropriations bills.

If spending bills are not passed by October 1st, a continuing resolution may be enacted to maintain spending levels for a specified time period.

## SANDY RECOVERY AND RESILIENCY

### Sandy's Impact on the City and its Communities

When Hurricane Sandy made landfall on October 29, 2012, it caused devastation in all five boroughs of New York City and claimed the lives of 44 people. The damage Sandy wrought upon the City's infrastructure systems was unprecedented, and demonstrated the City's dependence on such systems and their vulnerability. Due to climate change, extreme weather events like Sandy are expected to increase in frequency and intensity. By constructing new resilient infrastructure and incorporating new resiliency measures into most Sandy repair work, the City is maximizing its ability to withstand future disasters and minimize the risk to life and property.

The City has made substantial and meaningful progress in its Sandy recovery over the five-and-a-half years since the storm occurred. Through the leadership of the de Blasio administration, the City is well underway in the process of repairing and rebuilding City infrastructure, residents' homes, businesses and communities, as well as planning and designing major resiliency measures to be incorporated into the municipal infrastructure.

### Funding for Sandy Recovery: Infrastructure and Community Investment

Funding for Sandy Recovery comes primarily from two sources, the Federal Emergency Management Agency (FEMA), and the U.S. Department of Housing and Urban Development (HUD). FEMA funding supports the City's costs for emergency response and repairs to damaged infrastructure including resiliency improvements. HUD provides funding through the Community Development Block Grant – Disaster Recovery program. This funding supports unmet recovery needs remaining after all other funding sources are accounted for. HUD's Community Development Block Grant – Disaster Recovery funding supports repairs to privately-owned housing, assistance for businesses, and long-term resiliency improvements.

### Emergency Response and Infrastructure Recovery

Much has been accomplished in the five-and-a-half years since Sandy. The overall cost of the City's FEMA-funded emergency response and infrastructure recovery is projected to be about \$10.7 billion. The cost for emergency response activities is projected to be about \$2.1 billion, and the cost for the long-term infrastructure repairs and resiliency investments is projected to be about \$8.6 billion. The City has secured \$10.1 billion in FEMA Public Assistance grants and other federal Sandy recovery grants, and is currently working with FEMA to develop grants for an additional estimated \$400 million in funding. The \$10.1 billion includes \$3.1 billion for NYCHA, \$1.9 billion for H+H, and \$259 million for other non-Mayoral entities. Of the \$10.1 billion in federal grants secured, the City has been reimbursed over \$2.6 billion to date.

The expense-budgeted emergency response activities conducted by City agencies are largely over. The City is now entering into a new phase of its recovery from Sandy – the execution of long-term infrastructure repair and resiliency projects. The City has partnered with FEMA to implement new and innovative approaches in order to improve long term recovery efforts.

The City is the largest participant in FEMA's 428 Public Assistance Alternative Procedures pilot program, a new FEMA initiative authorized under the Sandy Recovery Improvement Act ("SRIA") designed to expedite disaster recovery. With its participation in FEMA's new 428 pilot program, the City was awarded both the largest and second largest disaster assistance grants in the history of the FEMA Public Assistance program.

FEMA funding for Sandy repairs comes with a requirement to obtain and maintain insurance for the Federal investments in City infrastructure. The City has secured insurance policies for all known federally funded assets, and will continue to place any new policies as required at an estimated annual cost of approximately \$3 million. In addition, the City is focused on compliance and developing proper documentation to ensure full reimbursement from FEMA for recovery activities.

*Highlights of FEMA/other federal funded infrastructure repair and mitigation grants include the following:*

- NYCHA: 33 housing developments at \$2.9 billion.
- H+H: four hospitals (Coney Island, Bellevue, Metropolitan and Coler) at \$1.7 billion.
- DPR: beaches, parks and recreational facilities estimated at \$978 million.
- SCA: 43 public schools across the five boroughs estimated at \$779 million.
- DOT: transportation infrastructure (roads, ferries and lighting systems) estimated at \$733 million.
- DEP: wastewater treatment plants and pump stations citywide estimated at \$543 million.

**Hurricane Sandy Expense and Capital Cost Estimates by Agency**  
(\$ in millions)

	Expense	Capital - Repair	Capital - Mitigation	Total
Health + Hospitals (H+H) <sup>1</sup> .....	\$127	\$989	\$757	\$1,872
Parks.....	95	747	231	1,073
DEP.....	618	251	292	1,161
Education (DOE and SCA).....	85	587	192	864
Transportation (DOT) <sup>2</sup> .....	10	728	5	743
Police Department.....	193	93	8	294
Fire Department.....	27	200	4	231
Sanitation.....	177	31	9	217
All Other Agencies .....	\$577	\$405	\$115	\$1,098
<i>Subtotal</i> .....	<b><u>\$1,909</u></b>	<b><u>\$4,031</u></b>	<b><u>\$1,613</u></b>	<b><u>\$7,553</u></b>
New York City Housing Authority <sup>3</sup> .....	259	1,447	1,466	3,101
<b>Grand Total</b> .....	<b><u>\$2,168</u></b>	<b><u>\$5,478</u></b>	<b><u>\$3,079</u></b>	<b><u>\$10,725</u></b>

1. Total estimates include \$1.7 billion for H+H 428 PAAP grants for four hospitals.

2. Transportation includes \$615 million of Federal Highway Administration and Federal Transit Administration funding.

3. NYCHA figures include damages to be covered by approximately \$357 million of insurance.

### Funding for Community Recovery

The City was awarded \$4.2 billion of HUD funding for the purpose of making sure all New York City communities impacted by Hurricane Sandy recover fully and recover quickly. This HUD funding comes in the form of Community Development Block Grant – Disaster Recovery (CDBG-DR), which the City is using to support a wide variety of disaster recovery activities that are not covered by traditional disaster recovery funding. These initiatives include restoring private housing stock, assisting businesses, and investing in long-term resiliency improvements to infrastructure.

#### CDBG-DR Funding (\$ in millions)

Program Area	Total Funding
Housing	<b>\$2,968</b>
Build it Back Single Family	2,213
Build it Back Multifamily	426
NYCHA	317
Other	12
Business	<b>\$91</b>
Infrastructure and Other City Services	<b>\$419</b>
Coastal Resiliency	<b>\$473</b>
Rebuild by Design - East Side Coastal Resiliency	338
Rebuild by Design - Hunts Point	45
Other	90
Planning/Admin	<b>\$263</b>
<b>Total</b>	<b>\$4,214</b>

Source: CDBG-DR Action Plan, [www.nyc.gov/cdbgdr](http://www.nyc.gov/cdbgdr)

### **Build It Back: Entering Final Phase of Construction**

Through the Build It Back program, the City has prioritized helping homeowners remain in their communities – ensuring that these New Yorkers have the resources necessary to recover and make their homes and communities more resilient. As of the first half of 2018, over 99 percent of all homeowners have been served through construction starts, reimbursement checks for repairs, or acquisition of their homes. The City has completed 97 percent of City managed construction projects, and 90 percent of all construction projects, including homeowner-managed construction. Of the homes with ongoing work, just over 100 city-managed construction homes are left to complete. Currently, less than dozen homeowners are remaining for construction work to start.

Looking ahead, the City is taking steps to be better prepared for the next storm or disaster that may impact New York. In managing housing recovery post-disaster, the City has learned what it takes to elevate and rebuild homes in affected communities, about the importance of clear communication on how different federal programs can assist homeowners, and the impact of neighborhood resiliency planning. The focus for future recovery efforts will be on preparedness, technical assistance for building owners, and community engagement.

### **Protected City, Resilient Neighborhoods**

As the City completes its housing recovery, the focus for CDBG-DR shifts towards long-term preparedness and continuing efforts to make the City more resilient. With its over \$20 billion resiliency program, the City is continuing to build a stronger, more resilient New York by bolstering coastal defenses, protecting infrastructure, strengthening communities and businesses, and adapting buildings. For example, the City is utilizing berms, stationary walls, deployable flood walls, and drainage improvements to accomplish the ambitious goal of protecting Lower Manhattan residents and businesses from future storm events. Investment in resilient infrastructure and protection systems are being integrated throughout the City to strengthen vulnerable neighborhoods.

- **East Side Coastal Resiliency:** runs along the east side of Manhattan from 25th St. to Montgomery Street. This \$760 million project, which is developing a coastal flood protection system, includes \$338 million in funding from HUD’s Rebuild by Design program and additional City funding commitments.
- **Lower Manhattan Coastal Resiliency – Two Bridges:** runs along the east side of Manhattan from Montgomery Street down to the Brooklyn Bridge where the City is extending further coastal flood protection measures. This project is budgeted for \$203 million which includes \$176 million from the National Disaster Resilience Competition and the City’s commitment of an additional \$27.5 million of City capital funding as leverage for the Federal investment in this area.
- **Additional Lower Manhattan Coastal Resiliency:** runs from the Brooklyn Bridge around the island’s southern tip and up the west side. With \$108 million in City capital funding as a down payment, this series of projects will allow the City to complete a full line of protection for Lower Manhattan.
- **Hunts Point:** focused on the City’s food distribution hub, \$45 million in federal funding is being invested in resiliency measures to ensure the long-term viability of the City’s food supply.
- **RISE:NYC and Business PREP:** are providing Sandy-impacted small businesses throughout the City with strategies and innovative technologies to better prepare for and respond to future disasters.
- **Additional investments:** coastal protection work is also being done for the Rockaways, Coney Island, the South Shore of Staten Island and other vulnerable shorelines across the City.

For more information on Sandy recovery, including detailed performance metrics, please visit [www.nyc.gov/recovery](http://www.nyc.gov/recovery).

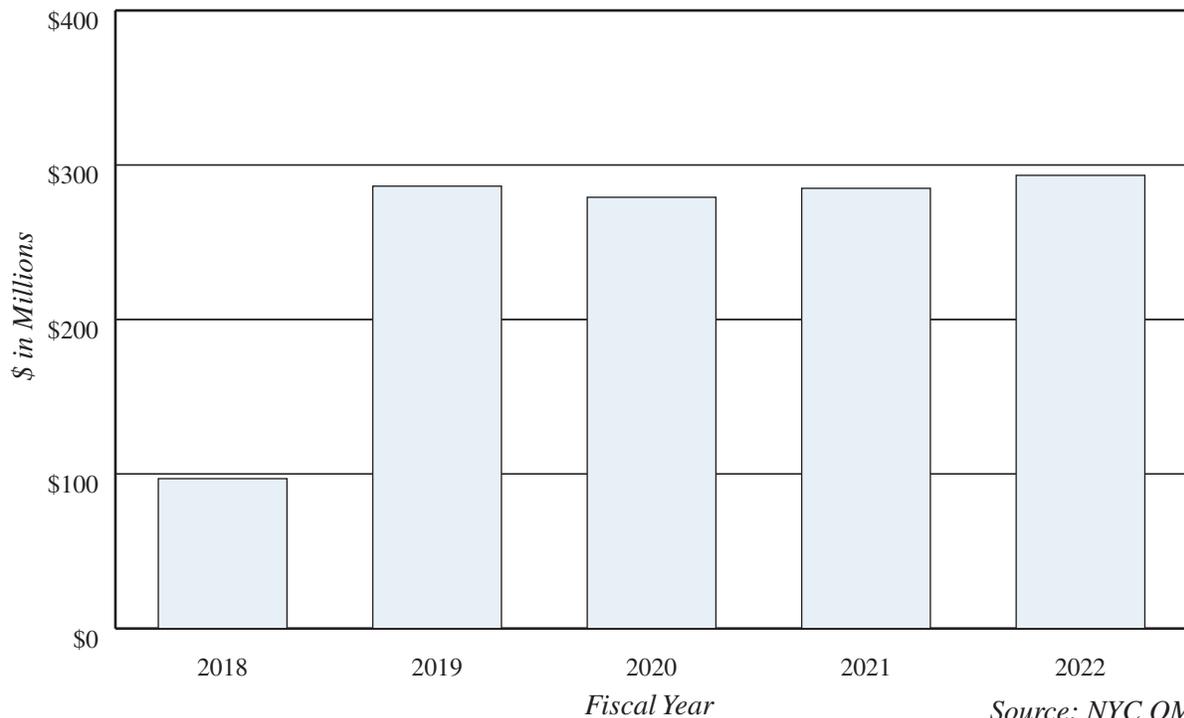
**CITYWIDE SAVINGS PROGRAM**

Stewardship of the City’s finances is an ongoing process that requires long term planning and a search for innovation. To identify and implement financial best practices, OMB and Agency staff applied five strategies to drive savings: redesign business practices, reduce and repurpose assets, implement IT solutions, improve the use of City space and deployment of personnel, and maximize Federal, State, and Private grants and Miscellaneous revenue.

The Citywide Savings Program in the Executive Budget expands on work started in the November Plan and Preliminary Budget. In total, these efforts have resulted in \$1.0 billion dollars for 2018 and \$1.1 billion for 2019. This was accomplished through 337 savings initiatives, including 310 from the agencies and 27 central.

Efficiencies change agency practices and decrease City spending without reducing services. There are a total of 65 efficiency initiatives in this Citywide Savings Program. Agencies submitted 57 efficiency initiatives in addition to the eight efficiency initiatives implemented Citywide. These allow agencies to use fewer resources while working at the same or increased capacity.

**CITYWIDE SAVINGS PROGRAM – EFFICIENCIES 2018 – 2022 FORECAST**



**Agency Savings Initiatives Highlights – November, Preliminary, and Executive Budget*****Business Process Redesign: changing operations in areas such as procurement and coordination***

- The Department of Records & Information Services (DORIS) will achieve economies of scale by incorporating supply and material costs for future projects into a single contract proposal rather than purchasing through separate contracts in the November Plan.
- The Office of Payroll Administration (OPA) has been able to use IT services procured and funded through the Financial Information Services Agency (FISA) due to increased shared services in the Preliminary Budget.
- The Office of Administrative Trials & Hearings (OATH) has identified savings for data capture and mail fulfillment service contracts through competitive bidding in the Preliminary Budget.

***Reduce and Repurpose: using resources more efficiently and reusing existing City assets***

- The Department of Transportation (DOT) will consolidate curbside parking regulatory signs in the November Plan.
- OATH will convert to digital record retention and develop an electronic case tracking system which will result in savings in office supplies in the November Plan.
- The Department of Citywide Administrative Services (DCAS) will receive incentive payments for charging electric vehicles during daily off-peak demand periods in the Preliminary Budget.
- DCAS will receive incentive payments for installing energy conservation measures in existing facilities in the Executive Budget.

***IT Solutions: using technology to improve efficiency***

- FISA will achieve savings related to the lower cost of maintaining newer equipment in the November Plan.
- DOT will use less expensive video cameras and computer analysis contracts for projects where manual traffic surveys are inefficient in the November Plan.

- The Department of Probation (DOP) will upgrade telecommunications, which includes converting to Voice over IP (VoIP) and decommissioning fax lines in the November Plan.
- The Department of Information Technology & Telecommunications (DoITT) realized savings by reducing the costs for some services through insourcing, negotiating savings, and reviewing contract needs in the Preliminary Budget.

***People and Space: improving personnel deployment and using space more efficiently and effectively***

- DOT has implemented an overtime cap for administrative and field Parking division staff in the November Plan.
- The Office of the Actuary (NYCOA) will effect savings by insourcing some previously outsourced actuarial services in the November Plan.
- The Department of Education (DOE) will realize savings generated from permanently placing teachers who were previously working as provisional staff in the Preliminary Budget.
- DOE will realize savings from employee retirements and early departures in the Preliminary Budget.
- The Department of Correction (DOC) will have savings from the closure of the George Motchan Detention Center on Rikers Island in the Preliminary Budget.
- The Department of Environmental Protection (DEP) Bureau of Customer Services is projecting a decrease in its overtime needs due to a recent change to their overtime policy in the Preliminary Budget.
- DOT will hire a graphic designer to perform work currently done through a contract in the Preliminary Budget.
- The Office of Labor Relations (OLR) will realize savings from the WorkWell NYC program due to insourcing of consultant duties in the Executive Budget.
- OATH will reduce security costs due to office space consolidation in the Executive Budget.

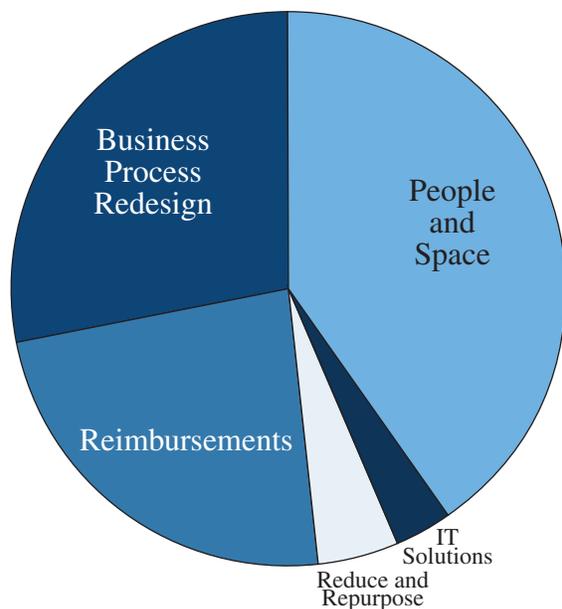
- DOT will realize savings from restructuring the Auditor General's Office in the Executive Budget.

***Reimbursements: maximizing Federal, State, and Private grants and Miscellaneous revenue***

- The Department of Finance (DOF) will receive updated street level imagery twice a year, as opposed to once, to allow assessors to increase the number of inspections completed, reduce incorrect classifications, and prevent loss of recurring property tax revenue owed to the City in the Preliminary Budget.
- DOT will use Federal funding for installation of pavement safety markings on City interstate expressways and parkways in the Preliminary Budget.
- The Department of Health and Mental Hygiene (DOHMH) will use grant funding for eligible GetCoveredNYC activities in the Executive Budget.

**CITYWIDE SAVINGS PROGRAM – EFFICIENCIES BY TYPE 2018 – 2022**

(\$ in Millions)



<i>Program</i>	<i>Savings</i>
People and Space	\$501.5
Business Process Redesign	346.0
Reimbursements	293.8
Reduce and Repurpose	56.6
IT Solutions	42.7
<b>Total</b>	<b>\$1,240.6</b>

Source: NYC OMB

**Citywide Savings Initiatives – November, Preliminary, and Executive Budget**

Citywide Savings Initiatives are reductions to City spending that span across multiple agencies, making use of shared resources and economies of scale.

*Agency Phone Plan Review*

DoITT will review phone plans to ensure competitiveness, improve billing, and upgrade technology.

*Paper Reduction*

City agencies will phase out the creation and storage of most types of paper documents, which will reduce storage costs.

*Electric Vehicles*

To meet greenhouse gas emissions reduction goals for the transportation sector, the City will transition to purchasing battery powered electric vehicles (BEVs) and decrease fuel and maintenance costs.

*Standardize Travel Policies*

Travel requests will be thoroughly reviewed to ensure they are mission critical and cost-effective.

*Fleet Legal Coordination*

DCAS will expand monitoring of the City’s Fleet to improve safety and will share information with the Law Department related to the defense of automobile-related claims made against the City.

*Auto Service Workers*

This initiative shifts vehicle maintenance staffing to a more diverse model that makes use of both Auto Mechanic and Auto Service Worker titles. This will align with industry best practices, reduce costs, and create entry-level pathways for new staff entering the field.

*Enterprise Print Management*

Enterprise Print Management (EPM) consolidates citywide printing expenses under a single contract, leveraging the large number of users to achieve a lower cost for equipment, maintenance, and support.

*Energy Load Management*

Staff will monitor energy usage and work with agencies to implement load management practices such as monitoring air conditioning, heating, and overall agency activities in order to decrease the City's carbon footprint and reduce energy costs.

## CONTRACT BUDGET

The Contract Budget is presented as part of the 2019 Executive Budget submission. The Contract Budget includes all projected expenditures for contracts that are personal service, technical or consulting in nature, as defined in Section 104 of the City Charter. Purchase orders and open market orders, as well as small purchases that do not require registration by the Comptroller's Office, are included in the Contract Budget. Contracts for the purchase of supplies, materials and equipment are not included.

The 2019 Executive Contract Budget contains an estimated 17,664 contracts totaling over \$16.17 billion. Over 76 percent of the total contract budget dollars will be entered into by the Department of Social Services, the Administration for Children's Services, the Department of Homeless Services, the Department of Health and Mental Hygiene and the Department of Education. The Administration for Children's Services has over \$1.76 billion in contracts, approximately 66 percent of which represents contracts allocated for Children's Charitable Institutions (\$470 million) and Day Care (\$696 million). Of the over \$7.15 billion in Department of Education contracts, approximately 46 percent of the contracts are allocated for Transportation of Pupils (\$1.23 billion) and Charter Schools (\$2.09 billion).

Each agency's Contract Budget is delineated by object code within the agency's other than personal service units of appropriation. The Executive Budget Supporting Schedules further break down the Contract Budget by budget code within unit of appropriation. All object codes in the 600 object code series are included in the Contract Budget. In addition, the Executive Budget Supporting Schedules reference the 2018 Modified Budget condition for these contract object codes.

Agencies in preparing their contract budgets were requested to categorize their contracts into 51 specific contract objects. The distribution of these contracts is summarized as follows:

	Est # of Contracts	Dollars (Millions)	% Total Dollars
<b>Social Service Related and Health Services.....</b>	4,573	\$5,589	34.6%
• Home Care, Child Welfare, Employment Services, Public Assistance, Day Care, Family Services, Homeless Programs, AIDS, Senior Citizen Programs, Health, Mental Hygiene & Prison Health, etc.			
<b>Youth and Student Related Services.....</b>	3,085	5,283	32.7%
• (including Transportation of Pupils and Payments to Contract Schools)			
<b>Other Services.....</b>	3,104	1,831	11.3%
• Custodial, Security Services, Secretarial, Cultural Related, Employee Related, Economic Development, Transportation, Municipal Waste Exporting, etc.			
<b>Professional Services/Consultant.....</b>	3,528	1,901	11.7%
• Accounting, Auditing, Actuarial, Education, Investment Analysis, Legal Engineering & Architectural, System Development & Management Analysis, etc.			
<b>Maintenance &amp; Operation of Infrastructure.....</b>	1,654	1,161	7.2%
• Lighting, Street Repair, Buildings, Parks, Water Supply, Sewage and Waste Disposal, etc.			
<b>Maintenance of Equipment.....</b>	1,720	411	2.5%
• Data Processing, Office Equipment, Telecommunications & Motorized Equipment, etc.			
<b>TOTAL .....</b>	<b>17,664</b>	<b>\$16,176</b>	<b>100.00%</b>

## COMMUNITY BOARDS

New York City's 59 community boards provide a formal structure for local citizen involvement in the budget process as well as other areas of City decision making. The Charter mandates that the community boards play an advisory role in three areas: changes in zoning and land use, monitoring the delivery of City services in the community district and participating in the development of the City's capital and expense budgets.

Each community board receives an annual budget to support a district manager, additional staff, and other operating expenses. In FY 2019 the uniform base budget for each community board is \$233,911. This excludes the cost of office rent and heat, light and power, which are in a separate unit of appropriation.

Each Borough President appoints board members for staggered two year terms. City Council members in proportion to each member's share of the district's population select nominees from which half the appointments are made. All fifty members of the community board either live or work in the district.

Each year agencies that deliver local services consult with community boards about budget issues and the needs of the districts, prior to preparing their departmental estimates. The boards then develop and prioritize their up to 40 capital budget requests and their up to 25 expense budget requests. For FY 2019 community boards submitted 1,901 capital requests and 1,775 expense requests to 37 agencies. Community board expense budget requests concentrate on local services and personnel increases.

District specific budget information is available in the following geographic budget reports, which accompany the release of the FY 2019 budget.

**Register of Community Board Budget Requests for the Executive Budget, Fiscal Year 2019** – lists the funding status for all community board proposals in priority order within community district.

**Geographic Report for the Executive Expense Budget for Fiscal Year 2019** – details the expense budgets of fourteen agencies that deliver local services by borough and service district. Includes FY 2019 Executive Budget information as well as FY 2018 current modified budget and budgeted headcount data.

**Executive Capital Budget for Fiscal Year 2019** – details the Mayor's Capital Budget by project within agency. Budget data is presented by community district and by agency within borough.

**Geographic Fiscal Year 2019 Executive Budget Commitment Plan** – presents information on capital appropriations and commitments by community board, including implementation schedules for the current year and four plan years for all active projects by budget line.

## ECONOMIC OUTLOOK

### Overview

The expansion of the U.S. economy hit 106 months in April and is now the second longest in the post-World War II period. Real GDP growth in 2017 was steady, with the fourth quarter marginally slower than the prior two quarters and the full-year pace slightly higher than the post-recession average. Both consumption and investment spending is expected to strengthen in 2018 as a consequence of the recently enacted Tax Cut and Jobs Act (TCJA) and the increase in federal spending caps. As of February, tax withholding schedules reflect the personal income tax reductions, lifting take-home pay. With consumer sentiment high, plentiful jobs, and rising household wealth, fundamentals point towards heightened consumption spending. Likewise, business investment has been strengthening, encouraged by low (but increasing) borrowing costs, rising equity values, and lower corporate tax rates. In addition, the full capital expensing allowances in the TCJA should incentivize capital spending. For these reasons, the growth contribution of business investment is expected to increase over the next two years. While a persistent trade deficit is expected to be a drag, overall growth is projected to accelerate over the next two years.

Nearly all measures of national labor conditions indicate a tight market. The unemployment rate has been holding at lows last seen during the tech boom 17 years ago and has remained well below most estimates of the natural rate. Despite labor supply constraints, the average monthly job gains in the first quarter of 2018 were up from 2017 as potential workers were coaxed into the labor force. Despite tight conditions, wage indicators remain sluggish. While this may be a sign of further slack in the labor supply — primarily part-time and discouraged workers that have yet to be drawn into full-time positions — the inevitable demographic pressure from retiring baby boomers will eventually push labor force participation rates down. Thus, in the short run, employment growth increases marginally over the next two years due to the fiscal stimulus. However, hiring is projected to decelerate starting in 2020, while wages are forecast to strengthen.

After a remarkably tranquil period, volatility returned to Wall Street. Favorable conditions in 2017 pushed equity indices to double-digit gains, while measures of volatility remained at historic lows. Many of these positive factors will persist in 2018 including stronger corporate profits, an easing regulatory environment, and lower corporate tax rates. However, markets entered a choppy period in 2018 partly due to trade frictions and the announcement of punitive tariffs on U.S. trading partners. Counterintuitively, the volatility helped the biggest banks. After booking strong profits in 2017, the first quarter earnings reports revealed that the elevated uncertainty boosted trading revenues as investors reallocated portfolios. In addition, the gradual increase of interest rates, partly driven by the Fed's tightening monetary policy, has helped support net interest income. The Fed's new

chairperson, Jerome Powell, will likely continue to remove monetary accommodation slowly to avoid derailing the economic expansion. Expected actions include two or three additional hikes of the fed funds rate this year and further shrinkage of the Fed's balance sheet.

The New York City economy extended its expansion into a ninth year, albeit with signs of moderation. The job market remained robust with employment and labor force hitting record levels and the unemployment rate dropping to an all-time low at the beginning of 2018. However, since 2014 job growth has been steadily decelerating, a trend that is predicted to continue through the end of the forecast horizon as the job market remains near full employment. The tight labor market, in turn, may finally be putting upward pressure on compensation. Wage earnings growth was strong through the first three quarters of 2017, with a boost from robust bonuses on Wall Street. Other sectors such as manufacturing, retail, and other services are also starting to see stronger wage gains, partly due to the start of the \$15 minimum wage policy.<sup>1</sup>

Other parts of the local economy are starting to slow. Weaker office-using employment growth and a full pipeline of office development has resulted in a downshift in leasing activity and slower gains in asking rents. Commercial vacancy rates are expected to increase, driven by jumps in Midtown inventory from projects like Hudson Yards. Likewise, residential real estate, particularly the high-end condo market, has been slowing. Condo prices fell in 2017 and are expected to stay soft for the immediate future. This results in a dip in average prices for all categories of housing in 2018. One bright spot is the tourism industry, which remains

<sup>1</sup> Other services includes auto repair, religious activities, grant making, advocacy, dry-cleaning and laundry, personal care, death care services, pet care, temporary parking services, and dating services.

a pillar of growth. In 2017, visitor volume to the City increased for the eighth consecutive year to another record. The higher demand for accommodations has stimulated development of new hotels and a jump in inventory. This has kept occupancy rates flat and put downward pressure on room rates.

*\* All economic data are reported on a calendar year basis.*

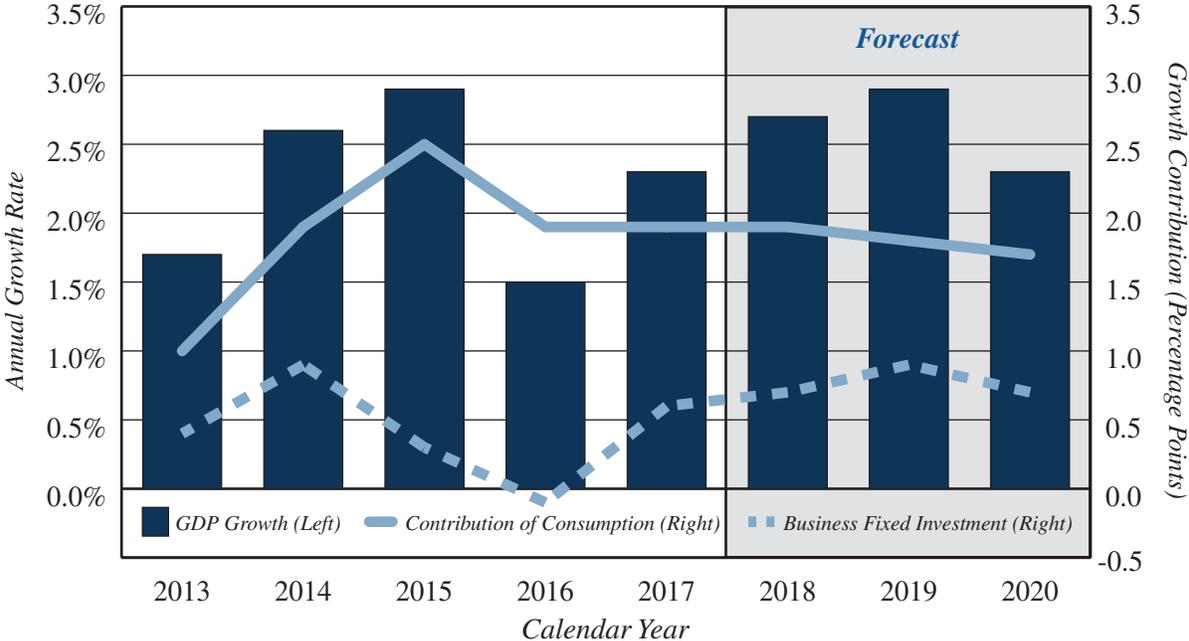
THE U.S. ECONOMY

As of April, the U.S. economy entered the 106th month of expansion, matching the second-longest post-WWII boom during the 1960's. The economy continues to produce steady GDP growth, with the latest estimate placing fourth quarter 2017 growth at 2.9 percent, up from the prior estimate of 2.5 percent, which brought full-year 2017 to 2.3 percent. Most signs point towards sustained growth over near future. Consumption continues to be driven largely by robust spending, which hit a 4.0 percent annual pace in the fourth quarter, accounting for 2.75 percentage points (ppt) of growth. However, part of the jump was induced by post-hurricane outlays, which will not continue into 2018. Nevertheless, an additional boost is expected from higher disposable income resulting from the recent Tax Cut and Jobs Act (TCJA) passed at the end of last year. Investment spending added another 0.78 ppt to growth in the fourth quarter and would have been even higher if not for drag induced by a drawdown of private inventories. Another headwind came from net exports, which switched from a roughly quarter-point contribution in each of the first three quarters of 2017 to a -1.16 ppt drag in the fourth.

While consumption was the engine of growth in 2017, the early data in 2018 is signaling a temporary slowdown, partly as a consequence of the elevated fourth-quarter. In particular, after quarterly gains averaging under one percent for the first-three quarters, retail sales accelerated to 2.5 percent in the fourth — the fastest growth in seven years — lifted by strong sales in autos and building materials. However, there was payback in the first quarter as growth dropped to just 0.2 percent. Likewise, the personal consumption expenditure data showed a downshift in January and February 2018 to just 0.2 percent monthly growth, below the 0.5 percent average in the last quarter of 2017. This slowdown was puzzling given that consumption was expected to be boosted by the TCJA. In February, the IRS published updated withholding tables, which raised take-home pay for nearly all U.S. workers. The lack of spending was associated with a rebound of the personal saving rate from a 12-year low of 2.4 percent at the end of 2017 and speculation that consumers might be saving the windfall or paying down debt rather than making new purchases. Nevertheless, there is early evidence that consumers may be responding with a lag — the March retail sales data showed a jump to 0.6

U.S. GDP AND GROWTH CONTRIBUTION FROM CONSUMPTION AND INVESTMENT

While consumption's contribution to growth is forecast to remain high, the contribution from business investment is expected to climb over the next two years due to the impact of the tax cut.



Source: U.S. Bureau of Economic Analysis, NYC OMB

percent after three negative months. With consumer confidence running at its highest level since the tech boom, a tight job market, and rising household wealth, the fundamentals point towards continued strength, keeping consumption's growth contribution near two-thirds over the next two years.

Both business investment and residential investment made positive contributions to growth in the final quarter of 2017. However, while the former is expected to continue into 2018, the latter is likely transitory. The pace of business investing picked up in the fourth quarter, pulling non-residential fixed investment growth to 4.7 percent for the full year, a rebound from a 0.6 percent contraction in 2016. This acceleration was helped by low borrowing costs, rising equity values, steady growth, and the anticipation of corporate tax cuts promised by the Trump administration. Durable goods orders reflected this momentum, jumping to 4.0 percent growth in the final quarter of 2017, bringing the annual pace to 5.9 percent, a six-year high. The prospects for continued progress appear good, with the corporate tax cuts and, more importantly, the full capital expensing allowances in the TCJA incentivizing higher capital spending. For these reasons, the forecast expects business investment to accelerate above the 2017 pace and contribute approximately 0.7 and 0.9 ppt to GDP growth in 2018 and 2019, respectively.

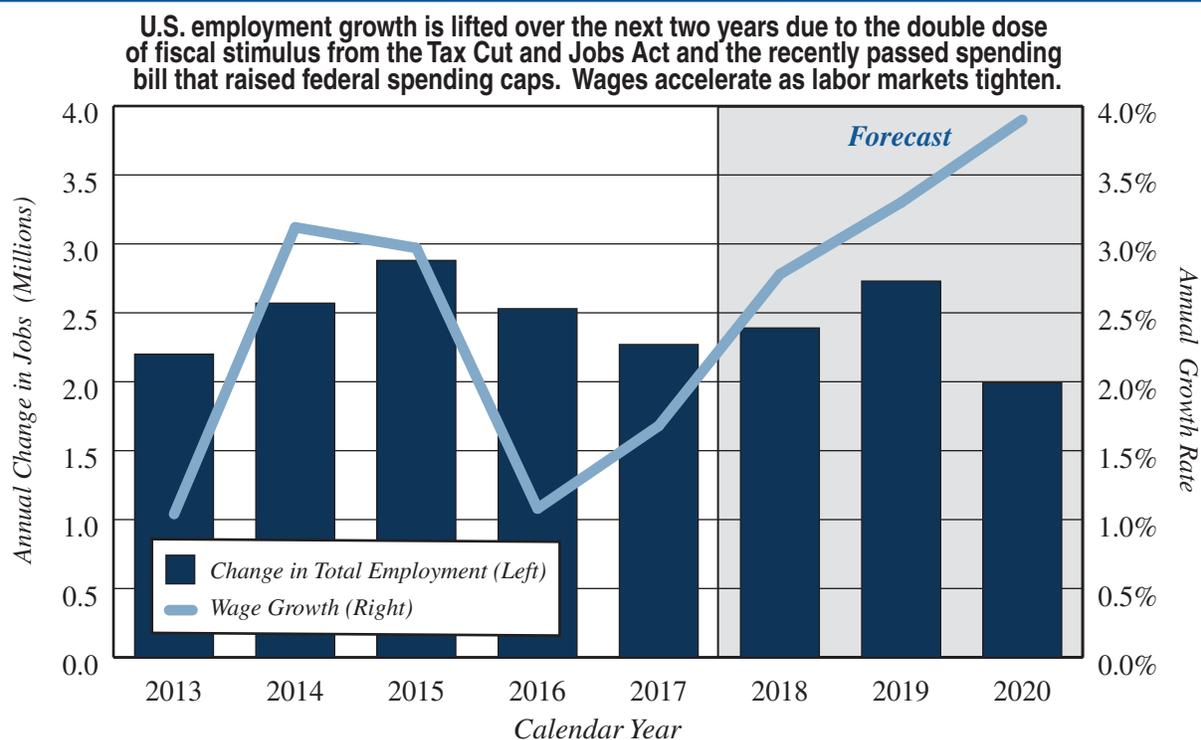
After two quarters of contraction, residential investment bounced back strongly in the fourth quarter of 2017, driven by the recovery from the severe hurricane season. The nearly 13 percent jump added almost half a percentage point boost to GDP growth, but the full-year tailwind was negligible at less than 0.1 ppt. It is unlikely that a significant housing boost will endure into 2018. Seasonally adjusted new home sales have contracted for three consecutive months ending in February and single family housing starts have also struggled at the beginning of 2018, dropping 0.5 percent in the first quarter. Other impediments to stronger housing growth in the near future include

higher mortgage rates, tighter lending standards, and lower limits on mortgage interest deductions imposed by the TCJA. As a result, the forecast projects just 1.5 and 2.8 percent growth of residential investment in 2018 and 2019, respectively.

The Trump administration's announcement of a broad array of tariffs on Chinese imports and the tit-for-tat response brought trade issues to the forefront of policy debates. Drag from net exports subtracted over a full percentage point from growth in the fourth quarter after three quarters of positive contribution. The fundamental basis for a trade deficit comes from an imbalance between national savings and national investment. If a country saves less than it invests — for instance through strong private consumption or public dissaving (e.g. government deficits) — then the difference is made up through net imports. As a result, targeting a particular good or country for restrictions will not address the overall source of the deficit. For example, a decade ago nearly half of the U.S. trade deficit in goods was due to high imports of petroleum products. Due to the oil production boom and an end to a ban on U.S. oil exports, this share has been cut to just eight percent in 2017. The nominal value of the petroleum trade deficit shrank by \$328 billion over this period, yet the overall goods deficit declined by just \$21 billion (or 2.6%). Thus, despite the removal of one of the largest sources behind the deficits a decade ago, the balance is largely unchanged as other non-petroleum import categories filled the gap.

The Congressional Budget Office (CBO) recently estimated that the TCJA and the recently passed Bipartisan Budget Act of 2018 will increase the federal deficit over the next ten years by \$2.7 trillion and bring the federal debt to 95 percent of GDP, up from 77 percent in 2017. As a result, without a dramatic increase in private saving, it is unlikely that the U.S. trade deficit will improve and net exports are projected to continue subtracting from growth through the end of the forecast horizon.

## U.S. TOTAL EMPLOYMENT GAINS AND WAGE GROWTH



The job market is booming, with nearly all measures indicating little slack in the labor market. The unemployment rate has been holding at a 17-year low of 4.1 percent for six straight months through March, well below the Fed's median estimate of longer-run unemployment (4.5 percent) and the CBO's estimate of the natural rate of unemployment (4.6 percent). Nevertheless, the monthly employment gains averaged roughly 200,000 in the first quarter 2018, up from a monthly pace of about 180,000 in 2017. This was possible because prospects of ample jobs are pulling workers off the sidelines. After a nine-year decline, the labor force participation rate bottomed out in 2015 and increased to 62.8 percent in 2017, albeit well below the all-time peak of 67.1 percent at the end of the tech boom.

The broadest measure of unemployment (known as U-6), which includes part-time workers who want full-time jobs as well as discouraged workers, fell to 8.0 percent in March. However, the last time the national unemployment rate was at the current level (December 2000), U-6 was even lower at 6.9 percent. This suggests that there might still be some slack left in the labor supply, which would help explain why wage growth is still sluggish – average hourly wages grew 2.7 percent

in the first quarter (year-over-year), up marginally from the 2.5 percent pace of the prior quarter. The Atlanta Fed's wage growth tracker, which tries to correct for composition biases in the BLS earnings survey, reported average wage growth of 3.1 percent in the first quarter 2018, down from 3.3 percent in 2017. The one wage measure that has been showing some strength is the BLS employment cost index, which accelerated to 2.8 percent in the fourth quarter 2017, the strongest pace since 2008, but still well below the peak of 3.5 percent hit at the end of the last expansion.

Without faster immigration or more rapid population growth, the inevitable demographic impact of the aging workforce and retirement of the baby boomers will continue to put downward pressure on the labor force participation rate and will ultimately result in a deceleration in hiring due to supply constraints. As a result, while employment growth rates are now projected to increase marginally over the next two years due to the fiscal stimulus, hiring begins to decelerate from 2020 through the remainder of the forecast. At the same time, average wages will rise steadily to more than four percent growth in the out-years.

After two remarkably tranquil years, volatility returned to Wall Street, with the nine-year bull market faltering at the start of 2018. Last year, investors were motivated by a number of encouraging signs including steady economic growth, strong labor markets, strengthening corporate profits, prospects of corporate and individual tax cuts, low interest rates, and an absence of inflation pressures. While nearly all of these factors remain unchanged, fears of incipient inflation and the potential central bank response triggered a reassessment of risk tolerance in the first quarter. Further unease was caused by President Trump's protectionist impulses, which lead to tariffs on steel, aluminum, and a range of Chinese imports.

In retrospect, equity market performance in 2017 was a historical outlier. The S&P 500 and the Dow appreciated strongly, up 19 and 25 percent, respectively, while volatility was nearly non-existent. The CBOE's VIX, a measure of S&P 500 expected volatility, averaged just 11.1 in 2017, nearly half of the 10-year average level of 20. In early November, this "fear index" dropped to 9.1, the lowest value ever reported in data going back to 1990. Likewise, the share of S&P trading days with index changes greater than one percent – the trading day ratio – dropped precipitously from 19 percent in 2016 to just 3 percent in 2017, lowest since 1965. While January started strongly with S&P gains of 5.6 percent, February opened with a stunning fall that wiped out the year-to-date gains in just three trading sessions. By the end of the first week of February, both the S&P and the Dow were down by more than ten percent from their prior highs.

The initial selloff was precipitated by the January U.S. employment report released in early February showing wages growing at the strongest annual rate since the recession. This was treated as an early indicator of latent inflation pressures, but was ultimately revised downward in subsequent employment reports. A second bout of turmoil hit near the end of March with the S&P and Dow each shedding nearly six percent over the week. This slump was driven by the tit-for-tat threats with China that started when President Trump announced punitive tariffs on Chinese imports. The S&P and Dow ended the first quarter down 8.1 and 9.4 percent, respectively, from their prior highs. Not surprisingly, volatility measures soared, with the VIX hitting a two-and-a-half year high of 37 in early February. The trading day ratio jumped to 63 percent in February, up from just 10 percent the month prior.

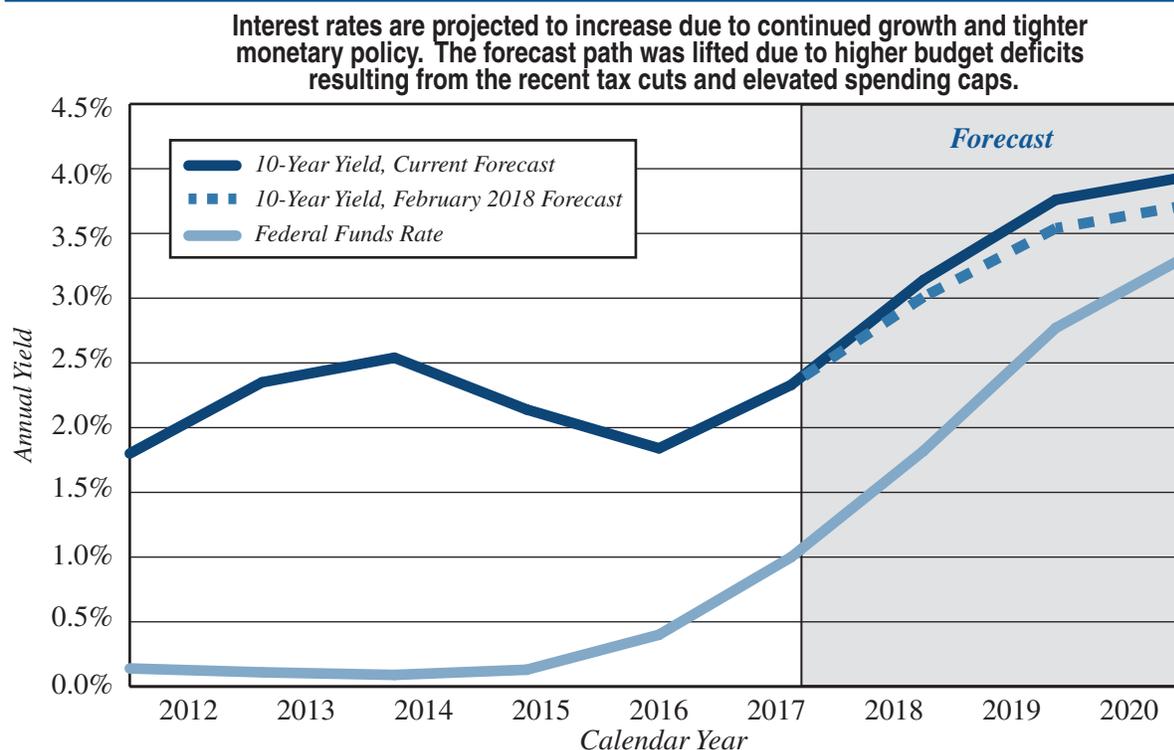
The big banks profited from the return of choppy conditions. The first quarter is typically strongest for banks and investment firms as clients reallocate portfolios and raise money for new projects. However, the sudden return of volatility created an additional boost in trading activity, particularly on the equities side. All of the Big Five banks announced double digit jumps in equity trading in the first quarter, which boosted their consolidated pre-tax net earnings by 18.5 percent, driven by net revenue gains of 9.2 percent over the same quarter last year.<sup>1</sup> For the investment banking units of these firms, earnings were up 10.1 percent. The results from fixed income trading was less sanguine, with only Goldman Sachs and Morgan Stanley reporting gains in bond trading. Compensation jumped 7.2 percent (year-over-year), significantly higher than the 2.4 percent growth for full-year 2017.

While the first quarter results for the full set of NYSE-member firms is not yet available, these early earnings reports foreshadow strong Wall Street profits. Fourth quarter 2017 results were already robust, with quarterly profits nearly triple that of the same quarter the prior year and highest since the third quarter 2012. Revenues grew by 20.4 percent while expense rose just 10.3 percent. The strength was unexpected, however, as many of the banks had announced write-downs and accounting charges associated with the newly passed tax cut legislation so it was unclear how these moves would affect their bottom lines. Nonetheless, profits for the full year 2017 totaled \$24.5 billion, a seven-year high. The forecast expects that the tailwinds that helped Wall Street in 2017, including the steep jump in equity prices and low interest rates, will abate. As a result, profits are projected to decline to \$20.5 billion in 2018.

Aside from weak fixed income trading, another challenge facing Wall Street is the rise in interest rates resulting from increasing fiscal deficits and tightening by the Fed and global central banks. Thus far the higher rates have been a boost, allowing lenders to charge higher rates to borrowers. For example, rates on 30-year fixed mortgages have climbed nearly half a percentage point over the first quarter. As a result, first quarter net interest income earned by the Big Five banks increased by 0.8 percent over the prior quarter, the fifth consecutive quarterly gain. However, the benefits will also depend on the slope of the yield curve since intermediaries must fund their lending, usually through shorter term arrangements. As short term rates rise, this funding gets more expensive – the fastest growing expense in the fourth quarter profit report was interest expense, which jumped 83 percent in 2017.

1 Bank of America, Citigroup, Goldman Sachs, JP Morgan, Morgan Stanley

## U.S. INTEREST RATES



Source: Federal Reserve Bank of St. Louis, NYC OMB

The yield curve has both shifted up and flattened over the last year, with the spread between the two and 10-year Treasury yields declining steeply since the flare up of equity market volatility in February. Over the subsequent two-month period, the spread flattened by 33 basis points, all of which was due to an increase of short-term yields. These were boosted by the issuance of short-term Treasuries to fund expanding budget deficits and the Fed's interest rate hikes in March. The forecast projects that 10-year Treasury yields will climb steadily, passing three percent in the second quarter of this year and approach four percent in the second half of 2020 when rates start to plateau. However, short-term rates climb faster, which implies a flatter yield curve through 2020.

In rare situations, yield curves have inverted with shorter rates higher than longer yields. In nearly all cases this was a sign of an impending recession. While spreads are falling, they are not signaling a downturn. On the contrary, the new Fed chairperson, Jerome Powell, who took the reins from Janet Yellen in February, inherits a robust economy and a strong labor market combined with an uncertain policy outlook in Washington. As of March, the unemployment rate remained at 4.1 percent for a sixth consecutive month,

while consumer price inflation, as measured by the personal consumption expenditures index (PCE), had risen by 1.8 percent in the previous 12 months. The core price index, which excludes the prices of energy and food, grew by 1.6 percent during the same period. As of February 2018, both indexes had remained below the FOMC's longer-term objective of two percent.

Given these circumstances, Powell intends to continue the gradual reduction of monetary accommodation pursued by his predecessor. However, some economists have argued that Powell's position has been "hawkish" compared to Yellen's, particularly in light of his recent push for faster rate hikes indicated by a higher median projection of the year-end federal funds rate. In addition to a federal funds rate hike, the Federal Reserve has also been gradually reducing its holdings of U.S. Treasury bonds and securities. However, as the Fed continues to cut back on policy accommodation, it has also pushed for tougher stress tests to ensure that large banks will have sufficient capital to weather a downturn.

The challenge facing Powell is to avoid derailing the economic expansion while maintaining control of inflationary pressures. At the March meeting, the

committee decided to raise the target range for the federal funds rate by 0.25 percent from 1.5 (upper limit) to 1.75 percent. That decision reflected the enactment of the TCJA, a strong labor market, and a further increase in government spending. As of April 2018, such circumstances had raised the effective federal funds rate to 1.69 percent. The Fed's median projection of the year-end federal funds rate indicates a gradual rise during the next three years, and the Fed is expected to raise the rate two more times this year and another three in 2019. As of the FOMC's March meeting, the median longer-term projection is 2.9 percent. Nevertheless, taking a position similar to Yellen's, Powell has maintained that monetary policy will be revised as the outlook changes and as better economic data become available. Financial market evidence shows that investors' expectations are aligned with the Fed. Currently, the path of the fed funds futures market implies the most likely dates for future rate increases are in June and September. These two hikes would bring the federal funds rate into a range of 2.0 to 2.25 percent by year-end.

As part of restoring monetary policy to pre-recession norms, the Fed ratified the Addendum to the Policy Normalization Principles and Plans on June 2017, which is a blueprint for shrinking the Fed's balance sheet. The Fed plans to gradually reduce securities holdings by decreasing its reinvestment of securities held in the System Open Market Account (SOMA). Since June, the Fed's balance sheet has begun to fall after eight years of expansion; its total assets have decreased to about \$4.42 trillion, down from a peak of \$4.95 trillion in February 2015. The FOMC left its

options open, however, by stating that the reinvestment of maturing assets held by the Fed may resume if the economic outlook changes.

To ensure a smooth path toward a less accommodating environment, the Fed has prepped firms for adverse economic conditions. Under the Dodd–Frank Wall Street Reform and Consumer Protection Act (i.e., Dodd–Frank Act), state nonmember banks and state savings institutions with total consolidated assets of \$10 billion or more are required to conduct annual stress tests. Dodd–Frank stress testing is a complementary exercise of Comprehensive Capital Analysis and Review directed by the Fed to assess whether banks will have sufficient capital under adverse economic conditions. The Fed announced that big banks would face more severe stress tests this year than in 2017 as it tightens monetary policy. In the adverse scenario projected by the review, banks and saving institutions face an economic downturn with declines in long-term rates and flattening yield curves, a moderate recession in the United States with unemployment reaching 7 percent in the third quarter of 2019, a decline in asset prices, and a tightening of financial conditions for corporations and households. In the severely adverse scenario, banks and saving institutions will face a severe global recession, accompanied by an aversion to long-term fixed-income assets, a 7.5 percent decline in U.S. real GDP, a 10 percent unemployment rate, a severe Eurozone recession, and economic slumps in developing Asian countries and in Japan. In contrast to last year's severely adverse scenario, this year's scenario focuses more on Asia.

### THE NEW YORK CITY ECONOMY

The New York City economy extended its expansion through a ninth year, albeit with signs of moderation. One positive sign is that the population continues to climb. U.S. Census Bureau data reveals that the City’s population grew at an annually compounded average of 0.7 percent from 2010 to 2017, well above the 0.1 percent rate through the six decades prior. Remarkably, in spite of the influx of new residents during the recent seven-year period, the number of unemployed shrank by half while employment and labor force hit record levels. In March, the unemployment rate remained at 4.2 percent — the lowest on record — while, at 60.9 percent, the labor force participation rate remained near an all-time high. In the nation, the participation rate peaked at 67.1 percent in 1997 but has fallen to 62.9 percent in 2017.

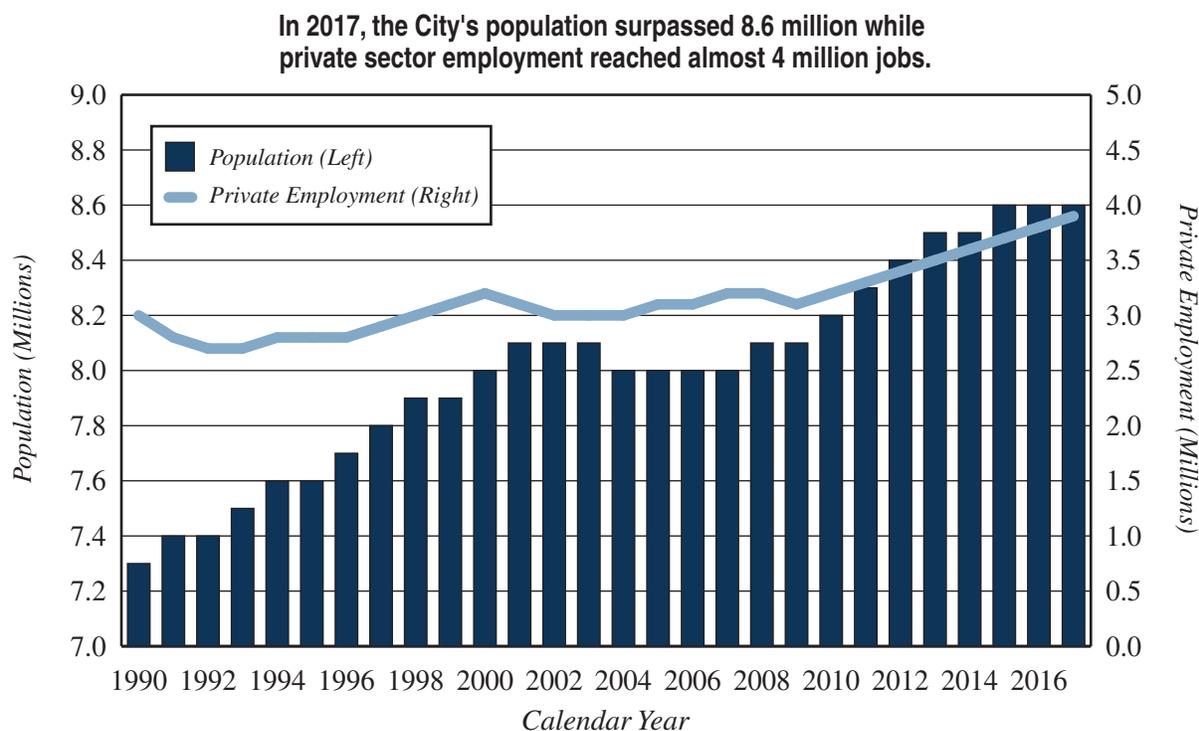
However, both population and job growth are decelerating. Private employment growth peaked in 2014 when it hit 3.8 percent; since then, it has fallen to 2.1 percent in 2017. The recent year’s growth rate is still well above the historical average of 1.0 percent, but OMB projects that the decelerating trend will continue

with the job market slowing to 1.5 percent (59,000 jobs) in 2018 and 1.4 percent (54,000 jobs) in 2019.

Private sector total wage earnings have been robust, growing at 5.2 percent through the first three quarters of 2017 — well above the 2016 rate of 3.0 percent. By industry, significant improvements were reported in finance (5.9 percent, up from -1.1 percent in the first three quarters of 2016), information (6.9 percent versus 3.4 percent), and retail (4.2 percent versus 2.6 percent). Industries experiencing softer earnings growth include construction (4.2 percent versus 13.0 percent) and leisure and hospitality (6.6 percent versus 8.5 percent).

Average wage growth through the same period hit 3.0 percent, a period that includes the first step in the \$15 dollar minimum wage policy. Evidence from the American Community Survey (ACS) suggests that the law will have the most impact on workers in the retail trade, other services, and manufacturing industries, all of which are experiencing faster wage growth in the latest data.<sup>1</sup> For example, through the first three quarters of 2017, manufacturing wages

### NYC POPULATION AND PRIVATE EMPLOYMENT



Source: U.S. Census, NYS Department of Labor

<sup>1</sup> Other services includes auto repair, religious activities, grant making, advocacy, dry-cleaning and laundry, personal care, death care services, pet care, temporary parking services, and dating services.

grew 4.9 percent, exceeding the 4.3 percent average growth rate through the prior three years. Likewise, wages in other services grew 4.7 percent, compared to its 3.5 percent annual average. Retail wages increased 4.3 percent in 2017, nearly double the pace of its 2.4 percent annual average.

Employment growth in the finance sector peaked at 2.6 percent in 2014 only to decline through the next three years, flattening in the last. This sector’s private employment share has been steadily decreasing from a peak of 14.0 percent in 1991, bottoming at 8.7 percent in 2017. The securities subsector suffered slight job losses in 2017 after averaging 2.2 percent growth through the prior three years.

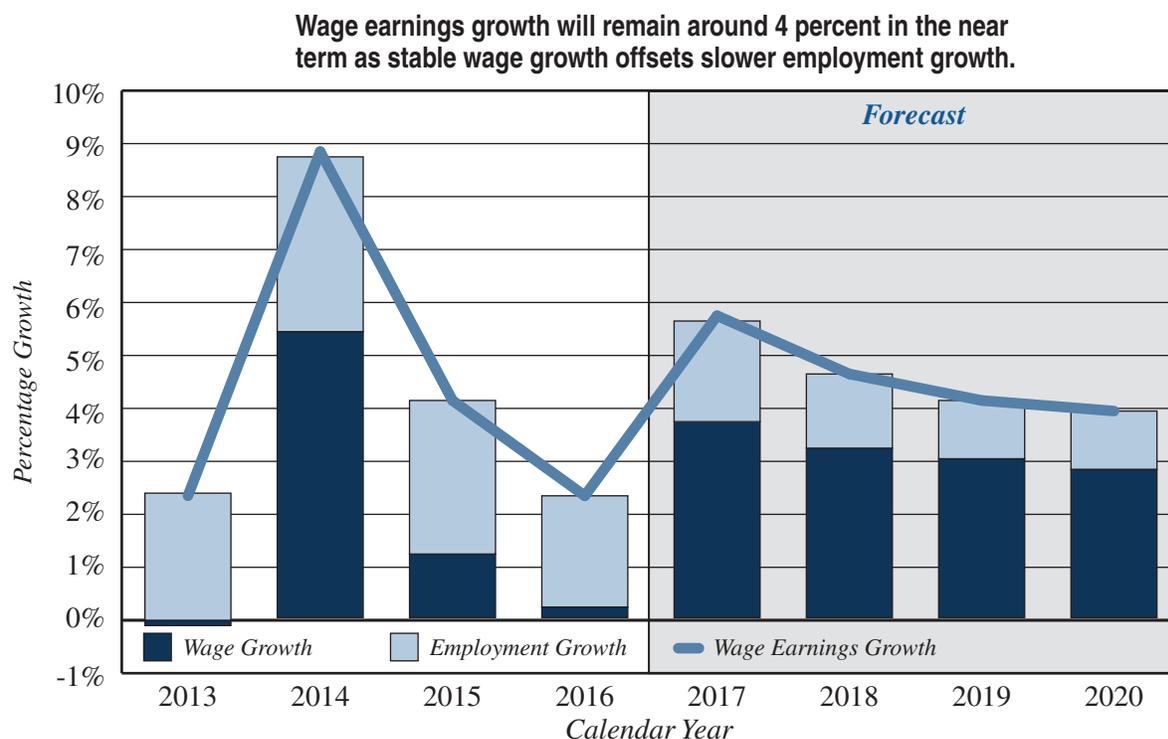
The annual data benchmark revision released in February lowered 2017 securities job gains to nearly zero from the initial estimate of 2,300. Still, securities earnings have remained robust with a 6.3 percent annual growth rate through the first three quarters of 2017 — the highest for this three-quarter period since 2014. Aided by high Wall Street bonuses, average wages grew 7.5 percent, over double the compounded average growth rate of 3.4 percent through the three years prior

and a rebound from wage declines in 2016. The NYS Comptroller’s Office (NYOSC) estimates that Wall Street’s bonus pool grew further in 2017, surging by 17 percent to \$184,220 — the highest in eleven years.<sup>2</sup> It attributes this strength to increased profits from broker-dealer operations in New York Stock Exchange member firms. Similarly, OMB estimates that securities sector bonuses jumped 15.3 percent in 2017, but will decline slightly by 1.1 percent in 2018 and grow steadily at an average of 3.4 percent in the subsequent four years.

Finance and real estate-related employment accounts for about a third of all office-using employment, with professional and business services and information accounting for the remainder. Each of these components have followed the same pattern: peaking in 2014 followed by a deceleration. As a result, office-using growth has slowed from 3.5 percent in 2014 to 2.1 percent in 2017. These sectors historically account for an average of 38 percent of private employment and 60 percent of earnings.

Weaker office-using employment growth implies lower demand for office space. In response, commercial real estate activity has slowed. As of March, leasing

## NYC WAGE EARNINGS



Source: NYS Department of Labor, NYC OMB

2 <https://www.osc.state.ny.us/press/releases/mar18/032618.htm>

activity totaled 7.1 million square feet (msf), down seven percent from the prior year. On the bright side, this is above the 6.3 msf historical first quarter average. However, asking rent growth was soft in 2017 and is expected to drop to negative 1.7 percent in 2018. The aggregate data is the result of two separate patterns: a burst of Midtown activity and a decline in Downtown activity. Midtown leasing grew 12.4 percent year-to-date through March, up from 0.9 percent in the prior year, while activity in Downtown declined 59.9 percent — a dramatic reversal from its 96.8 percent jump in the prior year that reflected absorption of new space at the World Trade Center complex. With Downtown’s development pipeline starting to slow, leasing activity in 2018 will inevitably follow suit. There is currently 21.5 msf of office space under construction in Midtown that will spur further activity upon completion. OMB forecasts that the new space will lead to an increasing vacancy rate in Midtown, reaching 14.9 percent in 2022. Conversely, Downtown’s vacancy rate will decline gradually to 6.9 percent in 2022.

In 2017, the number of healthcare jobs increased by 4.9 percent (33,000 jobs) — the strongest ever recorded in available data going back to 1990. However, this

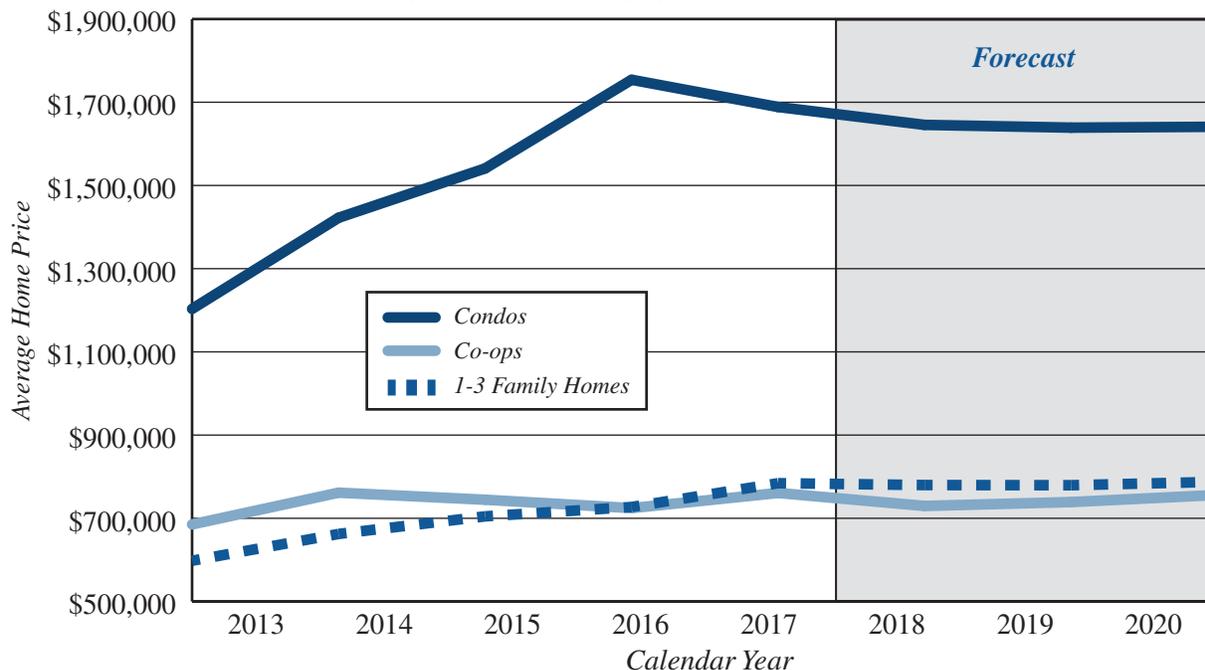
momentum will likely cool as population growth slows. Therefore, OMB forecasts healthcare employment growth to slow to 1.6 percent in 2018 and to decrease steadily thereafter, hitting 0.9 percent in 2022.

In 2016, the fastest growing sector was construction, which expanded by 5.7 percent (7,900 jobs). In 2017, construction employment slowed to 2.7 percent (3,900 jobs)—well above the 1.2 percent historical average. If expenditures patterns are any indicator of hiring, new construction jobs are being driven by non-residential construction and public works. The New York Building Congress (NYBC) reveals that spending on non-residential construction accounted for 38 percent of total expenditures in 2017, public investment accounted for 37 percent, while residential only 24 percent. NYBC also forecasts that the number of new residential units produced will reach 26,700 in 2017 and decrease to 22,000 in 2019. OMB projects that growth in construction employment will echo this pattern, moderating to 1.8 percent in 2018 and weakening until it hits 0.9 percent in 2022.

Residential real estate transactions and average prices grew in 2017 by 1.5 percent and 3.9 percent,

### NYC HOUSING PRICES

Average housing prices are expected to be weak for the next two years, driven mainly by declines in condo prices.



Source: NYC Department of Finance, NYC OMB

respectively, with notable shifts especially in the condo market. Condo sales grew 9.4 percent, bouncing back from a 0.5 percent decline in the prior year while prices declined 4 percent — reversing course from a 13.8 percent jump. Co-op sales decreased 5.9 percent for a third consecutive year of decline. However, the average price of co-ops jumped 5.0 percent after declining by over two percent in each of the prior two years. Activity in single-family homes remained stable; sales grew 1.6 percent (versus 3.9 in 2016) while prices grew 7.9 percent (versus 3.2 percent).

First quarter Manhattan co-op and condo sales plummeted 24.6 percent to 2,180, the lowest quarterly sales volume in six years. The absorption rate (months required to sell all listings at the current rate of sales) slowed to 8.4 months, the weakest pace also in six years, while the listing discount, the difference between the list and sales price, climbed to 5.5 percent, up from 4.2 percent in the prior year. These factors resulted in a 2.0 percent drop in median prices. For luxury properties (above \$4 million), the median sales price dropped by 15.1 percent.

Restrictions on mortgage deductions in the TCJA may be contributing to these trends. The \$750,000 cap (previously \$1 million) on the mortgages qualifying for interest deductions and the \$10,000 cap on state and local tax (SALT) deductions may temper demand for real estate going forward. OMB forecasts average residential prices will decline 1.8 percent in 2018 and 1.5 percent in 2019.

Tourism in New York City has remained robust. The city saw a record 62.8 million visitors in 2017, which marked its eighth consecutive year of growth in both domestic and international tourism markets. Although domestic visitors continue to dominate the tourism industry in New York City, the number of international visitors is on the rise. In 2017, domestic and international visitors in the city totaled 49.7 and 13.1 million, respectively. Visitor spending also

increased in 2016, as did hotel inventory, both of which reflect the growing volume of visitors as well as an improving domestic and global economy. The impact is perhaps most salient on Broadway, a major City attraction, which reported gross revenue of \$1.64 billion in 2017, up from \$1.37 billion in 2016, a 19.8 percent jump. Likewise, attendance hit 13.7 million, up 3.6 percent.

The increased number of visitors in New York City boosted demand for hotel rooms, and in response, ample new hotel space has been added to the City's inventory, which jumped from 112,000 rooms in 2016 to 117,000 in 2017, a gain of 3.6 percent. Nights booked in hotel rooms reached 3.64 million in 2017, up from 3.48 million in 2016. However, the occupancy rate remained unchanged from previous years — 87 percent in 2017 — and room rates averaged about \$279 in 2017, down from \$281 in 2016. Direct visitor spending in 2016 reached \$43.0 billion, growing 1.7 percent from 2015.

### Risks to the Forecast

The rise of protectionist policies and the imposition of tariffs presents a significant risk to the forecast and threatens economic growth. The TCJA and the recently enacted Bipartisan Budget Act of 2018 will add an estimated \$2.7 trillion to the federal deficit over the next ten years, putting upward pressure on interest rates. This, in turn, could eventually dampen activity in interest-sensitive sectors such as housing and exacerbate the trade deficit. Moreover, the impact of tighter caps on mortgage interest deductions and state and local tax deductions imposed by the tax reform bill are still unknown and have the potential to adversely affect housing and labor markets. Monetary policy is also entering a difficult stage as the Fed attempts to normalize policy without upsetting financial markets, which are already experiencing heightened volatility and uncertainty. Finally, geopolitical tensions with North Korea, Syria, Iran and Russia remain ongoing risks.

## New York City Job Growth Forecast

Industry	2017 Level	Forecast	
		2018 Level Change	2019 Level Change
<b>Total</b>	4,427	60	54
<b>Private</b>	3,875	59	54
Financial Activities	470	4	3
Securities	177	1	2
Professional & Business Services	742	15	16
Information	197	2	2
Education	249	5	3
Health & Social Services	714	11	10
Leisure & Hospitality	452	12	9
Wholesale & Retail Trade	496	5	4
Transportation & Utilities	139	1	1
Construction	151	3	3
Manufacturing	73	-1	1
Other Services	192	3	3
<b>Government</b>	552	1	0

Source: NYC OMB

Note: Total may not add up due to rounding.

**Forecasts of Selected Economic Indicators for the United States and New York City  
Calendar Year 2017-2022**

	2017	2018	2019	2020	2021	2022	1979-2016*
<b>NATIONAL ECONOMY</b>							
<b>Real GDP</b>							
Billions of 2009 Dollars .....	17,092	17,558	18,065	18,482	18,825	19,146	
Percent Change .....	2.3	2.7	2.9	2.3	1.9	1.7	2.6%
<b>Non-Agricultural Employment</b>							
Millions of Jobs .....	146.6	149.0	151.7	153.7	155.0	155.8	
Level Change .....	2.3	2.4	2.7	2.0	1.2	0.8	
Percent Change .....	1.6	1.6	1.8	1.3	0.8	0.5	1.3%
<b>Consumer Price Index</b>							
All Urban (1982-84=100).....	245.1	250.6	254.9	261.9	268.3	274.9	
Percent Change .....	2.1	2.2	1.7	2.7	2.5	2.4	3.3%
<b>Wage Rate</b>							
Dollars Per Year .....	56,955	58,539	60,472	62,828	65,529	68,337	
Percent Change .....	1.7	2.8	3.3	3.9	4.3	4.3	3.8%
<b>Personal Income</b>							
Billions of Dollars .....	16,428	17,109	18,043	19,020	19,990	20,922	
Percent Change .....	3.1	4.1	5.5	5.4	5.1	4.7	5.7%
<b>Before-Tax Corporate Profits</b>							
Billions of Dollars .....	2,271	2,275	2,378	2,479	2,538	2,622	
Percent Change .....	5.2	0.2	4.6	4.2	2.4	3.3	5.5%
<b>Unemployment Rate</b>							
Percent .....	4.4	3.9	3.5	3.5	3.5	3.6	6.4% avg
<b>10-Year Treasury Note</b>							
Percent .....	2.3	3.1	3.8	3.9	4.0	3.9	6.4% avg
<b>Federal Funds Rate</b>							
Percent .....	1.0	1.8	2.8	3.3	3.4	3.5	5.1% avg
<b>NEW YORK CITY ECONOMY</b>							
<b>Real Gross City Product**</b>							
Billions of 2009 Dollars .....	784.0	805.8	819.1	829.7	835.9	839.4	
Percent Change .....	4.5	2.8	1.7	1.3	0.7	0.4	2.6%
<b>Non-Agricultural Employment***</b>							
Thousands of Jobs .....	4,427	4,487	4,540	4,592	4,642	4,678	
Level Change .....	81.1	59.8	53.9	51.7	50.3	35.1	
Percent Change .....	1.9	1.3	1.2	1.1	1.1	0.8	0.8%
<b>Consumer Price Index</b>							
All Urban (1982-84=100).....	268.5	273.7	279.1	286.5	293.7	300.8	
Percent Change .....	2.0	1.9	2.0	2.7	2.5	2.4	3.5%
<b>Wage Rate</b>							
Dollars Per Year .....	89,190	92,023	94,753	97,406	100,230	103,058	
Percent Change .....	3.7	3.2	3.0	2.8	2.9	2.8	4.7%
<b>Personal Income</b>							
Billions of Dollars .....	567.7	590.7	617.1	643.8	670.1	694.9	
Percent Change .....	3.7	4.1	4.5	4.3	4.1	3.7	5.6%
<b>NEW YORK CITY REAL ESTATE MARKET</b>							
<b>Manhattan Primary Office Market</b>							
<b>Asking Rental Rate****</b>							
Dollars per Square Feet .....	79.0	77.7	81.0	83.2	84.9	86.5	
Percent Change .....	0.8	-1.7	4.3	2.7	2.1	1.9	2.5%
<b>Vacancy Rate****</b>							
Percent .....	9.1	10.1	11.9	11.9	12.1	13.3	10.6% avg

\* Compound annual growth rates for 1979-2016. Compound growth rate for Real Gross City Product covers the period 1980-2016.

\*\* GCP estimated by OMB.

\*\*\* Employment levels are annual averages.

\*\*\*\* Office market statistics are based on 1985-2017 data published by Cushman & Wakefield.

## TAX REVENUE<sup>1</sup>

### OVERVIEW

As the New York City economic expansion continues, New York City's tax revenue is expected to increase 6.6 percent in 2018 to \$58 billion and by a more modest 3.1 percent in 2019 to just over \$60 billion. The headline growth in 2018 marks a rebound from 2016 and 2017 (growth of 3.2 percent and 1.9 percent, respectively). Underlying 2018's robust collections is a combination of economic and behavioral factors that complicate the City's revenue outlook.

### Forecast Summary for 2018

*Property tax revenue* is expected to grow 7.0 percent in 2018, the fifth consecutive year of growth above 6.5 percent. *Non-property tax* revenue is forecast to grow 6.5 percent, following 0.0 percent growth in 2016 and a 2.0 percent decline in 2017.

Much of the growth in non-property taxes can be attributed to the *personal income tax*, which is expected to grow by a substantial 14.4 percent in 2018. Fundamental economics marked by solid employment and wage growth along with a spike in equity prices explain part of the growth. However, the surge in collections is due to a few one-time factors. First, the conversion of the City's STAR rate cut to a New York State credit artificially lifted withholding throughout all of 2018. In addition, withholding was likely boosted by the repatriation of non-qualified deferred compensation from overseas accounts, which was required by post-financial crisis legislation meant to close a loophole. Collections were also distorted by the passage of the Tax Cuts and Jobs Act (TCJA), which likely caused a number of tax payers to prepay their 2018 State and local personal income taxes prior to January 1, 2018 in order to take advantage of the uncapped 2017 State and local tax (SALT) deductions. It appears that some of these same factors may have also played a part in boosting the *unincorporated business tax*, which also saw a surge in payments prior to January 1, 2018. The *unincorporated business tax* is expected to grow by 10.0 percent in 2018 following a 1.7 percent contraction in 2017.

Undisturbed by changing tax laws and drastic behavioral shifts, the *sales tax* is expected to grow 5.4 percent, the strongest year since 2014.

*Corporate tax* collections continued to decline in 2018. After peaking at \$4.1 billion in 2015, corporate tax collections have declined by 11.4 percent in 2016, 4.9 percent in 2017 and are expected to decline further by 4.3 percent in 2018, leveling off at \$3.3 billion. While economic activity has been relatively strong,

with Wall Street and non-financial firms posting solid earnings over the past year, the revenue picture is clouded by the implementation of the new City tax structure in calendar year 2015.

The City's *transaction taxes* are also expected to contract in 2018. After reaching a level of \$3.0 billion in both 2015 and 2016, transaction taxes fell by over 15 percent in 2017, largely due to a 38.0 percent correction in the commercial market. Commercial activity has stabilized in 2018. Residential activity, which had been growing rapidly over the past few years, has weakened in 2018, likely due to a glut of high end inventory coming to market.

All *other taxes* including utility, hotel, commercial rent, cigarette, other taxes and STAR Aid are expecting flat growth in 2018, due to the decline in STAR reimbursements.

### Forecast Summary for 2019

The momentum in the *property tax* continues into 2019 with revenue growth of 6.1 percent, even as real estate market conditions dampen. *Non-property taxes* slow to a 1.5 percent growth.

The primary reason for the slowdown is the reversal of the 2018 one-time *personal income tax* revenue sources, driving an expected decline of 2.2 percent. Outside of the personal income tax, most of the other taxes are expected to grow moderately. *Unincorporated business tax* collections are forecast to grow by 3.0 percent and the sales tax by 4.9 percent. *Corporate taxes* are expected to rebound by 8.9 percent in 2019 as firms adjust to the new City tax structure. *Transaction taxes growth* is expected to remain flat at their 2018 level as commercial activity picks up but residential activity softens. All *other taxes* including utility, hotel, commercial rent, cigarette, other taxes and STAR Aid are also expected to remain flat.

<sup>1</sup> All years referenced in the Tax section are City fiscal years unless otherwise noted.

This was an especially difficult year to be a forecaster. The passage of the federal Tax Cut and Jobs Act and the December 31, 2017 deadline for the repatriation of deferred compensation created a significant amount of uncertainty as collections surged beyond economic expectations. It will take time before the true liability picture is made clear. In addition to the uncertainty surrounding the new federal tax law, there appears to be an elevated amount of financial market volatility as well as local, national and global risks that might restrict the growth of the New York City tax base.

### Tax Cuts and Jobs Act

On December 22, 2017, the federal government passed and enacted the Tax Cuts and Jobs Act of 2017 (TCJA), public law no. 115-97, which altered the federal personal and business income tax code. New York City uses federal income as the starting point to determine New York City liability for both the personal income tax and the business taxes. As a result, the federal changes will have potential flow-through effects on revenues.

New York State and New York City immediately reviewed the federal tax code changes and began assessments after the passage of the TCJA in December 2017. The New York State Department of Taxation and Finance presented a preliminary report to the Governor in January 2018 summarizing the impact of TCJA and detailing a number of different policy options to mitigate its impact on New York State residents.

The New York State Fiscal Year 2019 Budget addressed several of the recently enacted Federal tax law changes that would have impacted New Yorkers paying the Personal Income Tax (PIT). Before the passage of the New York State Fiscal Year 2019 Budget, New York State (and therefore New York City) PIT itemized deductions were primarily based on deduction amount totals that referenced corresponding federal amounts. TCJA provisions restricting deductions would have increased tax revenues for New York City. One example is the \$10,000 cap on SALT deductions. Other such provisions include but are not limited to: capping the mortgage interest deduction, eliminating or reducing the deductions for moving expenses, casualty and theft loss, unreimbursed employee expenses, and tax preparation fees. The New York State Budget Bill (Article VII, Part JJ) permits individuals to take federal deductions as they existed prior to the enactment of TCJA on their New York State and New York City taxes.

The increase in the federal standard deduction would also have increased New York City PIT revenues, because filers choosing the standard deduction in their federal returns were required to do so at the State and City level as well. The New York State Budget Bill (Article VII, Part JJ) permits New York State and New York City filers to itemize deductions whether or not they itemize at the federal level.

In addition, the suspension of federal personal exemptions would have had a direct impact on the availability of the State and therefore City standard deduction for single filers. Under the previous state law, a taxpayer was eligible for the standard deduction for single filers only if the individual *“is not married, nor the head of a household nor an individual whose federal exemption amount is zero”*<sup>2</sup>. The New York State Budget Bill (Article VII, Part JJ) allows single filers to take the New York State and New York City standard deduction irrespective of the federal personal exemption amount.

The New York State Budget Bill also assists New York State PIT taxpayers in lowering federal income taxes. It does so in two ways: by creating the Employer Compensation Expense Tax (ECET), an optional payroll tax (Article VII, Part MM), and by establishing charitable funds, donations to which receive a New York State PIT tax credit (Article VII, Part LL). The State Bill also gives localities including New York City the ability to create its own charitable fund, with a credit against local property taxes. New York City has not yet determined whether it will create such a fund. The payroll tax would theoretically reduce New York City taxable income if participating employers reduced wages to cover the cost of the tax. It is unknown how many employers will opt in to ECET, but few are expected to do so. The potential revenue effects of ECET are not incorporated in the Executive Budget PIT forecast. Charitable contributions to the State funds would also have reduced New York City taxable income, but the Budget Bill provides that donations must be added back to taxable income, with the exception of certain smaller funds for which total contributions are capped statewide (Article VII, Part SS).

The TCJA is expected to broaden the City's business tax base. The larger provisions, such as the permanent reduction of the Federal rate and the full expensing of investments, do not flow through to the City. Other smaller provisions that alter revenue calculations and federal deductions for domestic activities will have varying impacts on the City's tax

2 Preliminary Report on the Federal Tax Cuts and Jobs Act, January 2018 New York State Department of Taxation and Finance.

base. The foreign tax provisions created by the TCJA presented the greatest risk to the business tax revenue base, according to State and City tax law analysts. The New York State Budget Bill (Article VII, Part KK) addresses these risks through the following amendments to the State and City tax laws: (1) clarifies the status of 2017 repatriation income as exempt; (2) clarifies that article 78 gross-up dividends are not excludible to the extent the corporation deducts a portion of that gross-up under IRC section 250; (3) adds back the federal deduction for repatriation income to prevent a double benefit; and (4) adds back the federal deduction for foreign derived intangible income. Part KK also adjusts the underpayment penalty for estimated tax so that it does not apply to underpayments that arise solely from including 2017 repatriation amounts in income and re-attributing interest expense to those amounts. The effects of TCJA are not incorporated into the Executive Budget business tax forecasts.

#### **THE REPATRIATION OF NON-QUALIFIED DEFERRED COMPENSATION**

In 2008, as part of the Emergency Economic Stabilization Act of 2008 (H.R. 1424), Congress added Internal Revenue Code section 457A which created new rules for the taxation of non-qualified deferred compensation (NQDC). Similar to qualified deferred compensation, such as a pension, NQDC is an agreement between an employer and an employee to pay the employee in the future for services rendered today. Unlike pensions, NQDCs do not have any tax preferred status in the US. These compensation plans were popular among hedge fund managers who deferred their management fees in accounts held by the offshore portion of their companies. This way, interest from the NQDC was earned tax free for up to ten years until the funds were formally paid out from the company to the employee or owner.

IRC section 457A severely restricted this practice beginning January 1, 2009. It also required that any NQDC held overseas at that date must be reported as income by December 31, 2017. The deadline for the repatriation of these funds has resulted in larger than expected revenues in New York City's personal income and unincorporated business taxes. Because neither businesses nor individuals previously were required to report NQDC amounts, it is difficult to know how much in additional tax revenues the City can expect from this source for tax year 2017. At the time IRC section 457A was passed, the Joint Committee on Taxation estimated that the change would bring in an additional \$25 billion in federal revenue during its ten year forecast window.<sup>3</sup>

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<sup>3</sup> Joint Committee on Taxation, "Estimated budget effects of the tax provisions contained in an amendment in the nature of a substitute to H.R. 1424, scheduled for consideration on the Senate floor on October 1, 2008." Item VIII, October 1, <https://www.finance.senate.gov/imo/media/doc/x-78-08.pdf>

**2018 and 2019 Tax Revenue Forecast  
(\$ in Millions)**

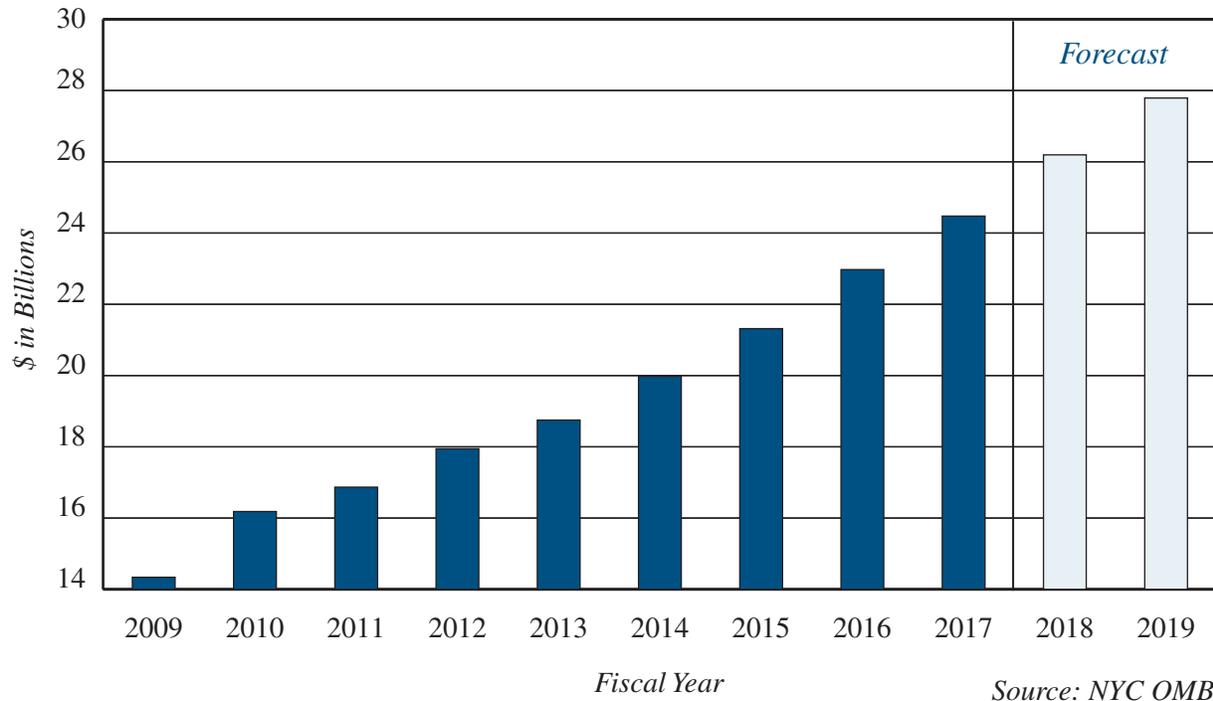
Tax	2018	2019	Increase/(Decrease) From 2018 to 2019	
			Amount	Percent Change
Real Property	\$26,194	\$27,789	\$1,595	6.1%
Personal Income	12,658	12,378	(280)	(2.2%)
Business Corporation <sup>1</sup>	3,298	3,593	295	8.9%
Unincorporated Business	2,205	2,271	66	3.0%
Sales and Use	7,399	7,762	363	4.9%
Real Property Transfer	1,404	1,459	55	3.9%
Mortgage Recording	988	938	(50)	(5.1%)
Commercial Rent	848	867	19	2.2%
Utility	382	387	5	1.3%
Hotel	589	606	17	2.9%
Cigarette	36	35	(1)	(2.8%)
All Other	778	750	(29)	(3.7%)
<b>Subtotal</b>	<b>\$56,779</b>	<b>\$58,835</b>	<b>\$2,056</b>	<b>3.6%</b>
STAR Aid	189	185	(4)	(2.1%)
Tax Audit Revenue	1,299	1,056	(243)	(18.7%)
<b>Total (After Tax Program)<sup>†</sup></b>	<b>\$58,267</b>	<b>\$60,076</b>	<b>\$1,808</b>	<b>3.1%</b>

*1. Business Corporation Tax Includes both General Corporation and Banking Corporation tax revenues.*

*<sup>†</sup> Totals may not add due to rounding.*

**REAL PROPERTY TAX**

**REAL PROPERTY TAX 2009 - 2019**



**Distribution of Property Parcels by Class**

	Parcels*	Percentage Share
Class 1	698,852	65.73%
Class 2	266,591	25.08%
Class 3	300	0.03%
Class 4	97,417	9.16%
<b>Citywide</b>	<b>1,063,160</b>	<b>100%</b>

\* FY 2018 final roll

Real property tax revenue is projected to account for 46.3 percent of total tax revenue in 2019, or \$27.789 billion.

**2018 Forecast:** Property tax revenue is forecast at \$26.194 billion, growth of 7.0 percent over the prior year, an increase of \$114 million over the February 2018 Plan. The plan change resulted from the strength in collections observed year-to-date, as well as expected collections through the remainder of the year. The 2018 revenue growth mirrors the growth of 7.5 percent in billable assessed value seen on the 2018 final roll (before accounting for the veterans' and STAR exemptions). The plan change is attributed primarily to a reduction in the reserve for uncollectible taxes amounting to \$84 million (revisions to cancellations, tax abatements and lien sale) and lower than expected refunds of \$30 million.

**2019 Forecast:** Property tax revenue is forecast at \$27.789 billion, growth of 6.1 percent over the current year, an increase of \$115 million over the February 2018 Plan.

In 2019, the levy is expected to increase by \$1.887 billion to \$29.613 billion, growth of 6.8 percent over the current year. The property tax levy forecast is based on the 2019 tentative roll. Citywide, total billable assessed value (after accounting for the veterans' and STAR exemptions) increased by \$18.8 billion to \$243.2 billion, growth of 8.4 percent. The tentative roll is expected to be reduced on the final roll by \$3.2 billion as a result of tax commission actions, Department of Finance change-by-notice, and completion of exemption processing. On the 2019 tentative roll, Class 1 billable assessed value increased by 4.1 percent over the prior year. With an estimated tentative-to-final roll reduction of \$20 million, billable assessed value on the final roll is expected to grow 2.9 percent, lower than last year's growth of 5.1 percent reflecting recently enacted tax programs that expanded the benefits to

Senior Citizen homeowners, Disabled homeowners and Veteran homeowners. Class 1 billable assessed value is forecast to grow at an annual average of 3.3 percent from 2020 through 2022.

Class 2 billable assessed value on the 2019 tentative roll, grew by 11.5 percent. With an estimated tentative-to-final roll reduction of \$1.5 billion, billable assessed value growth on the final roll is expected to be 9.4 percent, similar to last year's growth. Class 2 billable assessed value growth is forecast to grow at an annual average of 5.5 percent from 2020 through 2022.

On the 2019 tentative roll, Class 3 (utilities) properties saw billable assessed value growth of 0.4 percent. After the assessments for Class 3 special franchise properties are completed by the New York State Office of Real Property Tax Services, Class 3 billable assessed value growth on the final roll is expected to be 2.2 percent. Class 3 billable assessed value growth is forecast to grow at an annual average of 1.0 percent from 2020 through 2022.

Class 4 billable assessed value on the tentative roll grew by 7.9 percent. With the estimated tentative-to-final roll reduction of \$1.9 billion, billable assessed value growth on the final roll is expected to be 6.1 percent, slightly less than last year's growth of 7.1 percent. Class 4 billable assessed value growth is forecast to grow at an annual average of 4.9 percent from 2020 through 2022.

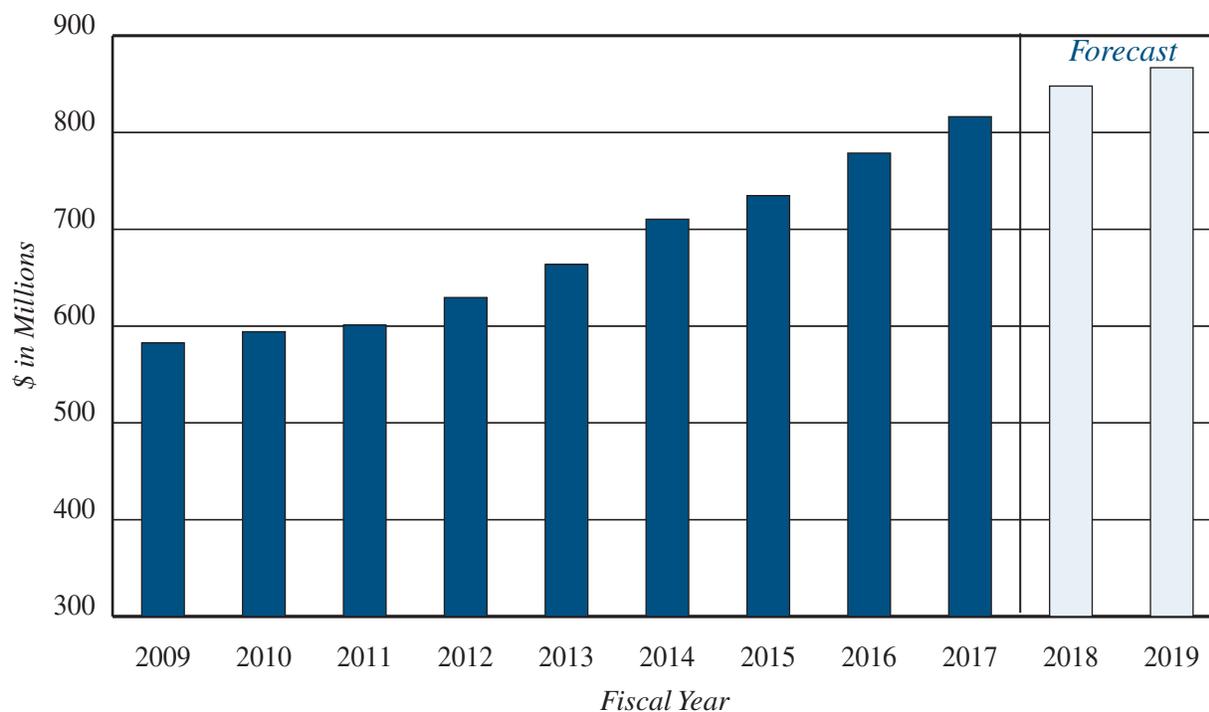
The final roll is expected to be released by the Department of Finance on May 25, 2018. Citywide, total billable assessed value on the 2019 final roll (before accounting for the veterans' and STAR exemptions) is forecast to increase by \$15.2 billion over 2018 to \$241.1 billion, growth of 6.7 percent.

Property tax revenue, after accounting for the reserve for the uncollectible taxes is forecast at \$27.789 billion, an increase of \$1.595 billion over the current year.

In the out-years, with a forecast rise in long-term interest rates, capitalization rates are projected to increase, putting downward pressure on future market value growth. As a result, Class 2 and Class 4 market value growths are forecast to moderate. This slower market value growth partially offsets the existing 'pipeline' of deferred assessment increases yet to be phased in from prior years, resulting in property tax levy growth that is expected to average 4.8 percent from 2020 through 2022. Tax revenue growth is forecast to average 4.5 percent during the same period.

## COMMERCIAL RENT TAX

### COMMERCIAL RENT TAX 2009 - 2019



Source: NYC OMB

The commercial rent tax is projected to account for 1.4 percent of total tax revenue in 2019, or \$867 million.

#### 2018 Forecast:

Commercial rent tax revenue is forecast at \$848 million, an increase of 3.9 percent over the prior year. The deceleration in revenue from 4.8 percent seen last year can be attributed to a slowdown in Midtown and Downtown asking rents.

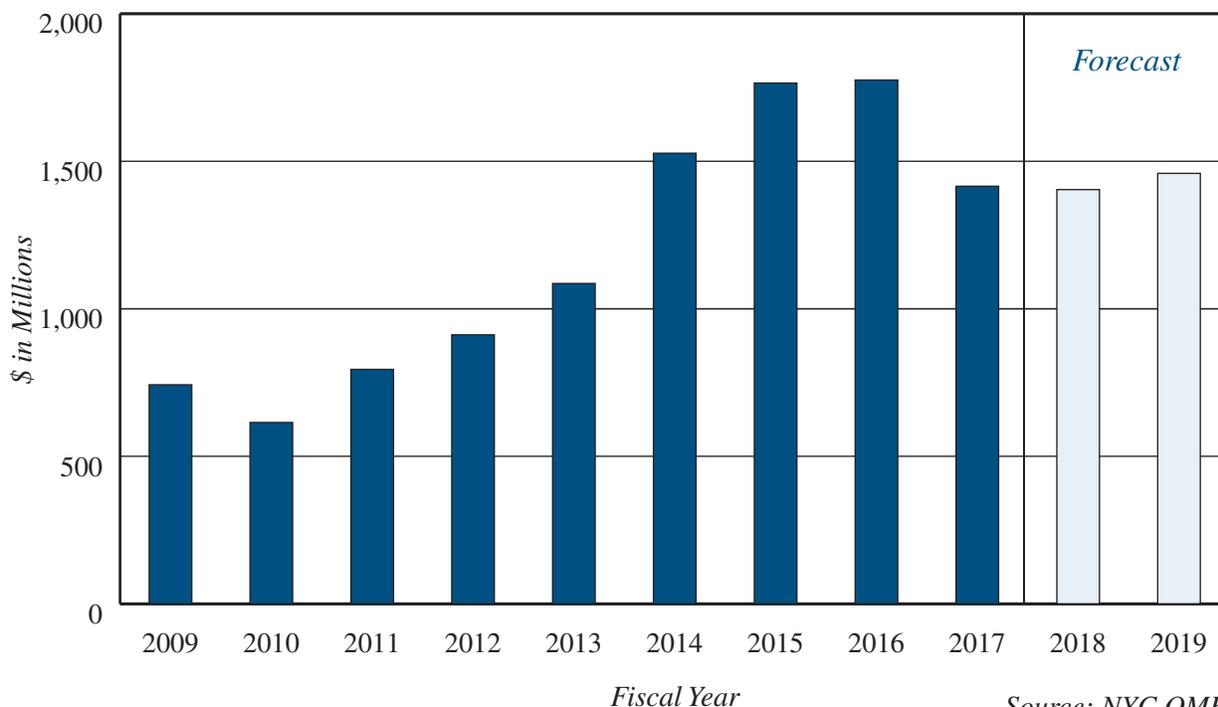
#### 2019 Forecast:

Commercial rent tax revenue is forecast at \$867 million, an increase of 2.2 percent over the prior year. The decline in growth rate reflects the recently enacted tax cut.<sup>1</sup> Adjusting for the tax cut, growth in 2019 is 3.7 percent. Commercial rent tax revenue is projected to grow at an average of 3.1 percent from 2020 through 2022, reflecting stable growth in asking rents and primary market inventory.

<sup>1</sup> Effective July 1, 2018, tenants with annual income less than \$5 million will have the base rent exemption threshold increased from \$250,000 to \$500,000. For tenants with an income greater than \$5 million but less than \$10 million, the threshold increase will be reduced by an “income factor.” The income factor is 1.0 for tenants with total income not more than \$5 million and declines as the income goes up. Tenants with income over \$10 million would be ineligible for the new increased threshold.

## REAL PROPERTY TRANSFER TAX

### REAL PROPERTY TRANSFER TAX 2009 - 2019



The real property transfer tax is forecast to account for 2.4 percent of total tax revenue in 2019, or \$1.459 billion.

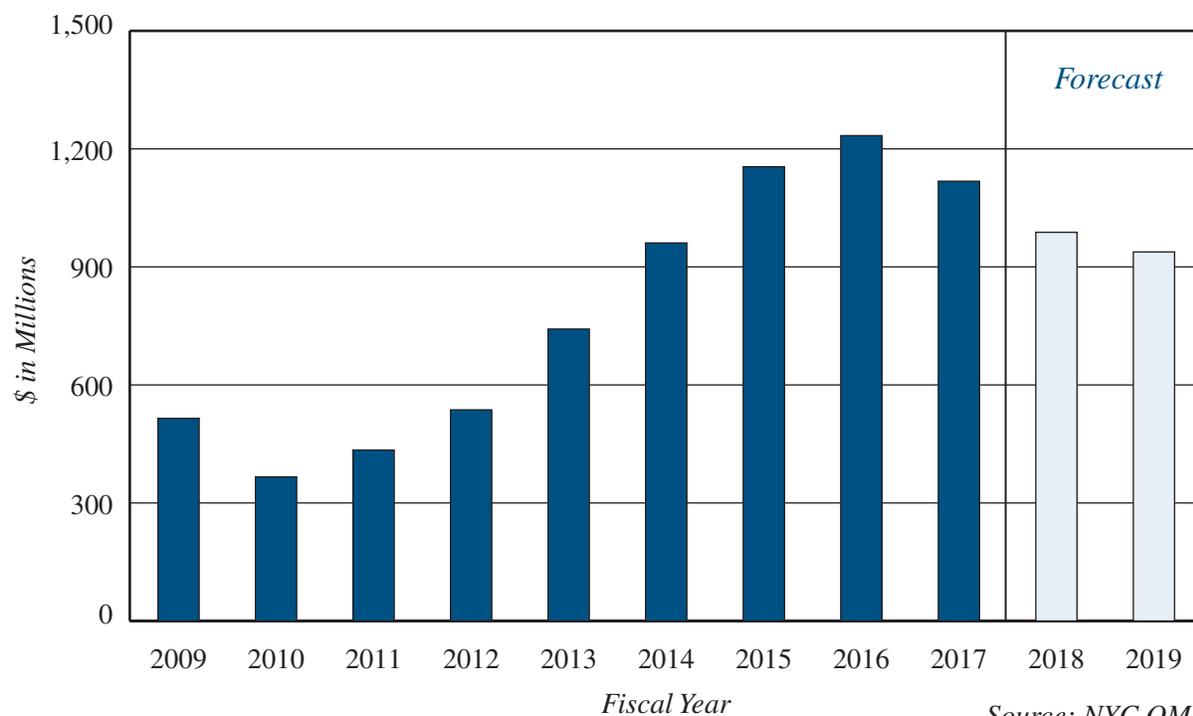
**2018 Forecast:** Real property transfer tax revenue is forecast at \$1.404 billion, a decline of 0.8 percent from the prior year. After declining 20.3 percent in 2017, caused by a steep drop in commercial transactions, collections in 2018 seem to be stabilizing. Total tax collections year-to-date through March declined by 0.5 percent from the prior year, caused by a 2.6 percent decrease in revenue from commercial transactions, offset slightly by a 1.2 percent growth in revenue from residential transactions. However, revenue from residential transactions for the year is forecast to decline by 1.9 percent caused by a softening high-end condo market (both volume and average price). This market segment has experienced significant growth since the great recession, but is now vulnerable to a glut in inventory, as well as a potential impact from the recent Tax Cuts and Jobs Act changes that limited the State and Local Tax deductions. Year-to-date, the high

end condo market (sale price over \$10 million) has seen the volume of activity fall 28.4 percent compared to the same period in 2017. The total sale value of high end condos has declined 36.5 percent compared to the same period in 2017. This is the first time since 2012 that residential transactions are forecasted to decline. Revenue from commercial transactions is forecast to stabilize in 2018 with a slight increase of 0.7 percent after recording a drop of over 38 percent in 2017.

**2019 Forecast:** Real property transfer tax is forecast at \$1.459 billion, an increase of 3.9 percent over the current year. Revenue from residential transactions is forecast to grow 4.1 percent over the current year. Revenue from commercial transactions is forecast to grow by 3.7 percent over the current year. Residential transfer tax collections are expected to grow at an annual average rate of 3.1 percent from 2020 through 2022 as both price and volume are expected to grow except for a brief drop in 2020. Commercial transfer tax collections are expected to remain flat from 2020 through 2022.

## MORTGAGE RECORDING TAX

### MORTGAGE RECORDING TAX 2009 - 2019



Source: NYC OMB

The mortgage recording tax is forecast to account for 1.6 percent of total tax revenue in 2019, or \$938 million.

**2018 Forecast:** Mortgage recording tax revenue is forecast at \$988 million, an 11.6 percent decrease from the prior year. Total tax collections year-to-date through March decreased by 5.9 percent from the prior year, reflecting a 9.8 percent decline in revenue from commercial mortgages and a 0.1 percent decrease in revenue from residential mortgages.

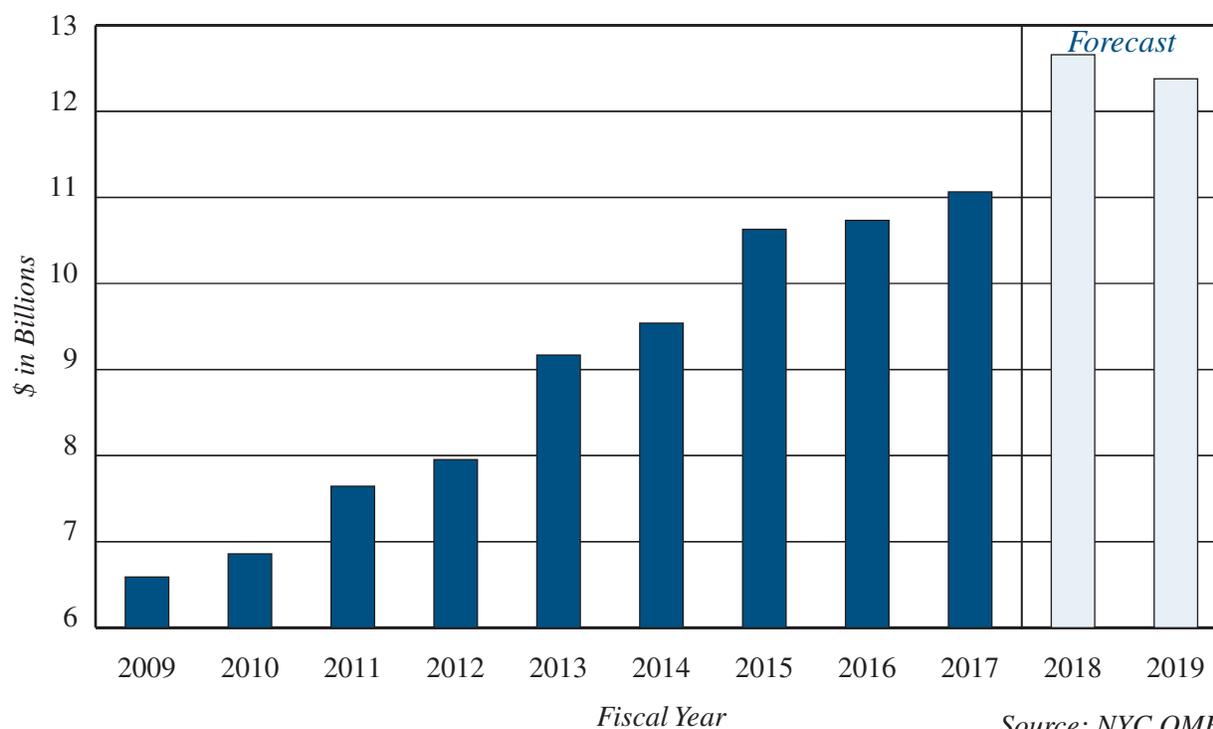
Revenue from residential mortgage recordings is forecast to decline 4.1 percent, while revenue from commercial mortgage recordings is forecast to decline 16.5 percent. The decline in residential MRT represents the slowdown in overall residential transactions. The decline in commercial MRT also represents a reversing trend of commercial refinancing. In 2017, even while the commercial sales market shrunk, the refinancing market held up well. This resulted in a surprising trend in which overall commercial mortgage revenue was over 100 percent of the value of commercial transactions,

whereas typically this relationship is closer to 80 percent. Over the past several months, this trend has begun to subside as mortgage activity is slowing.

**2019 Forecast:** Mortgage recording tax is forecast at \$938 million, a decline of 5.1 percent from the current year. Revenue from residential mortgage recordings is forecast to grow 4.1 percent. Revenue from commercial mortgage recordings is forecast to decline 12.0 percent as the commercial mortgage refinancing activities continue to slow down as interest rates rise. Residential mortgage recording tax collections are expected to average 3.1 percent growth from 2020 through 2022, while the commercial mortgage recording tax collections are expected to remain flat from 2020 through 2022.

## PERSONAL INCOME TAX

## PERSONAL INCOME TAX 2009 - 2019



The personal income tax (PIT) is projected to account for 20.6 percent of tax revenue in 2019, or \$12.378 billion.

**2018 Forecast:** PIT revenue is forecast at \$12.658 billion, an increase of \$1.594 billion over the prior year, growth of 14.4 percent. This 14.4 percent growth rate is inflated due to a number of factors including a change in the New York State STAR program, the federally required repatriation of non-qualified deferred compensation from overseas accounts, exceptionally high bonus levels, prepayments precipitated by TCJA and a strong underlying economy.

*Withholding* in 2018 is forecast to increase 14.2 percent over the prior year, boosted by elimination of the STAR rate cut. Applicable in tax year 2017, New York State ended a New York City PIT rate cut and corresponding payments made to New York City in order to compensate the City for lower revenues. For fiscal year 2018, New York City PIT rates were raised and the State payments eliminated. New York City PIT filers will instead be able to claim a credit

on their New York State tax returns valued at the exact increase caused by this change. This change is revenue neutral for taxpayers and the City, but withholding tax collections are expected to increase by approximately \$519 million in 2018 as a result of this change. An unusually strong bonus season also contributed to high 2018 growth rates. The bonus portion of withholding grew by approximately 30 percent or by \$333 million over the prior year. It is expected that approximately half of this increase is associated with the repatriation of non-qualified deferred compensation from overseas accounts, which will not be repeated in future years. As such, the expected bonus portion of withholding for 2019 decreases from 2018 levels.

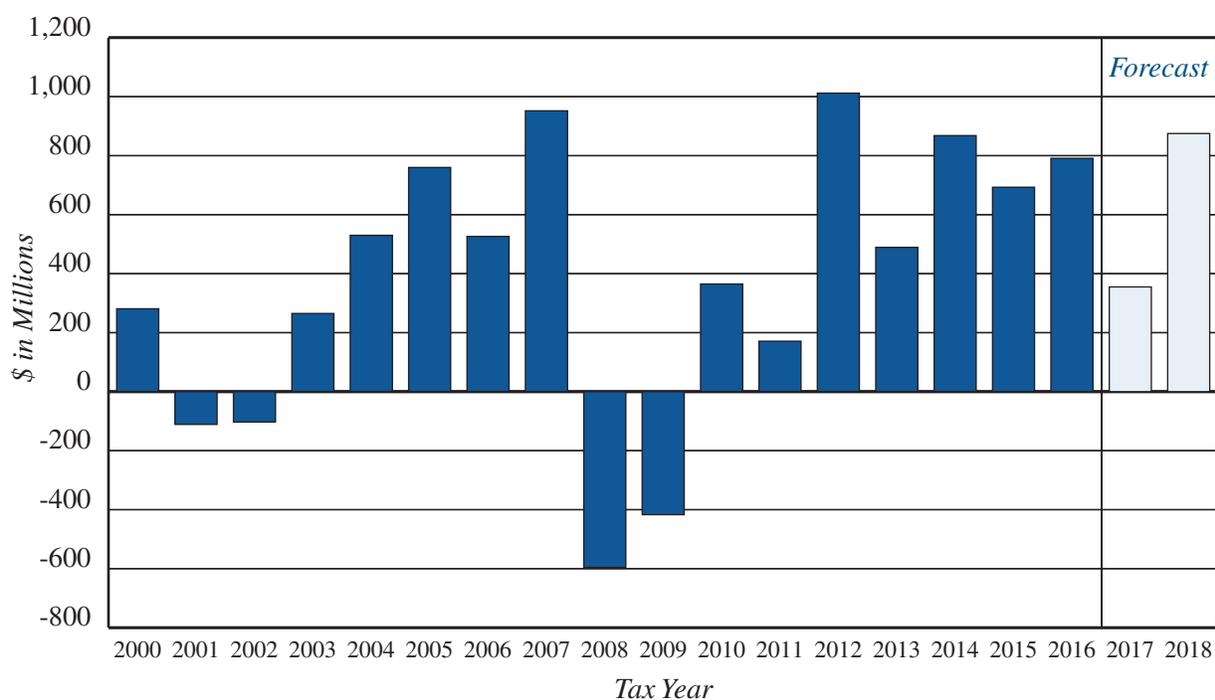
For the final quarter, April-through-June, withholding collections are expected to grow 10.1 percent from the same prior year period.

*Estimated payments* in 2018 are expected to increase 28.0 percent over the prior year's level. This large growth is the result of the aforementioned repatriation of non-qualified deferred compensation, as well as strong equity

markets. In addition, part of the growth is associated with a shift in the timing of payments due to the passage of the federal Tax Cuts and Jobs Act (TCJA), which is not expected to increase overall liability. In the wake of the passage of the TCJA, many taxpayers made state and local tax payments in liability year 2017 in order to take advantage of their full deductibility on federal income taxes. Prepayments led to higher installment payments in late 2017 but are expected to be offset by lower final and extension payments as well as increased refunds. For this reason, extension payments are forecast to decrease by 36.3 percent in 2018.

The repatriation of non-qualified deferred compensation was required by a federal law passed in 2008 which mandated that individuals (often in the hedge fund industry) who have been earning tax free interest on overseas accounts report the money in those accounts as income by the end of liability year 2017. Total non-wage income is expected to increase by 6.4 percent overall.

### SETTLEMENT PAYMENTS



Note: Adjusted for the City/State final return reconciliation.

Source: NYC OMB

**2019 Forecast:** Personal income tax revenue is forecast at \$12.378 billion, a decrease of 2.2 percent from the current year. This decrease represents a return to more traditional PIT levels after an extraordinary 2018.

*Withholding* in 2019 is forecast to increase 0.5 percent over the prior year. This level growth is comprised of quarters one and two which show just 0.4 percent and 0.8 percent growth respectively. Those quarters have normalized withholding levels after high withholding rates in quarters one and two of 2018 which worked to collect an entire year's worth of STAR related withholding in just six months. The forecast also reflects a return to more normal bonus withholding levels in the third quarter with a drop of 2.7 percent. Fourth quarter growth of 5.2 percent simply reflects the wage earnings forecast. It is the first post-STAR changes quarter in which growth rates track wages, as they typically do.

*Estimated payments* in 2019 are expected to decrease 13.1 percent from the prior year's level as the effects of repatriation and prepayments end. Extension payments are forecast to return to more typical levels in 2019. Total settlements (final returns, extension payments, City/State offsets, and refunds) are also expected to normalize.

Personal income tax revenue is forecast to average growth of 3.5 percent from 2020 through 2022 with steady withholding growth and slow non-wage income growth.

**Personal Income Tax Collections By Component**  
(\$ in Millions)

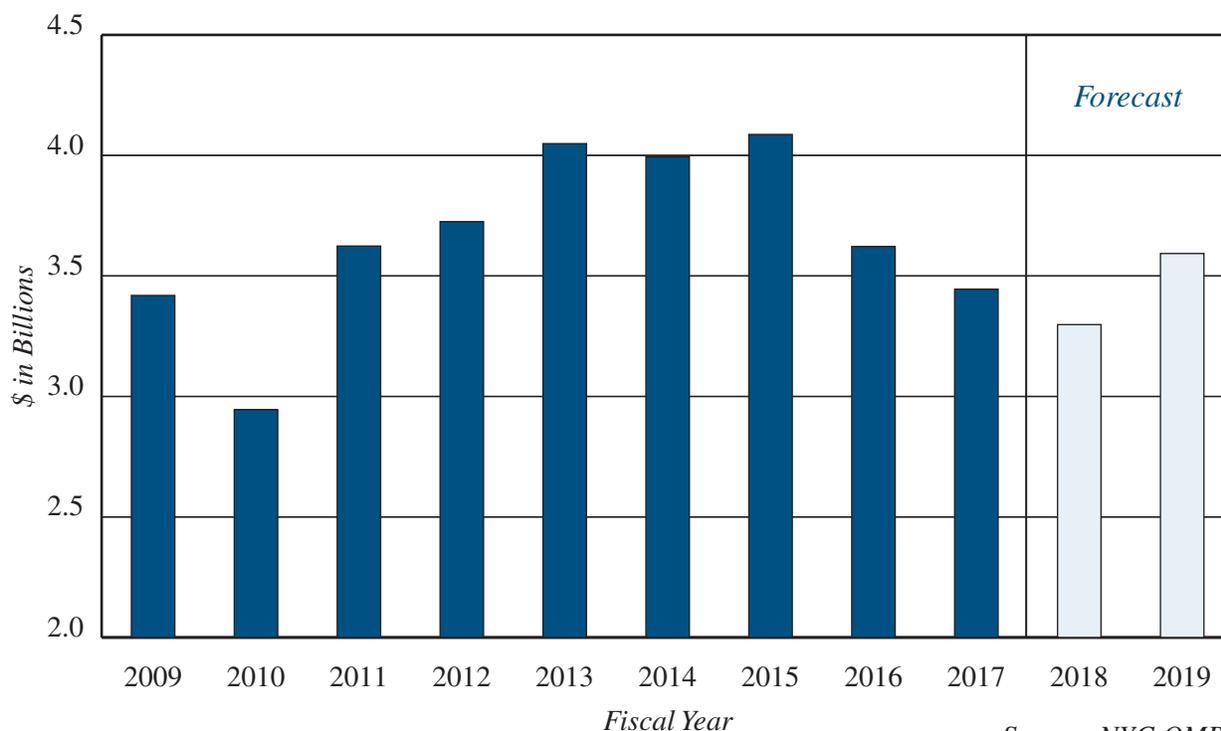
	2010	2011	2012	2013	2014	2015	2016	2017	2018 <sup>f</sup>	2019 <sup>f</sup>
Withholding	\$5,754	\$6,096	\$6,157	\$6,542	\$6,976	\$7,513	\$7,753	\$8,169	\$9,328	\$9,376
Estimated Payments <sup>1</sup>	1,691	2,110	2,109	2,893	2,680	3,167	3,021	2,633	3,069	2,929
Final Returns	288	317	327	382	380	429	439	408	332	443
Other <sup>2</sup>	427	302	527	576	810	837	896	1,038	933	899
Gross Collections	\$8,160	\$8,825	\$9,119	\$10,393	\$10,846	\$11,946	\$12,109	\$12,248	\$13,662	\$13,647
Refunds	(1,301)	(1,181)	(1,166)	(1,225)	(1,307)	(1,317)	(1,376)	(1,183)	(1,304)	(1,269)
Net Collections Less TFA Retention	\$6,858	\$7,644	\$7,953	\$9,168	\$9,539	\$10,629	\$10,733	\$11,064	\$12,658	\$12,378
<b>Total</b>	<b>\$6,858</b>	<b>\$7,644</b>	<b>\$7,953</b>	<b>\$9,168</b>	<b>\$9,539</b>	<b>\$10,629</b>	<b>\$10,733</b>	<b>\$11,064</b>	<b>\$12,658</b>	<b>\$12,378</b>

1 Includes extension payments.

2 Offsets, charges, assessments less City audits.

f = Forecast.

Totals may not add due to rounding.

**BUSINESS CORPORATION TAX****BUSINESS CORPORATION TAX 2009 - 2019**

The business corporation tax<sup>1</sup> is projected to account for 6.0 percent of tax revenue in 2019, or \$3.593 billion. Major changes in State law merged the general corporation and banking corporation taxes into the business corporation tax effective tax year 2015. This results in nearly all general corporation and banking corporation tax payments beginning in fiscal year 2016 and thereafter being reported as business corporation tax payments<sup>2</sup>.

**2018 Forecast:** Business corporation tax revenue is forecast at \$3.298 billion, a 4.3 percent decline from the prior year.

In 2018, tax collections year-to-date through March declined 3.4 percent from the prior year. This is the third

consecutive year of declining tax collections. The current decline in tax collections could be due to two key factors. First, both federal and state corporate tax collections have remained lower than expected in 2018, possibly reflecting a weakness in taxable corporate profits. Additionally, it is likely that a portion of the decline in collections is due to the business tax reforms that merged the banking corporation tax into the business corporation tax effective tax year 2015. In anticipation of corporate tax reform, many firms overpaid on liability year 2015; these payments were left on account and could have reduced payments in the following years. This could explain why finance sector tax payments in particular have been weak for several years, despite the high levels of New York Stock Exchange member-firm profits<sup>3</sup>. It is likely that the levels of overpayments have since declined significantly.

<sup>1</sup> Business corporation tax collections for reporting purposes include S-corporations under the general corporation tax.

<sup>2</sup> In March 2014, the State of New York's enacted budget for State Fiscal Year 14-15 imposed major changes to the State Corporate tax structure. These changes included the merging of the New York State franchise tax with the New York State banking franchise tax as well as modifications to other sections of the New York State corporate tax code. On April 1, 2015, the New York State Legislature passed a bill that aligned the New York City corporate tax structure to the State's corporate tax structure with revisions to ensure that the effects of corporate tax reform on New York City are revenue neutral. These changes were signed into law by the Governor on April 13, 2015 as Part D of Chapter 60 of the Laws of 2015 and are effective for tax years beginning on or after January 1, 2015.

<sup>3</sup> The business tax reforms are expected to be revenue neutral overall. The decline in business corporation tax revenue has been mitigated by increased enforcement.

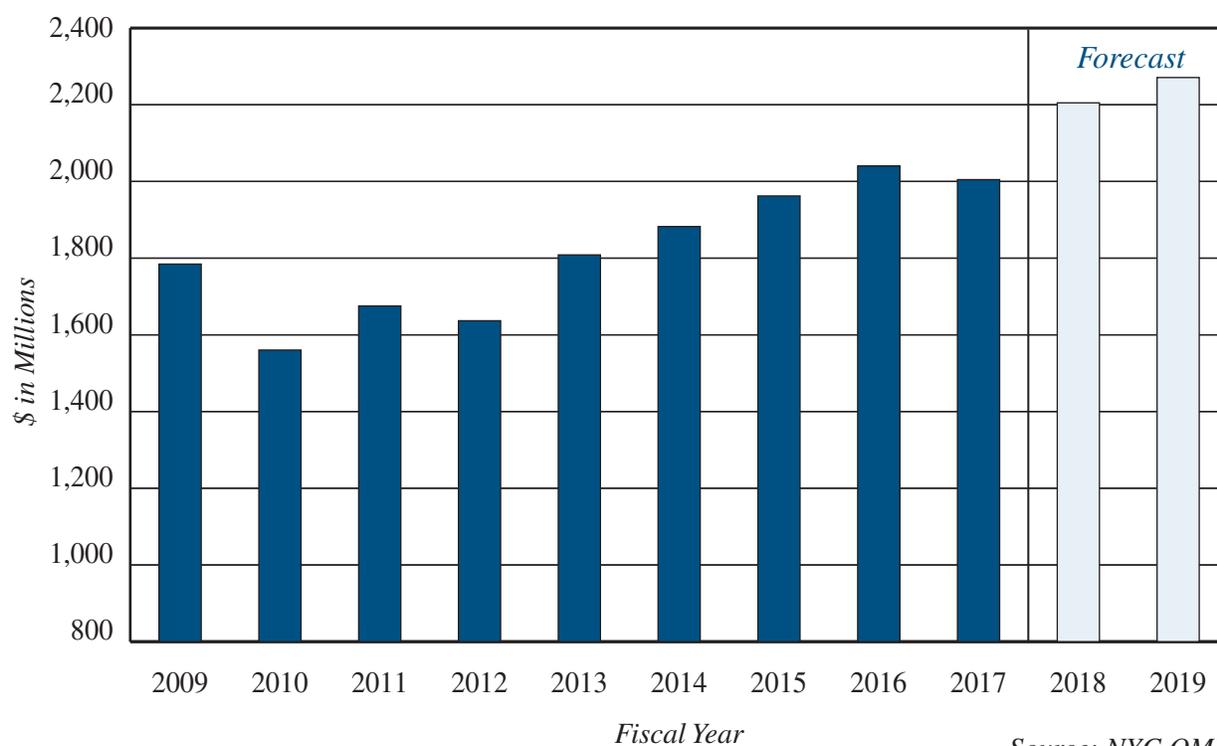
Tax payments are expected to rebound for the remainder of the fiscal year reflecting payments on finalized 2017 liability in April and the additional tax payments on tax year 2018 estimated liabilities in June due to lower levels of overpayments on account and economic growth.

**2019 Forecast:** In fiscal year 2019, the business corporation tax is forecast at \$3.593 billion, 8.9 percent growth over the current year. In 2019, tax payments from finance sector firms are expected to rise as a result of the high level of 2018 Wall Street profitability coupled with lower levels of overpayments from prior years available to reduce tax payments. Tax payments from non-finance sector firms are forecast to grow moderately, consistent with continued economic growth.

Business corporation tax growth is forecast to average 0.1 percent from 2020 through 2022.

## UNINCORPORATED BUSINESS TAX

### UNINCORPORATED BUSINESS TAX 2009 - 2019



The unincorporated business tax is projected to account for 3.8 percent of total tax revenue in 2019, or \$2.271 billion.

**2018 Forecast:** Unincorporated business tax revenue is forecast at \$2.205 billion, an increase of 10.0 percent over the prior year. Net collections year-to-date through March grew 17.1 percent over the prior year. The exceptional growth exhibited through March may partly be attributable to the impact of changes to the rules regarding the deferment of the receipt of incentive or management fees earned before January 1, 2009.<sup>1</sup> In addition, some of the growth may be attributed to taxpayer behavior in response to the TCJA. Through December 2017, unincorporated business tax revenues were over 20 percent higher than the prior year, possibly reflecting a shift forward of 2018 tax payments due to the imposition of a federal cap on SALT deductions. The pace of growth in the quarter ending March was still strong at approximately ten percent, but well below the heated pace of the previous quarter.

These two factors complicate the unincorporated business tax forecast. Nonetheless, fundamental economic conditions have been strong for both the financial and non-financial unincorporated entities. Recently, the hedge fund industry has achieved the sixth consecutive quarterly peak of assets under management supporting further growth of the finance sector tax payments. Finance sector tax payments growth is forecast to be outstanding in 2018, reflecting not only the solid year-over-year growth of finance sector tax payments, but also the impact of the aforementioned one-time factors.

Following near-flat growth in 2017, non-finance sector tax payments are forecast to have sound growth in 2018, supported by solid expansion in a number of key industries, such as professional and business services as well as health care services.

The level of refunds paid out year-to-date through March is similar to the pace of the prior year and is in line to be the second highest level of refunds paid

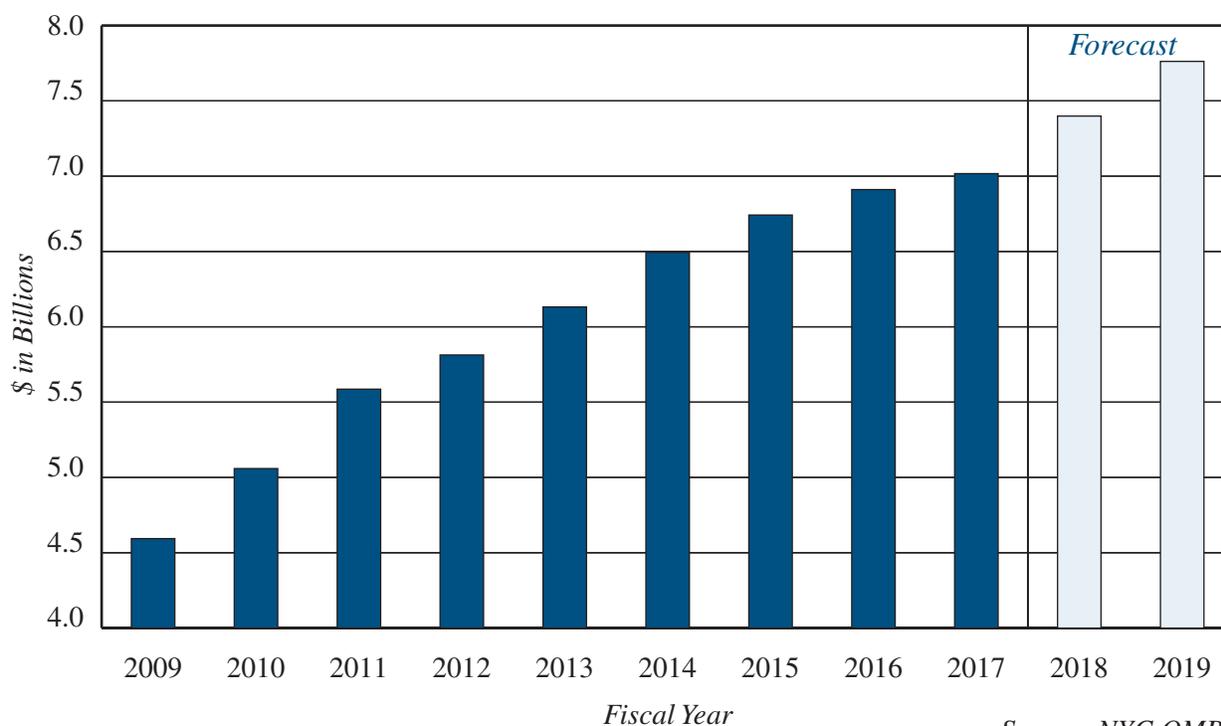
<sup>1</sup> See prior section titled “The Repatriation of Non-Qualified Deferred Compensation.”

out annually in history – the result of firms adjusting their tax liabilities and consequently reducing the overpayments on account. The increased level of refunds is currently offset by the strong tax payment growth.

**2019 Forecast:** Unincorporated business tax revenue is forecast at \$2.271 billion, growth of 3.0 percent over the current year. Finance sector payments are forecast to grow slightly faster than that of the non-finance sector on the expectation of continued expansion of hedge fund assets under management and moderate financial returns. Non-finance sector firm's tax payments are forecast to grow moderately over the current year. In 2020 through 2022, unincorporated business tax revenue is forecast to have annualized average growth of 3.1 percent.

## SALES AND USE TAX

## SALES TAX 2009 - 2019



Source: NYC OMB

The sales and use tax is projected to account for 12.9 percent of total tax revenue in 2019, or \$7.762 billion after the \$150 million intercept by New York State regarding Sales Tax Assets Receivable Corporation (STARC) bonds.<sup>1</sup>

**2018 Forecast:** Sales tax revenue is forecast at \$7.399 billion, growth of 5.4 percent over the prior year.<sup>2</sup> Sales tax collections year-to-date through March increased 5.6 percent over the same period the previous year. Consumer spending continues to be supported by historically low unemployment, stable local job growth and record levels of consumer confidence, which reached an 18-year high in February. Many households likely feel wealthier from the appreciation of financial assets. The total value of household equity in the U.S. has increased by \$3.3 trillion in calendar year 2017, growth of

approximately 15 percent. Other households may realize higher income from increased employment opportunities and higher wages including statewide increases in the minimum wage.<sup>3</sup> Additionally, the private sector bonus pool increased 14.2 percent, further supporting healthy consumption growth. Visitor spending continues to be healthy as New York City experienced another record breaking year of tourism with over 62 million visitors in 2017. All of these factors supported the strongest holiday sales growth rate since 2011. E-commerce also hit record sales for Cyber Monday in 2017. Sales tax revenue growth is expected to continue at a brisk pace through the fourth quarter, reflecting stability in the local economy.

**2019 Forecast:** Sales tax revenue is forecast at \$7.762 billion, growth of 4.9 percent over the current year.<sup>4</sup> Consumer spending continues to be supported

1 The 2016-17 New York State Enacted Budget legislation enables New York State to reduce collections by \$150 million in City Fiscal Year 2019 in order to recoup the savings New York City achieved through refinancing STARC bonds. Prior STARC reductions, sales tax revenue are forecast at \$7.912 billion in 2019, growth of 4.1 percent over the prior year.

2 The 2016-17 New York State Enacted Budget legislation enables New York State to reduce collections by \$200 million in City Fiscal Year 2018 in order to recoup the savings New York City achieved through refinancing STARC bonds. As a result, sales tax revenue prior STARC reductions are forecast at \$7.599 billion, growth of 5.3 percent over the prior year.

3 The New York State 2016-17 budget enacted a statewide minimum wage program with annual incremental wage increases until a \$15 minimum wage is reached. As of January 1, 2018, New York City minimum wage with employers of 11 or more employees is \$13.00, and employers with 10 or less employees is \$12.00.

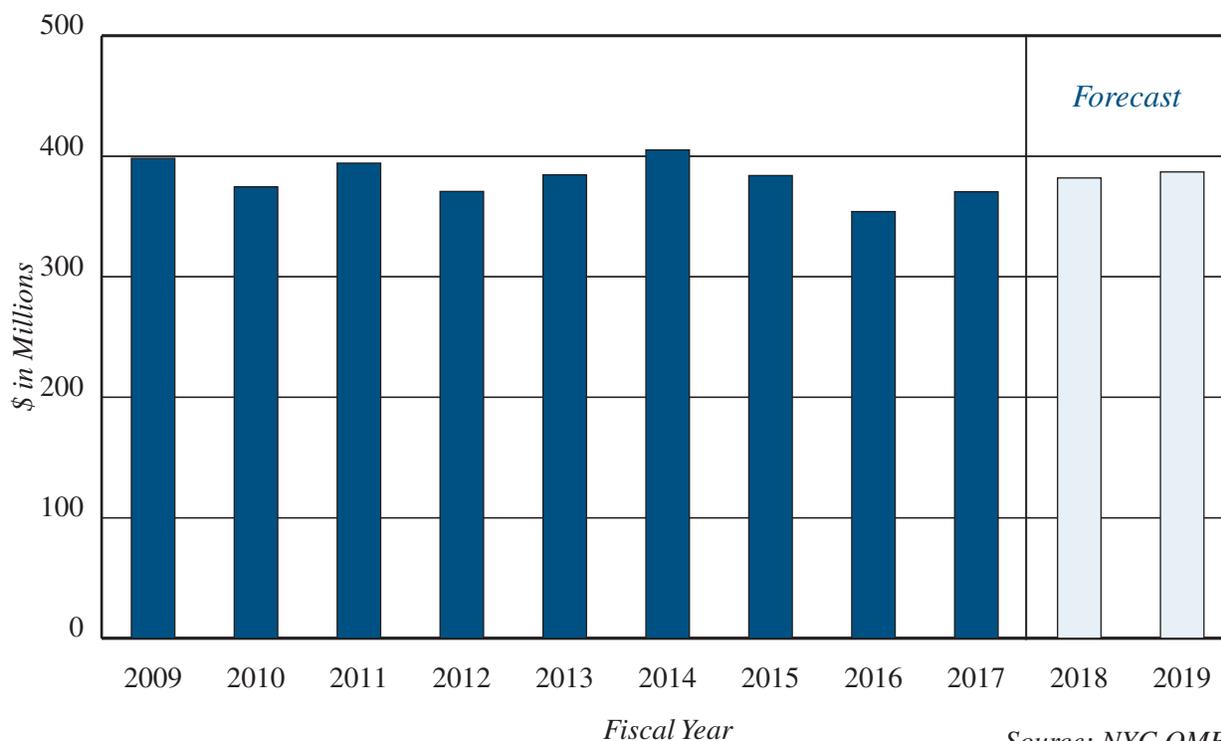
4 See footnote 2. Excluding the STARC reduction, sales tax is forecast to grow 4.1 percent.

by local employment and wage growth, as well as stable tourism. While geopolitical and global economic factors may hinder international tourist spending, overall tourism is expected to increase, resulting in moderate growth in visitor spending.

Sales tax revenue growth is forecast to average 4.2 percent from 2020 through 2022, paralleling stable growth in the local economy.

## UTILITY TAX

### UTILITY TAX 2009 - 2019



The utility tax is projected to account for 0.6 percent of total tax revenue in 2019, or \$387 million.

**2018 Forecast:** Utility tax revenue is forecast at \$382 million, a 3.1 percent increase over the prior year. Year-to-date collections through March were essentially flat from the previous year. After adjusting growth for a March payment that slipped into April, year-to-date growth is 1.2 percent.

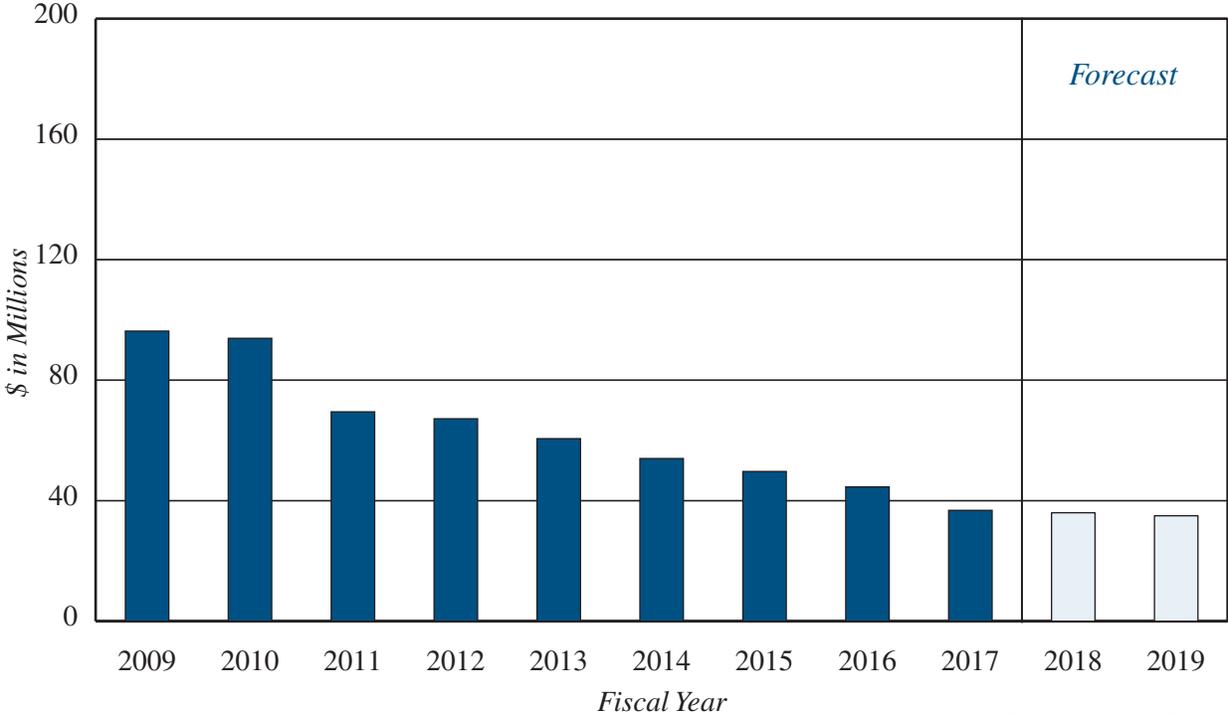
Fourth quarter utility tax revenue is forecast to be considerably higher than last year, due to increased natural gas prices and cold winter weather persisting through March and April.

**2019 Forecast:** Utility tax revenue is forecast at \$387 million, growth of 1.3 percent over the current year reflecting stable natural gas prices, modest growth for electricity prices and a return to average temperatures.

Utility tax collections are forecast to average annual growth of 2.8 percent from 2020 through 2022.

CIGARETTE TAX

CIGARETTE TAX 2009 - 2019



Source: NYC OMB

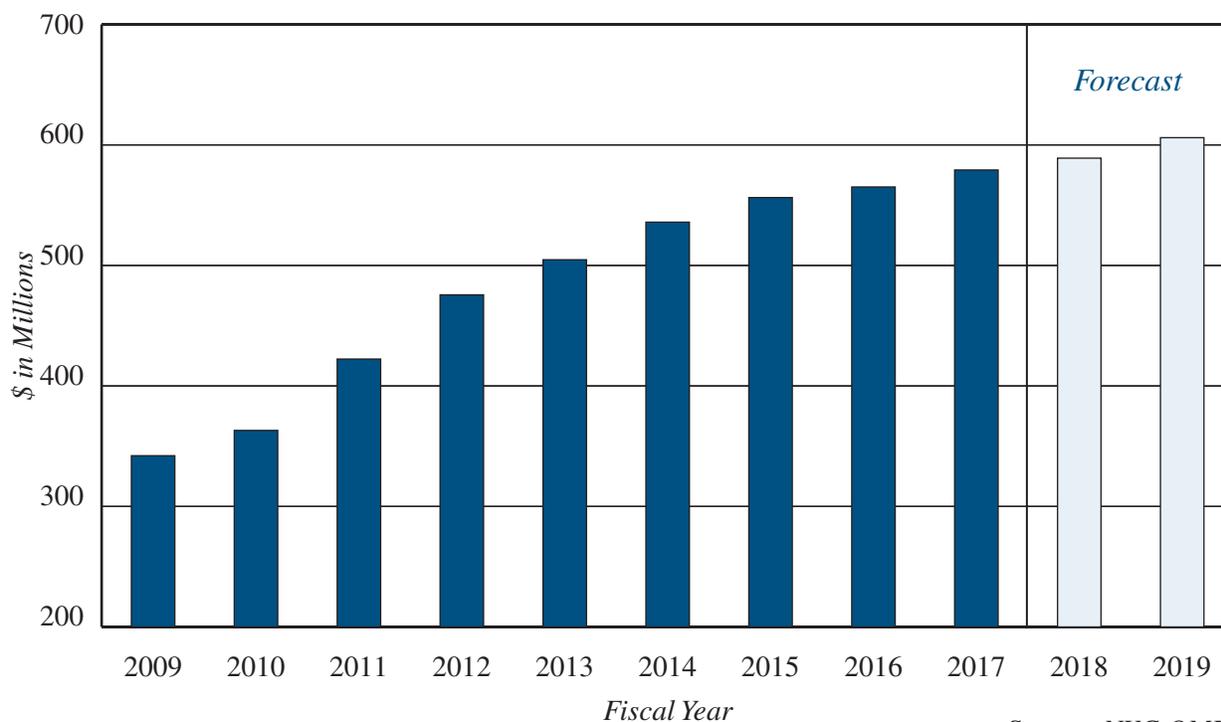
Cigarette tax is projected to account for 0.1 percent of total tax revenue in 2019, or \$35 million.

**2018 Forecast:** Cigarette tax revenue is forecast at \$36 million in 2018, a decline of 2.1 percent from the prior year.

**2019 Forecast:** Cigarette tax is forecast at \$35 million, a decline of 2.8 percent from the prior year. From 2020 through 2022, cigarette tax collections are projected to average a decrease of 2.9 percent. Currently, the combined City/State cigarette taxes paid in the City are \$5.85 per pack, the highest City/State cigarette tax levied in the country. The high tax burden has led to a decline in the number of packs sold within the City, both from the diversion of purchases to jurisdictions outside the City with a lower cigarette tax rate as well as smoking cessation or reduction.

## HOTEL TAX

## HOTEL TAX 2009 - 2019



Source: NYC OMB

The hotel room occupancy tax is projected to account for 1.0 percent of tax revenue in 2019, or \$606 million.

**2018 Forecast:** Hotel tax revenue is forecast at \$589 million, a 1.7 percent increase over the prior year. Collections year-to-date through March grew 1.0 percent over the prior year. Hotel tax revenue grew rapidly in the early years of the current recovery, averaging growth of about 9.5 percent from 2010 to 2014. However, since 2015 the pace of growth has slowed to approximately 2.6 percent per year. There are a number of factors affecting the hotel tax. First, New York City experienced another record-breaking level of tourism with over 62 million visitors in calendar year 2017. Second, it appears that domestic tourism growth has outpaced international tourism growth. Domestic tourists, on average, stay for shorter visits and spend less than international tourists. Third, the hotel inventory has grown considerably over the past decade. Since 2017, the City has added over

4,000 rooms. The additional supply has put pressure on room rates, limiting growth. As a result of these factors, the average room rate has been essentially flat over the past few years. These trends are forecast to continue and lead to moderate growth through the remainder of the fiscal year.

**2019 Forecast:** Hotel tax revenue is forecast at \$606 million, a 2.9 percent increase over the current year. Tourism activity is still expected to grow, though tourist spending may be somewhat subdued as the geopolitical situation may limit growth in the international travel segment. Occupancy rates are expected to remain healthy as hotel room inventory grows, supporting steady tourism. The abundance of hotel room supply will likely constrain room rates.

From 2020 through 2022, hotel tax revenue is forecast to average growth of 1.3 percent, reflecting a slowdown in tourism growth.

**OTHER TAXES**

All other taxes are projected to account for 1.2 percent of total tax revenue in 2019, or \$749.8 million.

**2018–2019 Other Taxes Forecast  
Excluding Tax Audit Revenue  
(\$000s)**

Tax	2018	2019	Increase/(Decrease) From 2018 to 2019 Amount	Percent Change
<b>Auto Related Taxes</b>				
Auto Use .....	\$29,000	\$29,000	-	0.0%
Commercial Motor Vehicle.....	65,000	65,000	-	0.0%
Taxi Medallion Transfer.....	356	200	(156)	(43.8%)
<b>Excise Taxes</b>				
Beer and Liquor.....	25,000	25,000	-	0.0%
Liquor License Surcharge.....	6,000	6,000	-	0.0%
Horse Race Admissions.....	50	50	-	0.0%
Medical Marijuana Excise Tax .....	115	100	(15)	(13.0%)
Off-Track Betting Surtax.....	500	1,220	720	144.0%
<b>Miscellaneous</b>				
Other Refunds.....	(46,000)	(37,000)	9,000	(19.6%)
Payment in Lieu of Taxes (PILOTs) .....	475,309	446,200	(29,109)	(6.1%)
Section 1127 (Waiver) .....	169,000	160,000	(9,000)	(5.3%)
Penalty and Interest Real Estate .....			-	
.....(Current Year)	21,000	21,000	-	0.0%
Penalty and Interest Real Estate .....			-	
.....(Prior Year)	37,000	37,000	-	0.0%
Penalty and Interest - Other Refunds.....	(4,000)	(4,000)	-	0.0%
<b>Total .....</b>	<b>\$778,330</b>	<b>\$749,770</b>	<b>(\$28,560)</b>	<b>(3.7%)</b>

## AUTO RELATED TAXES

**Auto Use Tax:** This tax is imposed by the City on privately-owned vehicles at the annual rate of \$15 per vehicle. The tax is administered by the State Department of Motor Vehicles, with an administrative charge levied on the City for this service. This tax is expected to generate \$29.0 million in both 2018 and 2019.

**Commercial Motor Vehicle Tax:** This tax is levied on vehicles used for transportation of passengers (medallion taxi cabs, omnibuses and other for-hire passenger vehicles) and on all other commercial trucks and vehicles. The tax is charged at different rates, based on the purpose for which vehicles are used. The rate is \$1000 for medallion taxi cabs, \$400 for livery cabs and omnibuses. The rate for other commercial vehicles (weighing less than 10,000 pounds) is \$40, with rates increasing progressively for heavier vehicles. Trucks weighing 15,000 pounds pay the highest rate of \$300 per year. Medallion taxicabs pay twice a year, while owners of other types of commercial vehicles pay annually. Commercial motor vehicle tax for livery taxi cabs and light trucks is administered by the State Department of Motor Vehicles and the rest by the Department of Finance. This tax is forecast to generate \$65.0 million in both 2018 and 2019.

**Taxi Medallion Transfer Tax:** This tax is imposed at the rate of 5.0 percent of consideration paid for transfers of taxicab licenses (medallions). In 2017, the tax rate was reduced from 5.0 percent to 0.5 percent. This tax is forecast to generate \$0.36 million in 2018 and \$0.20 million in 2019.

## EXCISE TAXES

**Beer and Liquor Excise Tax:** This tax is imposed on licensed distributors and non-commercial importers on the sale of beer and liquor within New York City. The current tax rate is 12 cents per gallon of beer and 26.4 cents per liter of liquor with alcohol content greater than 24 percent. City does not impose a tax on wine. This tax is forecast to generate \$25.0 million in both 2018 and 2019.

**Horse Race Admissions Tax:** This 3.0 percent tax is imposed on the price of all paid admissions to horse races held either partly or wholly within New York City. This tax is forecast to generate \$50 thousand in both 2018 and 2019.

**Liquor License Surcharge:** This tax is imposed on distributors and non-commercial importers of beer and liquor at the rate of 25 percent of license fees payable under the New York State Alcoholic Beverage Control Law. This tax is forecast to generate \$6.0 million in both 2018 and 2019.

**Medical Marijuana Excise Tax:** Since July 2016, New York City has received payments from the New York State medical marijuana trust fund, which represents 22.5 percent of the New York State Medical Marijuana Excise Tax revenue collected in New York City. This tax is forecast to generate \$0.15 million in 2018 and \$0.10 million in 2019.

**Off-Track Betting Surtax:** This surcharge is levied on most bets placed at New York City Off-Track Betting offices and on most bets placed statewide on races held within New York City. This tax is forecast to generate \$0.5 million in 2018 and \$1.2 million in 2019.

## MISCELLANEOUS

**Other Refunds:** These refunds are primarily paid out on the commercial rent tax and Section 1127 (waiver) and are forecast to be \$46.0 million in 2018 and \$37.0 million in 2019.

**Payments in Lieu of Taxes (PILOTs):** PILOTs are contractual agreements between public agencies and private property owners. There are four primary sponsor agencies that serve as intermediaries between the City and the property owner: The New York City Economic Development Corporation, The New York City Industrial Development Agency, The Battery Park City Authority, and The Hudson Yards Infrastructure Corporation. These agencies administer projects that comprise approximately 87 percent of the PILOT payments received. PILOT revenue is forecast to be \$475.3 million in 2018 and \$446.2 million in 2019.

**Section 1127 (Waiver):** Under Section 1127 of the New York City Charter, the City may collect payments from non-resident employees of the City, or any of its agencies, in an amount which is equal to what their personal income tax liability would be if they were City residents. Revenue is forecast to be \$169.0 million in 2018 and \$160.0 million in 2019.

***Prior Year and Current Year Penalty and Interest***

**- Real Estate:** Taxpayers who do not pay their real property tax on time are liable for interest charges on outstanding balances. Penalties and interest received against current year delinquencies are forecast to be \$21.0 million in both 2018 and 2019, while penalty and interest collections from prior year delinquencies are expected to be \$37.0 million in both 2018 and 2019.

**Penalty and Interest - Other Refunds:** The City pays interest on refunds claimed for overpayments against business income taxes and on audits of Business Corporation and Unincorporated Business Tax collections that have been subsequently overturned by Federal or State rulings. The cost of all these payments is forecast at \$4.0 million in both 2018 and 2019.

**TAX ENFORCEMENT REVENUE**

As part of the City's tax enforcement efforts, the Department of Finance targets delinquent taxpayers through agency audit activities, the selected use of collection agencies, and computer matches. Audit revenue is forecast at \$1.299 billion in 2018; and \$1.056 billion in 2019.

## MISCELLANEOUS RECEIPTS

### Forecast of Miscellaneous Receipts

The non-tax revenue portion of City Funds is referred to as miscellaneous revenues. The 2019 Executive Budget includes eleven classes of miscellaneous revenues which are discussed below.

Miscellaneous revenues are estimated at \$4,965 million in 2019, an increase of \$45 million from 2018, exclusive of private grants and intra-city revenues. The revenue classes listed above are regrouped and described in the following four areas: Cost-based Charges (Licenses, Permits, and Charges for Services); Water and Sewer Revenues; Fines and Forfeitures; and Other Income (Interest Income, Franchises, Rental Income, and Miscellaneous).

### Miscellaneous Revenues (\$ in Millions)

	2018 Forecast	2019 Executive Budget	Forecast to Executive Budget Increase (Decrease)
Licenses.....	\$85	\$65	(20)
Permits.....	286	265	(21)
Franchises and Privileges.....	369	359	(10)
Interest Income.....	110	190	80
Tuition and Charges for Services.....	1,023	1,005	(18)
Water and Sewer Revenues.....	1,423	1,450	27
Rental Income.....	263	254	(9)
Fines and Forfeitures.....	975	943	(32)
Miscellaneous.....	386	434	48
<b>Total Miscellaneous Revenues.....</b>	<b><u>\$4,920</u></b>	<b><u>\$4,965</u></b>	<b><u>45</u></b>

### Cost-based Charges

Cost-based Charges are revenues collected as a result of the City providing a service (copies of official records, or inspections and reviews) and may be related to the government's police or regulatory functions (pistol permits, restaurant permits, building plan examination fees). In the absence of specific State legislative authorization for the City to impose a specific fee, the City may, where otherwise allowed by law, impose a user fee to recover the cost of providing services.

#### Licenses

The City issues approximately 624,000 licenses. About 82,000 are non-recurring, 115,000 are renewed annually, 200,000 biennially, and 227,000 triennially. The major sources of license revenue are taxi and limousine licenses, pistol licenses, private carter licenses, marriage licenses, and various business licenses under the jurisdiction of the Department of Consumer Affairs.

The 2019 forecast for license revenue is \$65 million, \$20 million less than 2018. This decline is attributable to a surge in licenses issued by the Taxi and Limousine Commission in 2018 and the cyclical renewal of certain licenses.

*Permits*

Permits are issued to 1,410,000 individuals or entities for the use of facilities, premises or equipment. Approximately 341,000 permits are renewable on an annual, biennial or triennial basis. Seasonal or single occurrence permits, such as tennis and building permits, account for 1,069,000 additional permits, all of which are issued and regulated by twelve City agencies.

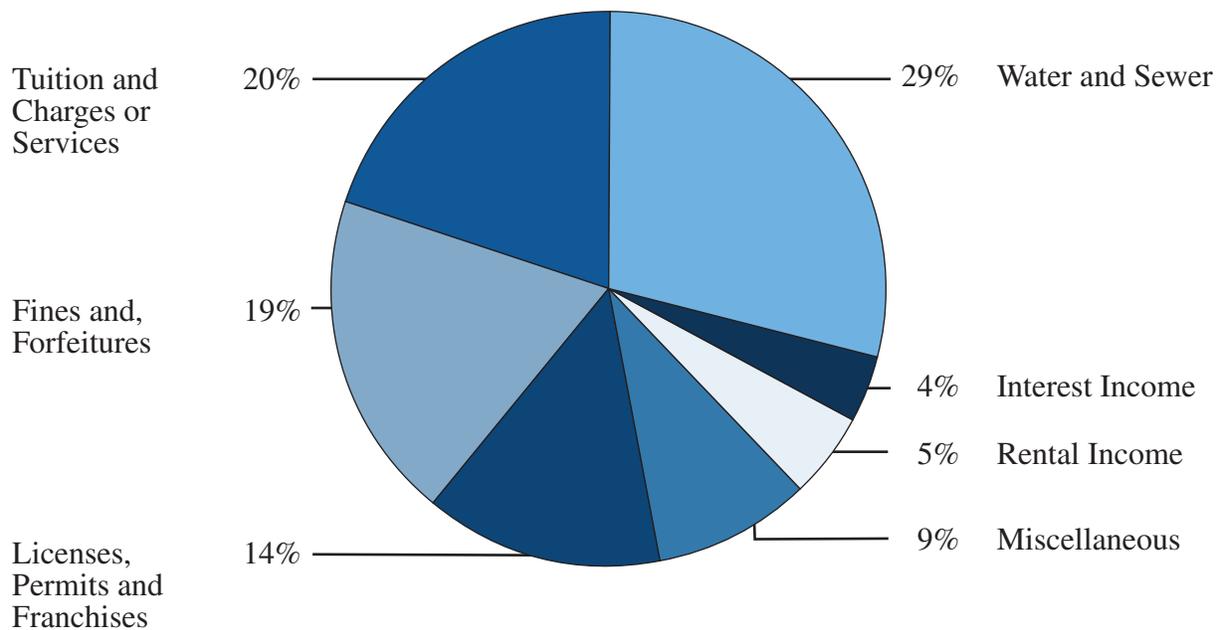
The major sources of revenue are permits for building construction and alterations, street openings, restaurants, hazardous materials, and air pollution control. The 2019 forecast for permit revenue is \$265 million, \$21 million less than 2018. The decrease is due to a decline in receipts for non-recurring street construction permits issued by the Department of Transportation.

*Tuition and Charges for Services*

The City collects tuition from students enrolled at community colleges. In addition, the City collects money from charges to the public and other governmental agencies for services rendered. There are over 100 different service fees in this category, including fees for parking, towing, copies of certificates, processing applications, searches, and performing fire and building inspections. The 2019 forecast for tuition and charges for services is \$1.0 billion, \$18 million less than 2018. This decline is due to a drop in revenue from 421-a tax exemption applications due to the expiration of the tax abatement program partially offset by an increase in fees collected by the Department of Transportation.

**COMPONENTS OF MISCELLANEOUS REVENUES**

*As a Percentage of 2019*



*Source: NYC OMB*

### Water and Sewer Revenues

Water and Sewer charges are collected by the New York City Water Board. From these charges the Board currently reimburses the City for the operation and maintenance (O&M) of the water delivery and waste water disposal systems. The O&M reimbursement is equal to the amount spent by the City to supply water and treat and dispose of waste water on behalf of the Board. The City is reimbursed only for its expenditures. The City will receive \$1.45 billion for O&M services rendered in the delivery of water and the collection, treatment, and disposal of waste water.

### Fines and Forfeitures

The City collects fine revenue through courts and administrative tribunals for violations issued under the New York City Administrative Code, New York State Vehicle and Traffic Law, and other laws. Forfeiture revenue is obtained from the surrender and conversion of bail and cash bonds, and contractors' performance bonds. The 2019 forecast for forfeitures is \$1.1 million. The revenue expected from fines in 2018 and 2019 is listed below:

#### Fine Revenue

Type (\$ in 000's)	2018 Forecast	2019 Executive Budget
Parking Violations.....	\$525,163	\$538,281
Environmental Control Board Violations .....	115,000	107,512
Department of Buildings Penalties .....	68,694	58,348
Speed Camera Violations.....	66,053	50,739
Bus Lane Violations.....	25,794	29,946
Red Light Camera Violations.....	27,000	27,000
Department of Health Violations .....	26,288	26,288
Taxi and Limousine Commission Violations.....	14,800	14,800
Traffic Violations .....	18,000	12,317
Department of Consumer Affairs.....	9,300	9,300
State Court Fines.....	10,000	7,135
Department of Finance Penalties .....	8,850	5,400
Other Sources.....	59,310	55,139
<b>Total.....</b>	<b><u>\$974,252</u></b>	<b><u>\$942,205</u></b>

The Parking Violation division of the Department of Finance is forecasted to collect \$646 million in parking, red light, bus lane, and speed camera fines in 2019, \$2.0 million more than in 2018.

The Parking Violation division processes and adjudicates enforcement camera violations. The red light camera program is designed to promote safe, responsible driving by photographing and fining registrants of vehicles “running” red lights. The Department of Transportation currently has 223 red light cameras operating at 150 intersections. Red light camera violations will generate \$27 million in 2019. In addition, the Department has a bus lane camera enforcement program along MTA Select Service Bus Routes. Bus lane photo devices can only operate on designated bus lanes that are select bus service lanes within the bus rapid transit demonstration program and only during weekdays. State legislation recently expanded bus lane photo device hours of operation to include the hours from 6:00 a.m. to 10:00 p.m. Previously the devices could be operated from 7 a.m. to 7 p.m. The Department will generate approximately \$29.9 million in 2019. In January 2014, the Department was authorized to use speed camera enforcement in 140 school zones. Currently, 194 fixed and 40 mobile cameras are operational within the authorized zones. Speed cameras must be placed within a quarter mile of a school and can operate on days when school is in session (one hour before and one hour after the school day) and during student activities at the school (up to thirty minutes immediately before and up to thirty minutes immediately after such student activities). Collections are expected to be \$50.7 million in 2019.

The Office of Administrative Trials and Hearings is comprised of several administrative tribunals: Health, Taxi and Limousine Commission, and the Environmental Control Board. The Environmental Control Board adjudicates violations issued by over a dozen City agencies for infractions of the City’s Administrative Code related to street cleanliness, waste disposal, street peddling, fire prevention, air, water and noise pollution, building safety and construction, and other quality of life issues. Revenue from these violations is expected to generate \$137 million in 2019.

The Department of Consumer Affairs enforces the City’s consumer protection, licensing, weights and measures, and Truth-in-Pricing Laws. In 2019, the Department will generate \$9.3 million in fine revenue, equal to 2018. The Department of Consumer Affairs will continue its enforcement strategy which includes an emphasis on education and outreach.

The Department of Finance assesses penalties for failure to timely file Real Property Income and Expense statements and Real Property Transfer documents. The Department’s enforcement efforts are expected to improve compliance with filing guidelines and it is anticipated that penalties issued will drop to \$5.4 million in 2019.

Revenue is also collected from the adjudication of traffic violations issued in the City of New York, certain fines adjudicated through the State-operated Criminal and Supreme Court system, and fines collected by the City for administrative code violations, and building code violations.

## Other Income

Other income includes interest earned on the City's cash balances, concession and franchise payments, rental income, and income from other areas in which productivity may have a positive effect on the amount of revenue collected. Each of the sources included in this area has its own unique basis for management and improvement, some of which are directly affected by the City's policy toward such varied items as housing, economic development, and transportation issues.

### *Interest Income*

The City earns interest income by investing funds from four sources: overnight cash balances, debt service accounts, sales tax, and cash bail balances. Overnight cash balances are invested and historically earn interest at approximately the federal funds rate. Property tax receipts are held by the State Comptroller to satisfy City debt service payments, and earnings are forwarded to the City monthly based on bond payment schedules. The determinants of the value of this revenue source are the value of cash balances, tax receipts, available investment instruments, and the interest rate.

The 2019 forecast for interest earnings is \$190 million, an increase of \$80 million from 2018. This increase is attributable to the expectation that the Federal Reserve will continue a steady increase to the federal funds rate in 2019.

### *Franchises and Privileges*

This revenue consists of franchise fees for the public use of City property and privilege and concession fees for the private use of City property. These uses include conduits that run under City streets, concessions in public parks and buildings, and payments from utility companies for transformers on City property.

The 2019 forecast for franchise revenue is \$359 million, \$10 million less than in 2018. The decrease is due to the sale of credits for landfill gas collected at Fresh Kills landfill in 2018.

### *Rental Income*

Rental income is derived from both long and short-term agreements for the occupancy of City-owned property, including condemnation sites and *in rem* buildings. Roughly 2,600 properties are rented from the City. Approximately 600 are *in rem* or condemnation sites, 200 are covered by long term agreements, and nearly 1,800 are schools that are rented on a per event basis after school hours.

The 2019 forecast for rental income is \$254 million, \$9 million less than in 2018. The decrease is a result of declining rental income from HPD and DCAS managed properties.

### *Miscellaneous*

Miscellaneous revenue is composed of a variety of revenues not otherwise classified in the City's Chart of Accounts. The primary items are the sale of City property, mortgages, cash recoveries from litigation and audits, E-911 telephone surcharges, revenue from Police Department Property Clerk auctions, refunds of prior year expenditures, the sale of the City Record and other publications, and subpoena fees. This source of revenue has, at times, contributed significantly to the miscellaneous receipts.

The 2019 forecast for miscellaneous revenue is \$434 million, \$48 million more than in 2018. The increase is primarily related to one-time revenue in 2019 from asset sales, partially offset by one-time revenue from negotiated sales and the recoupment of prior year expenditures in 2018.

**Private Grants**

The Executive Budget includes \$879 million in private grants in 2019, \$209 million less than 2018. Additional private grant funding will be modified into the budget during the course of the year, as additional funding sources are identified and grants are defined.

**Interfund Revenues**

Interfund Revenues (IFA's) are reimbursements from the Capital Fund to the General Fund for authorized first-line architectural, engineering, and design costs incurred by the City's own engineering and support staff. These costs also include employee costs for expenses incurred in connection with eligible capital projects for the development of computer software, networks and systems. All IFA costs are assigned to particular capital projects and are valid capital charges under generally accepted accounting principles. In 2019 expected reimbursements will be \$682 million.

## CAPITAL BUDGET

### The Executive Capital Budget and Four-Year Plan, 2019-2022

The 2019 Executive Capital Budget includes new appropriations of \$9.4 billion, of which \$9.1 billion are to be funded from City sources. These appropriations, together with available balances from prior years, authorize total commitments of \$19.1 billion for 2019, of which \$16.9 billion will be City-funded. City funds include proceeds from the New York City Municipal Water Finance Authority and the New York City Transitional Finance Authority as well as City general obligation bonds.

#### *Four-Year Plan Highlights*

The 2019-2022 Capital Plan totals \$65.1 billion for the construction and rehabilitation of the City's infrastructure. This will provide funding targeted to building and improving schools, providing affordable housing, maintaining the drinking water system, improving transportation, and supporting the City's economic development growth. In addition, damages to critical infrastructure throughout New York City caused by Hurricane Sandy are estimated at \$3.6 billion in the 2019-2022 Capital Program.

The Capital Plan will provide \$10.0 billion for new school construction and expansion, as well as modernization, rehabilitation, and improvements to existing school buildings. The City will also provide \$4.9 billion for the preservation and construction of

affordable housing for low to moderate incomes and those with special needs. The City will invest \$1.8 billion for the repair and construction of City tunnels and upstate aqueducts to ensure critical redundancy and provide optimal delivery of sufficient drinking water. This will include the excavation of the two remaining shafts for the Brooklyn/Queens section of City Tunnel No. 3, the optimization of the Upper Catskill Aqueduct, and the boring of a tunnel between the Kensico Reservoir and Catskill/Delaware Ultraviolet Light Disinfection Facility. The City will invest \$1.6 billion in the reconstruction of the Brooklyn-Queens Expressway (BQE) Triple Cantilever bridge structures. The City will also invest \$405.0 million to purchase new ferries and to upgrade ferry landings to improve the Citywide Ferry Service.

**FY 2018 - 2022 Commitment Plan**  
**(\$ in Millions)**

	2018		2019		2020		2021		2022	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
<b>Environmental Protection</b>										
Equipment .....	\$65	\$65	\$103	\$104	\$115	\$115	\$97	\$97	\$148	\$148
Sewers.....	690	697	592	598	751	782	647	647	690	690
Water Mains, Sources & Treatment.....	651	651	586	593	651	654	738	738	673	673
Water Pollution Control.....	634	634	1,030	1,233	1,218	1,248	1,061	1,065	909	914
Water Supply .....	102	102	317	317	279	279	137	137	1,109	1,109
<b>Subtotal.....</b>	<b>\$2,142</b>	<b>\$2,150</b>	<b>\$2,628</b>	<b>\$2,845</b>	<b>\$3,013</b>	<b>\$3,078</b>	<b>\$2,681</b>	<b>\$2,684</b>	<b>\$3,530</b>	<b>\$3,535</b>
<b>Transportation</b>										
Mass Transit.....	\$504	\$522	\$204	\$204	\$40	\$40	\$40	\$40	\$40	\$40
Bridges.....	1,068	1,139	898	1,210	1,344	1,434	1,841	1,995	1,629	1,662
Highways .....	815	919	741	883	897	1,117	1,029	1,142	913	1,118
<b>Subtotal.....</b>	<b>\$2,387</b>	<b>\$2,581</b>	<b>\$1,843</b>	<b>\$2,297</b>	<b>\$2,281</b>	<b>\$2,591</b>	<b>\$2,910</b>	<b>\$3,178</b>	<b>\$2,582</b>	<b>\$2,820</b>
<b>Education</b>										
Education.....	\$3,476	\$4,196	\$3,198	\$3,786	\$1,971	\$1,971	\$1,296	\$2,041	\$2,166	\$2,166
Higher Education.....	211	221	147	147	90	90	83	83	61	61
<b>Subtotal.....</b>	<b>\$3,687</b>	<b>\$4,417</b>	<b>\$3,345</b>	<b>\$3,933</b>	<b>\$2,061</b>	<b>\$2,061</b>	<b>\$1,379</b>	<b>\$2,123</b>	<b>\$2,226</b>	<b>\$2,226</b>
<b>Housing &amp; Economic Development</b>										
Economic Development .....	\$510	\$595	\$1,168	\$1,280	\$960	\$1,031	\$962	\$1,039	\$458	\$480
Housing .....	1,243	1,291	1,232	1,264	1,195	1,227	1,283	1,315	1,152	1,184
<b>Subtotal.....</b>	<b>\$1,753</b>	<b>\$1,886</b>	<b>\$2,400</b>	<b>\$2,544</b>	<b>\$2,155</b>	<b>\$2,258</b>	<b>\$2,245</b>	<b>\$2,354</b>	<b>\$1,610</b>	<b>\$1,664</b>
<b>Administration of Justice</b>										
Corrections .....	\$372	\$378	\$488	\$544	\$958	\$966	\$99	\$99	\$126	\$126
Courts .....	116	125	152	153	392	393	341	341	234	234
Police .....	564	582	529	564	393	394	368	368	64	64
<b>Subtotal.....</b>	<b>\$1,052</b>	<b>\$1,085</b>	<b>\$1,169</b>	<b>\$1,261</b>	<b>\$1,742</b>	<b>\$1,754</b>	<b>\$808</b>	<b>\$808</b>	<b>\$424</b>	<b>\$424</b>
<b>City Operations and Facilities</b>										
Cultural Institutions.....	\$330	\$359	\$258	\$273	\$122	\$122	\$116	\$116	\$117	\$117
Fire.....	158	202	187	254	147	179	178	178	121	121
Health & Hospitals .....	429	670	487	702	539	919	391	668	232	424
Parks .....	797	932	1,078	1,207	1,051	1,191	919	1,051	215	215
Public Buildings .....	330	337	612	614	313	313	276	276	133	133
Sanitation .....	350	355	482	495	635	635	433	433	327	327
Resiliency, Technology & Equipment .....	500	510	868	928	921	1,295	878	878	728	728
Other.....	1,335	1,417	1,566	1,720	911	1,048	555	614	415	485
<b>Subtotal.....</b>	<b>\$4,229</b>	<b>\$4,783</b>	<b>\$5,537</b>	<b>\$6,193</b>	<b>\$4,640</b>	<b>\$5,703</b>	<b>\$3,746</b>	<b>\$4,214</b>	<b>\$2,287</b>	<b>\$2,550</b>
<b>Total Commitments.....</b>	<b>\$15,249</b>	<b>\$16,901</b>	<b>\$16,923</b>	<b>\$19,073</b>	<b>\$15,893</b>	<b>\$17,445</b>	<b>\$13,769</b>	<b>\$15,361</b>	<b>\$12,660</b>	<b>\$13,219</b>
<b>Reserve for Unattained Commitments.....</b>	<b>(\$4,587)</b>	<b>(\$4,587)</b>	<b>(\$2,021)</b>	<b>(\$2,021)</b>	<b>(\$1,267)</b>	<b>(\$1,267)</b>	<b>\$300</b>	<b>\$300</b>	<b>\$493</b>	<b>\$493</b>
<b>Commitment Plan.....</b>	<b>\$10,662</b>	<b>\$12,314</b>	<b>\$14,902</b>	<b>\$17,052</b>	<b>\$14,626</b>	<b>\$16,178</b>	<b>\$14,069</b>	<b>\$15,661</b>	<b>\$13,153</b>	<b>\$13,712</b>
<b>Total Expenditures.....</b>	<b>\$8,990</b>	<b>\$9,547</b>	<b>\$8,810</b>	<b>\$9,905</b>	<b>\$10,575</b>	<b>\$11,881</b>	<b>\$11,794</b>	<b>\$13,424</b>	<b>\$12,527</b>	<b>\$13,892</b>

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

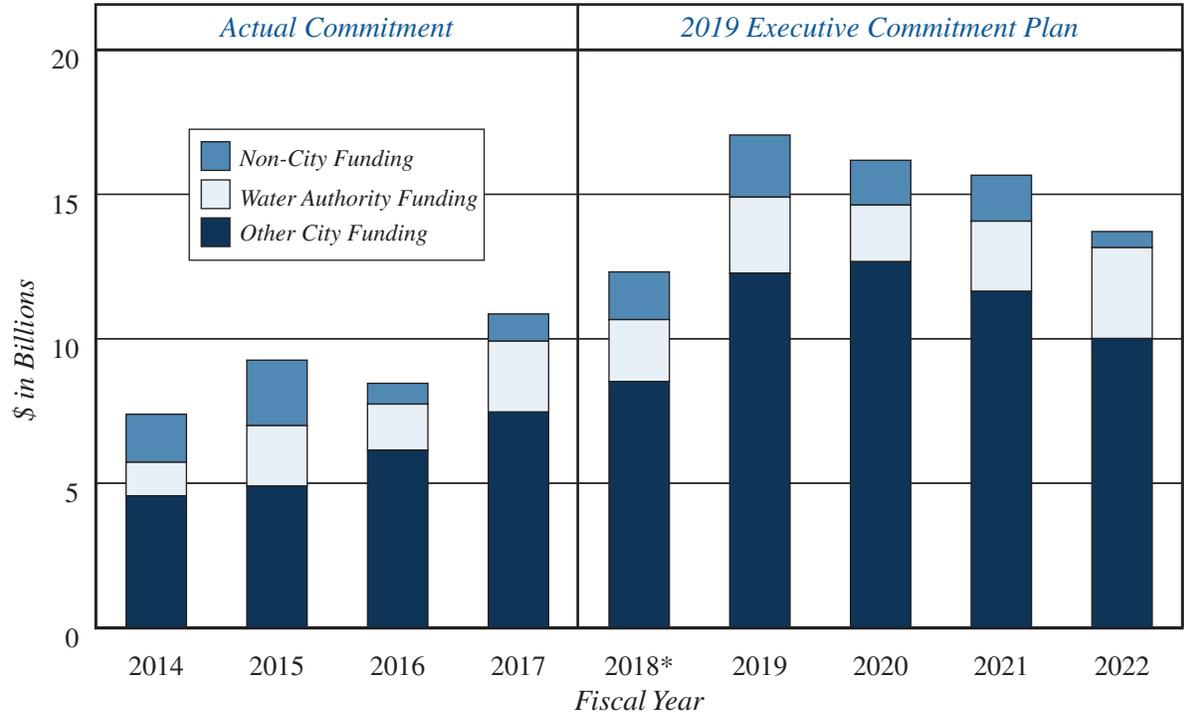
*Non-City Funding Sources*

Non-City capital funding sources include \$2.2 billion in the 2019 plan and \$5.9 billion over the 2019-2022 four-year plan period. The majority of non-City funding supports Transportation, Education, Hospitals, Resiliency Measures, and Parks.

Transportation programs are projected to receive non-City funding of \$1.6 billion over the 2019-2022 period, with \$1.2 billion from the Federal government, \$275.2 million from the State, and private funds of \$77.0 million. Education programs anticipate receiving

\$1.3 billion from the State government over the 2019-2022 period. Hospitals programs are projected to receive \$1.1 billion in Federal funding over the 2019-2022 period. Resiliency Measures anticipate receiving \$433.6 million in Federal funding over the 2019-2022 period. Parks programs are projected to receive \$402.2 million over the 2019-2022 period, with \$333.4 million from the Federal government, \$52.3 million from private funds, and \$16.5 million from the State.

**FY 2014 - 2022 CAPITAL COMMITMENTS BY FUNDING SOURCE**



\* Projected

Source: NYC OMB

**The Capital Program since 2014**

The table below illustrates the changes in the size of the City's capital program over the 2014-2017 period.

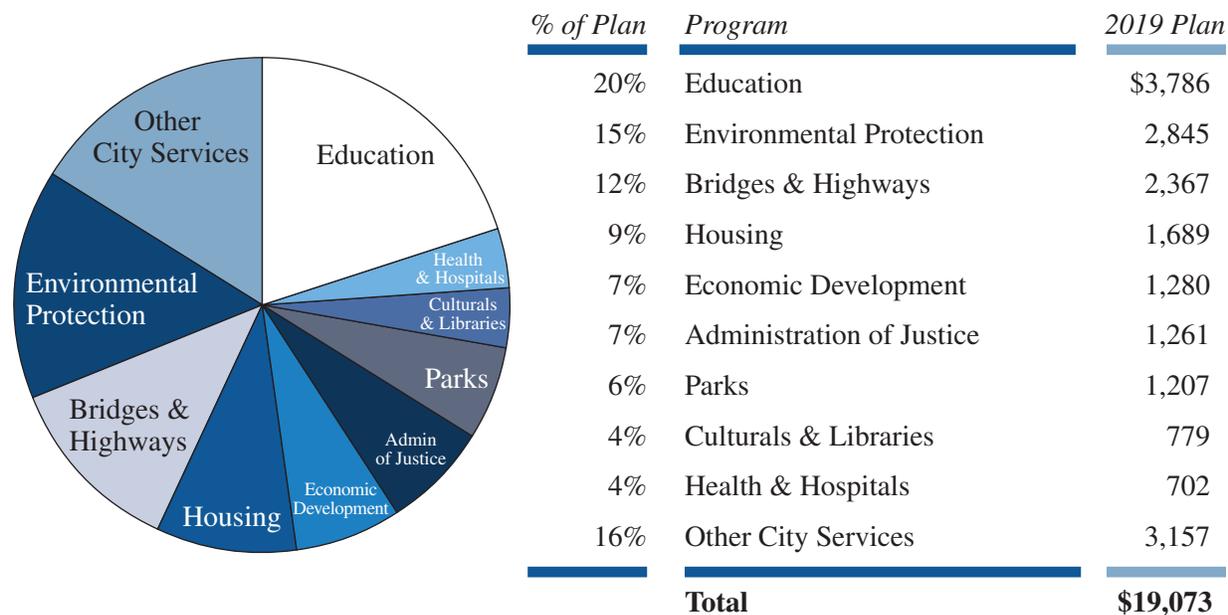
**FY 2014-2017 Commitments  
(\$ in Millions)**

	2014		2015		2016		2017	
	City Funds	All Funds						
<b>Environmental Protection</b>								
Equipment .....	\$84	\$84	\$91	\$91	\$93	\$93	\$86	\$86
Sewers.....	300	302	344	355	352	353	670	685
Water Mains, Sources and Treatment.....	343	345	553	553	418	419	867	883
Water Pollution Control.....	412	408	367	367	709	708	667	675
Water Supply .....	21	21	737	737	17	17	162	162
<i>Subtotal</i> .....	<b>\$1,160</b>	<b>\$1,160</b>	<b>\$2,091</b>	<b>\$2,103</b>	<b>\$1,590</b>	<b>\$1,590</b>	<b>\$2,452</b>	<b>\$2,491</b>
<b>Transportation</b>								
Mass Transit.....	\$35	\$35	\$125	\$125	\$229	\$237	\$76	\$80
Bridges.....	131	234	300	735	288	436	327	598
Highways .....	325	415	329	421	415	544	505	631
<i>Subtotal</i> .....	<b>\$491</b>	<b>\$684</b>	<b>\$755</b>	<b>\$1,280</b>	<b>\$932</b>	<b>\$1,217</b>	<b>\$908</b>	<b>\$1,310</b>
<b>Education</b>								
Education.....	\$1,040	\$2,060	\$1,546	\$2,884	\$2,455	\$2,504	\$3,073	\$3,136
Higher Education.....	74	74	55	55	40	41	33	33
<i>Subtotal</i> .....	<b>\$1,113</b>	<b>\$2,134</b>	<b>\$1,601</b>	<b>\$2,940</b>	<b>\$2,496</b>	<b>\$2,545</b>	<b>\$3,106</b>	<b>\$3,169</b>
<b>Housing &amp; Economic Development</b>								
Economic Development .....	\$255	\$278	\$152	\$163	\$168	\$185	\$325	\$342
Housing .....	336	415	376	413	647	634	852	880
<i>Subtotal</i> .....	<b>\$590</b>	<b>\$694</b>	<b>\$528</b>	<b>\$576</b>	<b>\$815</b>	<b>\$820</b>	<b>\$1,177</b>	<b>\$1,222</b>
<b>Administration of Justice</b>								
Correction.....	\$114	\$125	\$153	\$154	\$79	\$81	\$58	\$61
Courts .....	123	123	10	10	36	47	24	26
Police .....	164	170	140	141	190	191	204	204
<i>Subtotal</i> .....	<b>\$401</b>	<b>\$418</b>	<b>\$303</b>	<b>\$304</b>	<b>\$305</b>	<b>\$320</b>	<b>\$286</b>	<b>\$291</b>
<b>City Operations &amp; Facilities</b>								
Cultural Institutions.....	\$211	\$215	\$151	\$154	\$105	\$114	\$65	\$148
Fire.....	52	63	70	71	144	133	122	123
Health & Hospitals.....	244	307	143	157	138	228	160	224
Parks .....	255	365	465	646	201	359	530	586
Public Buildings .....	144	144	94	94	121	121	72	72
Sanitation.....	276	277	255	274	177	176	256	258
Technology & Equipment.....	571	573	258	258	344	340	403	403
Other .....	216	356	278	404	369	494	380	565
<i>Subtotal</i> .....	<b>\$1,969</b>	<b>\$2,298</b>	<b>\$1,714</b>	<b>\$2,056</b>	<b>\$1,600</b>	<b>\$1,965</b>	<b>\$1,988</b>	<b>\$2,378</b>
<b>Total Commitments</b> .....	<b>\$5,725</b>	<b>\$7,387</b>	<b>\$6,992</b>	<b>\$9,260</b>	<b>\$7,738</b>	<b>\$8,457</b>	<b>\$9,916</b>	<b>\$10,860</b>
<b>Total Expenditures</b> .....	<b>\$7,468</b>	<b>\$7,903</b>	<b>\$5,949</b>	<b>\$7,836</b>	<b>\$6,676</b>	<b>\$8,080</b>	<b>\$7,444</b>	<b>\$8,826</b>

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

### 2019 AUTHORIZED CAPITAL COMMITMENTS, BY PROGRAM

(\$ in Millions - All Funds)



Source: NYC OMB

### 2019 Agency Highlights

#### Technology

- Information and Communication Systems: 911/Emergency Communications Transformation Program (ECTP) facilities, software, and equipment to update the City’s computer aided dispatch capabilities (\$72.4 million); Broadband Initiative including the expansion of wireless access (\$50.0 million); and the Radio Infrastructure Migration to sustain the communication networks crucial to the City’s public service operations (\$13.4 million).

into the City’s surrounding waterways during wet weather conditions (\$173.3 million). The total Wastewater Treatment program for 2019 is \$1.2 billion.

#### Environmental Protection and Sanitation

- Wastewater Treatment: conduct essential projects at water pollution control plants and related infrastructure to sustain uninterrupted wastewater treatment operation (\$677.6 million); working with multiple City agencies to construct, install, and maintain various Green Infrastructure projects for stormwater capture, such as bioswales, tree pits, constructed wetlands, and green roofs (\$328.4 million); and addressing water quality problems attributed to combined sewer overflow discharges

- Water Mains, Sources and Treatment: continued improvements and repairs to infrastructure in the City’s upstate watersheds (\$353.9 million), including projects related to the Filtration Avoidance Determination (\$109.4 million) and rehabilitation of the Ashokan Reservoir, Olive Bridge Dam, and associated facilities (\$45.3 million); and continued in-City water main construction and ancillary work (\$239.4 million), including various state-of-good-repair projects, citywide (\$165.7 million), emergency replacement of water mains (\$28.6 million), and water main rehabilitation in partnership with DOT street reconstruction and Vision Zero projects (\$20.1 million). The total Water Mains, Sources and Treatment program for 2019 is \$593.4 million.

- Sewers: reconstruction and augmentation of the City's sewer system (\$275.4 million), including the Southeast Queens Infrastructure build out (\$139.0 million); continued replacement of chronically failing components (\$144.8 million); and Staten Island Bluebelt build out (\$28.2 million). The total Sewers program for 2019 is \$597.6 million.
- Equipment: management information systems (\$44.0 million), including agency-wide upgrade of security systems (\$10.0 million); continued water conservation programs (\$8.3 million), including the installation of large water meters (\$3.0 million). The total Equipment program for 2019 is \$104.4 million.
- Water Supply: increasing the capacity of the Upper Catskill Aqueduct in preparation of the temporary shutdown of the Delaware Aqueduct in 2022 (\$198.0 million); construction of the two remaining shafts of the Brooklyn/Queens Leg of City Tunnel No. 3 (\$50.0 million); and construction of a tunnel connecting the Kensico Reservoir and Catskill/Delaware Ultraviolet Light Disinfection Facility (\$46.4 million). The total Water Supply program for 2019 is \$317.2 million.
- Sanitation: component rehabilitation and construction of garages, Citywide (\$342.0 million); replacement of vehicles and equipment (\$92.4 million); construction and renovation of transfer stations and other facilities in accordance with the City's Long Term Solid Waste Management Plan (\$44.9 million); and information technology and telecommunications projects (\$15.6 million).

### *Transportation*

- Bridges: continued reconstruction and rehabilitation for the East River bridges including the Brooklyn Bridge (\$292.0 million); rehabilitation and life extension of bridges including Broadway Bridge over Harlem River (\$169.3 million) and Riverside Drive Bridge over West 158th Street (\$135.8 million). The total Bridge Program for 2019 is \$1.2 billion.
- Highways: street reconstruction of 74 lane miles (\$364.0 million), which includes the reconstruction of streets in the DUMBO/Vinegar Hill neighborhoods (\$55.0 million) and the second phase of Atlantic Avenue Great Streets reconstruction (\$37.8 million); primary and arterial street resurfacing of 1,300 lane miles of streets (\$303.1 million); and reconstruction of sidewalks and pedestrian ramps (\$193.8 million). The total Highways Program for 2019 is \$882.8 million.
- Traffic: signal installation and maintenance, which includes the installation of equipment for the new TRANSNET wireless network (\$75.0 million). The total Traffic Program for 2019 is \$156.4 million.
- Ferries: reconstruction of City Island access pier (\$10.9 million). The total Ferries program for 2019 is \$75.3 million.
- Transit: contribution to the MTA's capital program, including subway and bus fleet enhancements, infrastructure improvements, in-house track rehabilitations, and reconstruction of bus and subway lines for New York City. The Transit program for 2019 is \$204.0 million.

### *Education, Health and Social Services*

- Education: construct new schools (\$1.1 billion); rehabilitate, replace, and upgrade building components (\$901.0 million); provide technological enhancements, expand pre-kindergarten capacity, and remove transportable classroom units with the Smart Schools Bond Act (\$588.1 million); expand facilities through leases, building additions, athletic fields, and playgrounds (\$587.7 million); cover emergency projects, research and development, and prior plan completion costs (\$344.9 million); capital improvements that enhance educational programs (\$206.5 million); and address the need for security systems, emergency lighting, and code compliance (\$62.4 million). The total Education program for 2019 is \$3.8 billion.
- Higher Education: miscellaneous reconstruction (\$136.8 million); data processing and other equipment (\$9.1 million); energy conservation projects (\$0.5 million); athletic fields, gymnasiums and equipment (\$0.3 million); and security systems and federal, state, and local mandates (\$0.3 million). The total Higher Education program for 2019 is \$147.1 million.
- Health: NYC Health + Hospitals (H+H) upgrade of electronic medical records system (\$83.2 million); upgrade of revenue cycle management system (\$59.2 million); expansion of primary care facilities (\$25.4 million); purchase of EMS ambulances (\$24.9 million); refresh of network infrastructure (\$7.1 million); purchase of biomedical equipment

(\$6.0 million); DOHMH's design of new Public Health Lab (\$42.7 million); animal shelters (\$34.9 million); and OCME medical examiner facilities upgrades (\$4.5 million).

- Aging: rehabilitation of senior centers, with focus on structural and accessibility issues (\$13.7 million); and computer and network upgrades and equipment purchases (\$7.3 million).
- Administration for Children's Services: renovation and upgrades of the Department's two secure detention facilities (\$101.0 million); renovations of ACS facilities (\$27.1 million); telecommunications and data infrastructure upgrades and improvements (\$19.3 million); and renovations and code compliance at various child care centers (\$5.0 million).
- Homeless Services: renovation and upgrade of adult shelters (\$136.1 million); renovation and upgrade of family shelters (\$27.5 million); and computer network upgrade and equipment purchases (\$26.9 million).
- Human Resources: data infrastructure upgrades and improvements (\$85.8 million); construction and initial outfitting for citywide facilities (\$31.6 million); telecommunications upgrades and improvements (\$13.5 million); and automotive equipment (\$1.3 million).

### *Housing and Development*

- Housing: provision of low-interest loans to finance the rehabilitation and preservation of approximately 24,000 units in privately-owned buildings through new construction (\$626.0 million), preservation (\$350.0 million), supportive housing (\$191.0 million) and disposition (\$78.0 million) programs; and funding for technology, infrastructure, demolition and other ancillary investments (\$20.0 million).
- Housing Authority: upgrades to building exteriors and systems, including roof work and mold remediation, boiler replacements, decoupling heat and hot water, heating controls, and other general capital maintenance (\$424.9 million).
- Economic Development: purchase new ferries and infrastructure work for the Citywide Ferry System (\$193.9 million); infrastructure improvements to support planned affordable housing sites throughout

the five boroughs (\$98.4 million); development, management and rehabilitation of City-owned waterfront, industrial and other properties (\$67.1 million); expand the Manhattan Greenway along the East River between East 53rd and East 61st Streets (\$40.0 million); infrastructure improvements in Downtown Far Rockaway (\$40.0 million); subgrade improvements at Willets Point (\$35.5 million); and infrastructure work in the Southwest Bronx (\$29.6 million).

### *Administration of Justice and Public Safety*

- Correction: new jail facilities (\$300.0 million); improvements to building systems, infrastructure and support space (\$227.5 million); and lifecycle replacement of equipment (\$16.1 million).
- Courts: infrastructure and operational improvements of court facilities (\$106.5 million); fire/life safety work (\$15.3 million); exterior renovations (\$11.3 million); HVAC improvements (\$7.1 million); elevator upgrades (\$5.9 million); electrical upgrades (\$3.8 million); and roof replacements (\$3.4 million).
- Police: construction, rehabilitation and relocation of facilities, Citywide (\$413.1 million); replacement and upgrade of critical network infrastructure equipment and data management systems (\$62.4 million); replacement and upgrade of portable radios, radio equipment, infrastructure and systems (\$38.3 million); lifecycle replacement of vehicles (\$34.4 million); and replacement and upgrade of general equipment, Citywide (\$15.6 million).
- Fire: replacement of conduit, wiring, and alarm boxes in inundation zones for the Department's outside cable plant that was damaged during Hurricane Sandy (\$74.9 million); construction, renovation, support facility reconstruction, and the renovation of firehouse components such as boilers, electrical systems, kitchens, roofs, bathrooms, waterproofing, apparatus doors, floors, and windows (\$62.8 million); replacement of front-line fire-fighting apparatus according to mandated replacement cycles as well as support vehicles and equipment (\$58.8 million); upgrade of 9-1-1 communications system infrastructure as it approaches the end of its useful life (\$27.0 million); replacement of end of life information technology and communications equipment (\$24.4 million); and replacement of the telemetry radio system used by EMS Units (\$6.2 million).

*Recreation and Cultural*

- Parks: continued implementation of the Anchor Parks Initiative (\$102.4 million); planting of new street trees and park trees and the construction of Greenstreets, Citywide (\$88.4 million); continued implementation of the Community Parks Initiative (\$59.5 million); construction of Box Street Park in Brooklyn (\$21.7 million); reconstruction of the New York State Pavilion in Flushing Meadows Park in Queens (\$18.4 million); construction of a waterfront park at Ferry Point in the Bronx (\$16.2 million); reconstruction of Seward Park in Manhattan (\$6.4 million); and construction of active recreation, lighting, and seating areas at Faber Park in Staten Island (\$4.1 million).
- Public Libraries: renovation of the Midtown Campus (\$140.8 million) and comprehensive renovation of the Fort Washington branch in Manhattan (\$22.8 million); comprehensive renovations of the Melrose branch (\$24.3 million) and the Hunts Point branch in the Bronx (\$17.2 million); phase one of comprehensive renovation of the Central Library (\$33.1 million) and branch overhaul of the Eastern Parkway branch in Brooklyn (\$5.0 million); construction of a new branch at Far Rockaway (\$23.8 million) and expansion of the Jackson Heights branch in Queens (\$8.7 million); and comprehensive renovation of the Port Richmond branch in Staten Island (\$13.1 million).
- Cultural Affairs: construction of a new building at the Studio Museum in Harlem (\$53.8 million); build out of the South Site Cultural Project in Downtown Brooklyn, accommodating the Museum of Contemporary African Diasporan Arts (MoCADA), 651 Arts, and Brooklyn Academy of Music (BAM) (\$33.3 million); site-wide infrastructure upgrades at the Snug Harbor Cultural Center and Botanical Garden (\$8.7 million); various upgrades and improvements at the New York Hall of Science (\$8.0 million); and renovation of New York Botanical Garden's Children's Adventure Garden (\$4.0 million).

*Department of Citywide Administrative Services*

- Public Buildings and Real Property: rehabilitation of City-owned space (\$230.9 million), including projects at 345 Adams in Brooklyn (\$100.2 million), the Brooklyn Municipal Building (\$28.5 million), 100 Gold Street in Manhattan (\$34.6 million), Queens Borough Hall (\$11.5 million), a Computerized Testing and Applications Center in the Bronx (\$9.1 million), and 1932 Arthur Avenue in the Bronx (\$2.4 million); renovation of leased space (\$137.1 million), including expansion of Department of Emergency Management leased space in Brooklyn (\$45.0 million); legal mandates (\$110.5 million), including fire/life safety upgrades to ensure Local Law 5 compliance (\$45.8 million) and fuel tank replacement and remediation (\$33.8 million); renovation of other City-owned facilities (\$64.8 million); equipment and interagency services (\$47.6 million), including the installation of charging infrastructure for electric vehicles (\$14.3 million); miscellaneous construction in other facilities (\$21.7 million); reconstruction of waterfront properties and non-waterfront properties (\$7.1 million); communications equipment (\$0.6 million); and rehabilitation of court buildings (\$0.3 million).
- Energy Efficiency and Sustainability: energy efficiency measures and building retrofits (\$204.7 million), including the Accelerated Conservation and Efficiency (ACE) Program (\$142.8 million), Local Law 87 deep retrofits (\$26.0 million), and solar panels at citywide facilities (\$21.1 million).
- Citywide Agency Facility and Operational Protective Measures: citywide agency resiliency and agency facility and operational protective measures (\$334.5 million), including the rehabilitation of the substructure of Harlem River Drive between 155th Street and Dyckman Street (\$66.1 million) and the construction of a buried seawall along the east shore of Staten Island (\$64.6 million).

**Borough Presidents' Allocations**

The Charter requires an amount equal to five percent of the proposed new capital appropriations for the ensuing four years to be allocated to the Borough Presidents. This allocation is to be distributed to each borough based upon a formula that equally weighs population and land area. The tables below indicate the amounts added by the Borough Presidents for each programmatic area.

**FY 2019-2022 Borough Presidents' Allocations\***  
(City Funded Appropriations \$ in 000's)

	2019	2020	2021	2022
<b>Bronx Program</b>				
Cultural Affairs.....	\$1,350	—	—	—
Economic Development .....	1,000	—	—	—
Education.....	11,251	—	—	—
Fire.....	375	—	—	—
Health .....	144	—	—	—
Higher Education.....	2,500	—	—	—
Hospitals .....	1,380	—	—	—
Housing.....	3,300	—	—	—
Housing Authority .....	750	—	—	—
New York Public Library .....	750	—	—	—
Parks .....	7,500	—	—	—
Public Buildings .....	200	—	—	—
Traffic .....	150	—	—	—
<b>GRAND TOTAL: BRONX .....</b>	<b>\$30,650</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Brooklyn Program</b>				
Brooklyn Public Library.....	\$1,500	—	—	—
Cultural Affairs.....	2,547	—	—	—
Economic Development .....	5,500	—	—	—
Education.....	19,964	—	—	—
Health .....	991	—	—	—
Higher Education.....	400	—	—	—
Highways .....	1,500	—	—	—
Housing.....	3,071	—	—	—
Housing Authority .....	300	—	—	—
Human Resources.....	2,200	—	—	—
Parks .....	6,825	—	—	—
Public Buildings .....	1,450	—	—	—
Traffic .....	1,750	—	—	—
<b>GRAND TOTAL: BROOKLYN .....</b>	<b>\$47,998</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Appropriations include reallocation of prior amounts recommended by the borough presidents.

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

**FY 2019-2022 Borough Presidents' Allocations\***  
**(City Funded Appropriations \$ in 000's)**

	2019	2020	2021	2022
<b>Manhattan Program</b>				
Cultural Affairs.....	\$4,344	\$2	—	—
Education.....	10,535	—	—	—
Health .....	40	—	—	—
Higher Education.....	1,450	109	—	—
Hospitals.....	191	—	—	—
Housing.....	2,604	—	—	—
Housing Authority .....	400	—	—	—
Human Resources.....	80	—	—	—
New York Public Library.....	250	—	—	—
Parks .....	2,855	4,750	—	—
Police .....	40	—	—	—
Public Buildings .....	126	1	—	—
<b>GRAND TOTAL: MANHATTAN .....</b>	<b>\$22,915</b>	<b>\$4,862</b>	<b>\$0</b>	<b>\$0</b>
<b>Queens Program</b>				
Cultural Affairs.....	\$3,233	—	—	—
Education.....	16,085	—	—	—
Health .....	406	—	—	—
Higher Education.....	8,250	—	—	—
Hospitals.....	3,000	—	—	—
Housing.....	2,000	—	—	—
Human Resources.....	1,000	—	—	—
Parks .....	19,033	—	3,225	—
Public Buildings .....	1,250	—	—	—
Queens Public Library.....	2,000	—	—	—
<b>GRAND TOTAL: QUEENS .....</b>	<b>\$56,257</b>	<b>\$0</b>	<b>\$3,225</b>	<b>\$0</b>
<b>Staten Island Program</b>				
Cultural Affairs.....	\$630	—	—	—
Education.....	15,916	—	—	—
Fire.....	500	—	—	—
Health .....	1	—	—	—
Higher Education.....	300	—	—	9
Highways .....	—	340	154	—
New York Public Library.....	800	—	—	—
Police .....	500	—	—	—
Public Buildings .....	43	—	—	—
<b>GRAND TOTAL: STATEN ISLAND.....</b>	<b>\$18,690</b>	<b>\$340</b>	<b>\$154</b>	<b>\$9</b>

\* Appropriations include reallocation of prior amounts recommended by the borough presidents.

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

## Management Initiatives

Management initiatives continue to be developed and implemented to enhance the administration and advancement of the capital program. These include:

- continued improvements to capital program management.
- updating the charter-mandated capital asset condition assessment.
- application of value engineering to reduce capital and operating costs.

### *Capital Program Management*

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, including 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 more than 22 client agencies.

### *Capital Project Scope Development and Cost Estimation*

Some capital projects contain significant risks and uncertainties that can lead to cost escalation. Construction or site complexity, unclear or evolving programmatic requirements, regulatory or legal issues, and conflicting stakeholder objectives are some of the factors which can result in projects exceeding their budgets. In an effort to control cost overruns, capital projects will undergo more intensive scope development and cost estimation prior to being included in the capital plan.

### *Capital Asset Inventory and Maintenance Program*

The Charter requires an annual assessment of the City's major assets including buildings, piers, bulkheads, marinas, bridges, streets and highways, and the preparation of maintenance schedules for these assets. This assessment report (AIMS), based on field surveys by technical professionals, details state-of-good-repair needs and is used by agencies for capital planning purposes. A separate volume, published as a reconciliation, reports on the amounts recommended in the annual condition surveys with amounts funded in budget. To incorporate current technology and standards into the Maintenance Program, the City conducts ongoing reviews of the methodologies used in surveying and estimating the cost of maintaining its fixed assets in a state of good repair.

The AIMS Program was enhanced by an intranet portal that allows for more agency access to asset data. This provides the client agencies with additional information with which to improve management of their facilities.

### *Value Engineering*

Value Engineering (VE) is a systematic analytical methodology directed toward analyzing the functions of projects for the purpose of achieving the best value at the lowest life cycle project cost. From its inception in 1982 OMB's VE program has utilized innovations in value management methodology to evaluate an ever-expanding group of projects, widening the scope and depth of project reviews to include Value Analysis (VA) reviews of the City's operational processes and functions to assist agencies in streamlining their procedures to effect increased efficiency and improvements.

Value Engineering is a collaborative effort between all concerned city agencies with budgetary and operational jurisdiction over a project, and outside consultants with expertise on critical project components. The City has utilized VE effectively in the last 36 years to review complex and costly capital projects to ensure they meet functional requirements and are cost effective and timely. These Value Management reviews enable agency decision makers to reach informed conclusions about a project's scope, cost and schedule. In addition to defining potential cost reductions, the VE process frequently generates project improvements and anticipates project risks early in the design process, and solves functional problems by raising relevant issues which adversely compromise the project's development, cost and schedule. OMB's Value Management Program continues to be successful, both as an operational and capital management tool. The benefits of VE and the overall returns on the reviewed projects have proven to be effective in terms of both significant capital and life cycle cost reductions while protecting each project's required functionality and mission. VA enables improvements to operational processes and more efficient service delivery. Studies scheduled for upcoming VE reviews include environmental projects, dams, bridges, hospitals, garages, and operational reviews.

## FINANCING PROGRAM

The City financing program projects \$50.6 billion of long-term borrowing for the period fiscal years 2018 through 2022 to support the current City capital program. The portion of the capital program not financed by the New York City Municipal Water Finance Authority (NYW or the Authority) will be split between General Obligation (GO) bonds of the City and Future Tax Secured (FTS) bonds of the New York City Transitional Finance Authority (TFA). Given the TFA is near its statutory limit on Building Aid Revenue Bonds (BARB) debt outstanding, the financing program reflects BARB issuance so as to remain under the limit.

Figures below do not include state funded financing for education capital purposes through BARBs:

### Financing Program (\$ in Millions)

	2018	2019	2020	2021	2022	Total
City General Obligation Bonds .....	\$3,300	\$4,000	\$4,270	\$4,850	\$5,070	\$21,490
TFA Bonds <sup>1</sup> .....	3,540	2,800	4,270	4,850	5,070	20,530
Water Authority Bonds <sup>2</sup> .....	1,674	1,479	1,641	1,695	2,089	8,578
<b>Total</b> .....	<b>\$8,514</b>	<b>\$8,279</b>	<b>\$10,181</b>	<b>\$11,395</b>	<b>\$12,229</b>	<b>\$50,598</b>

1 TFA Bonds do not include BARBs issued for education capital purposes. TFA expects to continue to issue BARBs under the current legislative authorization.

2 Includes commercial paper and revenue bonds issued for the water and sewer system's capital program. Figures do not include bonds that defease commercial paper or refunding bonds. Does not include bonds to fund reserves or cost of issuance.

**Overview of the Financing Program**

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

**Debt Outstanding**  
**(\$ in Millions at Year End)**

	2018	2019	2020	2021	2022
City General Obligation Bonds .....	\$38,628	\$40,552	\$42,560	\$45,138	\$47,769
TFA Bonds <sup>1</sup> .....	35,336	36,784	39,656	43,018	46,498
TSASC Bonds.....	1,071	1,053	1,023	993	966
Conduit Debt.....	1,284	1,206	1,121	1,033	939
<b>Total .....</b>	<b>\$76,319</b>	<b>\$79,595</b>	<b>\$84,360</b>	<b>\$90,182</b>	<b>\$96,172</b>
Water Authority Bonds.....	\$30,188	\$31,306	\$32,544	\$33,822	\$35,483

1 Figures above do not include state funded financing for education capital purposes through the TFA BARBs.

**Annual Debt Service Costs**  
**(\$ in Millions, Before Prepayments)**

	2018	2019	2020	2021	2022
City General Obligation Bonds .....	\$3,857	\$4,012	\$4,345	\$4,506	\$4,851
TFA Bonds <sup>1</sup> .....	2,135	2,802	3,015	3,247	3,607
TSASC Bonds.....	73	72	82	82	76
Conduit Debt.....	239	148	150	150	149
<b>Total Debt Service.....</b>	<b>\$6,304</b>	<b>\$7,034</b>	<b>\$7,592</b>	<b>\$7,985</b>	<b>\$8,683</b>
Water Authority Bonds <sup>2</sup> .....	\$1,591	\$1,781	\$1,934	\$2,040	\$2,172

1 Figures above do not include state funded financing for education capital purposes through the TFA BARBs.

2 Includes First Resolution debt service and Second Resolution debt service net of subsidy payments from the NYS Environmental Facilities Corporation.

**Debt Burden**

	2018	2019	2020	2021	2022
Total Debt Service <sup>1</sup> as % of:					
a. Total Revenue.....	7.0%	7.8%	8.2%	8.4%	8.9%
b. Total Taxes.....	10.7%	11.6%	12.0%	12.2%	12.9%
c. Total NYC Personal Income .....	1.1%	1.2%	1.2%	1.2%	1.3%
Total Debt Outstanding <sup>1</sup> as % of:					
a. Total NYC Personal Income.....	13.0%	13.0%	13.2%	13.6%	13.9%

1 Total Debt Service and Debt Outstanding include GO, conduit debt and TFA bonds other than BARBs.

The financing of the City capital program is split among GO, TFA FTS, NYW, and BARB bond issuance. The City and TFA expect to issue \$21.5 billion and \$20.5 billion, respectively, during the plan period. The City issuance supports 42 percent of the total, while TFA FTS issuance supports 41 percent of the total. NYW will issue approximately \$8.6 billion. Additionally, TFA expects to issue \$1.4 billion of BARBs during the plan period.

The City, TFA, and NYW have enjoyed continued strong investor demand which has allowed the City capital program to be financed at reasonable interest rates. All of the issuers financing the City capital program have maintained credit ratings in the AA category or better by Moody's, Standard & Poor's, and Fitch, as indicated in the table below.

### Ratings

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

### Federal Tax Legislation

The enactment of the Tax Cut and Jobs Act in December 2017 (2017 Tax Act) brought changes in the tax code that affect the City's financing program. Most notably, issuers of tax-exempt debt are now prohibited from refinancing their debt on a tax-exempt basis more than 90 days from the maturity or optional redemption date of such debt. However, it will continue to be possible to refinance debt more than 90 days from the maturity or optional redemption date on a taxable basis. The City continues to expect to obtain significant budget savings by means of refinancing outstanding debt.

While the limitation on refinancing mentioned above impacts the supply of tax-exempt debt, other elements of the 2017 Tax Act also impact the demand for tax-exempt debt. The small decreases in top marginal tax rates for individuals should negatively impact demand for tax-exempt debt. However, the new caps in deductions for state and local taxes should have the opposite effect, mitigating the negative impact of lower marginal tax rates. Given that this legislation was recently enacted, the impact of it is still developing.

### New York City General Obligation Bonds

Since July 1, 2017, the City has issued approximately \$3.3 billion in bonds for capital purposes and \$1.8 billion in refunding bonds. The dates and principal amounts are as follows:

NYC GO Issuances (\$ in Millions)					
Series	(N)ew \$/ (R)efunding	Issue Date	Tax Exempt Amount	Taxable Amount	Total Par Amount
2018 A	R	8/10/17	\$899	\$0	\$899
2018 B	N	10/3/17	750	250	\$1,000
2018 CD	R	12/20/17	944	0	\$944
2018 E	N	3/13/18	950	250	\$1,200
2018 F	N	4/19/18	850	250	\$1,100
<b>Total</b>			<b>\$4,393</b>	<b>\$750</b>	<b>\$5,143</b>

The refunding transactions the City completed earlier in fiscal year 2018 generated approximately \$325 million of debt service savings during the financial plan period.

In addition to the total issuance mentioned above, the City took steps to manage its outstanding floating rate debt. The City reoffered eleven subseries of floating rate bonds amounting to approximately \$630 million. Of those reoffered issues, one subseries of taxable variable rate demand bonds amounting to approximately \$60 million and ten subseries of tax-exempt floating rate bonds amounting to approximately \$570 million were converted to fixed rates.

The City plans to issue GO bonds for capital purposes of approximately \$3.3 billion, \$4.0 billion, \$4.3 billion, \$4.9 billion, and \$5.1 billion in fiscal years 2018 through 2022, respectively.

Currently the debt service for the City, TFA FTS, and City appropriation debt, or conduit debt, excluding the effect of pre-payments, is 7.0 percent of the City's total budgeted revenues in fiscal year 2018. That ratio is projected to rise to 8.9 percent in fiscal year 2022. As a percentage of tax revenues, the debt service ratio is 10.7 percent in fiscal year 2018 and is projected to increase to 12.9 percent in fiscal year 2022.

### **New York City Related Issuers - Variable Rate Debt**

Floating rate bonds have been a reliable source of cost savings in the City financing program. In considering the proportion of the City's debt which is in variable rather than fixed rates, it is useful to consider all sources of financing with the exception of NYW, which is typically considered separately for such purposes. Included would be City GO bonds as well as TFA FTS, TSASC bonds and conduit debt. The City and its related entities have approximately \$10.3 billion of floating rate exposure.

Despite changes in the floating rate market, the City and other issuers supporting the City capital program have maintained floating rate exposure to minimize interest costs. The City and related financing entities have managed bank facility expirations by obtaining renewals from existing providers or replacement facilities from new providers. In addition, the City and related financing entities have explored new floating rate structures not requiring bank facilities. The City

and TFA have entered into private placements and public offerings of index floating rate bonds bearing all-in costs comparable to variable rate demand bonds with bank facilities. The City and TFA continue to explore these and other debt instruments which confer the benefit of floating rate exposure.

The City has not entered into any new interest rate swaps to date in fiscal year 2018. The total notional amount of swaps outstanding as of March 31, 2018 was \$1.18 billion, on which the termination value was negative \$61.9 million. This is the theoretical amount which the City would pay if all of the swaps terminated under market conditions as of March 31, 2018.

The following table shows the City's and its related issuers' floating rate exposure. Floating rate exposure is of note because certain events can cause unexpected increased costs. Those events would include rising interest rates, reductions in tax rates in the tax code (in the case of tax-exempt debt), and the deterioration of the City's credit. Additionally, the deterioration of the credit of a related City financing issuer or of a liquidity provider can also have an impact on net interest costs. By contrast, the cost of outstanding fixed rate debt does not increase if any of the previously mentioned events takes place. On the other hand, fixed rate borrowing locks in a higher borrowing cost if interest rates do not change materially or if they decline. Overall, floating rate exposure benefits the City because it reduces the cost of financing. In short, interest costs on short-term debt are almost always lower than long term debt. The City has assumed floating rate exposure using a variety of instruments including tax exempt floating rate debt, basis swaps, and certain types of synthetic fixed rate debt. The basis swaps and certain synthetic fixed rate debt provide exposure to decreases in marginal tax rates in the tax code but are largely insensitive to changes in interest rates and changes in the City's credit. Given that those instruments provide only limited floating rate exposure, they are counted as variable rate exposure at less than the full amount of par or notional amount. Instruments that provide exposure only to changes in the tax code are counted at 25 percent of par or notional amount in the table below. As noted previously, because the small reduction in the individual tax rates is mitigated by new caps on certain tax deductions, the 2017 Tax Act should not result in a significant adverse impact on tax-exempt short-term rates, which influence interest paid on floating rate bonds and the economics on swap transactions to which the City is a party.

**NYC Floating-Rate Exposure<sup>1</sup>**  
**(\$ in Millions)**

	<u>GO</u>	<u>TFA</u>	<u>Conduit</u>	<u>TSASC</u>	<u>Total</u>
Floating Rate Bonds .....	\$6,059	\$3,930	\$30	\$0	10,019
Synthetic Fixed .....	171	0	31	0	202
Enhanced Basis Swap .....	125	0	0	0	125
<b>Total Floating-Rate .....</b>	<b>\$6,355</b>	<b>\$3,930</b>	<b>\$61</b>	<b>\$0</b>	<b>\$10,346</b>
<b>Total Debt Outstanding.....</b>	<b>\$38,628</b>	<b>\$35,336</b>	<b>\$1,284</b>	<b>\$1,071</b>	<b>\$76,319</b>
<i>% of Floating-Rate / Total Debt Outstanding .....</i>	<i>13.6%</i>				
<b>Total Floating-Rate Less \$7.1 Billion Balance in</b>					
<b>General Fund (Floating-Rate Assets).....</b>	<b>3,225</b>				
<i>% of Net Floating Rate / Total Debt Outstanding.....</i>	<i>4.2%</i>				

1 End of Fiscal Year 2018 Debt Outstanding as of the April 2018 Financial Plan excluding NYW, HYIC, and TFA BARBs

The 13.6 percent floating rate exposure, including the risk from the synthetic fixed rate swaps and the basis swaps, is even more manageable after taking into account the 10 year average balance of \$7.1 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 4.2 percent of its outstanding debt. Moreover, the City uses conservative assumptions in budgeting expenses from floating rate instruments.

During fiscal year 2018, short-term interest rates have been 1.07 percent on average for tax-exempt floating rate debt. These rates have continued to provide attractive financing costs relative to long term fixed-rate debt. Tax-exempt floating rate debt has traded recently at rates that are approximately 200 basis points lower than those for long term fixed-rate debt, resulting in an annual savings of over \$200 million.

### **The New York City Municipal Water Finance Authority**

The New York City Municipal Water Finance Authority (NYW) was created in 1985 to finance capital improvements to the City's water and sewer system. Since its first bond sale in November 1985, the Authority has sold \$65.7 billion in bonds. These bond issuances included a combination of general (first) resolution, second general resolution and subordinated special resolution crossover refunding water and sewer system revenue bonds.

Of the aggregate bond par amount sold, \$31.0 billion is outstanding, \$25.0 billion, including \$665.4 million of special resolution crossover bonds, was refinanced, \$4.2 billion was defeased with Authority funds prior to maturity, and \$5.5 billion was retired with revenues as it matured. In addition to this long-term debt, NYW uses bond anticipation notes (BANs) issued to the New York State Environmental Facilities Corporation (EFC) and a commercial paper program as a source of flexible short-term financing. As of April 2018, \$16.5 million of BAN draws are outstanding. The Authority is authorized to draw up to \$600 million of commercial paper notes, including up to \$400 million of the Extendible Municipal Commercial Paper. Currently, the Authority has no commercial paper outstanding and does not expect to issue for the remainder of the fiscal year.

NYW's outstanding debt also includes floating rate bonds, which have been a reliable source of cost effective financing. NYW has \$5.0 billion of floating rate bonds or 16.1 percent of its outstanding debt, including \$401 million which was swapped to a fixed rate. NYW's floating rate exposure consists tax-exempt floating rate debt supported by liquidity facilities.

NYW is a party to two interest rate exchange agreements (swaps) with a total notional amount of \$401 million. As of March 29, 2018, the mark-to-market value of the swaps was negative \$87.3 million. This is the theoretical amount which NYW would pay if all swaps terminated as of March 29, 2018.

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

Summarized in the following table are the issuances that have closed to date in fiscal year 2018. The proceeds of the bonds were applied to pay the cost of improvements to the system or paid principal and interest on certain of the Authority's outstanding debt and paid the costs of issuance.

#### NYW Issuance

Series	(N)ew Money /(R)ef.	Issue Date	Par Amount	True Interest Cost (TIC)	Longest Maturity
2018 AA	R	7/11/17	\$162,405,000	3.58%	2038
2018 BB	N/R	10/12/17	\$383,975,000	3.64%	2046
2018 CC	N/R	11/29/17	\$398,520,000	3.76%	2048
2018 Series 1 and 2 <sup>1</sup>	N	12/14/17	\$669,436,000	1.98% <sup>2</sup>	2047
2018 DD	N/R	3/20/18	\$494,990,000	3.91%	2048
2018 EE	R	4/18/18	\$458,920,000	3.81%	2040

1 Bonds issued to EFC

2 Reflects the Effective Interest Cost, which includes the benefit from the EFC subsidy and does not account for cost of annual fees for administration

NYW expects to issue \$375 million of additional new money bonds or notes over the remainder of fiscal year 2018. During the period from 2019 to 2022, NYW expects to sell an average of approximately \$1.7 billion of new money bonds per year. Of this amount, NYW plans to issue a minimum of \$300 million per year through EFC, taking advantage of the interest rate subsidy available for qualifying projects, and minimizing the overall costs of its financing program. NYW expects to issue approximately 90 percent of its new debt per year as fixed rate debt with the remainder issued as variable rate debt, subject to market conditions.

#### The New York City Transitional Finance Authority

The TFA is a public authority of New York State created by the New York Transitional Finance Authority Act. The TFA was created to issue debt, primarily secured with the City's personal income tax, to fund a portion of the capital program of the City. The TFA was originally authorized to issue up to \$7.5 billion of bonds and notes. On September 13, 2001, the TFA was given statutory authority to borrow \$2.5 billion to finance costs related to the September 11th terrorist attack on the City. Currently, TFA is permitted to have \$13.5 billion of debt outstanding and any amounts over and above that level are subject to the City's remaining debt incurring power under the State constitutional debt limit.

Since July 1, 2017, the TFA has issued approximately \$2.3 billion in bonds for capital purposes. The dates and principal amounts are as follows:

**NYC TFA Issuances****(\$ in Millions)**

<u>Series</u>	<u>New\$/ Refunding</u>	<u>Issue Date</u>	<u>Tax Exempt Amount</u>	<u>Taxable Amount</u>	<u>Total Par Amount</u>
2018 A	N	8/17/17	\$1,000	\$350	\$1,350
2018 B	N	10/26/17	850	140	990
<b>Total</b>			<b>\$1,850</b>	<b>\$490</b>	<b>\$2,340</b>

Additionally, the TFA converted approximately \$160 million of floating rate bonds to a fixed rate mode.

The TFA plans to issue TFA FTS bonds for capital purposes of approximately \$3.5 billion, \$2.8 billion, \$4.3 billion, \$4.9 billion, and \$5.1 billion in years 2018 through 2022, respectively.

In April 2006, the State enacted legislation authorizing issuance by the TFA of an additional \$9.4 billion of bonds to be used to fund capital costs for the Department of Education. This legislation also provided for the assignment to TFA of State building aid that had previously been paid directly to the City. The TFA currently has approximately \$7.9 billion of BARBs outstanding which fund the capital program of the Department of Education. The financing program reflects BARB issuance projections to remain under the statutory cap. The TFA plans to issue BARBs of approximately \$500 million, \$500 million, \$78 million, \$168 million, and \$104 million in fiscal years 2018 through 2022, respectively.

Since July 1, 2017, TFA completed two BARB refinancing transactions. TFA issued approximately \$1.6 billion of refunding bonds which generated over \$260 million of savings within the financial plan.

**Hudson Yards Infrastructure Corporation**

Hudson Yards Infrastructure Corporation (HYIC), a not-for-profit local development corporation, was established to provide financing for infrastructure improvements to facilitate economic development on Manhattan's far west side. Improvements include the extension of the No. 7 subway line west and south, construction of a park, as well as the acquisition of development rights over the MTA rail yards.

In December 2006, HYIC issued its first series of bonds in the principal amount of \$2 billion. HYIC completed its second issuance of \$1 billion of bonds in October 2011. Principal on the HYIC bonds will be repaid from revenues generated by this new development, notably payments-in-lieu-of-property taxes (PILOT) on the commercial development and various developer payments. To the extent these revenues are not sufficient to cover interest payments, the City has agreed to make interest support payments to HYIC subject to appropriation.

In May 2017, HYIC issued approximately \$2.1 billion of refunding bonds which refinanced all of its initial \$2 billion bond issue and a portion of its second bond issue under a new legal structure. This refinancing allowed HYIC to remit approximately \$110 million of accumulated revenues for City benefit in 2017. Moreover, the refunding enabled HYIC to transfer to the City in the future any excess revenues over and above amounts needed for HYIC debt service.

Given the ongoing development in the Manhattan's far west side, revenues received by HYIC have accelerated. Collections of PILOT revenue and tax equivalency payments continue to increase. Additionally, since the beginning of fiscal year 2018, HYIC received approximately \$85 million from payments in lieu of mortgage recording tax and district improvement bonus. In addition, HYIC received over \$100 million for the sale of Eastern Rail Yard Transferrable Development Rights, which fully repaid HYIC's remaining interest in those development rights.

The No. 7 Subway extension was constructed by the MTA and began service in September 2015. The secondary entrance to this station is currently under construction and is expected to open in the third quarter of calendar year 2018.

Phase I of Hudson Park and Boulevard opened to the public in August 2015 and is managed by the Hudson Yards Hell's Kitchen Alliance Business Improvement District.

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# Analysis of Agency Budgets

The following table reflects the allocation of fringe benefits, pensions, and debt service costs against the City to each agency to derive the total cost of agency operations.

**Full Agency Costs for FY 2019**  
(\$ in Millions)

Agency	Personal Service Costs				Other Than Personal Service Costs				Gross Total All Funds (Includes Intra-City)	Net Total All Funds (Excludes Intra-City)	City Funds Total
	Salaries & Wages	Fringe Benefits	Pensions	PS Subtotal	Agency OTPS	PA, MA & Other Mandates	Debt Service	OTPS Subtotal			
<b>UNIFORMED FORCES</b>											
Police.....	\$5,000	\$2,258	\$2,813	\$10,071	\$521	\$—	\$180	\$701	\$10,772	\$10,501	\$10,316
Fire.....	1,789	791	1,342	3,922	208	—	163	371	4,293	4,291	4,002
Correction .....	1,203	670	402	2,275	175	—	189	364	2,639	2,639	2,609
Sanitation .....	970	464	325	1,759	724	—	308	1,032	2,791	2,779	2,752
<b>Subtotal.....</b>	<b>\$8,962</b>	<b>\$4,183</b>	<b>\$4,882</b>	<b>\$18,027</b>	<b>\$1,628</b>	<b>\$—</b>	<b>\$840</b>	<b>\$2,468</b>	<b>\$20,495</b>	<b>\$20,210</b>	<b>\$19,679</b>
<b>HEALTH AND WELFARE</b>											
Admin. for Children's Services.....	\$490	\$178	\$77	\$745	\$2,455	\$—	\$—	\$2,455	\$3,200	\$3,149	\$1,123
Social Services .....	842	392	145	1,379	1,560	7,520	82	9,162	10,541	10,527	8,037
Homeless Services .....	159	63	26	248	1,900	—	—	1,900	2,148	2,147	1,258
Health and Mental Hygiene..	482	170	75	727	1,133	—	55	1,188	1,915	1,910	1,048
Health + Hospitals .....	—	35	—	35	916	—	208	1,124	1,159	1,070	1,024
<b>Subtotal.....</b>	<b>\$1,973</b>	<b>\$838</b>	<b>\$323</b>	<b>\$3,134</b>	<b>\$7,964</b>	<b>\$7,520</b>	<b>\$345</b>	<b>\$15,829</b>	<b>\$18,963</b>	<b>\$18,803</b>	<b>\$12,490</b>
<b>EDUCATION</b>											
Education.....	\$11,958	\$4,113	\$3,826	\$19,897	\$9,632	\$745	\$1,977	\$12,354	\$32,251	\$32,241	\$18,274
City University.....	625	186	89	900	364	—	74	438	1,338	1,325	1,012
<b>Subtotal.....</b>	<b>\$12,583</b>	<b>\$4,299</b>	<b>\$3,915</b>	<b>\$20,797</b>	<b>\$9,996</b>	<b>\$745</b>	<b>\$2,051</b>	<b>\$12,792</b>	<b>\$33,589</b>	<b>\$33,566</b>	<b>\$19,286</b>
OTHER AGENCIES.....	\$3,147	\$1,121	\$525	\$4,793	\$6,090	\$—	\$3,070	\$9,160	\$13,953	\$12,817	\$10,407
ELECTED OFFICIALS .....	\$607	\$176	\$95	\$878	\$134	\$—	\$—	\$134	\$1,012	\$1,004	\$926
MISCELLANEOUS .....	\$1,445	\$116	\$112	\$1,673	\$—	\$4,198 <sup>(1)</sup>	\$367	\$4,565	\$6,238	\$6,026	\$5,676
<b>DEBT SERVICE</b>											
(Unallocated).....	\$—	\$—	\$—	\$—	\$—	\$—	\$289	\$289	\$289	\$289	\$214
<b>TOTAL - ALL FUNDS <sup>(2)</sup>.....</b>	<b>\$28,717</b>	<b>\$10,733</b>	<b>\$9,852</b>	<b>\$49,302</b>	<b>\$25,812</b>	<b>\$12,463</b>	<b>\$6,962</b>	<b>\$45,237</b>	<b>\$94,539</b>	<b>\$92,715</b>	
<b>TOTAL - CITY FUNDS <sup>(2)</sup>.....</b>	<b>\$20,083</b>	<b>\$8,262</b>	<b>\$9,707</b>	<b>\$38,052</b>	<b>\$13,535</b>	<b>\$10,386</b>	<b>\$6,705</b>	<b>\$30,626</b>			<b>\$68,678</b>
Less: Prepayments .....	\$—	\$—	\$—	\$—	\$—	\$—	\$3,652	\$3,652	\$3,652	\$3,652	\$3,652
<b>Total After Prepayments .....</b>	<b>\$28,717</b>	<b>\$10,733</b>	<b>\$9,852</b>	<b>\$49,302</b>	<b>\$25,812</b>	<b>\$12,463</b>	<b>\$3,310</b>	<b>\$41,585</b>	<b>\$90,887</b>	<b>\$89,063</b>	<b>\$65,026</b>

(1) Includes Labor Reserve, General Reserve, Capital Stabilization Reserve, Judgments and Claims, MTA Subsidies and Other Contractual Services.

(2) Excludes the impact of prepayments.

## DEPARTMENT OF EDUCATION

The New York City Department of Education provides primary and secondary education for over one million school-age children. Through a network of elementary, junior high, intermediate, and high schools as well as full-day pre-kindergarten programs and special education schools, the Department provides basic instructional services, offering students special education, instruction for English Language Learners and career and technical training. Support services include free and subsidized transportation, breakfast and universal free lunch services, and the operation and maintenance of approximately 1,800 schools.

### Financial Review

The Department of Education's 2019 operating budget is \$25,534 million, an increase of \$509 million over the 2018 forecast of \$25,024 million. In addition, education-related pension, debt service, and other fringe costs of \$6,717 million are budgeted in separate agencies. These additional costs include an increase of \$222 million. City funds including pensions, debt service and other fringe support \$18,274 million of the Department of Education's expense budget in 2019, an increase of \$264 million, or 1.5 percent. State funds

support \$11,853 million, an increase of \$421 million. The balance of the education budget is supported by \$1,950 million in Federal aid, an increase of \$93 million from the 2018 forecast, \$10 million in intra-city funds and \$164 million in other categorical funds. Including those funds budgeted centrally, total funds budgeted on behalf of the Department of Education increase from \$31,520 million in the 2018 forecast to \$32,251 million in the 2019 Executive Budget.

### Total Department of Education Expenses 2012-2019 (\$ in Millions)

	2012	2013	2014	2015	2016	2017	Forecast 2018	Executive Budget 2019	Change 2018 to 2019	Change 2012 to 2019
Department of Education Operating Budget										
City.....	\$9,076	\$9,081	\$9,548	\$9,740	\$10,607	\$11,117	\$12,189	\$12,304	\$114	\$3,228
Other Categorical .....	215	246	309	309	287	310	167	164	(2)	(50)
State.....	8,033	7,982	8,480	9,189	9,735	10,260	10,757	11,106	349	3,073
Federal.....	1,918	1,894	1,714	1,716	1,744	1,775	1,857	1,950	93	32
Intra-City .....	42	30	35	45	48	45	55	10	(45)	(32)
<b>Total Operating Expenditures .....</b>	<b>\$19,283</b>	<b>\$19,232</b>	<b>\$20,085</b>	<b>\$20,999</b>	<b>\$22,422</b>	<b>\$23,508</b>	<b>\$25,024</b>	<b>\$25,534</b>	<b>\$509</b>	<b>\$6,250</b>
Other City Funds Supporting Education										
Pensions .....	\$2,672	\$2,830	\$2,971	\$3,273	\$3,700	\$3,919	\$3,927	\$3,826	(\$101)	\$1,154
State Aid for Pensions.....	0	0	0	0	0	0	0	0	0	0
Federal Aid for Pensions.....	0	0	0	0	0	0	0	0	0	0
Other Fringe.....	113	126	133	146	159	159	162	169	7	56
G.O. Bond Debt Service .....	1,085	944	885	903	1,029	1,055	1,144	1,193	49	107
State Aid for Debt Service .....	(222)	(146)	(3)	(3)	(3)	(3)	(3)	(3)	0	220
TFA Debt Service .....	637	816	912	1,027	1,082	1,148	1,263	1,529	267	893
State Aid for TFA Debt Service.....	(209)	(345)	(518)	(561)	(606)	(576)	(673)	(745)	(72)	(536)
<b>Total Additional City Funds .....</b>	<b>\$4,076</b>	<b>\$4,226</b>	<b>\$4,379</b>	<b>\$4,785</b>	<b>\$5,361</b>	<b>\$5,702</b>	<b>\$5,820</b>	<b>\$5,970</b>	<b>\$150</b>	<b>\$1,894</b>
<b>TOTAL CITY FUNDS</b>										
<b>FOR EDUCATION.....</b>	<b>\$13,152</b>	<b>\$13,307</b>	<b>\$13,927</b>	<b>\$14,525</b>	<b>\$15,969</b>	<b>\$16,819</b>	<b>\$18,010</b>	<b>\$18,274</b>	<b>\$264</b>	<b>\$5,122</b>
<b>TOTAL STATE FUNDS</b>										
<b>FOR EDUCATION.....</b>	<b>\$8,464</b>	<b>\$8,472</b>	<b>\$9,000</b>	<b>\$9,753</b>	<b>\$10,343</b>	<b>\$10,839</b>	<b>\$11,432</b>	<b>\$11,853</b>	<b>\$421</b>	<b>\$3,389</b>

The amounts shown for 2012 through 2017 represent actual expenditures including pensions and debt service funds budgeted in other agencies. Numbers may not add due to rounding.

## Expense Budget Highlights

The 2019 Executive Budget includes funding for new policy initiatives, previously announced policies and mandated support services for NYC children.

### *Investing in Equity*

#### *Fair Student Funding Floor Increase*

The Fair Student Funding (FSF) formula was implemented in the 2007-2008 school year. FSF is derived by calculating a basic allocation for each student based on class size and average teacher salaries. Adjustments are made to account for needs such as Special Education and English Language Learners. Each school receives a percentage of their FSF level. FSF was not fully funded in the past, with the average school receiving just 86 percent of their formula level in 2012.

The City has made investments in recent years to increase equity in school funding, ensuring that in 2018 all Renewal and Community Schools receive 100 percent and that no school receives less than 87 percent of its allocation. These investments increased the average allocation across the City to 91 percent. In the 2019 Executive Plan, the City continues to narrow the equity gap and is raising the floor from 87 percent to 90 percent by 2019. The system-wide average FSF funding level in 2019 will be 92.7 percent. As a result, over 800 schools will see increased funding in 2019.

### *Investing in Early Childhood Education*

#### *3-K for All Expansion*

In September 2017, New York City began to provide 3-K for All in School Districts 7 (South Bronx) and 23 (Brownsville), two of the City's highest-need districts. This initial investment included a continued expansion into six additional school districts by September 2020, for a total of eight districts.

The 2019 Budget includes an expansion and acceleration of 3-K for All. In addition to the previously announced eight districts, DOE will expand to an additional four districts (District 5 Central Harlem, District 16 Bedford-Stuyvesant, District 6 Washington Heights, and District 12 Crotona Park), bringing the citywide total to 12 districts by September 2020. In addition to expanding the City's commitment to 3-K

for All, the DOE will also accelerate implementation of this program by opening 3-K for All classrooms in four districts in September 2018, two more than were originally scheduled to open. Four districts will also begin 3-K for All in September 2019, also adding two more districts than originally planned. The expansion required no new cost in 2019. At full implementation in 2023, the City projects the addition of these four additional districts to cost \$43.9 million. This expansion is expected to create an additional 14,879 seats Citywide.

### *Investing in Curriculum*

#### *Universal Literacy*

In the 2017 Preliminary Plan, the City added funding for six initiatives aimed at achieving Equity and Excellence in City schools, including Universal Literacy, with the goal of having students read at grade level by the end of second grade. In the 2019 Executive Plan, the City furthers this investment, expanding Universal Literacy by adding additional literacy coaches, increasing the number of afterschool reading programs for students in shelters, and strengthening supports for specialized Response to Intervention programs for children experiencing delays in reading.

#### *Civics for All*

In the Executive Budget, the DOE is implementing Civics for All to promote civic participation, advocacy, and community involvement through enhanced civics curriculum in the classroom and engagement opportunities in the community. This investment will support development and implementation of Civics for All curriculum for grades K-12, professional development for teachers, curriculum writers to develop lesson plans responsive to current events, voter registration drives in high schools, and student advocacy campaigns led by College Advocacy Fellows.

### *Investing in Training*

#### *Anti-Bias Training*

In the Executive Budget, the City is implementing Anti-Bias Training for all DOE staff. The training will raise awareness about implicit bias and improve race consciousness, enabling new and current teachers to be

more sensitive in their teaching and interactions with students and families. This investment will provide resources for ongoing, full-day, and in-person trainings for all staff in schools, field, and central offices. The goal of the initiative is to reach all DOE staff by 2022.

#### *Other Initiatives*

In addition to 3-K for All expansion and curriculum investments, several other initiatives will be funded or expanded in the Executive Budget. These include:

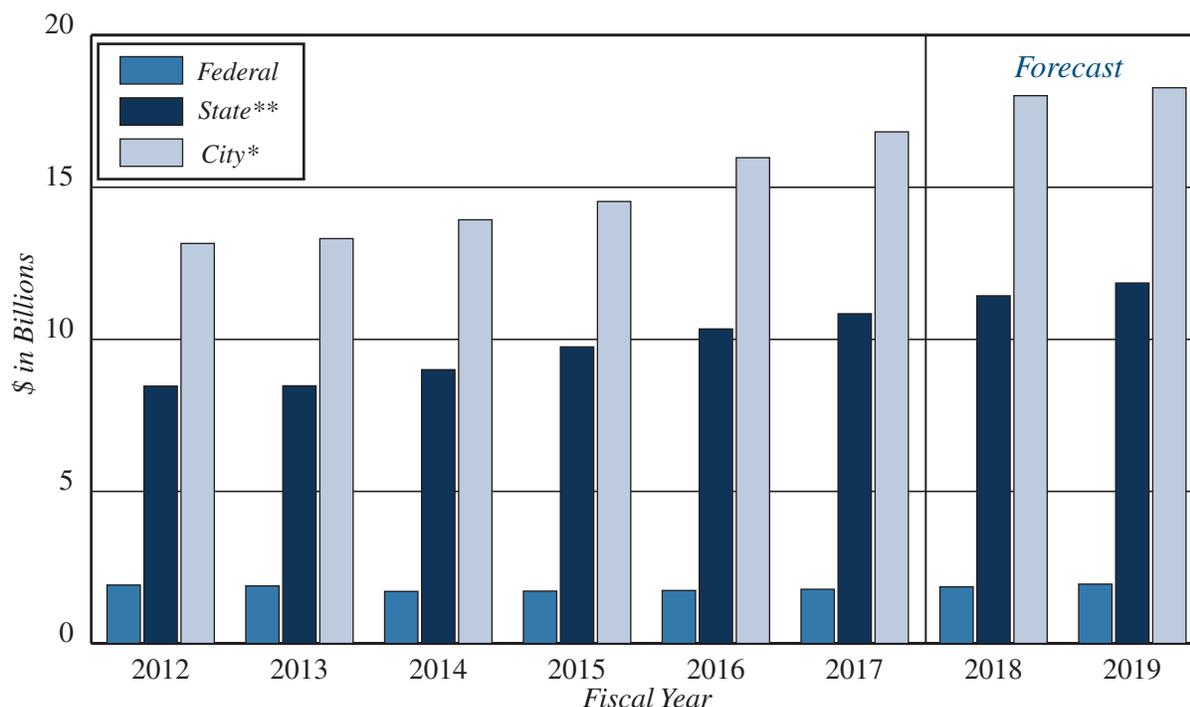
- **Students in Shelters:** Increases funding to \$11.9 million for a series of initiatives to support schools and shelters with the highest concentration of students in shelters. These initiatives target chronic absenteeism by placing 10 additional social workers in schools with high concentrations of students in shelters, adding two content experts to liaise with schools and support shelter-based staff, and doubling enrollment supports. Schools and shelters with the highest population of students in shelters will also continue to receive health and mental health support services, and after-school reading clubs. An expansion of the after-school reading club is also funded separately as part of the Universal Literacy expansion described above.
- **Air Conditioners:** Provides funding for an additional 5,200 classrooms to receive air conditioners to fulfill a Mayoral commitment to provide air conditioning in every classroom. Installations began in 2018 and will be completed by 2022. This is accompanied by a capital investment that will support electrical upgrades required in school buildings before air conditioner units can be installed.

## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018	2019
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<b>Expenditures</b>						
Salary and Wages .....	\$11,042,103	\$11,819,278	\$11,903,660	\$11,958,148	\$138,870	\$54,488
Fringe Benefits .....	3,523,082	3,743,433	3,910,199	3,943,495	200,062	33,296
OTPS .....	8,942,853	9,461,730	9,781,720	9,632,031	170,301	(149,689)
<b>Total .....</b>	<b><u>\$23,508,038</u></b>	<b><u>\$25,024,441</u></b>	<b><u>\$25,595,579</u></b>	<b><u>\$25,533,674</u></b>	<b><u>\$509,233</u></b>	<b><u>(\$61,905)</u></b>
<b>Funding</b>						
City .....	\$11,116,952	\$12,189,133	\$12,259,145	\$12,303,571	\$114,438	\$44,426
Other Categorical Grants .....	309,684	166,749	164,456	164,456	(2,293)	—
IFA .....	—	—	—	—	—	—
State .....	10,260,445	10,756,546	11,116,411	11,105,504	348,958	(10,907)
Federal CD .....	13,071	31,690	7,463	5,735	(25,955)	(1,728)
Federal Other .....	1,762,405	1,825,350	2,038,093	1,944,397	119,047	(93,696)
Intra-City Other .....	45,481	54,973	10,011	10,011	(44,962)	—
<b>Total .....</b>	<b><u>\$23,508,038</u></b>	<b><u>\$25,024,441</u></b>	<b><u>\$25,595,579</u></b>	<b><u>\$25,533,674</u></b>	<b><u>\$509,233</u></b>	<b><u>(\$61,905)</u></b>
<b>Additional Costs Centrally Funded</b>						
<b>Personal Services (PS)</b>						
Fringe Benefits .....	\$158,786	\$162,402	\$168,456	\$169,268	\$6,866	\$812
Pensions .....	3,919,347	3,926,928	4,054,136	3,825,961	(100,967)	(\$228,175)
<b>Other Than Personal Service (OTPS)</b>						
Debt Service (incl. BARBs) .....	2,202,537	2,406,186	2,675,843	2,722,076	315,890	46,233
<b>Total Additional Costs .....</b>	<b><u>\$6,280,670</u></b>	<b><u>\$6,495,516</u></b>	<b><u>\$6,898,435</u></b>	<b><u>\$6,717,305</u></b>	<b><u>\$221,789</u></b>	<b><u>(\$181,130)</u></b>
<b>Funding</b>						
City .....	5,702,422	5,820,428	6,138,347	5,970,151	149,723	(\$168,196)
Non-City .....	578,248	675,088	760,088	747,154	72,066	(\$12,934)
<b>Full Agency Costs (including Central Accounts)</b>						
Salary and Wages .....	\$11,042,103	\$11,819,278	\$11,903,660	\$11,958,148	\$138,870	\$54,488
Fringe Benefits .....	3,681,868	3,905,835	4,078,655	4,112,763	206,928	34,108
Pensions .....	3,919,347	3,926,928	4,054,136	3,825,961	(100,967)	(228,175)
<b>Total PS .....</b>	<b><u>\$18,643,318</u></b>	<b><u>\$19,652,041</u></b>	<b><u>\$20,036,451</u></b>	<b><u>\$19,896,872</u></b>	<b><u>\$244,831</u></b>	<b><u>(\$139,579)</u></b>
OTPS .....	\$8,942,853	\$9,461,730	\$9,781,720	\$9,632,031	\$170,301	(\$149,689)
Debt Service (incl. BARBs) .....	2,202,537	2,406,186	2,675,843	2,722,076	315,890	46,233
<b>Total OTPS .....</b>	<b><u>\$11,145,390</u></b>	<b><u>\$11,867,916</u></b>	<b><u>\$12,457,563</u></b>	<b><u>\$12,354,107</u></b>	<b><u>\$486,191</u></b>	<b><u>(\$103,456)</u></b>
<b>Total Agency Costs .....</b>	<b><u>\$29,788,708</u></b>	<b><u>\$31,519,957</u></b>	<b><u>\$32,494,014</u></b>	<b><u>\$32,250,979</u></b>	<b><u>\$731,022</u></b>	<b><u>(\$243,035)</u></b>
Less Intra-City .....	\$45,481	\$54,973	\$10,011	\$10,011	(\$44,962)	\$0
<b>Net Agency Cost .....</b>	<b><u>\$29,743,227</u></b>	<b><u>\$31,464,984</u></b>	<b><u>\$32,484,003</u></b>	<b><u>\$32,240,968</u></b>	<b><u>\$775,984</u></b>	<b><u>(\$243,035)</u></b>
<b>Funding</b>						
City .....	16,819,374	18,009,561	18,397,492	18,273,722	264,161	(123,770)
Non-City .....	12,923,853	13,455,423	14,086,511	13,967,246	511,823	(119,265)
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	114,848	114,524	115,310	115,399	875	89
Non-City .....	29,892	30,947	31,349	31,349	402	—
<b>Total .....</b>	<b><u>144,740</u></b>	<b><u>145,471</u></b>	<b><u>146,659</u></b>	<b><u>146,748</u></b>	<b><u>1,277</u></b>	<b><u>89</u></b>

**FUNDING SOURCES 2012 - 2019**



\* City funds include TFA and GO debt service, pensions and other fringe.  
 \*\* State funds include debt service and pensions.

Source: NYC OMB

**New York City Public School Enrollment  
 School Year 2015-2019**

	2015 Actual	2016 Actual	2017 Actual	2018 Projections	2019 Projections
<b>DOE Facilities Enrollment</b>					
General Education*	832,516	819,055	808,453	791,606	775,191
Special Education**	131,472	140,120	146,652	151,082	155,681
Full Day Pre-K***	20,913	28,963	29,563	29,664	28,910
Half Day Pre-K***	4,999	0	0	0	0
Full Day 3-K****	0	0	0	520	1,920
<b>Subtotal</b>	<b>989,900</b>	<b>988,138</b>	<b>984,668</b>	<b>972,872</b>	<b>961,702</b>
<b>Non-DOE Facilities Enrollment</b>					
Charter Schools	83,545	93,186	102,004	110,286	117,297
Contract Schools	7,181	7,188	6,955	6,779	6,750
Full Day Pre-K at NYCEECs***	32,207	39,684	39,947	38,217	42,590
Half Day Pre-K at NYCEECs***	8,444	2,945	2,666	2,485	2,316
Full Day 3-K at NYCEECs****	0	0	0	304	770
Special Ed Pre-K	38,164	38,589	38,491	37,220	37,200
<b>Subtotal</b>	<b>169,541</b>	<b>181,592</b>	<b>190,063</b>	<b>195,291</b>	<b>206,923</b>
<b>TOTAL</b>	<b>1,159,441</b>	<b>1,169,730</b>	<b>1,174,731</b>	<b>1,168,163</b>	<b>1,168,625</b>

\* General Education enrollment includes General Education students served in ICT settings as well as those in regular classrooms.  
 \*\* Special Education enrollment includes Community School District and High School Special Education students in self-contained classrooms, Citywide, Home and Hospital Instruction, and Special Education students served in ICT settings.  
 \*\*\* Students who turn four years old during the calendar year of admission.  
 \*\*\*\* Students who turn three years old during the calendar year of admission and attend programs in 3-K for All districts.

**Programmatic Review and Service Impact**

*The Student Population*

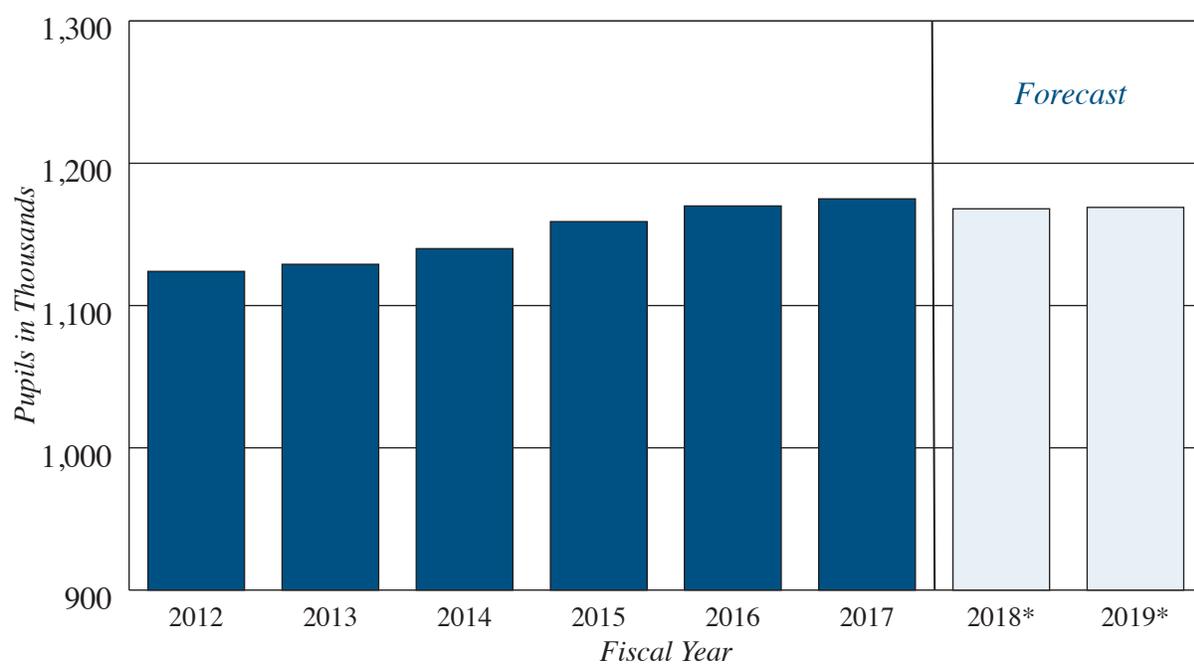
Total enrollment supported by the Department’s budget, including Pre-Kindergarten, charter school and special education contract school students, will increase by 462 from 1,168,163 in 2018 to a projected 1,168,625 in 2019. Of this total, the City projects that general education public school enrollment for Kindergarten through grade 12 will be 872,351. Of these students, 775,191 are expected to attend schools operated by the Department of Education and 97,160 are expected to attend charter schools.

In 2019, the City projects that 182,568 school-age students will be enrolled in special education programs (a 17 percent share of total K-12 enrollment). This projected enrollment level is 6,284 students higher than the 2018 special education population of

176,284. Of these students, 85 percent are expected to attend Department of Education facilities, 11 percent are expected to attend charter schools, and 4 percent are expected to attend specialized private facilities (“contract schools”) paid for through the Department’s budget.

The City projects that 76,506 three- and four-year-olds will be served in Pre-K for All and the expanding 3-K for All programs. Of these, 40 percent will attend DOE facilities and 60 percent will attend New York City Early Education Centers (NYCEECs). Enrollment in 3-K for All is projected to more than triple as the program expands from two to six districts in September 2018.

**NYC PUBLIC SCHOOL ENROLLMENT 2012 - 2019**



*Includes Charter Schools, Special Education Pre-K, Universal Pre-K, Special Education Contract Schools and Integrated Co-Teaching. Excludes Long Term Absences.*

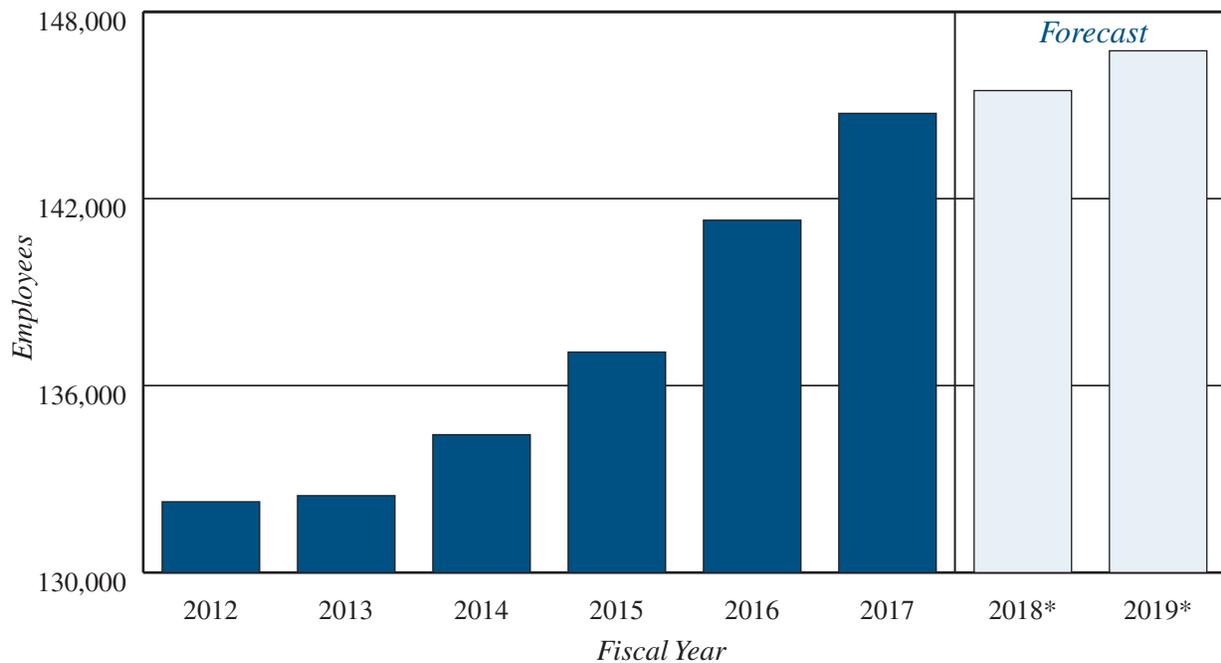
*\* As of FY 2019 Executive Budget*

*Source: NYC OMB*

*Staffing Levels*

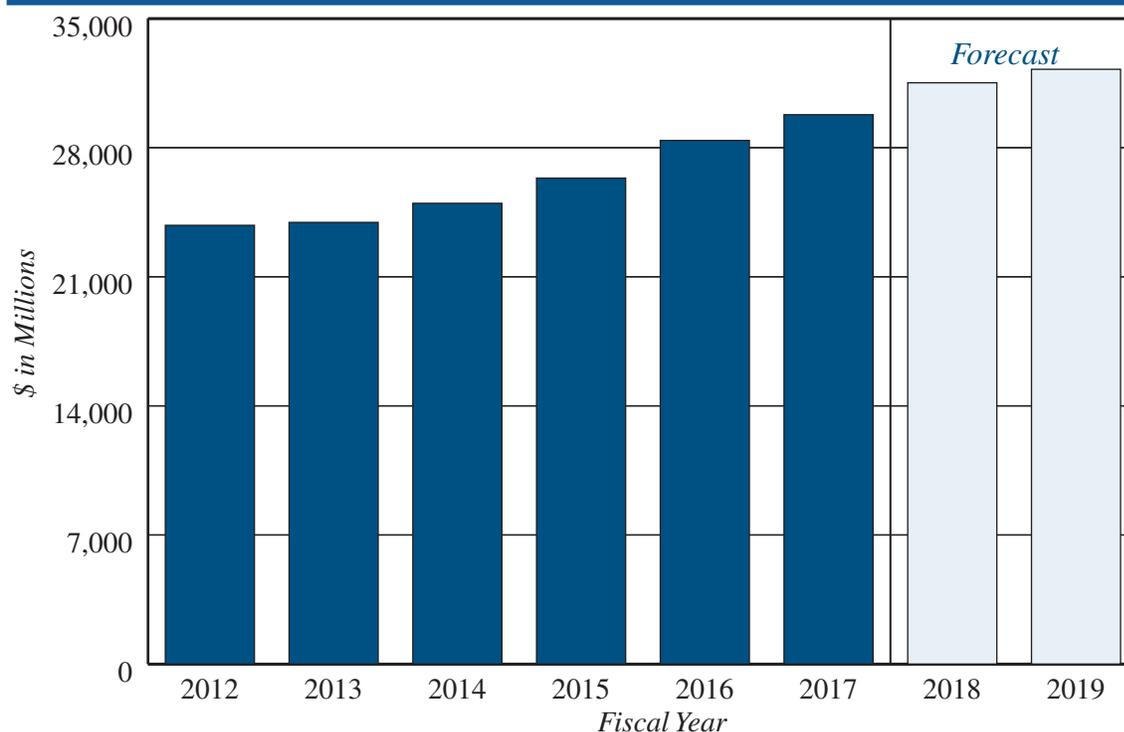
In 2019 the City’s financial plan supports a staffing level of 146,748. Of this count, 133,078 are full-time and 13,670 are Full Time Equivalent (FTEs). Pedagogical employees (which include teachers, superintendents, principals, assistant principals, guidance counselors, school secretaries, educational paraprofessionals and other school support staff) make up 120,720 of the full-time employees and 857 of the FTEs. Civilian employees represent 12,358 of the full-time employees and 12,813 of the FTEs.

**FULL TIME AND FULL TIME EQUIVALENT  
DEPARTMENT OF EDUCATION EMPLOYEES 2012 - 2019**



\* As of FY19 Executive Budget

Source: NYC OMB

**TOTAL DEPARTMENT OF EDUCATION EXPENDITURES 2012 - 2019\***

\* Total DOE expenditures include pensions, other fringe, TFA and GO debt service.

Source: NYC OMB

**Capital Review**

The Four-Year Plan for 2019-2022 totals \$10.0 billion for school construction and improvements, including \$8.6 billion in City funds. The table below shows capital commitments by program area over the 2018-2022 period.

**Capital Commitments**  
(\$ in 000's)

	2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan	
	City Funds	All Funds								
System Expansion New Schools .....	\$855,641	\$1,005,596	\$1,095,439	\$1,095,439	\$224,394	\$224,394	\$125,154	\$179,399	\$334,340	\$334,340
System Expansion Other.....	840,944	925,152	587,718	587,718	200,734	200,734	359,605	592,767	595,997	595,997
Rehabilitation of School Components.....	724,104	852,621	901,016	901,016	1,019,246	1,019,246	466,565	729,051	751,414	751,414
Educational Enhancements.....	172,378	207,202	206,488	206,488	90,259	90,259	85,216	133,158	107,008	107,008
Emergency, Unspecified and Miscellaneous.....	832,506	950,745	344,906	344,906	419,360	419,360	256,489	400,788	337,059	337,059
Safety and Security .....	50,003	60,105	62,392	62,392	16,576	16,576	3,460	5,406	39,751	39,751
Smart Schools Bond Act.....	0	195,000	0	588,141	0	0	0	0	0	0
<b>Total .....</b>	<b>\$3,475,576</b>	<b>\$4,196,421</b>	<b>\$3,197,959</b>	<b>\$3,786,100</b>	<b>\$1,970,569</b>	<b>\$1,970,569</b>	<b>\$1,296,489</b>	<b>\$2,040,569</b>	<b>\$2,165,569</b>	<b>\$2,165,569</b>

The Capital Plan for the Department of Education is modeled after the School Construction Authority's \$16.5 billion Five-Year Plan for 2015-2019. This \$16.5 billion plan provides:

- \$6.5 billion for capacity, adding more than 57,100 seats. This includes 44,628 seats for elementary, middle, and high schools in an estimated 88 buildings (14,718 in Brooklyn; 5,208 in the Bronx; 4,087 in Manhattan; 18,533 in Queens; and 2,082 in Staten Island), nearly 8,800 seats to support a historic expansion of Pre-Kindergarten, nearly 1,400 seats identified under the Class Size Reduction Program, and over 2,320 seats to replace sites that must vacate their current locations.
- \$4.1 billion for the capital improvement program, allowing for exterior and interior building upgrades and other necessary capital repairs to school buildings. This category also includes \$395 million to continue the removal of transportable classroom units (TCUs).
- \$1.6 billion for school enhancement projects to support technology projects, bathroom upgrades, and science lab upgrades. This category also includes \$106 million for the Universal Physical Education initiative and \$128 million for accessibility.
- \$926 million provided by City Council, Borough Presidents, and Mayor/Council allocations.
- \$3.4 billion for mandated programs such as asbestos remediation, building code compliance, insurance, and emergencies.

The 2019-2022 Plan also adds an additional \$125 million to upgrade electrical service as part of the commitment to provide air conditioning in every classroom.

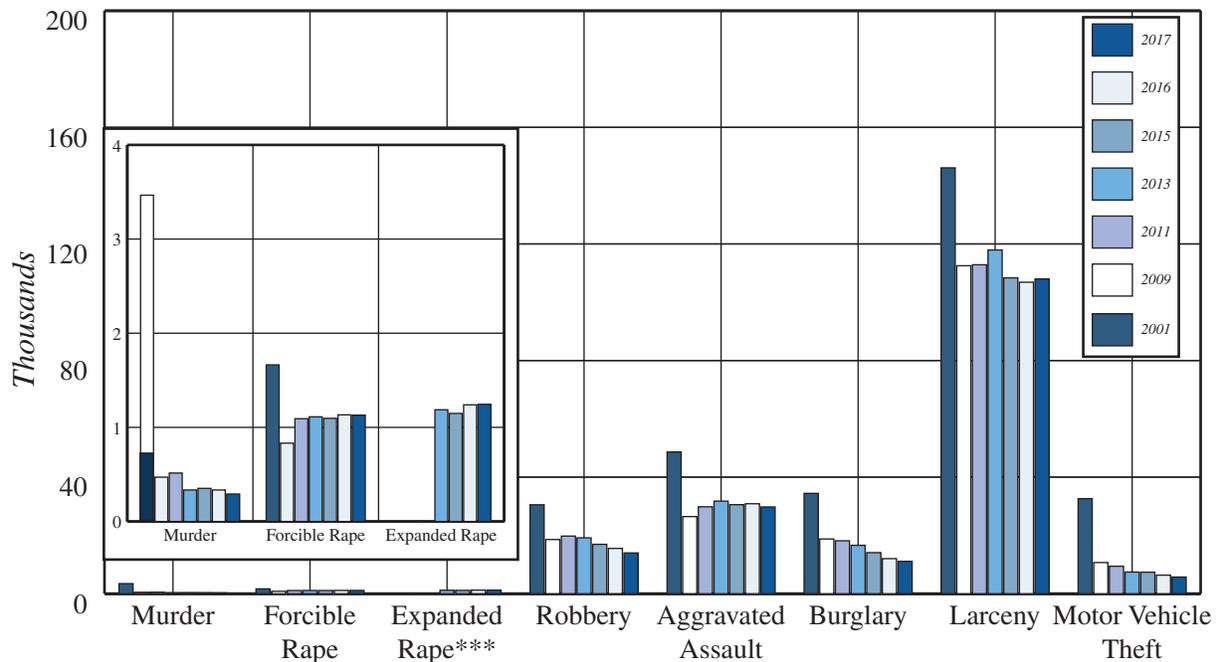
**ADMINISTRATION OF JUSTICE**

**Overview**

Based on the FBI's total index crime statistics for cities that have reported data for the first six months of calendar year 2017, New York City remains the safest large city with the lowest rate of crime per capita among the 10 largest U.S. cities. The New York City Police Department's (NYPD's) index crime data for calendar year 2017 indicates that overall major felony crime decreased by 5 percent as compared to calendar year 2016. In calendar year 2017, murder decreased by 12.8 percent (292 vs. 335), robberies dropped by 10 percent, burglaries dropped by 7 percent, and New York City saw the fewest number of shootings since modern record-keeping began.

**NEW YORK CITY FBI INDEX CRIMES**

Calendar Years 2001\* - 2017\*\*



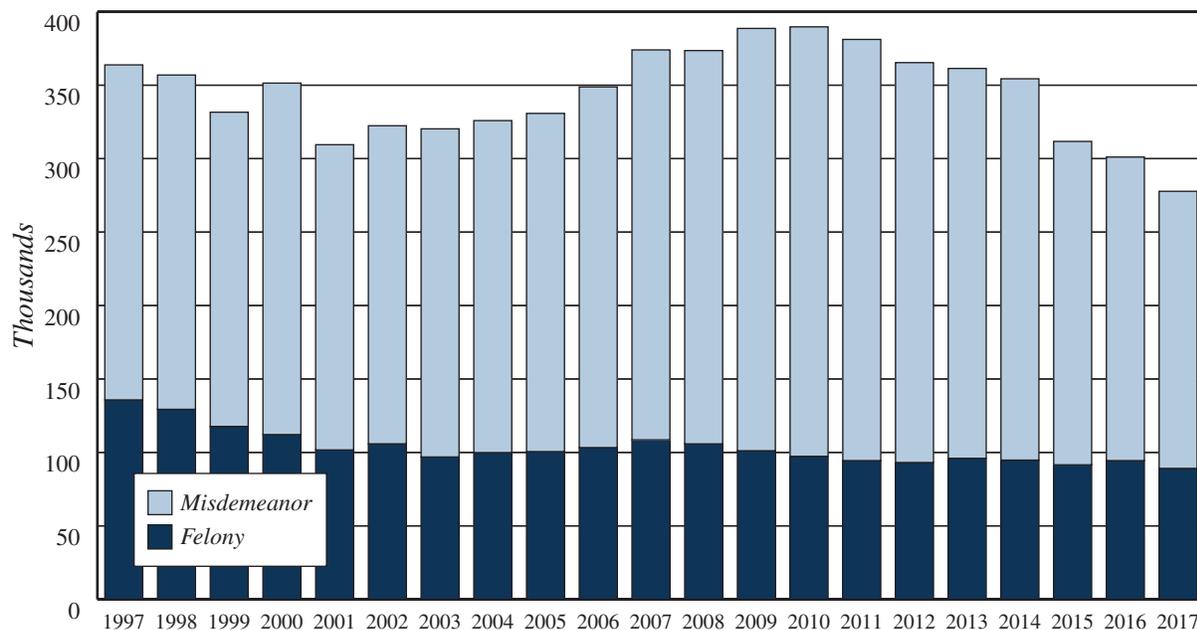
\* In 2001, for Murder and Aggravated Assault, the unshaded portion represents World Trade Center victims.  
 \*\* Preliminary estimates based on data from NYPD.  
 \*\*\* Expanded Rape category added in 2013.

Source: NYPD

Arrests totaled 283,541 in calendar year 2017, decreasing by 28,191 from calendar year 2016. In calendar year 2017, the distribution of arrests was 31 percent felonies, 67 percent misdemeanors, and 2 percent violations.

## NEW YORK CITY FELONY & MISDEMEANOR ARRESTS

Calendar Years 1997 - 2017



Source: NYPD

In calendar year 2017, the overall arrest level decreased by 9 percent from calendar year 2016; felony arrests decreased by 5.6 percent, misdemeanor arrests decreased by 8.7 percent, and violation arrests decreased by 45.9 percent.

### POLICE DEPARTMENT

Under the leadership of Police Commissioner James P. O’Neill, the NYPD continues to reduce crime to historic lows, while also improving community-police relations and ensuring partnerships that are built on trust and shared responsibility.

On May 18, 2015, the Department launched Neighborhood Policing. This philosophy allows the Department to continue reducing crime, promote trust and respect, and solve problems collaboratively, both within the Department and with neighborhood residents. The key to achieving these goals are sector integrity (giving individual officers responsibility for particular sectors) and community engagement (collaborating with community members to identify crime and quality-of-life problems and developing and implementing strategies to address these problems).

Each sector has a team of officers assigned to provide services on a permanent basis. There are two Neighborhood Coordination Officers (NCOs)

permanently assigned to each sector. These officers engage the community in addressing crime and conditions in their sector. They participate in community meetings, engage with the public, become experts on crime and conditions in their sector, and coordinate police, community, and other City resources to combat crime and resolve problems. Additionally, two sector car teams per sector are permanently assigned to each platoon. By keeping the officers in their sectors, Neighborhood Policing helps officers become familiar with members of the community, gain expertise in their geographical areas, and serve the community with greater levels of concern. With Neighborhood Policing, the NYPD is bringing enhanced police service to local sectors within each precinct and ensuring that individual neighborhoods know, and are able to work with, their police officers as they share the responsibility for bringing crime down even further. As of April 2018, Neighborhood Policing has been established in 63 of 77 precincts, all nine of the Housing Bureau Police Service Areas and two of the 12 Transit Bureau districts.

## DEPARTMENT OF CORRECTION

The Department of Correction's core mission is to provide a safe and secure environment for both staff and persons accused of crimes or convicted and sentenced to one year or less of jail time. Officially launched in 2015, the Department embarked on a historic transformation effort and developed a reform agenda to make New York City a national leader in best correctional practices. The Department has identified a 14-point reform plan to aggressively combat violence and promote a culture of safety in its jail facilities. The key areas of focus of the reform plan are to ensure weapons, drugs and contraband are kept out of the jail facilities, create an integrated classification and housing strategy, provide comprehensive security camera coverage, design effective inmate education opportunities and program services to reduce idle time, and redefine first line incident response.

In support of that goal, the Department has enhanced its recruitment process, which resulted in approximately 1,600 recruits entering DOC's facilities in 2017 and will result in over 2,000 additional recruits anticipated to enter DOC's facilities in 2018. The DOC will strive to integrate the newly hired personnel with experienced staff to create a balanced workforce that helps move the Department forward while maintaining its institutional knowledge.

Additionally, DOC's staff leadership development and training is paramount to the reform agenda. Combined with the Department's targeted custody management approach and the implementation of pro-social behavioral models, enhanced programming and staffing ratios specified for each population, DOC's transformation and culture change is well on its way.

## OTHER CRIMINAL JUSTICE PROGRAMS

The Mayor's Office of Criminal Justice (MOCJ) is the policy advisor to the Mayor on justice issues. The office works with all segments of the justice system including mayoral agencies, courts, prosecutors, defendants, non-profits, foundations, and New Yorkers to design, deploy, and evaluate citywide strategies to increase safety, reduce unnecessary arrests and incarceration, and improve the system's fairness. The office works across multiple disciplines to ensure effectiveness. Examples of MOCJ's work include:

- The NYC Crisis Management System: Through the joint Mayor's Office / NYC Council funded Anti-Gun Violence Initiative, a series of violence intervention and support systems are simultaneously operating across 17 communities across the 5 boroughs in neighborhoods that account for upwards of 50% of NYC's shooting incidents. Collectively, this initiative is known as the Crisis Management System (CMS), and was launched by Mayor Bill de Blasio and the NYC Council in 2014 with a \$12 million investment. As of 2018 that investment has grown to \$28 million and 4 new CMS sites are projected to launch in 2019. Homicides fell by 26% in CMS precincts compared to 13% citywide;
- The Mayor's Action Plan for Neighborhood Safety: A comprehensive initiative to reduce crime and strengthen neighborhoods in and around the 15 New York City Housing Authority developments that accounted for 20 percent of all violent crime in the City's public housing at the start of the administration. Total index crime is down 14%, and violent crime is down 11%, and shooting incidents are down by 29% since the start (July 2014);
- Close Rikers: Last year, the Mayor announced that the City would close Rikers Island and build smaller community based jails. This is now the everyday work of the government of New York City and the entities responsible for moving with urgency toward a smaller, safer and fairer justice system. In the last year, the City has partnered with working groups of judges, prosecutors, defenders and non-profit program providers to launch several new programs to accelerate safe reductions in the jail population. The number of people in jail continues to fall – by 22% in the last four years and 5% in the last year alone. For the first time in thirty years, the jail population fell below 9,000 in December 2017 and remains there today. The City is underway with a master plan for off island borough based jail facilities that will be complete by the end of calendar year 2018;
- Raise the Age: Since passage in April 2017 of Raise the Age, the City has been working intensively to ensure successful implementation. We have formed Working Groups focused on Court Processing, Programming and Diversion, Data/Analytics, and Facilities, with participation from the Courts, District Attorneys, Public Defenders and nine city agencies responsible for implementation as well as our non-profit partners and providers;

- The Mayor's Action Plan on Behavioral Health and the Criminal Justice System: A set of interlocking public health and public safety strategies that has reduced the number of people with behavioral health needs cycling through the criminal justice system by 12% since 2013; and
- Bail Reform: In 2016, the Mayor's Office expanded supervised release citywide, a pretrial diversion program — to cut unnecessary detention and reduce reliance on monetary bail — after piloting supervised release programs in Brooklyn, Manhattan, and Queens. Supervised release uses risk-driven screening to identify individuals eligible to remain in the community with individualized supervision while waiting for trial. These individuals are also offered voluntary stabilizing services such as vocational programs, housing opportunities, and mental health and substance abuse treatment. The program, part of New York City's bail reform strategy, was developed in close partnership with the Office of Court Administration, the five District Attorneys' offices, the defense bar, and national experts to ensure that it is both evidence-driven and tailored to New York City's unique criminal justice system. From 2016 through 2020, Citywide supervised release is funded through \$19.5 million from the City, \$13.8 million from asset forfeiture money pledged by Manhattan District Attorney Cyrus Vance Jr.'s office, and \$13.4 million from asset forfeiture money pledged by the City. More than 7,000 cases have been diverted since its launch in March 2016, contributing to a jail population decline of nearly 400 people on an average day.

## POLICE DEPARTMENT

The principal mission of the Police Department is to maintain public safety and security, to respond to calls for emergency aid, and to conduct investigations of criminal activity.

### Financial Review

The New York City Police Department's 2019 Executive Budget provides for an operating budget of \$5.6 billion, a decrease of \$219 million from the \$5.8 billion forecast for 2018. This decrease is primarily attributed to annual State, Federal, and private grant funding not yet recognized for 2019. Capital commitments of \$563.8 million are also provided in 2019.

### Revenue Forecast

The Police Department collects revenue from fees charged for pistol licenses, rifle permits, fingerprint fees, tow fees, and unclaimed cash and property that is abandoned or confiscated as a consequence of the commission of a crime. The City also receives E-911 surcharges imposed on all New York City cellular telephones, land line telephones and voice over internet protocol service (VoIP). In addition, the Department is recouping traffic control costs from non-charitable athletic parades. In 2019, the revenue estimate for the Police Department is \$99.7 million.

### Expense Budget Highlights

#### *Budgetary Priorities: Providing Core Services*

- In 2019, the Department anticipates an average uniformed headcount of approximately 36,600.
- The Department expects to receive up to \$26.5 million for the protection of Foreign Missions under the Federal Fiscal Year 2018 Appropriation Act.

#### *Streamlining and Restructuring*

- The Department received \$12 million in City funds to outfit all officers on patrol with body-worn cameras by the end of calendar year 2018, one year earlier than previously planned.
- The Department received \$5.4 million in City funds to hire an additional 8 uniformed members of service and 108 Traffic Enforcement Agents to increase enforcement of parking placard fraud and abuse.
- The Department received \$2.8 million in City funds to hire an additional 27 uniformed members of service to make the mental health triage desk available 24/7 and extend the Co-Response Teams to respond to mental health-related calls 7 days a week.
- The Department received \$1.7 million in City funds to build out the necessary space and information technology platforms, and increase the staffing for the Juvenile Crime Desk to implement Raise the Age law.

## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018 Forecast	2019 Preliminary Budget
			Preliminary Budget	Executive Budget		
<b>Expenditures</b>						
Salary and Wages .....	\$4,935,566	\$5,009,991	\$5,032,090	\$4,999,517	(\$10,474)	(\$32,573)
Fringe Benefits .....	75,824	76,083	74,428	74,670	(1,413)	242
OTPS .....	572,606	728,222	473,180	521,024	(207,198)	47,844
<b>Total .....</b>	<b>\$5,583,996</b>	<b>\$5,814,296</b>	<b>\$5,579,698</b>	<b>\$5,595,211</b>	<b>(\$219,085)</b>	<b>\$15,513</b>
<b>Funding</b>						
City .....	\$5,016,089	\$5,192,127	\$5,233,057	\$5,205,988	\$13,861	(\$27,069)
Other Categorical Grants ..	29,603	4,618	—	—	(4,618)	—
IFA .....	—	—	—	—	—	—
State .....	54,118	97,003	23,132	23,173	(73,830)	41
Federal CD .....	—	—	—	—	—	—
Federal Other .....	219,722	229,885	52,656	95,101	(134,784)	42,445
Intra-City Other .....	264,464	290,663	270,853	270,949	(19,714)	96
<b>Total .....</b>	<b>\$5,583,996</b>	<b>\$5,814,296</b>	<b>\$5,579,698</b>	<b>\$5,595,211</b>	<b>(\$219,085)</b>	<b>\$15,513</b>
<b>Additional Costs Centrally Funded</b>						
<b>Personal Services (PS)</b>						
Fringe Benefits .....	\$2,134,917	\$1,992,823	\$2,233,844	\$2,183,745	\$190,922	(\$50,099)
Pensions .....	2,531,445	2,623,346	2,694,624	2,812,807	189,461	118,183
<b>Other Than Personal Service (OTPS)</b>						
Debt Service .....	153,680	157,156	179,729	179,656	22,500	(73)
<b>Total Additional Costs</b>	<b>\$4,820,042</b>	<b>\$4,773,325</b>	<b>\$5,108,197</b>	<b>\$5,176,208</b>	<b>\$402,883</b>	<b>\$68,011</b>
<b>Funding</b>						
City .....	4,721,567	4,688,261	5,042,099	5,110,115	421,854	68,016
Non-City .....	98,475	85,064	66,098	66,093	(18,971)	(5)
<b>Full Agency Costs (including Central Accounts)</b>						
Salary and Wages .....	\$4,935,566	\$5,009,991	\$5,032,090	\$4,999,517	(\$10,474)	(\$32,573)
Fringe Benefits .....	2,210,741	2,068,906	2,308,272	2,258,415	189,509	(49,857)
Pensions .....	2,531,445	2,623,346	2,694,624	2,812,807	189,461	118,183
<b>Total PS .....</b>	<b>\$9,677,752</b>	<b>\$9,702,243</b>	<b>\$10,034,986</b>	<b>\$10,070,739</b>	<b>\$368,496</b>	<b>\$35,753</b>
OTPS .....	\$572,606	\$728,222	\$473,180	\$521,024	(\$207,198)	\$47,844
Debt Service .....	153,680	157,156	179,729	179,656	22,500	(73)
<b>Total OTPS</b>	<b>\$726,286</b>	<b>\$885,378</b>	<b>\$652,909</b>	<b>\$700,680</b>	<b>(\$184,698)</b>	<b>\$47,771</b>
<b>Total Agency Costs .....</b>	<b>\$10,404,038</b>	<b>\$10,587,621</b>	<b>\$10,687,895</b>	<b>\$10,771,419</b>	<b>\$183,798</b>	<b>\$83,524</b>
Less Intra-City .....	\$264,464	\$290,663	\$270,853	\$270,949	(\$19,714)	\$96
<b>Net Agency Cost .....</b>	<b>\$10,139,574</b>	<b>\$10,296,958</b>	<b>\$10,417,042</b>	<b>\$10,500,470</b>	<b>\$203,512</b>	<b>\$83,428</b>
<b>Funding</b>						
City .....	9,737,656	9,880,388	10,275,156	10,316,103	435,715	40,947
Non-City .....	401,918	416,570	141,886	184,367	(232,203)	42,481
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	52,883	53,782	53,769	53,457	(325)	(312)
Non-City .....	93	110	8	20	(90)	12
<b>Total .....</b>	<b>52,976</b>	<b>53,892</b>	<b>53,777</b>	<b>53,477</b>	<b>(415)</b>	<b>(300)</b>

## Programmatic Review and Service Impact

Based on the FBI's total index crime statistics for cities that have reported data for the first six months of calendar year 2017, New York City remains the safest large city with the lowest rate of crime per capita among the 10 largest U.S. cities. The New York City Police Department's (NYPD's) index crime data for calendar year 2017 indicates that overall major felony crime decreased by 5 percent as compared to calendar year 2016. In calendar year 2017, murder decreased by 12.8 percent (292 vs. 335), robberies dropped by 10 percent, burglaries dropped by 7 percent, and New York City saw the fewest number of shootings since modern record-keeping began.

Precision policing is an important component of Neighborhood Policing and an investigative focus on ways to continuously push down crime by focusing resources on the relatively small percentage of the population responsible for committing violence. Last year, the Department conducted 207 takedowns of individuals, gangs, and crews, and apprehended 1,605 people involved in gang violence and crime. These subjects were responsible for robberies, shootings, murders, buying and selling guns, and conducting wholesale drug-dealing operations in New York City's communities. The Department conducted 10 gun trafficking takedowns in calendar year 2017, including one in March that netted 24 individuals who were charged by the Brooklyn District Attorney's Office in a 627-count indictment. They were charged with weapons offenses and conspiracy for trafficking guns purchased in Virginia, transporting them up the highway route known as the "Iron Pipeline", and selling them on the streets of New York City. The more than 200 weapons recovered by police included assault weapons, a machine gun, rifles, and handguns with extended magazines and high-capacity ammunition drums.

The NYPD plays a vital role in public safety by enforcing traffic laws and educating the public regarding traffic safety. The Department is collaborating with the City's Department of Transportation in its effort to reduce traffic fatalities. Traffic fatalities in calendar year 2017 dropped to the lowest number ever recorded.

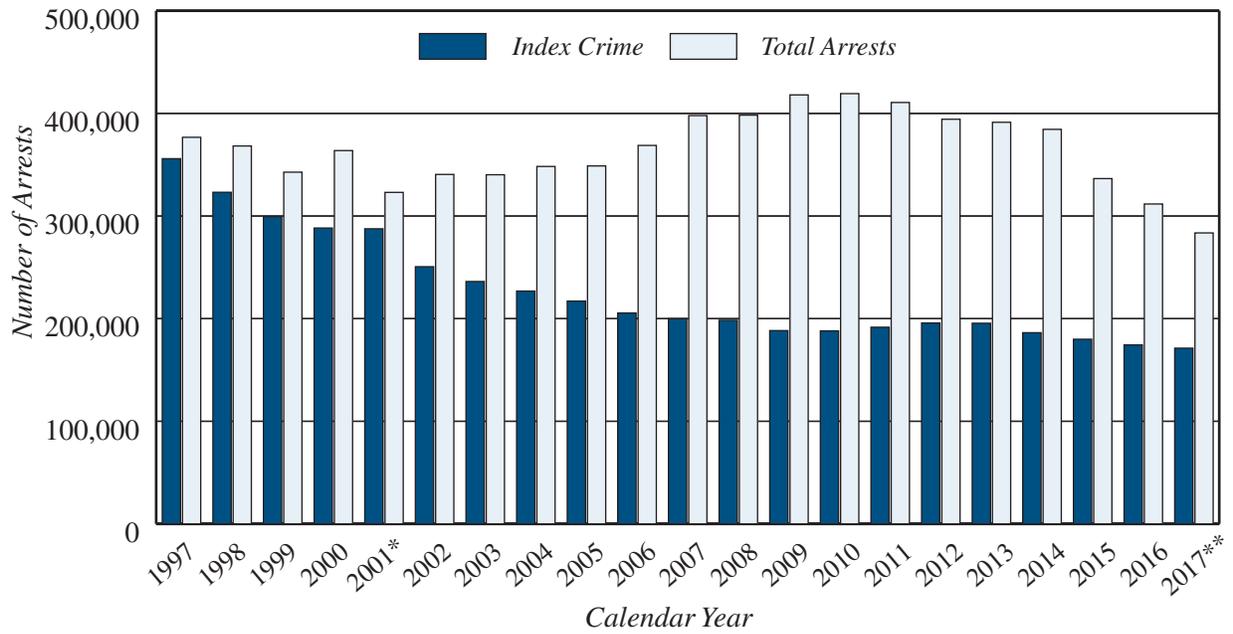
Over one million moving summonses were issued in calendar year 2017, with 149,910 summonses issued for speeding and 135,814 summonses issued for texting or using a cell phone while driving. The Department recently completed the "Dusk to Darkness" campaign, which saw fatalities drop 6.6 percent during the darker evenings in winter when compared to last year.

Citywide, the Department is continuing to leverage every tool available to keep the City safe, including the use of new and innovative technology. The Department is also keenly focused on technological advances and how they can be applied to fighting crime by creating safer and more efficient ways for police officers to do the job of keeping all New Yorkers safe. Every NYPD officer has a Department-issued smartphone, putting police databases in the palms of their hands, and the Department continues to roll out new applications as needed.

The Department also continues to equip officers in field commands with body-worn cameras. The Department is currently training and deploying body-worn cameras to police officers, detective specialists, sergeants, and lieutenants in commands within the Patrol Services Bureau, Transit Bureau, and Housing Bureau. The Department has deployed a total of 5,763 body-worn cameras as of April 2018. It is anticipated that these body-worn camera deployments will be completed by the end of calendar year 2018. The Department is currently in the initial planning stages of "Phase 3" of the Body-Worn Camera program which will provide body-worn cameras to specialized units within the Department throughout calendar year 2019.

As part of the continued enhancement to the NYPD's performance evaluation system, the Department has implemented a new application, Cop's Rapid Assessment Feedback Tool (CRAFT), which is available on each officer's Department-issued smartphones. It allows self-reporting so that officers can record notable interactions that comprise their work days. It also allows supervisors in the field to make notations and provide feedback on individual officers, including officers not under their direct command.

**ARRESTS VERSUS CRIME**



\* In 2001, Index Crime data excludes World Trade Center victims.

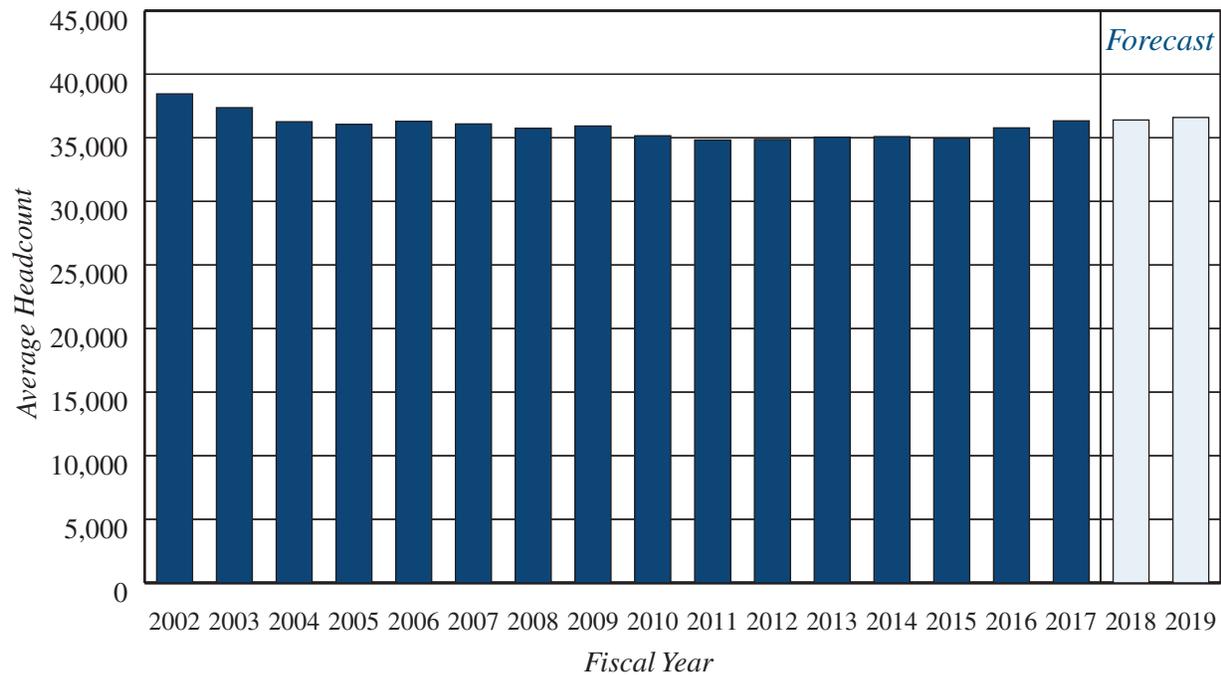
\*\* Preliminary estimates based on data from NYPD.

Source: NYPD

**Uniformed Headcount**

The Department continues to move forward in its efforts to recruit and hire diverse individuals. The July 2017 recruit class of 524 recruits, of which 480 graduated, is 56.3 percent minorities. One hundred and five were born in foreign countries and 183 speak a foreign language. The October 2017 recruit class of 499 recruits, of which 448 graduated, is 66.5 percent minorities. One hundred and forty-two were born in foreign countries and 190 speak a foreign language. Of the 785 recruits hired for the January 2018 Police Officer class, 59.1 percent are minorities. One hundred and fifty-four were born in foreign countries and 283 speak a foreign language. The April 2018 class has approximately 270 new recruits. In 2019, the Department will hire four classes and maintain an average headcount of approximately 36,600.

**TOTAL CITY, TRANSIT AND HOUSING POLICE FORCE HEADCOUNT**



Source: NYC OMB & NYPD

## Capital Review

The Four-Year Capital Strategy for the Police Department in total provides the Department with \$1.4 billion for the replacement, reconstruction, and maintenance of facilities Citywide; replacement and upgrade of computer and communication equipment; and the replacement of transportation equipment.

The table below shows capital plan commitments by program area over the 2017-2022 period.

### Capital Commitments (\$ in 000's)

	2017 Actual		2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan	
	City Funds	All Funds	City Funds	All Funds								
Police Facilities .....	\$43,936	\$43,936	\$234,877	\$252,304	\$378,751	\$413,088	\$285,414	\$287,006	\$328,500	\$328,500	\$13,000	\$13,000
Computer Equipment.....	92,089	92,089	164,456	164,456	62,423	62,423	30,368	30,368	15,792	15,792	21,582	21,582
Communications .....	47,724	47,724	99,224	99,224	38,321	38,321	44,440	44,440	13,456	13,456	16,956	16,956
Equipment.....	2,743	2,743	36,245	36,245	15,624	15,624	5,642	5,642	3,739	3,739	1,786	1,786
Vehicles .....	17,982	17,982	29,318	29,453	34,355	34,355	26,763	26,763	6,426	6,426	11,154	11,154
Total .....	<u>\$204,474</u>	<u>\$204,474</u>	<u>\$564,120</u>	<u>\$581,682</u>	<u>\$529,474</u>	<u>\$563,811</u>	<u>\$392,627</u>	<u>\$394,219</u>	<u>\$367,913</u>	<u>\$367,913</u>	<u>\$64,478</u>	<u>\$64,478</u>

### Highlights of the 2019-2022 Four Year Capital Commitment Plan

#### *Police Facilities (total commitment, \$1 billion)*

- Construction of a new consolidated Property Clerk warehouse facility (\$435 million).
- Construction of the Rodman's Neck Firearms Training Facility (\$253.8 million).
- Construction of a new 116th Precinct in Southeast Queens (\$70 million).
- Renovation of facility locker rooms Department-wide (\$38.8 million).
- Renovation of the Brooklyn North Narcotics facility in Brooklyn (\$20.6 million).
- Renovation of the 13th Precinct in Midtown Manhattan (\$20 million).
- Facility maintenance and reconstruction Department-wide (\$203.4 million).

#### *Communications and Computer Equipment (total commitment, \$243.4 million)*

- Purchase and upgrade of miscellaneous computer equipment as a part of Phase Two of the Sustainable Technology Initiative (\$64.3 million).
- Lifecycle replacement of core radio infrastructure (\$34 million) and portable radios (\$20.3 million).
- Replacement of radio repeater sites (\$18 million) and radio system (\$14 million).
- Replacement and upgrade of various Department technologies and equipment (\$92.8 million).

#### *Miscellaneous Equipment (total commitment, \$26.8 million)*

- Purchase and upgrade of miscellaneous equipment such as facility security camera upgrades, forensic lab equipment and diesel marine engines (\$26.8 million).

#### *Vehicles (total commitment, \$78.7 million)*

- Purchase of medium tow trucks (\$12.5 million).
- Lifecycle replacement of all other vehicles (\$66.2 million).

## DEPARTMENT OF CORRECTION

The Department of Correction provides custody, care, control, and discharge preparation for detainees awaiting trial or sentencing and misdemeanants or felons sentenced to one year or less. It also detains State prisoners with court appearances in New York City; newly sentenced felons awaiting transportation to State correctional facilities; and alleged parole violators awaiting revocation hearings.

### Financial Review

The Department of Correction's 2019 Executive Budget provides for operating expenses of \$1.4 billion, a decrease of \$19.9 million from the amount forecast in 2018. Capital commitments of \$543.7 million are also planned in 2019.

### Revenue Forecast

The Department of Correction collects revenue, which goes into the general fund, from jail commissary operations, vending machines and inmate telephone calls. In 2019, the Department expects to collect approximately \$20.5 million from all revenue sources.

### Expense Budget Highlights

#### *Budgetary Priorities: Providing Core Services*

- Well-functioning recruitment processes are central to the Department's ability to remain optimally staffed. Two recruit classes will graduate from the Department's training academy in 2018, resulting in approximately 2,000 new officers on duty.
- Expansion of the Emergency Services Unit (ESU) to respond to the most dangerous situations in the jail facilities. Baseline funding of \$3.6 million and 45 positions will allow the Department to deploy ESU teams to the highest risk facilities.
- Creation of the Compliance and Safety Center to serve as an integrated command post to aid in rapid-response efforts to maintain safety in emergency situations and strengthen compliance with correctional standards and protocols. Baseline funding of \$4.9 million and 55 positions will allow the Department to centrally review surveillance cameras in the jail facilities and respond to incidents in real time.
- To implement the Raise the Age law, the Department will temporarily provide security at the Horizon Juvenile Center during a transitional period. During this transitional period, the Administration for Children's Services will hire and train staff to take over the full operations of Horizon. In 2019, \$9.9 million and 159 personnel will aid in the security of Horizon.
- Hiring additional civilian investigative staff for the Investigations Division. Baseline funding of \$4.9 million and 71 positions will enhance the Department's ability to investigate complaints of use of force incidents in a timely manner.
- Expansion of the Correction Assistance Response for Employees Unit. Baseline funding of \$1.1 million and 13 positions will allow the Department to provide professional development opportunities and supportive services to staff.
- Provide shuttle bus service to the public from downtown Brooklyn and Harlem to Rikers Island. Baseline funding of \$1.7 million and 17 positions will allow the Department to expand transportation to Rikers Island for visitors.

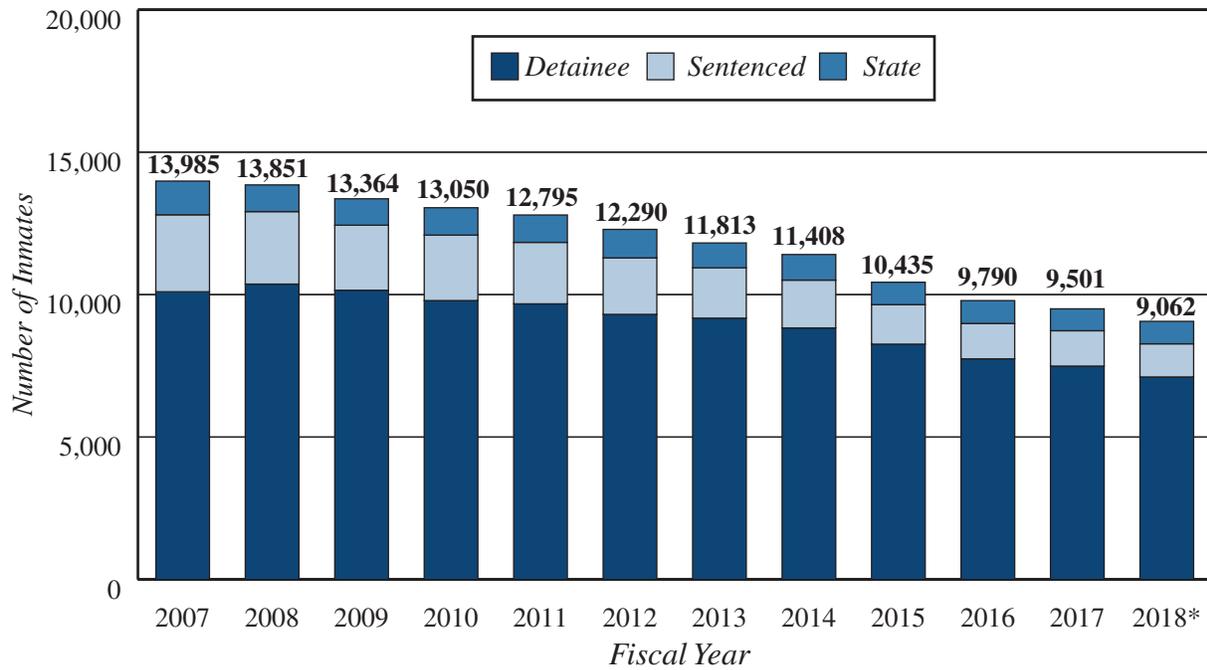
## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018	2019
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<b>Expenditures</b>						
Salary and Wages .....	\$1,159,216	\$1,205,277	\$1,210,832	\$1,203,003	(\$2,274)	(\$7,829)
Fringe Benefits .....	23,480	24,088	24,088	24,088	—	—
OTPS .....	185,944	192,461	169,573	174,819	(17,642)	5,246
<b>Total .....</b>	<b>\$1,368,640</b>	<b>\$1,421,826</b>	<b>\$1,404,493</b>	<b>\$1,401,910</b>	<b>(\$19,916)</b>	<b>(\$2,583)</b>
<b>Funding</b>						
City .....	\$1,352,749	\$1,408,758	\$1,394,171	\$1,391,588	(\$17,170)	(\$2,583)
Other Categorical Grants ..	1,909	979	—	—	(979)	—
IFA .....	822	778	778	778	—	—
State .....	399	1,109	1,109	1,109	—	—
Federal CD .....	—	—	—	—	—	—
Federal Other .....	12,003	8,327	8,327	8,327	—	—
Intra-City Other .....	758	1,875	108	108	(1,767)	—
<b>Total .....</b>	<b>\$1,368,640</b>	<b>\$1,421,826</b>	<b>\$1,404,493</b>	<b>\$1,401,910</b>	<b>(\$19,916)</b>	<b>(\$2,583)</b>
<b>Additional Costs Centrally Funded</b>						
Personal Services (PS)						
Fringe Benefits .....	\$583,923	\$593,206	\$632,536	\$645,848	\$52,642	\$13,312
Pensions .....	402,997	403,806	406,582	402,216	(1,590)	(4,366)
Other Than Personal Service (OTPS)						
Debt Service .....	186,002	173,859	198,831	189,118	15,259	(9,713)
<b>Total Additional Costs .....</b>	<b>\$1,172,922</b>	<b>\$1,170,871</b>	<b>\$1,237,949</b>	<b>\$1,237,182</b>	<b>\$66,311</b>	<b>(\$767)</b>
<b>Funding</b>						
City .....	1,146,986	1,146,261	1,218,022	1,217,683	71,422	(339)
Non-City .....	25,936	24,610	19,927	19,499	(5,111)	(428)
<b>Full Agency Costs (including Central Accounts)</b>						
Salary and Wages .....	\$1,159,216	\$1,205,277	\$1,210,832	\$1,203,003	(\$2,274)	(\$7,829)
Fringe Benefits .....	607,403	617,294	656,624	669,936	52,642	13,312
Pensions .....	402,997	403,806	406,582	402,216	(1,590)	(4,366)
<b>Total PS .....</b>	<b>\$2,169,616</b>	<b>\$2,226,377</b>	<b>\$2,274,038</b>	<b>\$2,275,155</b>	<b>\$48,778</b>	<b>\$1,117</b>
OTPS .....	\$185,944	\$192,461	\$169,573	\$174,819	(\$17,642)	\$5,246
Debt Service .....	186,002	173,859	198,831	189,118	15,259	(9,713)
<b>Total OTPS .....</b>	<b>\$371,946</b>	<b>\$366,320</b>	<b>\$368,404</b>	<b>\$363,937</b>	<b>(\$2,383)</b>	<b>(\$4,467)</b>
<b>Total Agency Costs .....</b>	<b>\$2,541,562</b>	<b>\$2,592,697</b>	<b>\$2,642,442</b>	<b>\$2,639,092</b>	<b>\$46,395</b>	<b>(\$3,350)</b>
Less Intra-City .....	\$758	\$1,875	\$108	\$108	(\$1,767)	\$—
<b>Net Agency Cost .....</b>	<b>\$2,540,804</b>	<b>\$2,590,822</b>	<b>\$2,642,334</b>	<b>\$2,638,984</b>	<b>\$48,162</b>	<b>(\$3,350)</b>
<b>Funding</b>						
City .....	2,499,735	2,555,019	2,612,193	2,609,271	54,252	(2,922)
Non-City .....	41,069	35,803	30,141	29,713	(6,090)	(428)
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	12,684	12,688	12,240	12,575	(113)	335
Non-City .....	8	8	8	8	—	—
<b>Total .....</b>	<b>12,692</b>	<b>12,696</b>	<b>12,248</b>	<b>12,583</b>	<b>(113)</b>	<b>335</b>

Programmatic Review

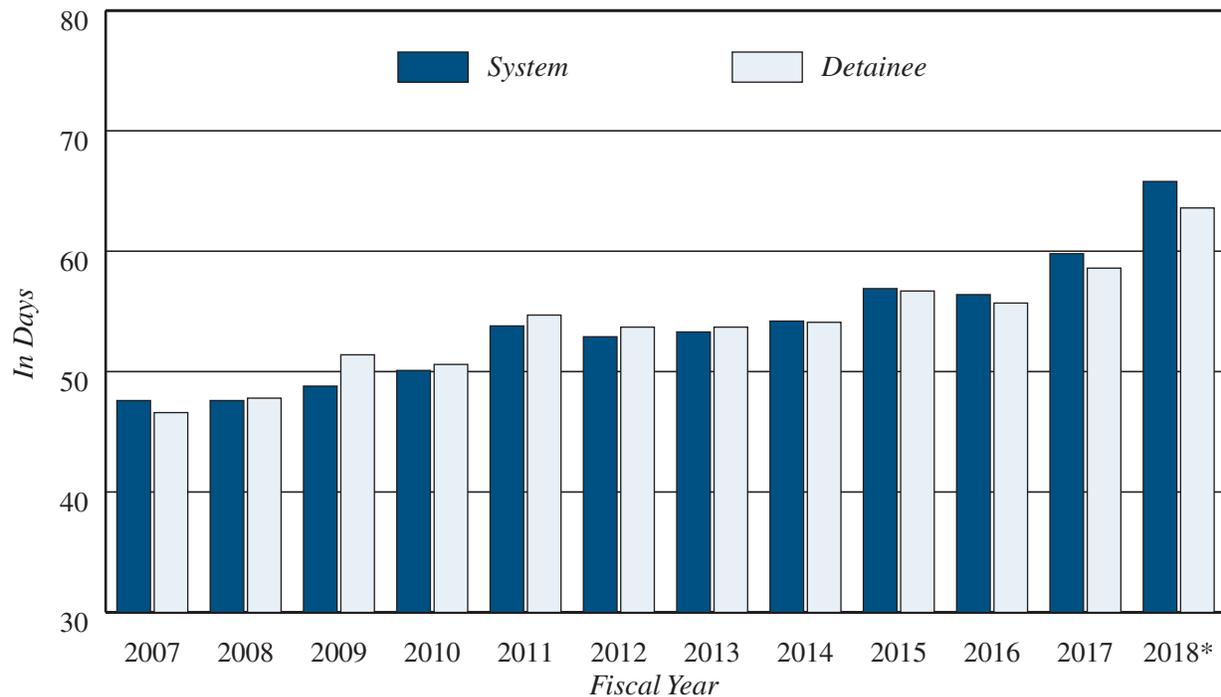
**AVERAGE DAILY INMATE POPULATION**



\*YTD through March 31, 2018

Source: NYC Department of Correction

**AVERAGE LENGTH OF STAY (By Fiscal Year)**



\*YTD through March 31, 2018

Source: NYC Department of Correction

The average daily population through the first nine months of 2018 was 9,062, which is 5.5 percent lower than the same period in 2017. System admissions are down 12 percent and overall system length of stay for the first nine months increased from 60.9 to 65.8 days.

**Capital Review**

The Four-Year Capital Strategy totals \$1.7 billion for the design and construction of new jail facilities, for support space, including a new training academy, for building systems and infrastructure, and for the lifecycle replacement of equipment.

The table below shows capital plan commitments by program area over the 2017-2022 period.

**Capital Commitments**  
**(\$ in 000's)**

	2017 Actual		2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
New Jail Facilities.....	\$0	\$0	\$0	\$0	\$300,000	\$300,000	\$765,627	\$765,627	\$0	\$0	\$0	\$0
Capacity Replacement .....	292	292	0	0	0	0	0	0	0	0	0	0
Support Space .....	-27	-27	16,599	16,599	13,061	13,061	90,500	90,500	500	500	0	0
Building Systems and .....												
Infrastructure.....	44,906	48,017	280,079	286,041	158,780	214,450	84,717	93,444	80,052	80,052	115,055	115,055
Equipment.....	12,348	12,348	75,418	75,418	16,145	16,145	16,899	16,899	18,311	18,311	10,599	10,599
<b>Total .....</b>	<b>\$57,519</b>	<b>\$60,630</b>	<b>\$372,096</b>	<b>\$378,058</b>	<b>\$487,986</b>	<b>\$543,656</b>	<b>\$957,743</b>	<b>\$966,470</b>	<b>\$98,863</b>	<b>\$98,863</b>	<b>\$125,654</b>	<b>\$125,654</b>

**Highlights of the 2019-2022 Four Year Capital Commitment Plan**

*New Jail Facilities (total commitment, \$1.1 billion)*

The Department’s plan includes \$1.1 billion for the design and construction of new jail facilities.

- Continuation of fire life safety upgrades (\$42.8 million).

*Building Systems, Infrastructure and Support Space (total commitment, \$607.1 million)*

The Department will undertake \$607.1 million in improvements to building systems, infrastructure and support space during the Four-Year Plan. Projects include:

- Design and construction of a new training academy (\$100 million).
- Heating, cooling, ductwork and ventilation upgrades (\$50.7 million).
- Roof, façade, window and courtyard reconstruction and repair (\$44.5 million).

- Modification of facility entrances for ADA compliance (\$22.8 million).

*Information Technology, Equipment, and Vehicles (total commitment, \$62 million)*

The Four-Year Plan provides \$62 million for vehicles, computers, security equipment and communication systems. Priorities include:

- Various information technology upgrades (\$14.5 million).
- Vehicle replacement (\$15.4 million).

## DEPARTMENTS OF SOCIAL AND HOMELESS SERVICES DEPARTMENT OF SOCIAL SERVICES

The Department of Social Services / Human Resources Administration (“DSS” or “HRA”) provides a range of services and programs to fight poverty, inequality and homelessness and to increase the economic well-being of families and individuals.

In April 2016, a comprehensive plan to improve the delivery of effective and efficient homeless services in New York City was announced, subsequent to a 90-day review of homeless services across City agencies. As an outcome of the review, an integrated management structure was created in DSS with HRA and the Department of Homeless Services (DHS) reporting to a single Commissioner for Social Services. Administrative support services have been streamlined through a shared services model that consolidates functions, including finance, human resources, contracting and information technology under the Department of Social Services.

The Human Resources Administration administers benefit programs including Cash Assistance (CA), Emergency Assistance, Supplemental Nutrition Assistance (SNAP), and Medical Assistance to support low-income New Yorkers. The Agency provides child support services, and assists individuals returning to or entering the workforce by providing a variety of employment-related services, including access to education and job training, and assistance with job search and placement. HRA also provides services and support to prevent and alleviate homelessness, including one-time emergency rent arrears grants, ongoing rental assistance and supportive housing, as well as community-based prevention services and legal services to prevent displacement and eviction, obtain federal disability benefits and address immigration-related issues. Programs for survivors of domestic violence, people with HIV or AIDS, the frail and elderly, and individuals with disabilities provide a safety net for those permanently or temporarily unable to work.

### Financial Review

The Department’s 2019 Executive Budget provides for operating expenses of \$9.9 billion, of which \$7.6 billion are City funds. A capital budget of \$132.2 million is also provided, of which \$90.3 million are City funds, in 2019.

- In 2019, \$200.8 million will support the Department’s rental assistance and rehousing programs, developed and expanded in coordination with DHS and New York State, which have helped over 81,500 New Yorkers move out of shelter or avoid homelessness since calendar year 2014.

### Expense Budget Highlights

- An additional \$30.8 million in 2019, increasing to \$93.3 million when fully implemented over five years, will provide access to counsel for all tenants facing eviction in Housing Court, making the City of New York the first city in the United States to do so. This will bring total anti-eviction legal services funding to an unprecedented level of \$92.6 million in 2019, increasing to \$155 million over five years.
- Beginning in 2019, \$30.7 million will be provided for legal counsel for immigrants. This funding will cover representation for New Yorkers facing deportation and other pressing immigration challenges, including those who are in detention, unaccompanied children and asylum seekers.

- An additional \$1.5 million in 2019 will support 23 positions to facilitate client enrollment and case management in the Agency’s new employment services programs.

## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018	2019
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<b>Expenditures</b>						
Salary and Wages .....	\$797,264	\$847,072	\$840,655	\$841,886	(\$5,186)	\$1,231
Fringe Benefits .....	501	913	913	913	—	—
Medical Assistance .....	5,913,356	5,914,753	5,914,753	5,914,753	—	—
Public Assistance .....	1,464,781	1,582,646	1,605,304	1,605,304	22,658	—
Other OTPS .....	1,387,522	1,563,086	1,521,106	1,559,845	(3,241)	38,739
<b>Total .....</b>	<b>\$9,563,424</b>	<b>\$9,908,470</b>	<b>\$9,882,731</b>	<b>\$9,922,701</b>	<b>\$14,231</b>	<b>\$39,970</b>
<b>Funding</b>						
City .....	\$7,419,839	\$7,547,115	\$7,563,583	\$7,582,414	\$35,299	\$18,831
Other Categorical Grants	128	205	—	—	(205)	—
IFA .....	—	—	—	—	—	—
State .....	590,655	718,761	721,120	728,132	9,371	7,012
Federal CD .....	11,263	3,759	—	—	(3,759)	—
Federal Other .....	1,527,773	1,623,461	1,591,450	1,598,038	(25,423)	6,588
Intra-City Other .....	13,766	15,169	6,578	14,117	(1,052)	7,539
<b>Total .....</b>	<b>\$9,563,424</b>	<b>\$9,908,470</b>	<b>\$9,882,731</b>	<b>\$9,922,701</b>	<b>\$14,231</b>	<b>\$39,970</b>
<b>Additional Costs Centrally Funded</b>						
<b>Personal Services (PS)</b>						
Fringe Benefits .....	\$345,517	\$353,299	\$390,650	\$390,736	\$37,437	\$86
Pensions .....	147,317	144,259	129,888	145,466	1,207	15,578
<b>Other Than Personal Service (OTPS)</b>						
Debt Service .....	73,745	68,578	78,428	81,599	13,021	3,171
<b>Total Additional Costs</b>	<b>\$566,579</b>	<b>\$566,136</b>	<b>\$598,966</b>	<b>\$617,801</b>	<b>\$51,665</b>	<b>\$18,835</b>
<b>Funding</b>						
City .....	390,467	382,211	436,030	454,704	72,493	18,674
Non-City .....	176,112	183,925	162,936	163,097	(20,828)	161
<b>Full Agency Costs (including Central Accounts)</b>						
Salary and Wages .....	\$797,264	\$847,072	\$840,655	\$841,886	(\$5,186)	\$1,231
Fringe Benefits .....	346,018	354,212	391,563	391,649	37,437	86
Pensions .....	147,317	144,259	129,888	145,466	1,207	15,578
<b>Total PS .....</b>	<b>\$1,290,599</b>	<b>\$1,345,543</b>	<b>\$1,362,106</b>	<b>\$1,379,001</b>	<b>\$33,458</b>	<b>\$16,895</b>
Medical Assistance .....	\$5,913,356	\$5,914,753	\$5,914,753	\$5,914,753	\$—	\$—
Public Assistance .....	1,464,781	1,582,646	1,605,304	1,605,304	22,658	—
Other OTPS .....	1,387,522	1,563,086	1,521,106	1,559,845	(3,241)	38,739
Debt Service .....	73,745	68,578	78,428	81,599	13,021	3,171
<b>Total OTPS .....</b>	<b>\$8,839,404</b>	<b>\$9,129,063</b>	<b>\$9,119,591</b>	<b>\$9,161,501</b>	<b>\$32,438</b>	<b>\$41,910</b>
<b>Total Agency Costs ....</b>	<b>\$10,130,003</b>	<b>\$10,474,606</b>	<b>\$10,481,697</b>	<b>\$10,540,502</b>	<b>\$65,896</b>	<b>\$58,805</b>
Less Intra-City .....	\$13,766	\$15,169	\$6,578	\$14,117	(\$1,052)	\$7,539
<b>Net Agency Cost .....</b>	<b>\$10,116,237</b>	<b>\$10,459,437</b>	<b>\$10,475,119</b>	<b>\$10,526,385</b>	<b>\$66,948</b>	<b>\$51,266</b>
<b>Funding</b>						
City .....	7,810,306	7,929,326	7,999,613	8,037,118	107,792	37,505
Non-City .....	2,305,931	2,530,111	2,475,506	2,489,267	(40,844)	13,761
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	10,729	11,313	11,314	11,270	(43)	(44)
Non-City .....	2,607	3,408	3,408	3,408	—	—
<b>Total .....</b>	<b>13,336</b>	<b>14,721</b>	<b>14,722</b>	<b>14,678</b>	<b>(43)</b>	<b>(44)</b>

**Programmatic Review and Service Impact**

*Family Independence Administration (FIA)*

The Family Independence Administration (FIA) administers Cash Assistance (CA) and the Supplemental Nutrition Assistance Program (SNAP). FIA assists individuals to obtain employment, provides access to education and training and provides support services including childcare and carfare for working families; and one-time grants for emergencies, including rent and utility arrears, security deposits, broker fees, storage fees, furniture allowances, and moving expenses.

*Cash Assistance (CA)*

The Department projects expenditures of \$1.6 billion on Cash Assistance (CA) benefits in 2019, of which \$713 million will be City funds.

While the number of CA recipients fluctuates slightly month-to-month, the annual unduplicated 12-month caseload receiving recurring CA was approximately 495,000 in Calendar 2017. The unduplicated number of persons receiving recurring assistance has been stable at approximately 500,000 since 2014 and remains lower

than the average for years prior to 2014. The annual 12-month unduplicated number receiving non-recurring benefits to prevent evictions and utility shutoffs in 2017 was approximately 106,000.

In February 2018, 364,834 individuals were in receipt of recurring CA benefits and 6,280 received one-time assistance, primarily emergency funds to prevent eviction and homelessness. About half of these recipients are children, and many of the others are seniors or individuals with permanent or temporary disabilities.

The Family Assistance (FA) program, which is funded entirely with federal Temporary Assistance for Needy Families (TANF) funds, assisted 125,282 adults and children in February 2018. Projected FA expenditures in 2019 are \$558 million.

The Safety Net Assistance (SNA) program, which is supported with City (71 percent) and State (29 percent) funds, serves families who have reached the five-year

**CASH ASSISTANCE CASELOAD 2010 - 2018**



Source: HRA Monthly Fact Sheets

time limit for TANF-funded benefits or who do not otherwise meet federal eligibility rules; single adults; and childless couples. In February 2018, 239,552 individuals received SNA, of whom 90,932 were adults and children who had reached the TANF time limit. In 2019, the Department projects spending \$1.05 billion on SNA, of which \$713 million are City funds.

*Supplemental Nutrition Assistance Program (SNAP)*

The Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps, is a federally-funded benefit intended to supplement food costs for low-income families and individuals. The Department administers the SNAP program on behalf of New York State. The City is responsible for 50 percent of the administrative cost of the program, with the federal government paying the other half. In 2019, approximately \$2.9 billion will provide benefits to an average of 1.6 million individuals per month, including more than 550,000 children.

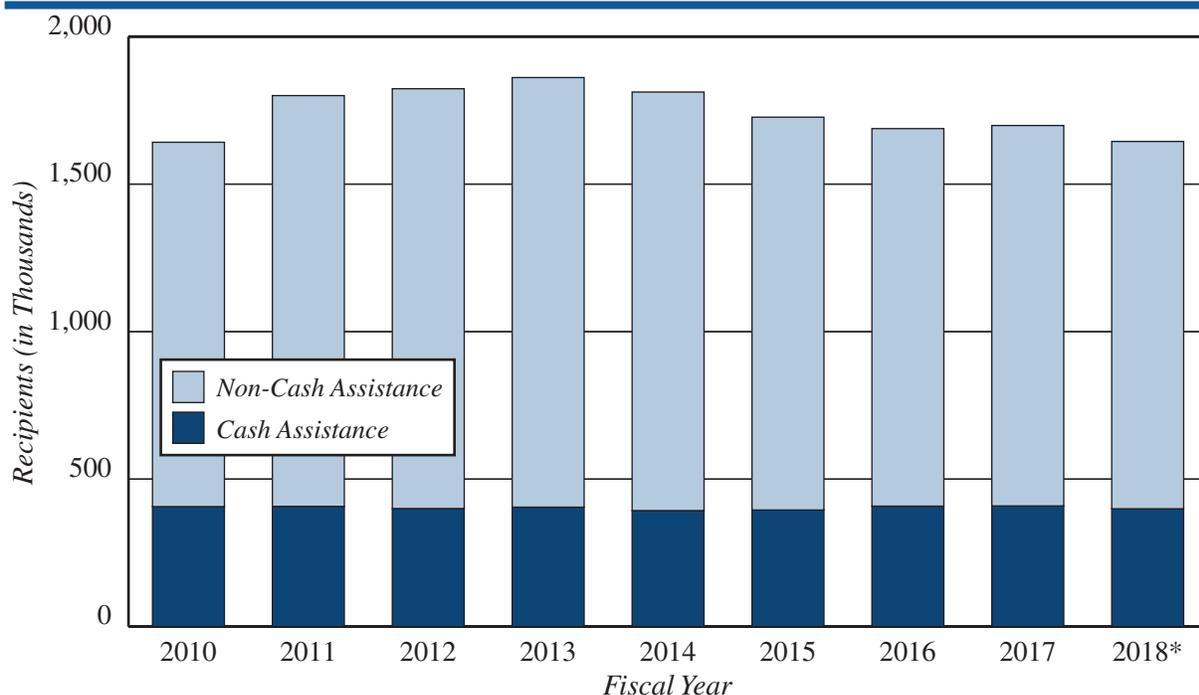
To ensure that all eligible New Yorkers are able to access these benefits, the Department has made system improvements to allow clients to apply and recertify for SNAP in a more efficient and accessible means online. In addition, the Department continues to enhance its

SNAP outreach activities through collaboration with community-based organizations (CBOs) and other City agencies, such as the New York City Housing Authority (NYCHA), to target groups who are likely eligible to receive SNAP benefits but may not be currently accessing them.

*Client Benefits Re-Engineering*

The Department is redesigning its business processes and implementing advanced technology solutions through its Client Benefits Re-engineering initiative, which allows the Department to manage its workload more efficiently while improving the client experience. By the end of 2018, on-demand SNAP interviews will be available citywide, allowing clients to conduct benefit interviews at their convenience. Currently, 87 percent of all SNAP application interviews are conducted over the phone. By the end of calendar 2018, all of HRA’s SNAP centers will have self-service PC Bank terminals that allow clients to complete and submit SNAP applications and recertification via the ACCESS HRA online client portal. During 2019, the Department will implement a new mobile responsive user interface on ACCESS HRA and add online SNAP case change requests. The Department’s mobile app will be enhanced to include mobile submission of

**AVERAGE NUMBER OF FOOD STAMP RECIPIENTS 2010 - 2018**



\* Year to date through February 2018

Source: HRA Monthly Fact Sheets & OTDA Monthly Caseload Statistics – SNAP Table

SNAP applications in addition to current functions that include case status, electronic notices, upcoming appointments, and electronic alerts. Over 79 percent of all SNAP applications are submitted online and over 20 percent of SNAP applicants use the mobile app to submit documents. Over 30,000 documents are submitted by SNAP and CA clients using the mobile app each month.

### *Employment Services*

FIA offers a wide array of employment programs and services to help families and individuals improve their economic prospects. Services include basic education, training, job search, placement, and retention services. FIA also provides targeted services for those with barriers to employment. At the end of February 2018, 33,000 cases were engaged in employment, training or other related activities and 24,400 were working full- or part-time but still making so little that they remain eligible for CA.

In April 2017 the Department launched a new set of employment contracts, including CareerCompass, which focuses on assessing and matching clients aged 25 and over with employment, sector-based training, adult literacy or other programming to lead to long-term employment; CareerAdvance, which focuses on providing expert sector-based training and employment in target industries; and YouthPathways, which provides assessment, training, education and job placement services to clients ages 18–24, with a particular focus on the needs and potential of young people.

### *Homelessness Prevention and Rehousing Services*

The Homeless Prevention Administration (HPA) administers and coordinates homelessness prevention, housing placement and rental assistance initiatives for HRA and DHS. HPA works to prevent the entry of families and individuals into shelter through the provision of diversion services, including short-term financial supports, across the City. In addition, HPA conducts targeted outreach to families and individuals identified by the Housing Court as potentially needing legal assistance or emergency rental assistance.

In 2017 HRA and DHS integrated their homeless prevention programs in order to improve client experiences and outcomes through consolidation and improved targeting. In 2018, HPA began managing the Homebase prevention services contracts, which had been part of DHS. Under the new contracts,

Homebase providers now offer community-based Aftercare and other services in addition to homeless prevention services. Enhanced prevention efforts and a new “prevention first” model are intended to help families avoid the trauma of homelessness.

With the implementation of universal access to legal services for tenants facing eviction in New York City Housing Court as part of the Executive Budget, the HRA tenant legal services budget will increase to \$93 million in 2019 and to \$155 million by 2023. At full implementation this funding is projected to serve 125,000 cases for 400,000 individuals annually. Legal services have proven effective at reducing unlawful evictions and preventing displacement. Since beginning an unprecedented expansion of tenant legal assistance in 2014, evictions by City Marshals have dropped by 27 percent Citywide, enabling 70,000 New Yorkers to stay in their homes.

This prevention first strategy streamlines and focuses already successful initiatives recognizing the many benefits of keeping New Yorkers stably housed and in their communities. These proven models represent a comprehensive set of tools aimed at achieving better outcomes for those who are most at risk of eviction and homelessness in New York City

HPA also manages HRA’s rental assistance programs, targeted to homeless families and individuals residing in DHS shelters and HRA-run domestic violence facilities and to prevent shelter entry. In 2019, \$201 million will support HRA’s rental assistance programs, including Living in Communities (LINC), the City Family Eviction Supplement Program (CFEPS), and the Special Exit and Prevention Supplement (SEPS). Federal funding is also provided for the Tenant Based Rental Assistance Program (TBRA). Through these programs, HRA helps families with children and adults without children, including working people, survivors of domestic violence and seniors avoid entry into or move out of shelter. From July 2014 through December 2017, 29,768 households comprised of over 81,000 individuals averted entry into or have exited shelter through one of these programs or through Section 8 and NYCHA. HPA also assists HRA domestic violence shelter providers and DHS and its network of shelter providers to facilitate moves from shelter to permanent housing, including making client eligibility determinations, matching clients with appropriate housing and interfacing with landlords and management companies that provide apartments to households eligible for rental assistance.

*Office of Child Support Services (OCSS)*

The Office of Child Support Services (OCSS) puts children first by helping both parents provide for the economic and social well-being of their children. OCSS provides a range of services including locating noncustodial parents, establishing paternity, establishing and modifying child support and medical orders, and collecting and distributing child support payments. Custodial parents receiving Cash Assistance are required to comply with OCSS pursuant to federal and New York State statutes. All other custodial parents may apply for OCSS services on a voluntary basis. In calendar year 2017, there were approximately 282,000 cases with support orders, including approximately 32,000 CA cases and 250,000 non-Cash Assistance (NCA) cases. Child support collections in calendar year 2017 totaled \$773 million, benefitting a quarter of a million children.

In 2017, over 92 percent of support collections went directly to families, and more than \$419 million was collected on behalf of families who formerly received CA.

*Medical Assistance Program (MAP)*

The Medicaid public health insurance program provides access to a wide range of services including primary care, hospital inpatient, emergency room, physician, pharmacy, clinic, nursing home, personal care, dental, rehabilitation, transportation, vision care, laboratory services and x-rays. Almost 1.8 million New York City residents received Medicaid through HRA as of February 2018, with the Medical Assistance Program (MAP) responsible for more than 1.1 million Medicaid-Only (non-CA) enrollees. Another approximately 1.5 million New Yorkers were enrolled in Medicaid through the New York State Health Exchange. With the development of the Exchange under the Affordable Care Act (ACA), most non-CA or SSI Medicaid eligibles no longer apply through the Department, resulting in the decline in the HRA-administered Medicaid caseload of 43 percent since December 2013.

As part of the implementation of the Exchange, NYS is transitioning responsibility for the administration of Medicaid away from the counties, including New York City, to the State. During the transition, the Department is expected to continue to determine Medicaid eligibility for a portion of the Medicaid caseload, and will also provide Certified Application Counselor (CAC) services in HRA locations to assist individuals

with applications for Medicaid facilitated through the Health Exchange.

*Home Care Services Program (HCSP)*

The Department's Home Care Services Program (HCSP) assists individuals who are frail, elderly, and/or have disabilities to remain safely in their homes with non-institutional alternatives to nursing home care. In February 2018, HCSP delivered personal care services to 4,968 personal care cases and provided Medicaid financial eligibility review to approximately 165,166 participants in the Managed Long Term Care Program (MLTC), a program that also transitioned to NYS as part of the ACA changes. HCSP reviews and authorizes service plans for participants in the Long Term Home Health Care Program (LTHHCP), as well as for approximately 557 children in the Care-at-Home Waiver Program.

The HCSP personal care services are also provided to participants in special federal waiver programs, including Traumatic Brain Injury, Home and Community Based Services, and the Nursing Home Transitional and Diversion waivers and Office of Mental Retardation and Developmental Delays (OMRDD) participants.

*Customized Assistance Services (CAS)*

Customized Assistance Services (CAS) provides clinically-oriented services in the areas of health, mental health, substance use treatment and rehabilitation for clients served by the Department's programs. CAS programs provide comprehensive and individualized services to help individuals with medical or mental health conditions achieve their maximum degree of self-reliance.

The Wellness, Comprehensive Assessment, Rehabilitation and Employment (WeCARE) program works with Cash Assistance recipients who have medical or mental health conditions that pose barriers to employment, providing integrated services that include assessment, diagnosis, comprehensive service and wellness planning, linkages to treatment, case management, disability benefits assistance, and vocational rehabilitation, training and education, and job placement through two performance-based contracts. From July 2017 through January 2018, 2,541 WeCARE clients obtained jobs and 2,049 were approved for federal disability benefits.

CAS provides assessments, referrals and monitoring of substance use treatment and case management services to CA and oversees approximately 8,000 clients enrolled in treatment, many of whom are served through Comprehensive Service Model contracts providing services to better support retention in substance use treatment and to assist clients with intensive support needs. CAS also oversees the review of applications for supportive housing units across the City. CAS oversees the Visiting Psychiatric Service Program (VPS), providing home-based psychiatric assessments and crisis intervention services to clients served by HRA and other agencies; the Office of Reasonable Accommodations (ORA), which reviews and makes determinations on Reasonable Accommodation Requests (RAR) submitted by clients with disabilities; and the Disability Service Program, which files federal disability benefit applications, pursues administrative appeals on denied claims, and performs eligibility determinations for Medicaid Aged, Blind and Disabled clients.

#### *HIV/AIDS Services Administration (HASA)*

The HIV/AIDS Services Administration (HASA) provides comprehensive services to individuals and families with HIV and AIDS. HASA clients receive case management, assessments and referrals, housing and homemaking services. In 2017, medical eligibility for the HASA program expanded to permit all financially-eligible New York City residents with HIV to voluntarily seek and obtain HASA services. As of February 2018, HASA served over 34,300 individuals in 33,700 households, compared with 31,600 individuals in February 2016. Of those 33,700 households served, approximately 3,780 were eligible because of the expanded medical criteria. Over 19,000 HASA households receive ongoing rental assistance to facilitate and maintain housing stability, typically in private market apartments. HASA also provides emergency housing placements in supportive transitional facilities and single room occupancy (SRO) units for homeless clients. Non-emergency supportive housing is provided in congregate facilities and scattered site apartments. These programs are operated by community-based organizations that provide case management and support services. In February 2018, HASA supported over 3,750 units in its emergency housing portfolio and over 4,650 units in its non-emergency supportive housing stock, including units developed under the New York/New York III agreement.

#### *Adult Protective Services (APS)*

The Department's Adult Protective Services (APS) program assists adults with mental and/or physical impairments who are unable to care for or protect themselves from abuse, neglect, or exploitation, and who have no one willing and able to responsibly assist them. Services include referrals for psychiatric and medical examinations, assistance in obtaining and recertifying for benefits and entitlements, eviction prevention and financial management. APS also petitions the State Supreme Court for community guardians to manage financial and domestic issues for clients who lack capacity to manage their own affairs.

Through February of Fiscal 2018, APS received 19,891 referrals. Forty-seven percent of the referrals involved eviction, 10 percent included allegations of abuse, 11 percent included allegations of neglect and nine percent included allegations of financial exploitation. From July 2017 to February 2018, APS assessed 16,806 individuals and maintained an average monthly undercare caseload of 7,521. The average monthly Community Guardian caseload was 2,325 through February 2018.

Funding was added in 2018 to begin a model budget exercise for these services (\$3.1 million in 2018 growing to \$6.2 million in 2020). HRA has been engaged with providers to increase staff resources and improve the quality of protective services.

#### *Office of Domestic Violence (ODV)*

The Office of Domestic Violence Services (ODV) provides emergency shelter and social services to survivors of domestic violence. ODV administers State-licensed emergency domestic violence shelters, including one directly operated by the Department. These shelters have a total capacity of 2,467 beds for survivors of domestic violence and their children. ODV also administers seven Tier II shelters with 297 family units for clients who require additional services before transitioning back to the community. HRA's Tier II and Emergency shelter capacity is projected to increase in 2019 through a procurement that was released in 2017.

Approximately 1,100 families are served by the shelters every day. Shelters provide safe environments and a range of additional domestic violence support services including counseling, advocacy and referrals. In addition, nine community-based non-residential programs provide information, counseling, advocacy,

legal services, and referrals to other supportive services to help domestic violence survivors navigate the challenges of living in their own communities. These programs maintain an average monthly caseload of approximately 1,900 individuals. The Teen Relationship Abuse Prevention Program (RAPP) provides classes and counseling to teenagers in 87 public schools across the City to help stop relationship violence before it occurs.

#### *Home Energy Assistance Program (HEAP) and Other Utility Assistance Programs*

The Home Energy Assistance Program (HEAP) is a federally funded program that assists low-income homeowners and renters to pay energy costs and heating equipment repair bills. HEAP serves over 700,000 households annually during the heating season, which runs from November to March of each year. Most benefits are provided to CA, SNAP, and SSI recipients who receive automatic payments. HEAP provides emergency benefits for assistance with gas and other utility bills and shut-offs, helps obtain service extensions, and pays for emergency oil deliveries and furnace repairs and replacements to other income eligible households through an application process.

Additional programs include Heat-Line, which offers HEAP applications and other public benefits to the homebound population; the Utility Assistance

Program, which offers similar benefits to those identified as eligible through the utility companies, and the Department of Environmental Conservation's Safety Net program which assists low-income homeowners with their water bills.

#### *Emergency Food and Nutrition Assistance Program*

The Emergency Food and Nutrition Assistance Program (EFNAP) administers the Emergency Food Assistance Program (EFAP) which provides food, funding and technical assistance to approximately 520 food pantries and soup kitchens. EFNAP also provides SNAP materials, education, trainings, pre-screenings and application assistance to the general public, other government agencies and community-based organizations throughout the five boroughs of New York City.

#### *Crisis and Disaster Unit*

The Crisis and Disaster Unit responds to City-wide disasters and emergencies. The unit is responsible for the Disaster Task Force consisting of 450 Department-trained volunteers who respond under the unit's direction to provide services during emergencies and disasters. The unit helps to coordinate the Agency's response to emergencies and works with the Office of Emergency Management (OEM) to implement the citywide human services response to emergencies.

## Capital Review

The Department's Four-Year Capital Strategy for 2019-2022 totals \$176.8 million, of which \$124 million are City funds. The Four-Year Capital Strategy includes \$131.1 million for technology to streamline Department operations, including key investments related to Client Services Re-engineering, employment and WeCare case management, and Landlord Management Systems. Additionally, HRA is also making capital investments of \$43.4 million for facilities maintenance, equipment and improvements, and \$2.3 million is provided for vehicles.

### Capital Commitments

(\$ in 000's)

	2017 Actual		2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Data Processing.....	\$18,326	\$23,093	\$27,109	\$30,648	\$58,338	\$85,804	\$16,244	\$20,057	\$-	\$-	\$2,867	\$5,852
Telecommunications .....	2,168	4,278	2,860	5,550	7,135	13,491	2,342	4,636	635	1,241	-	-
Automotive.....	371	432	604	656	1,147	1,314	98	200	194	396	202	412
Equipment.....	73	73	5,770	8,970	11,557	16,411	972	972	802	802	-	-
Buildings.....	12,125	16,562	16,982	26,208	12,085	15,191	6,614	6,614	-	-	2,768	3,392
<b>Total .....</b>	<b>\$33,063</b>	<b>\$44,438</b>	<b>\$53,325</b>	<b>\$72,032</b>	<b>\$90,262</b>	<b>\$132,211</b>	<b>\$26,270</b>	<b>\$32,479</b>	<b>\$1,631</b>	<b>\$2,439</b>	<b>\$5,837</b>	<b>\$9,656</b>

### Highlights of the Four Year Capital Strategy

- Continued development of Access HRA to enhance mobile functionality, including the ability to apply, recertify and make case changes via smartphone, as well as enhancements to include online submissions of SNAP case changes, rental subsidy renewals, and cash assistance special grants. The Department will also improve and upgrade the workload management system used by SNAP supervisors and management, upgrades will automate tasks and distribute case processing across the SNAP program (\$19.2 million).
- Upgraded client case management system for the Department's employment and WeCare services (\$19.7 million).
- Development of a Landlord Management System (LMS) that will offer a public portal for landlords to streamline the payment process (\$8.5 million).
- Renovation and outfitting of a new HRA model client service center that will provide all major HRA services to eastern Brooklyn (\$20.8 million).
- Design and construction improvements for domestic violence shelters (\$5.1 million).

## DEPARTMENTS OF SOCIAL AND HOMELESS SERVICES DEPARTMENT OF HOMELESS SERVICES

The Department of Homeless Services (DHS) works to prevent homelessness whenever possible, provides safe and service-rich emergency shelter when needed, assists individuals and families transition to permanent housing, and provides outreach, drop-in and housing placement services for street homeless individuals.

In 2016, a comprehensive model to more effectively and efficiently administer homeless services in New York City was announced, subsequent to a 90-day review of these services across City agencies. As an outcome of the review, an integrated management structure was created in the Department of Social Services (DSS) with DHS and the Human Resources Administration (HRA) reporting to a single Commissioner for Social Services.

In February 2017, the City released “Turning the Tide on Homelessness”, which outlined a plan to address homelessness over the succeeding five years, providing a blueprint for a borough-based approach to address the challenge of homelessness. The plan also includes an increased focus on homelessness prevention; on improving shelter conditions, services and security; on addressing street homelessness; and on rehousing; and shrinks the footprint of DHS by 45 percent by closing 360 cluster sites and commercial hotel locations and replacing them with a smaller number of 90 new effective, borough-based shelters. Through February of 2018, DHS had vacated 100 shelter sites, and 17 high-quality borough-based shelters had been sited, 11 of which have become operational. The creation of an NYPD management team at DHS now oversees shelter security throughout the City and the Interagency Shelter Repair Squad conducted over 34,000 shelter inspections in calendar years 2016 and 2017, reducing violations that had been unaddressed for many years by 84 percent.

The Department will continue to work with HRA and other City partners to help homeless families and adults without children transition into permanent housing in 2019. Since Fiscal 2015, 29,768 households comprised of over 81,000 people have exited DHS and HRA shelter or avoided entering shelter through rental assistance programs, including Living in Communities (LINC), the City Family Eviction Supplement Program (CFEPS), HOME TBRA and the Special Exit and Prevention Supplement (SEPS), or through Section 8 and NYCHA placements.

### Financial Review

The Department’s 2019 Executive Budget provides for operating expenses of \$2.06 billion, of which \$1.18 billion are City funds. A capital budget of \$193 million is also provided in 2019.

- An additional \$5 million in 2018 through 2020 will support an architectural consultant team to assess shelters and develop plans for remediation needed to meet ADA standards and guidelines in order to allow the agency to prioritize modifications that will make shelters more accessible to people with disabilities.

### Expense Budget Highlights

- An additional \$309 million will support shelter capacity in 2019, including funding for related security and supplies, such as furniture and food. In March 2018 there was an average of 59,562 individuals in DHS family, adult family and single adult shelters.
- An additional \$17 million in 2018 will support expansion and enhancement of the Department’s street homelessness initiatives, including additional Safe Haven beds and drop-in programs to help bring homeless persons off the streets and out of the subways.
- The Department anticipates savings of \$26.1 million in City funds in 2019 from reorganization of shelter security operations in not-for-profit sites. Contracted security staff will be overseen by the NYPD management team.

## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018	2019
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<b>Expenditures</b>						
Salary and Wages .....	\$154,121	\$155,322	\$159,106	\$158,688	\$3,366	(\$418)
Fringe Benefits .....	1,535	1,566	1,566	1,566	—	—
OTPS .....	1,668,042	1,992,905	1,659,565	1,899,656	(93,249)	240,091
<b>Total .....</b>	<b>\$1,823,698</b>	<b>\$2,149,793</b>	<b>\$1,820,237</b>	<b>\$2,059,910</b>	<b>(\$89,883)</b>	<b>\$239,673</b>
<b>Funding</b>						
City .....	\$1,093,498	\$1,291,345	\$1,052,505	\$1,177,241	(\$114,104)	\$124,736
Other Categorical Grants ..	3,186	—	—	—	—	—
IFA .....	—	—	—	—	—	—
State .....	166,860	177,108	169,740	180,227	3,119	10,487
Federal CD .....	4,098	4,722	4,722	4,722	—	—
Federal Other .....	547,233	674,546	592,419	696,869	22,323	104,450
Intra-City Other .....	8,823	2,072	851	851	(1,221)	—
<b>Total .....</b>	<b>\$1,823,698</b>	<b>\$2,149,793</b>	<b>\$1,820,237</b>	<b>\$2,059,910</b>	<b>(\$89,883)</b>	<b>\$239,673</b>
<b>Additional Costs Centrally Funded</b>						
Personal Services (PS)						
Fringe Benefits .....	\$53,696	\$55,254	\$60,725	\$61,382	\$6,128	\$657
Pensions .....	21,300	24,565	22,665	25,704	1,139	3,039
Other Than Personal Service (OTPS)						
Debt Service .....	—	—	—	—	—	—
<b>Total Additional Costs</b>	<b>\$74,996</b>	<b>\$79,819</b>	<b>\$83,390</b>	<b>\$87,086</b>	<b>\$7,267</b>	<b>\$3,696</b>
<b>Funding</b>						
City .....	68,835	72,531	77,402	81,093	8,562	3,691
Non-City .....	6,161	7,288	5,988	5,993	(1,295)	5
<b>Full Agency Costs (including Central Accounts)</b>						
Salary and Wages .....	\$154,121	\$155,322	\$159,106	\$158,688	\$3,366	(\$418)
Fringe Benefits .....	55,231	56,820	62,291	62,948	6,128	657
Pensions .....	21,300	24,565	22,665	25,704	1,139	3,039
<b>Total PS .....</b>	<b>\$230,652</b>	<b>\$236,707</b>	<b>\$244,062</b>	<b>\$247,340</b>	<b>\$10,633</b>	<b>\$3,278</b>
OTPS .....	\$1,668,042	\$1,992,905	\$1,659,565	\$1,899,656	(\$93,249)	\$240,091
Debt Service .....	—	—	—	—	—	—
<b>Total OTPS</b>	<b>\$1,668,042</b>	<b>\$1,992,905</b>	<b>\$1,659,565</b>	<b>\$1,899,656</b>	<b>(\$93,249)</b>	<b>\$240,091</b>
<b>Total Agency Costs .....</b>	<b>\$1,898,694</b>	<b>\$2,229,612</b>	<b>\$1,903,627</b>	<b>\$2,146,996</b>	<b>(\$82,616)</b>	<b>\$243,369</b>
Less Intra-City .....	\$8,823	\$2,072	\$851	\$851	(\$1,221)	\$—
<b>Net Agency Cost .....</b>	<b>\$1,889,871</b>	<b>\$2,227,540</b>	<b>\$1,902,776</b>	<b>\$2,146,145</b>	<b>(\$81,395)</b>	<b>\$243,369</b>
<b>Funding</b>						
City .....	1,162,333	1,363,876	1,129,907	1,258,334	(105,542)	128,427
Non-City .....	727,538	863,664	772,869	887,811	24,147	114,942
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	2,323	2,569	2,568	2,568	(1)	—
Non-City .....	26	46	10	10	(36)	—
<b>Total .....</b>	<b>2,349</b>	<b>2,615</b>	<b>2,578</b>	<b>2,578</b>	<b>(37)</b>	<b>—</b>

**Programmatic Review and Service Impact**

*Adult Services*

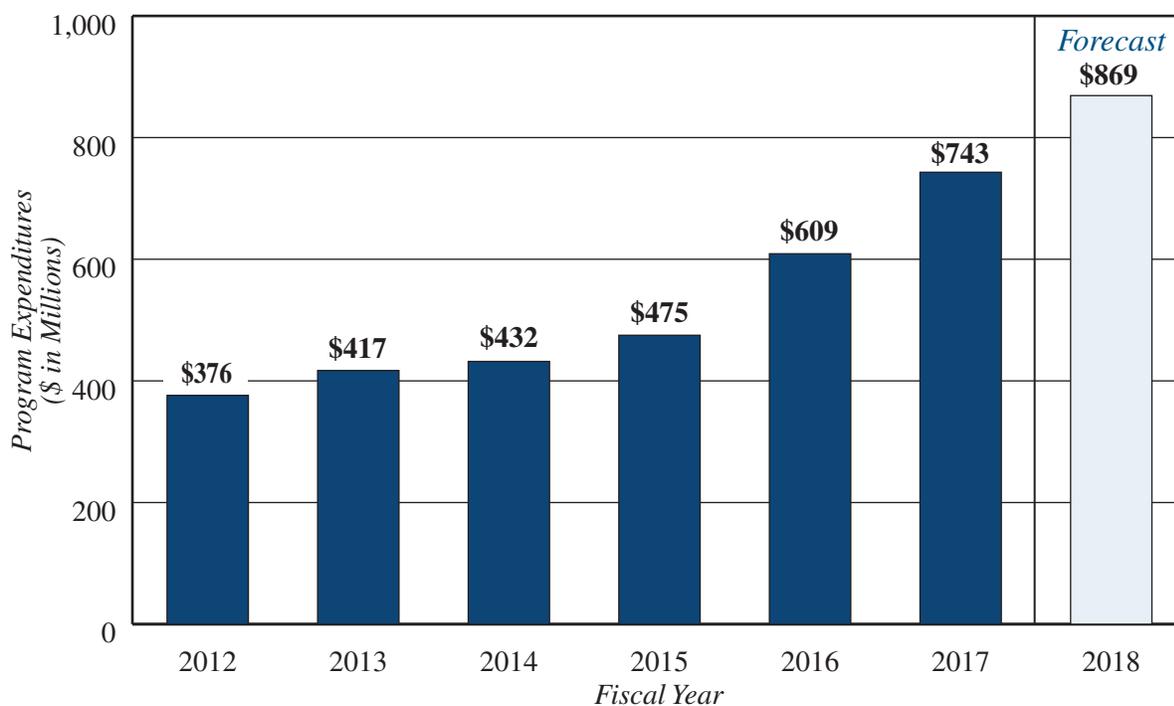
The Department provides a variety of directly operated and contracted services for homeless adults, including general and specialized transitional shelter, housing assistance and placement into subsidized and supportive housing. DHS, along with not-for-profit providers, operates six assessment programs, over 40 general shelters, and more than 60 specialized shelters for single adults. Specialized shelters include those providing mental health, substance use and employment services. The DHS Division of Adult Services also provides shelter to adult couples and families without minor children in contracted and directly operated shelters.

In 2019, the Department will continue to operate literacy, job training and programming at both directly operated and contracted shelters and to partner with

HRA to connect adults in shelter to employment opportunities, including public and private market subsidized employment programs, to help them transition to permanent housing.

DHS single adults and adult families exit or avoid shelter through one of the rental assistance or subsidized housing programs that overall placed over 81,000 people in permanent housing since 2015. In addition, single adults have access to supportive housing, which provides permanent housing combined with on-site services for clients with special needs. The NYC “15/15” plan will develop and fund the operation of 15,000 additional supportive housing units over 15 years. Since the release of the first 15/15 procurement in August 2016, there have been awards for over 1,400 congregate and scatter site housing units.

**HOMELESS INDIVIDUALS - PROGRAM EXPENDITURES: 2012 - 2018\***



\* Excludes Advantage expenditures

Source: NYC OMB

*Family Services*

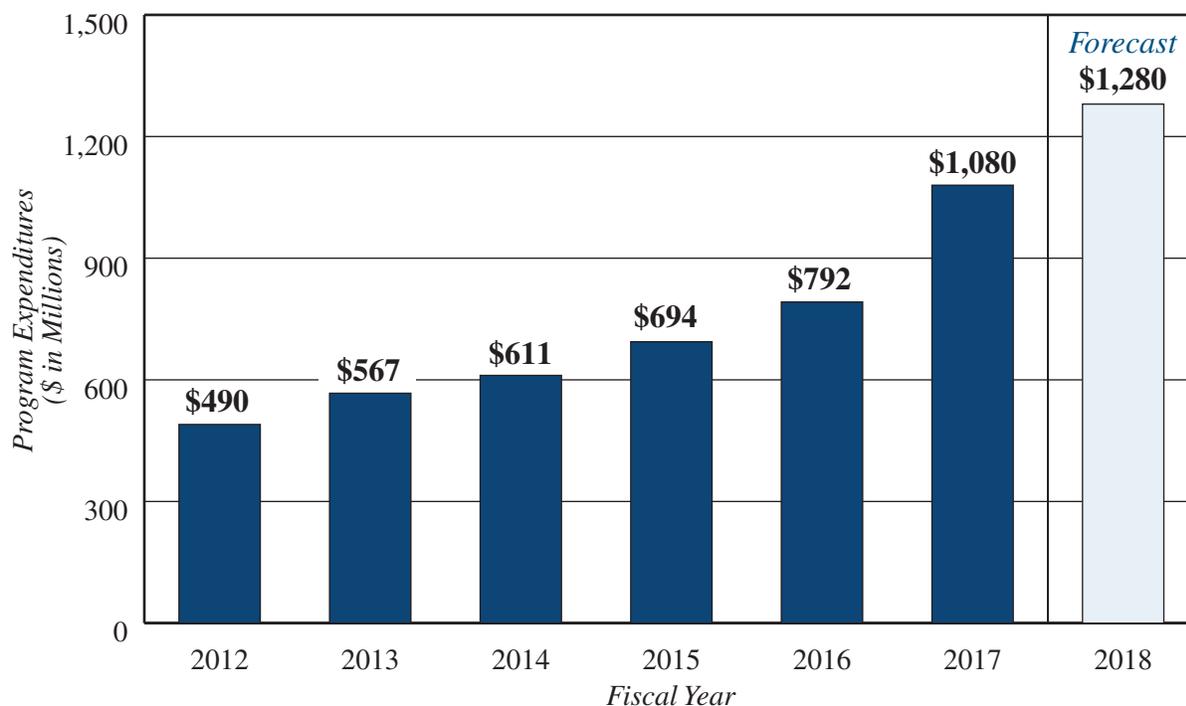
The Department serves homeless families with children through a network of shelters run by not-for-profit providers and by DHS directly. Families are provided with social services, access to child day care and other supports and rehousing services, designed to maximize family stability and to help them move to permanency in the community.

Eligible families are also required to apply for Cash Assistance (CA) through HRA and, as part of this process, receive access to a full range of employment and education programs to help prepare for and obtain employment. CA eligibility also provides access to many rental assistance programs that allow families to move into permanent housing. Through its network of providers, DHS also helps families access SNAP benefits, child support, tax credits and work supports, including day care and Universal Pre-Kindergarten programs.

As part of ThriveNYC, the City’s comprehensive plan to address the mental health needs of New Yorkers, DHS continues to add Licensed Social Workers in contracted family shelters to serve as Client Care Coordinators. These Coordinators provide supports to families that are multi-system involved, develop on-site social services and programming as well as coordinate care and services between City agencies and community-based organizations that serve these families.

In 2019, DHS, partnering with other City agencies including the Department of Education, the Administration for Children’s Services (ACS) and the Department of Health and Mental Hygiene (DOHMH), will continue and expand its focus on child well-being. The Department monitors school attendance, promotes infant safe sleeping, and collaborates with ACS to coordinate services to families with child welfare involvement and with DOHMH on programs for maternal and infant health.

**HOMELESS FAMILIES - PROGRAM EXPENDITURES: 2012 - 2018\***



\* Excludes Advantage expenditures

Source: NYC OMB

*Shelter Security & Safety*

In 2016 the Department placed the New York City Police Department (NYPD) in charge of security at DHS shelters, standardizing security, surveillance and training across the shelter system.

The Interagency Shelter Repair Squad, which includes the Department of Housing Preservation and Development, the Department of Buildings, the New York City Fire Department and DHS, in partnership with non-profit shelter providers, conducted over 34,000 shelter inspections in calendar years 2016 and 2017. The number of outstanding violations within traditional shelters has declined by 84 percent since January 2016.

*Street Solutions*

The Department is committed to providing robust programming and increasing permanency options for individuals on the street. DHS provides an array of services to meet this goal, including street outreach programs, safe havens, drop-in centers and stabilization beds.

In 2016, the Department launched Home-STAT (Homeless Outreach and Mobile Engagement Street Action Team), a street homeless effort that partners existing homeless response and prevention programs with a series of new innovations designed to better identify, engage and transition homeless New Yorkers

from the streets to appropriate services and permanent housing. Since the launch of Home-STAT, the City has helped 1,480 people come in from the streets into transitional programs or permanent housing and provided assistance so that they have remained off the streets.

The Home-STAT initiative created new street canvassing teams and enhanced tools for outreach teams to bring people in from the streets, including nearly doubling the number of outreach staff, increased capacity in safe havens and drop in centers, and implemented case conferencing across multiple City agencies in support of helping street homeless individuals. The Department's online Home-STAT dashboards offer consistent and transparent data tracking the City's efforts in reducing street homelessness and improving lives for New Yorkers.

The Department's safe havens, which are low-threshold transitional residential programs, drop-in centers and short-term stabilization beds, comprise a system of specialized programs that provide additional services to street homeless clients and help them transition from the streets to more permanent settings. By the end of the 2018 calendar year there will be 1,800 beds available to street homeless clients in these specialized programs, a nearly three-fold increase since calendar year 2014.

## Capital Review

The Department's Four-Year Capital Plan for 2019-2022 totals \$482 million, all City funds. This provides \$142 for homeless family facilities, \$279 million for single adult facilities, and \$53 for technology projects and equipment purchases. The table below reflects capital commitments by program area over the Four-Year Plan.

### Capital Commitments

(\$ in 000's)

	2017 Actual		2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Homeless Family Facilities ...	\$4,718	\$4,718	\$27,013	\$27,013	\$27,508	\$27,508	\$57,780	\$57,780	\$16,532	\$16,532	\$39,947	\$39,947
Single Adult Facilities.....	22,985	22,985	38,593	38,593	136,111	136,111	85,350	85,350	37,976	37,976	19,424	19,424
Information Technology and Equipment.....	785	785	2,868	2,868	26,940	26,940	16,778	16,778	3,297	3,297	6,192	6,192
City Council and Borough President.....	0	0	2,106	2,106	2,193	2,193	6,421	6,421	0	0	0	0
<b>Total .....</b>	<b>\$28,488</b>	<b>\$28,488</b>	<b>\$70,580</b>	<b>\$70,580</b>	<b>\$192,752</b>	<b>\$192,752</b>	<b>\$166,329</b>	<b>\$166,329</b>	<b>\$57,805</b>	<b>\$57,805</b>	<b>\$65,563</b>	<b>\$65,563</b>

### Highlights of the Four-Year Capital Strategy

- Significant investment of \$300 million for critical upgrades at family and adult shelter facilities, including funding allocated to the upgrade of shelter sites to increase capacity as part of the “Turning the Tide” commitment.
- Continued funding for exterior and interior building upgrades at Bellevue Men’s Shelter of \$119 million.
- Funding for technology projects including an upgrade and enhancement of the CARES case management system (\$13 million); the Building Compliance System (\$4 million); and the StreetSmart/Home-STAT program (\$4 million).
- Funding closed circuit television systems at 15 DHS shelter and intake sites to continue to enhance and improve security for clients and staff (\$22 million).

## ADMINISTRATION FOR CHILDREN'S SERVICES

The Administration for Children's Services (ACS) provides a broad range of programs that protect and promote safety and well-being of New York City's children and families by providing child welfare, juvenile justice, and early care and education services. The Department investigates allegations of child abuse and neglect, supports preventive services to families and children, provides foster care and adoption services for children who cannot safely remain in their homes, and provides custody and care for children who are involved in the juvenile justice system. The Department also administers early childhood education programs through the Division of Child and Family Wellbeing.

### Financial Review

The Department's 2019 Executive Budget provides for operating expenses of \$2.94 billion, \$988 million of which are City funds. Capital commitments of \$343 million are provided, of which \$309 million are City funds.

### Expense Budget Highlights

- In 2018, through the City's Nonprofit Model Budget Initiative, ACS invested \$26 million in preventive services to strengthen provider budgets and ensure continued high quality services for families in need. Additional supports include funding for more staff to reduce caseloads, salary increases for case planners, and funding for quality assurance resources.
- In 2018, ACS continued to invest in the Division of Child Protection with an additional \$3.2 million to support Child Protective Specialists, including new Child Protective Specialists supervisors, a new advertising campaign to attract high quality candidates, and an internal employee recognition campaign to highlight the achievements of CPS staff.

- As part of Raise the Age, ACS will make substantial investments in its detention and placement services for youth 17 and under. \$51.3 million in 2019, \$84.7 million in 2020 and \$100.6 million in 2021 and out will support necessary staffing and programming at detention facilities, additional placement services for youth placed in a Close to Home settings, expanded alternative to detention programming and additional support and administrative services. Raise the Age legislation was enacted in 2017 and raises the age of criminal responsibility in New York from 16 to 18 years of age.

### State Budget Impact

- \$31 million in 2019 and out will backfill funding cuts included in the enacted State budget. The State's Enacted Budget eliminates funding for Close to Home, which was enacted in 2012 and allows for the placement of adjudicated youth in ACS' Close to Home program instead of upstate State-run facilities.

## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018	2019
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<b>Expenditures</b>						
Salary and Wages .....	\$464,856	\$487,404	\$482,982	\$489,846	\$2,442	\$6,864
Fringe Benefits .....	161	1	1	1	—	—
OTPS .....	2,509,075	2,669,969	2,087,391	2,454,610	(215,359)	367,219
<b>Total .....</b>	<b>\$2,974,092</b>	<b>\$3,157,374</b>	<b>\$2,570,374</b>	<b>\$2,944,457</b>	<b>(\$212,917)</b>	<b>\$374,083</b>
<b>Funding</b>						
City .....	\$808,397	\$1,027,316	\$788,748	\$987,888	(\$39,428)	\$199,140
Other Categorical Grants ..	321	158	—	—	(158)	—
IFA .....	—	—	—	—	—	—
State .....	823,670	758,203	749,718	728,185	(30,018)	(21,533)
Federal CD .....	2,963	2,963	—	1,728	(1,235)	1,728
Federal Other .....	1,266,556	1,286,058	1,025,491	1,175,754	(110,304)	150,263
Intra-City Other .....	72,185	82,676	6,417	50,902	(31,774)	44,485
<b>Total .....</b>	<b>\$2,974,092</b>	<b>\$3,157,374</b>	<b>\$2,570,374</b>	<b>\$2,944,457</b>	<b>(\$212,917)</b>	<b>\$374,083</b>
<b>Additional Costs Centrally Funded</b>						
<b>Personal Services (PS)</b>						
Fringe Benefits .....	\$151,675	\$161,385	\$174,436	\$178,045	\$16,660	\$3,609
Pensions .....	71,816	70,040	67,711	76,791	6,751	9,080
<b>Other Than Personal Service (OTPS)</b>						
Debt Service .....	—	—	—	—	—	—
<b>Total Additional Costs ...</b>	<b>\$223,491</b>	<b>\$231,425</b>	<b>\$242,147</b>	<b>\$254,836</b>	<b>\$23,411</b>	<b>\$12,689</b>
<b>Funding</b>						
City .....	115,733	94,422	122,193	135,391	40,969	13,198
Non-City .....	107,758	137,003	119,954	119,445	(17,558)	(509)
<b>Full Agency Costs (including Central Accounts)</b>						
Salary and Wages .....	\$464,856	\$487,404	\$482,982	\$489,846	\$2,442	\$6,864
Fringe Benefits .....	151,836	161,386	174,437	178,046	16,660	3,609
Pensions .....	71,816	70,040	67,711	76,791	6,751	9,080
<b>Total PS .....</b>	<b>\$688,508</b>	<b>\$718,830</b>	<b>\$725,130</b>	<b>\$744,683</b>	<b>\$25,853</b>	<b>\$19,553</b>
OTPS .....	\$2,509,075	\$2,669,969	\$2,087,391	\$2,454,610	(215,359)	\$367,219
Debt Service .....	—	—	—	—	—	—
<b>Total OTPS .....</b>	<b>\$2,509,075</b>	<b>\$2,669,969</b>	<b>\$2,087,391</b>	<b>\$2,454,610</b>	<b>(\$215,359)</b>	<b>\$367,219</b>
<b>Total Agency Costs .....</b>	<b>\$3,197,583</b>	<b>\$3,388,799</b>	<b>\$2,812,521</b>	<b>\$3,199,293</b>	<b>(\$189,506)</b>	<b>\$386,772</b>
Less Intra-City .....	\$72,185	\$82,676	\$6,417	\$50,902	(31,774)	\$44,485
<b>Net Agency Cost .....</b>	<b>\$3,125,398</b>	<b>\$3,306,123</b>	<b>\$2,806,104</b>	<b>\$3,148,391</b>	<b>(\$157,732)</b>	<b>\$342,287</b>
<b>Funding</b>						
City .....	924,130	1,121,738	910,941	1,123,279	1,541	212,338
Non-City .....	2,201,268	2,184,385	1,895,163	2,025,112	(159,273)	129,949
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	6,277	7,049	6,864	6,908	(141)	44
Non-City .....	85	167	168	167	—	(1)
<b>Total .....</b>	<b>6,362</b>	<b>7,216</b>	<b>7,032</b>	<b>7,075</b>	<b>(141)</b>	<b>43</b>

## Programmatic Review and Service Impact

### *Division of Child Protection (DCP)*

DCP investigates allegations of child abuse and neglect and makes determinations about the safety and risk to children. The DCP's Family Services Unit (FSU) monitors children and families in court-ordered supervision cases until a judge determines that a child may remain safely in their home without the intervention of ACS, or in need of placement in foster care. DCP also conducts Family Meetings, which are an informal meeting scheduled to engage the family and address risk issues and/or develop or modify a service plan. Organized by DCP, Child Safety Conferences are formal meetings scheduled when court intervention is being considered in order to address existing safety issues. It is facilitated by the Child and Family Specialist (CFS). Family supports, service providers and resources are encouraged to attend both Family Meetings and Child Safety Conferences.

The protective/diagnostic unit of DCP is the core unit tasked with investigating the majority of the approximately 60,000 reports of abuse and neglect that ACS receives each year. Protective/diagnostic field offices are located in each of the five boroughs and child protective personnel oversaw on average approximately 12,686 active cases each month in 2017.

Beginning in 2017, ACS began to implement a number of reforms to improve and strengthen case practice. These include enhancing Child Advocacy Centers (CAC) with additional Child Family Specialists (CFS), Child Protective Supervisors, and Family Court Legal Services attorneys and managers, re-establishing liaisons to each District Attorney Offices at the Child Protection Offices to facilitate information sharing between the District Attorneys, Detectives, and ACS Child Protective investigators; creating a new accountability unit outside of the Division of Child Protection to improve case practice, and adding additional headcount to support the Employment Law Unit to handle CPS disciplinary referrals and case practice reviews.

In addition, ACS has added Investigative Consultants that will be responsible for conducting database searches, such as the sex offender registry and domestic violence offender database on all individuals named in the SCR reports; ACS has also added a new applications unit to cover night and weekend shifts at ECS to conduct timely clearances on SCR abuse and maltreatment reports and strengthen casework.

### *Preventive Services for Children and Families*

ACS provides contracted preventive services, which are designed to keep youth from entering foster care placement and also to reduce the length of time that children spend in foster care. Preventive services include general preventive services, specialized programs for teens, programs for youth with juvenile justice involvement, the Family Treatment/Rehabilitation Program (FT/R) for families with substance abuse issues, and programs for families with special needs. Services include parenting education, domestic violence counseling, housing subsidies, employment and job training services, substance abuse treatment, and mental health guidance. Preventive services also include evidence-based and evidence-informed practice models. Providers are required to help families connect to other services in their communities and are encouraged to engage families in achieving their service goals within 12 months in order to increase the availability of programs to all families in need. Since summer 2017, an average of 800 preventive cases opened monthly, an in 2017, 9,240 preventive cases were opened in total.

In 2017, ACS began to roll out the preventive expansion; an historical expansion of preventive services, focusing on high needs families, particularly court-ordered supervision families. ACS will continue to roll out nearly 3,000 slots to expand the preventive portfolio to up to 15,294 slots by FY19, serving 31,000 families annually. ACS is increasing investments in a broad spectrum of contract-agency preventive services. The preventive expansion initiative works to increase the city's capacity to strengthen families, address trauma associated with severe poverty, and prevent child maltreatment. In 2017, ACS also expanded the Clinical Consultation Program (CCP), now widened to provide assessment services to Foster Care and Preventive Service agencies. ACS has established a six-month (beginning three months prior to and continuing throughout trial discharge) enhanced family support services for families discharging from foster care. In spring 2017, ACS will launch three Family Enrichment Centers, an innovative research-informed and family-centered primary prevention strategy to support families before any harm occurs to children and build community capacity to engage families. These efforts are expected to help address the needs of children and families at multiple intervention points, avoid the unnecessary removal of children from their homes and support children being re-unified with their families after foster care placement.

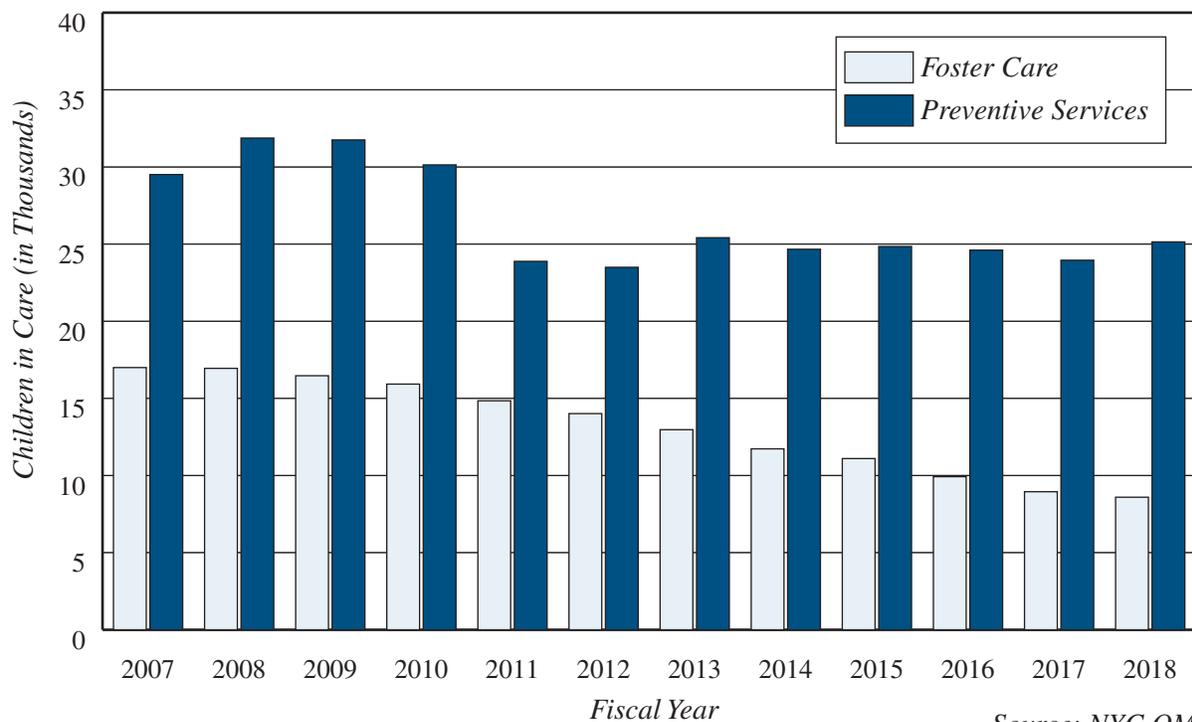
In spring 2017, ACS began a preventive model contract review process to assess where additional resources were needed, and the Department received more than \$26 million in to develop a quality model budget to assist providers in raising salaries; retaining staff; strengthening training, supervision and quality assurance; and improving the delivery of services to children and families.

In 2018, ACS built upon these reforms by streamlining the placement process for families referred to preventive programs by adding an additional 17 staff to the referral management team. This additional staff has helped accelerate the time in which families are placed and ensured that the most appropriate placement is made. Preventive providers also added MSW level conference facilitators to coordinate and oversee all family conferences, including case termination conferences, to ensure that cases are closed appropriately and in a timely manner. ACS is also now offering 12 days of mandated onboarding training when preventive case planners begin employment and 42 hours per year of recurring training for all staff.

**Foster Care**

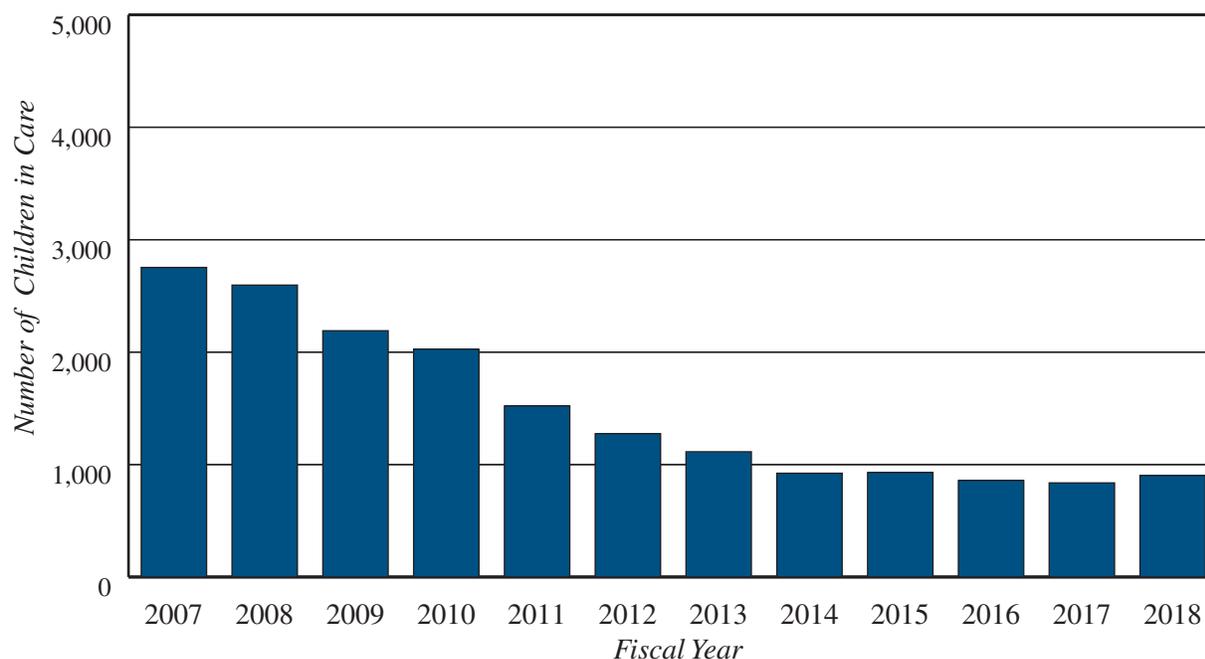
Placements in family foster care, residential settings or specialized care facilities are provided on a temporary basis until children can be reunified with their families. If reunification is not a viable option, children receive services that will lead to adoption or development of independent living skills. The number of children living in out-of-home placements has continued to decline and is currently 8,594. The Nicholas Scoppetta Children’s Center serves as the foster care pre-placement intake facility for approximately 4,000 children entering foster care each year. These children are assessed and provided with necessary medical, mental health and any other required services during their stay at the Children’s Center.

**CHILDREN IN FOSTER CARE AND PREVENTIVE SERVICES 2007 - 2018**



Source: NYC OMB

## RESIDENTIAL CASELOADS 2007 - 2018



Note: Starting in 2012, the residential caseload no longer includes adjudicated juvenile delinquents in congregate settings operated by private not-for-profit agencies.

Source: NYC OMB

In 2019, the Department will continue to leverage additional federal funds it is receiving under a federal Title IV-E Waiver to reinvest federal savings generated by the declining foster care census into ChildSuccessNYC (CSNYC), an enhanced foster care model that includes reduced caseloads and enhanced supports for youth, birth and foster parents, aimed at improving family stability and well-being, expediting permanency and further reducing the overall foster care census.

### Adoption Services and KinGAP

Adoption provides a stable and permanent home for children who cannot return to their birth parents. Currently, 16,744 children are living in adoptive homes. ACS' efforts to recruit adoptive parents, including the adoption hotline and the award winning "Wednesday's Child" television segment, have contributed to continued placement of children in adoptive homes.

Additionally, the implementation of the Kinship Guardianship Subsidy Assistance Program (KinGAP), enacted in New York State in 2011, has resulted in permanency for 1,524 New York City children through January 2018. This permanency option allows a child to continue to reside with an approved relative outside

of the foster care system with financial and medical assistance provided through an ACS subsidy.

### Division of Youth and Family Justice

The Division of Youth and Family Justice (DYFJ) provides Secure (SD) and Non-Secure Detention (NSD) services for alleged juvenile delinquents and offenders whose cases are pending in Family or Criminal Court. ACS operates two secure detention facilities and oversees a network of non-secure detention group homes across the City. Currently DYFJ oversees 11 NSD sites through contracts with private non-profit social service organizations. While in detention, residents receive support services including education, health and mental health care, recreation, and case management.

Under the Close to Home Initiative launched in 2012, DYFJ assumed custody of adjudicated juvenile delinquents placed in non-secure settings. DYFJ provides care through a new system of non-profit providers located within, and just outside of New York City. Providers offer an array of general and specialized juvenile justice residential care programs including intensive clinical services, educational programs, and aftercare re-entry services.

Beginning in 2019, the City will transition custody of all 16 and 17 year olds who have been charged with a crime to ACS as part of the State’s Raise the Age legislation.

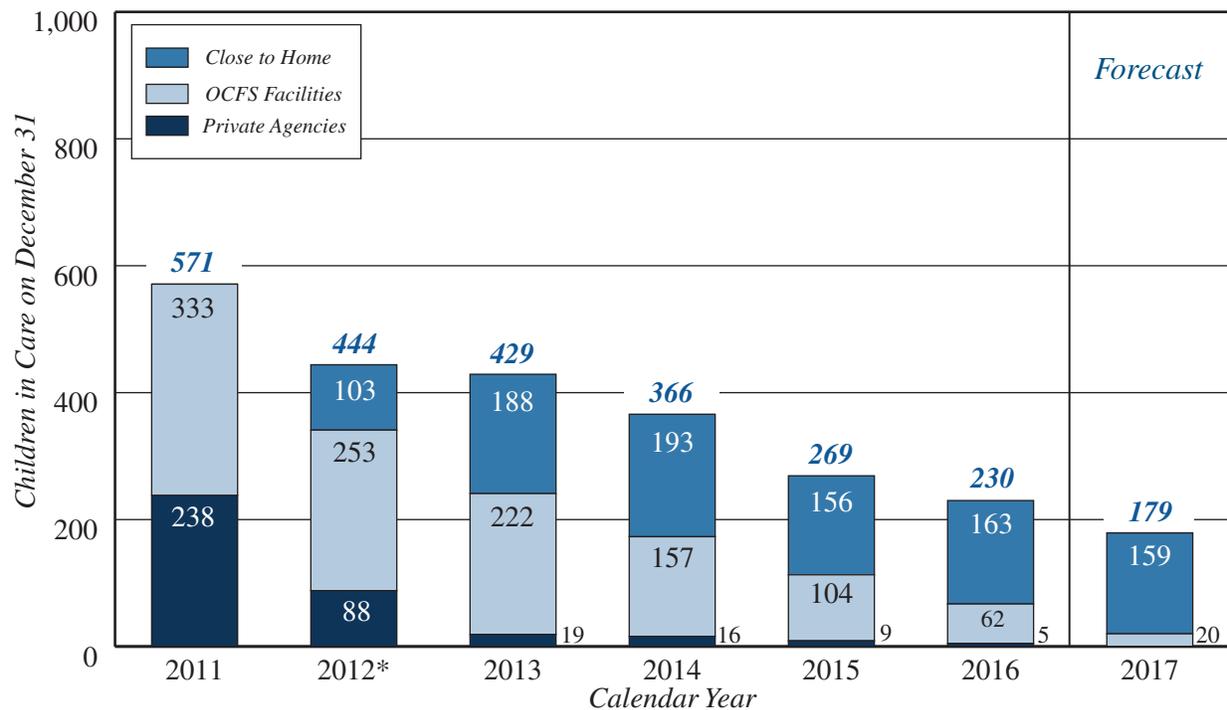
*Division of Early Care and Education*

The Division of Early Care and Education administers one of the largest publicly-funded childcare systems in the country, serving almost 100,000 infants, toddlers, preschool and school-aged children. ACS provides services that enhance child development and assists low-income working families, public assistance recipients who are employed or engaged in work activities, and families receiving child welfare services. This includes the Head Start program, a federally-funded, family-centered child development program for families of low-income with children ages 3-4. The program promotes intellectual, social, emotional and physical growth in order to develop each child’s potential for successful living.

ACS provides access to child care through contracts with not-for-profit organizations, with for-profit organizations, and through vouchers issued to parents, which may be used to purchase care in both formal and informal settings. Formal child care settings include child care centers and group family day care homes registered and/or licensed by the Department of Health and Mental Hygiene (DOHMH). Informal settings include care provided in the child’s own home or the homes of family, friends or neighbors.

Beginning in 2019, the City will transition the ACS EarlyLearn program to the Department of Education (DOE), as part of a comprehensive early childhood initiative that seeks to create a continuum of early care and education programs for New York City children ages birth to five. ACS’ Division of Child and Family Wellbeing will continue to manage the EarlyLearn contracts during the transition, and in the coming year, multiple City agencies will develop a comprehensive set of supports to improve the quality of care child care for children served in other settings.

**JUVENILES IN RESIDENTIAL PLACEMENT 2011 - 2017**



\* The Close to Home initiative transferred youth in non-secure placement from State (OCFS) to City custody beginning in 2012.

Source: NYS OCFS Annual Youth in Care Report

## Capital Review

The Department's 2019-2022 Four-Year Capital Plan totals \$343 million, of which \$309 million are City funds. The Four-Year Capital Plan includes \$29.5 million for child care, \$204.5 million for DYFJ programs, \$32.3 million for administrative offices, \$63.2 million for equipment and information systems, \$11.3 million for City Council child care and child welfare projects, \$2.2 million for Borough President and child welfare projects.

### Capital Commitments

(\$ in 000's)

	2017 Actual		2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Child Welfare .....	\$3,413	\$3,413	\$131,898	\$131,898	\$107,831	\$111,834	\$95,658	\$95,658	\$49	\$49	\$—	\$—
Child Care .....	\$—	\$—	\$22,547	\$22,547	\$6,558	\$6,558	\$5,704	\$5,704	\$10,182	\$10,182	\$9,914	\$9,914
Buildings .....	\$—	\$—	\$6,053	\$10,715	\$8,092	\$20,094	\$6,217	\$6,217	\$2,336	\$2,336	\$2,777	\$2,777
MIS .....	\$2,771	\$6,591	\$4,777	\$6,158	\$12,164	\$22,812	\$12,537	\$12,537	\$18,557	\$23,528	\$10,253	\$12,764
<b>Total .....</b>	<b>\$6,184</b>	<b>\$10,004</b>	<b>\$165,275</b>	<b>\$171,318</b>	<b>\$134,645</b>	<b>\$161,298</b>	<b>\$120,116</b>	<b>\$120,116</b>	<b>\$31,124</b>	<b>\$36,095</b>	<b>\$22,944</b>	<b>\$25,455</b>

### Highlights of the Four-Year Capital Plan

- \$63.2 million will support telecommunications and data infrastructure upgrades and improvements.
- \$29.5 million will support the renovation of child care centers City wide including correction of code violations and providing for handicapped accessibility.
- \$32.3 million will support the renovation of administrative and field offices.
- \$204.5 million will support the Department's juvenile justice operations including the renovation of the Department's two secure detention facilities – Crossroads and Horizon as part of Raise the Age.

## DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT

The Department of Youth and Community Development (DYCD) supports programs for families and youth in neighborhoods throughout the five boroughs. DYCD provides a wide range of high-quality youth and community development programs, including the Comprehensive Afterschool System of NYC (including School's Out NYC, or SONYC), Beacon Community Centers, Cornerstone Programs at NYCHA Community Centers, the Summer Youth Employment Program, Runaway and Homeless Youth Programs, Immigration Programs, and Literacy Services. DYCD is also the designated Community Action Agency for New York City, which is the local grantee for the federal Community Services Block Grant (CSBG). CSBG funding supports a variety of programs that promote self-sufficiency and healthy communities.

### Financial Review

The Department's 2019 Executive Budget provides for operating expenses of \$719 million, of which \$486 million are City funds.

### Expense Budget Highlights

#### *Budgetary Priorities: Expanded Services For Youth and Families*

- In 2019, the Department will continue its commitment to the Universal Afterschool for Middle School initiative, School's Out New York City (SONYC). This year, the City is slated to serve more than 116,000 middle school students with robust afterschool programming in public schools as well as other settings.

- In 2019, DYCD will continue to build upon the significant investments that have already been made to the Summer Youth Employment Program. DYCD will provide summer job opportunities to 70,000 participants. Since the beginning of this administration, the SYEP program has doubled.
- In 2018, DYCD increased funding for its Runaway Homeless Youth providers as part of the City's Nonprofit Model Budget initiative. DYCD also increased funding for Runaway Homeless Youth drop-in centers across the city, and expanded the hours of a drop-in center in Queens to 24/7.

## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018	2019
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<b>Expenditures</b>						
Salary and Wages .....	\$39,865	\$40,167	\$40,018	\$39,751	(\$416)	(\$267)
Fringe Benefits .....	—	—	—	—	—	—
OTPS .....	679,368	794,496	649,358	679,655	(114,841)	30,297
<b>Total .....</b>	<b>\$719,233</b>	<b>\$834,663</b>	<b>\$689,376</b>	<b>\$719,406</b>	<b>(\$115,257)</b>	<b>\$30,030</b>
<b>Funding</b>						
City .....	\$464,925	\$569,590	\$456,172	\$486,202	(\$83,388)	\$30,030
Other Categorical Grants ..	2,038	1,409	—	—	(1,409)	—
IFA .....	—	—	—	—	—	—
State .....	7,717	7,290	5,275	5,275	(2,015)	—
Federal CD .....	7,593	7,520	7,145	7,145	(375)	—
Federal Other .....	78,501	86,855	53,149	53,149	(33,706)	—
Intra-City Other .....	158,459	161,999	167,635	167,635	5,636	—
<b>Total .....</b>	<b>\$719,233</b>	<b>\$834,663</b>	<b>\$689,376</b>	<b>\$719,406</b>	<b>(\$115,257)</b>	<b>\$30,030</b>
<b>Additional Costs Centrally Funded</b>						
<b>Personal Services (PS)</b>						
Fringe Benefits .....	\$11,671	\$12,301	\$13,233	\$13,609	\$1,308	\$376
Pensions .....	5,588	6,182	5,805	6,583	401	778
<b>Other Than Personal Service (OTPS)</b>						
Debt Service .....	—	—	—	—	—	—
<b>Total Additional Costs</b>	<b>\$17,259</b>	<b>\$18,483</b>	<b>\$19,038</b>	<b>\$20,192</b>	<b>\$1,709</b>	<b>\$1,154</b>
<b>Funding</b>						
City .....	16,468	17,799	18,516	19,672	1,873	1,156
Non-City .....	791	684	522	520	(164)	(2)
<b>Full Agency Costs (including Central Accounts)</b>						
Salary and Wages .....	\$39,865	\$40,167	\$40,018	\$39,751	(\$416)	(\$267)
Fringe Benefits .....	11,671	12,301	13,233	13,609	1,308	376
Pensions .....	5,588	6,182	5,805	6,583	401	778
<b>Total PS .....</b>	<b>\$57,124</b>	<b>\$58,650</b>	<b>\$59,056</b>	<b>\$59,943</b>	<b>\$1,293</b>	<b>\$887</b>
OTPS .....	\$679,368	\$794,496	\$649,358	\$679,655	(\$114,841)	\$30,297
Debt Service .....	—	—	—	—	—	—
<b>Total OTPS</b>	<b>\$679,368</b>	<b>\$794,496</b>	<b>\$649,358</b>	<b>\$679,655</b>	<b>(\$114,841)</b>	<b>\$30,297</b>
<b>Total Agency Costs .....</b>	<b>\$736,492</b>	<b>\$853,146</b>	<b>\$708,414</b>	<b>\$739,598</b>	<b>(\$113,548)</b>	<b>\$31,184</b>
Less Intra-City .....	\$158,459	\$161,999	\$167,635	\$167,635	\$5,636	\$—
<b>Net Agency Cost .....</b>	<b>\$578,033</b>	<b>\$691,147</b>	<b>\$540,779</b>	<b>\$571,963</b>	<b>(\$119,184)</b>	<b>\$31,184</b>
<b>Funding</b>						
City .....	481,393	587,389	474,688	505,874	(81,515)	31,186
Non-City .....	96,640	103,758	66,091	66,089	(37,669)	(2)
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	453	483	447	443	(40)	(4)
Non-City .....	73	79	74	74	(5)	—
<b>Total .....</b>	<b>526</b>	<b>562</b>	<b>521</b>	<b>517</b>	<b>(45)</b>	<b>(4)</b>

## Programmatic Review and Service Impact

### *Comprehensive Afterschool System of New York City (COMPASS)*

The Comprehensive Afterschool System of NYC (COMPASS), formerly known as the Out-of-School Time (OST) program, began in 2005 and provides a mix of academic, recreational and cultural activities for young people after school, during school closing days and in the summer. These programs, which are operated by community-based organizations, serve young people from elementary through high school and are primarily located in public and non-public schools, community centers, public housing and parks recreational facilities.

COMPASS is comprised of over 924 total programs serving more than 100,000 young people in grades K-12, including more than 48,000 in elementary schools and more than 1,500 in high schools. Through its network of providers, COMPASS offers high quality programs that offer a strong balance of academics, recreation, enrichment, and cultural activities to support and strengthen the overall development of youth. COMPASS includes the School's Out NYC (SONYC) program, the Mayor's signature Universal Afterschool for Middle School initiative, which aims to keep youth safe, foster competencies, and allow young people to explore interests and creativity while building confidence and leadership skills. In 2017, SONYC's 517 programs in public and non-public schools and other settings, including homeless shelters, provide more than 51,000 seats serving more than 64,000 middle school youth. Including other DYCD programs and programs funded by the Department of Education, the City provides a total of more than 116,000 middle school youth with afterschool programming.

### *Beacon Community Centers*

Pioneered in 1991 under Mayor Dinkins, these collaborative, school-based community centers have been replicated nationally, including as a model for Cornerstone Community Centers and Community Schools. Beacon programs are designed based on the needs of their communities, and tailor activities to serve young people and adults in the areas of academic enhancement, life skills, career awareness, civic engagement and community building, recreation, health and fitness, and culture. Research has demonstrated that Beacons have a positive impact on academic achievement and social development, reducing risky

adolescent behaviors, empowering community residents and providing a forum for local problem solving. With the addition of 11 new Beacon programs and increased funding for Beacons, DYCD projects that over 110,000 will be served in 2018 and out.

### *Cornerstone Program*

Cornerstone Community Centers (Cornerstones) provide engaging activities year-round for adults and young people at New York City Housing Authority (NYCHA) developments in the five boroughs. Cornerstone programming is shaped by input from young people, NYCHA residents, Resident Association leaders, elected officials, and school principals. Cornerstone youth programs are designed to help participants acquire the skills they need to graduate from high school, succeed in their chosen careers, and give back to the community. Cornerstone adult programs are designed to enhance skills and promote social interaction, community engagement, and physical activity. Beginning in 2016, DYCD operated Cornerstone programs in 94 NYCHA developments, an increase from 70 programs in 2015.

As part of the Mayor's Action Plan for Neighborhood Safety, beginning in 2014 summer hours of service were extended to 11 p.m. daily to allow community residents evening access to a safe place for recreation and learning when school is out. The extended hours will continue in 2019.

### *Runaway and Homeless Youth Services*

DYCD funds programs to protect runaway and homeless youth and, whenever possible, reunite them with their families. For youth in need of shelter and care, Crisis Shelters offer safe and welcoming environments on a short-term basis, while Transitional Independent Living (TIL) facilities combine longer-term shelter with the necessary support designed to place formerly homeless youth on the path to independence. Charged with giving vulnerable young people the resources they need to stabilize their lives, services also include Street Outreach and Drop-In Centers. In January 2015, the first City-funded 24/7 Runaway and Homeless Youth drop-in center opened, specializing in services for LGBTQ youth as well as a specialized TIL program for transgender youth. LGBTQ youth face a much higher risk of homelessness than their heterosexual peers.

In 2018, DYCD further expanded residential services, and provided funding for 653 beds. By 2019, DYCD will have added \$23.5 million to bring the total RHY shelter capacity to 753 beds, an increase of 500 beds over the 2013 level. Additionally, as part of ThriveNYC, DYCD will continue to support enhanced mental health services in all DYCD-funded RHY programs, with the addition of licensed clinical social workers, psychiatric services, and other emotional wellness programs.

### *Youth Workforce Development*

DYCD operates several workforce development programs for youth between the ages of 14 to 24. These include the Summer Youth Employment Program (SYEP), the year-round Work, Learn and Grow program, the Anti-Gun Violence program, the Center for Economic Opportunity's (CEO) and Young Men's Initiative (YMI)-funded Young Adult Internship Program (YAIP) and the Workforce Innovation and Opportunity Act (WIOA)-funded In-School Youth and Out-of-School Youth programs.

SYEP provides New York City youth between the ages of 14 to 24 with summer employment and educational experiences. Participants work in a variety of entry-level jobs at community-based organizations, government agencies and private sector businesses and are paid for up to 25 hours per week for up to six weeks at the current State minimum wage of \$13 per hour. This past summer 70,000 youth and young adults worked in SYEP across 12,064 worksites. The Executive Budget includes funding to maintain the program at 70,000 slots in 2019.

YAIP targets youth who are between 16 and 24 that are not in school or working. The program provides short-term paid internships that promote social and professional skills and features a combination of educational workshops and counseling. YAIP operates three 14-week cycles each year. In 2017, DYCD received a total of \$12.1 million from the Office of Economic Opportunity (OEO) and the Young Men's Initiative (YMI) to serve 1,744 participants.

In 2017, DYCD received approximately \$21.2 million in Workforce Innovation and Opportunity Act (WIOA) funding to support the In-School Youth (ISY) and Out-of-School Youth (OSY) programs. The ISY program helps to prevent high school juniors and seniors from dropping out before attaining a high school degree. The program also helps improve literacy, job readiness, and other workplace preparation skills. The OSY program helps youth between the ages of 16 and

21 who are not in school and not employed to refocus on achieving educational goals and to find employment or advanced occupational training. In 2018, DYCD projects that ISY and OSY will serve 1,050 and 1,231 respectively.

### *Literacy Services*

Adult Literacy programs are designed to assist adults and older youth to become literate and to obtain the knowledge and skills necessary for further education, employment and self-sufficiency. Adult Basic Education (ABE) programs provide instruction in reading, writing and mathematics to native English speakers. High School Equivalency (HSE) test preparation classes are designed to help students prepare for HSE tests in reading, writing, social studies, science and math. English for Speakers of Other Languages (ESOL) programs provide English language courses to immigrants to increase their communication skills. In 2018, DYCD's funding in adult literacy services is \$13.7 million and it is projected that 14,554 individuals will be served.

The Young Adult Literacy Program is funded through OEO and YMI for a total budget of nearly \$4 million supporting programs across 16 sites hosted by community-based organizations and the library systems. The program provides intensive instruction in reading, writing and math to youth ages 16-24 who are not currently employed or in school. Additionally, \$1 million will support the Adolescent Literacy Program to help 179 middle school youth ages 13-15 needing assistance in developing their reading, writing and communication skills.

### *Neighborhood Development Programs*

DYCD administers the federal Community Services Block Grant (CSBG) program to fund anti-poverty initiatives in 42 designated low-income Neighborhood Development Areas (NDAs) across the five boroughs of New York City. The NDA programs are designed to allow individual neighborhoods to fund the social services they determine best meet their particular needs. DYCD's mission in administering the Community Action Program is to assist low income individuals and families to attain the skills, knowledge, motivation and opportunities they need to become self-sufficient. In 2018, the Department received \$15.9 million in CSBG funding for these programs, which provided immigrant services, family support services, youth development, senior support, and housing assistance to 14,724 participants.

*Fatherhood Programs*

By promoting positive involvement of fathers in the lives of their children, DYCD's 8 CSBG-funded Fatherhood programs strengthen family relationships and encourage fathers to fulfill their financial responsibilities. Fatherhood services include individual, family and group counseling, father-to-father mentoring, parent and child rearing classes, visitation arrangements, and mediation and conflict resolution training. Support activities include independent living skills training, college preparation classes, and adult basic education and English instruction for speakers of other languages. DYCD also encourages program providers to form linkages with other organizations to address the comprehensive needs of fathers, including job training and placement, health care, and housing. In 2018, the Department received \$2.9 million in CSBG funding to provide services to over 1,460 participants.

## DEPARTMENT FOR THE AGING

The Department for the Aging (DFTA) administers a wide range of programs that enhance the independence and quality of life for the City's elderly population. The Department's services include senior centers, home delivered meals, case management services, homecare services, transportation services, caregiver services, employment counseling and placement for older New Yorkers and an array of social and legal services. DFTA serves as an advocate for the City's elderly population through legislative activity and public policy initiatives.

### Financial Review

The Department's 2019 Executive Budget provides for operating expenses of \$345 million, of which \$230 million are City funds. In addition, the Department's Four-Year Capital Plan includes \$51.9 million.

### Expense Budget Highlights

- As part of the Administration's broader vision of promoting fairness and equity, \$10 million was baselined beginning in 2018 to create parity in the senior center system by increasing provider budgets. The goal of this investment is to achieve a more equitable distribution of funds among centers. The enhanced budgets will provide additional funding for new programming and staff, recognizing these are essential components of a high-quality senior center program.

- Plans are underway to expand the successful Home Sharing Program, thereby increasing the number of affordable housing options in the city, particularly those serving the older adult population. The program matches individuals needing an affordable place to live, or "guests," with homeowners or leaseholders who have extra space in their home, or "hosts." One of the two parties involved—either the guest or the host—must be a senior in order to participate. With the increased funding, DFTA projects that the program will achieve 4,000 placements over the next five years.
- In recognition of the contributions and challenges of unpaid caregivers, DFTA has doubled the available funding for Caregiver services, and will significantly expand respite care and supplemental services provided to unpaid caregivers in 2018 and 2019.

## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018	2019
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<b>Expenditures</b>						
Salary and Wages .....	\$27,294	\$28,442	\$29,533	\$29,278	\$836	(\$255)
Fringe Benefits .....	—	—	—	—	—	—
OTPS .....	306,187	346,963	314,539	316,141	(30,822)	1,602
<b>Total .....</b>	<b>\$333,481</b>	<b>\$375,405</b>	<b>\$344,072</b>	<b>\$345,419</b>	<b>(\$29,986)</b>	<b>\$1,347</b>
<b>Funding</b>						
City .....	\$210,599	\$249,196	\$228,378	\$229,614	(\$19,582)	\$1,236
Other Categorical Grants ..	170	314	—	—	(314)	—
IFA .....	—	—	—	—	—	—
State .....	43,681	43,890	42,822	42,926	(964)	104
Federal CD .....	1,244	3,811	2,241	2,241	(1,570)	—
Federal Other .....	75,070	75,398	70,116	70,116	(5,282)	—
Intra-City Other .....	2,717	2,796	515	522	(2,274)	7
<b>Total .....</b>	<b>\$333,481</b>	<b>\$375,405</b>	<b>\$344,072</b>	<b>\$345,419</b>	<b>(\$29,986)</b>	<b>\$1,347</b>
<b>Additional Costs Centrally Funded</b>						
<b>Personal Services (PS)</b>						
Fringe Benefits .....	\$7,929	\$8,423	\$9,207	\$9,401	\$978	\$194
Pensions .....	3,986	4,059	3,974	4,507	448	533
<b>Other Than Personal Service (OTPS)</b>						
Debt Service .....	—	—	—	—	—	—
<b>Total Additional Costs .....</b>	<b>\$11,915</b>	<b>\$12,482</b>	<b>\$13,181</b>	<b>\$13,908</b>	<b>\$1,426</b>	<b>\$727</b>
<b>Funding</b>						
City .....	11,033	11,644	12,583	13,311	1,667	728
Non-City .....	882	838	598	597	(241)	(1)
<b>Full Agency Costs (including Central Accounts)</b>						
Salary and Wages .....	\$27,294	\$28,442	\$29,533	\$29,278	\$836	(\$255)
Fringe Benefits .....	7,929	8,423	9,207	9,401	978	194
Pensions .....	3,986	4,059	3,974	4,507	448	533
<b>Total PS .....</b>	<b>\$39,209</b>	<b>\$40,924</b>	<b>\$42,714</b>	<b>\$43,186</b>	<b>\$2,262</b>	<b>\$472</b>
OTPS .....	\$306,187	\$346,963	\$314,539	\$316,141	(\$30,822)	\$1,602
Debt Service .....	—	—	—	—	—	—
<b>Total OTPS .....</b>	<b>\$306,187</b>	<b>\$346,963</b>	<b>\$314,539</b>	<b>\$316,141</b>	<b>(\$30,822)</b>	<b>\$1,602</b>
<b>Total Agency Costs .....</b>	<b>\$345,396</b>	<b>\$387,887</b>	<b>\$357,253</b>	<b>\$359,327</b>	<b>(\$28,560)</b>	<b>\$2,074</b>
Less Intra-City .....	\$2,717	\$2,796	\$515	\$522	(\$2,274)	\$7
<b>Net Agency Cost .....</b>	<b>\$342,679</b>	<b>\$385,091</b>	<b>\$356,738</b>	<b>\$358,805</b>	<b>(\$26,286)</b>	<b>\$2,067</b>
<b>Funding</b>						
City .....	221,632	260,840	240,961	242,925	(17,915)	1,964
Non-City .....	121,047	124,251	115,777	115,880	(8,371)	103
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	209	234	236	229	(5)	(7)
Non-City .....	516	433	453	432	(1)	(21)
<b>Total .....</b>	<b>725</b>	<b>667</b>	<b>689</b>	<b>661</b>	<b>(6)</b>	<b>(28)</b>

## Programmatic Review and Service Impact

### *Senior Centers*

The core of DFTA's service portfolio is a citywide network of 249 senior centers, which offer over 29,000 New Yorkers opportunities for meals, socialization, recreation, and participation in a wide array of activities designed to improve their health and quality of life. Sixteen of the 249 senior centers are Innovative Senior Centers, which provide enhanced programming, robust wellness programs, technology education as well as arts and culture activities.

### *Case Management, Home Delivered Meals, and Homecare*

Case management services connect homebound seniors to resources and benefits so that they may continue to live independently and safely in their homes. Following a case management assessment, eligible seniors may receive home delivered meals, Homecare, and other benefits or services. Seniors are referred to case management providers from senior centers, meal providers, hospitals and other community-based social service and health care agencies. In 2018, \$37 million will support case management services for approximately 20,000 clients. Most of the 20,000 case management clients benefit from home-delivered meals services five days a week each year. DFTA has 23 contracts for home delivered meals, which offer seniors the option of frozen or hot meal deliveries. In 2018, \$37 million will support 4.6 million home delivered meals. In addition, in 2018 approximately 2,500 clients will benefit from Homecare services.

### *Senior Employment and Foster Grandparent Services*

DFTA addresses the employment needs and skills of older New Yorkers through its Senior Community Service Employment Program. This program provides part-time on-the-job training to about 400 low income participants. Clients serve their communities while receiving job training and other support services to facilitate re-entry into the workforce. Placements are made in City agencies and with not-for-profit employers.

The Foster Grandparent program is a volunteer based program enlisting approximately 400 seniors each year to work as mentors and tutors for at risk or troubled children and youth. Foster grandparents work in hospitals, day care programs, schools, and afterschool programs. In 2018, \$2 million is provided for the Foster grandparent program.

### *Naturally Occurring Retirement Communities*

Naturally Occurring Retirement Communities (NORCs) are on-site collaborations among housing entities, social service providers, and healthcare networks to provide supportive services for senior residents to help them remain independent and safe in their own homes. In 2018, \$6.5 million will support 28 NORC programs for over 11,000 residents in the Bronx, Brooklyn, Manhattan, and Queens. NORC services include case assistance, transportation, health promotion, education and recreation, and nursing services.

### *Transportation Services*

DFTA's independent transportation program aims to serve seniors who are unable to travel or access public transportation from becoming socially isolated and/or declining physically by assisting them in getting to and from places they need to go in their communities. Moreover, DFTA's transportation services program offers group transportation to enhance community engagement for seniors by offering recreational, social and educational trips. Each year, DFTA's \$5M transportation program provides 300,000 one-way trips citywide.

### *Caregiver Services*

DFTA's caregiver support program offers support groups, counseling, outreach and information services to unpaid caregivers. The caregiver program also offers options for respite care through home care or placement in Social Adult Day Care, to ease the burden of families and other unpaid caregivers. In 2018, funding for the caregiver program was doubled, from \$4 million to \$8 million. As a result, DFTA projects a significant increase in the amount of respite care available to unpaid caregivers.

**Capital Review**

The Department’s Four-Year Capital Strategy for 2019-2022 totals \$51.9 million. The Four-Year Capital Strategy includes funding for information technology projects to improve operations as well as funding for rehabilitation of senior centers throughout the City.

**Capital Commitments**  
 (\$ in 000’s)

	2017 Actual		2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Elec. Data Processing .....	\$137	\$137	\$1,973	\$1,973	\$7,306	\$7,306	\$5,336	\$5,336	\$3,505	\$3,505	\$3,081	\$3,081
Building Renovations and Vehicles .....	\$3,011	\$3,011	\$8,995	\$8,995	\$13,740	\$13,740	\$12,799	\$12,799	\$4,572	\$4,572	\$1,632	\$1,632
<b>Total .....</b>	<u>\$3,148</u>	<u>\$3,148</u>	<u>\$10,968</u>	<u>\$10,968</u>	<u>\$21,046</u>	<u>\$21,046</u>	<u>\$18,135</u>	<u>\$18,135</u>	<u>\$8,077</u>	<u>\$8,077</u>	<u>\$4,713</u>	<u>\$4,713</u>

*Four-Year Capital Strategy Highlights*

- The Department’s Four-Year Capital Strategy includes rehabilitation of senior centers, with focus on structural and accessibility issues (\$32.7 million); computer and network upgrade and equipment purchase (\$19.2 million).

## DEPARTMENT OF HEALTH AND MENTAL HYGIENE

The mission of the New York City Department of Health and Mental Hygiene (the Department) is to protect and promote the health of all New Yorkers. The Department is committed to maintaining core public health services and continues to introduce new programs and technologies to improve the health status of all New Yorkers and to reduce health inequities between New York City neighborhoods.

The Department will continue to target its public health activities towards those communities that bear a disproportionate share of physical and mental illness and premature death, relying on evidence-based and evidence-informed programs and interventions. The Department will pursue active engagement with communities, their organizations, institutions and members, to continue to tackle the leading causes of death and disability. In 2019, the Department will expand its services to combat the opioid epidemic with new investments on top of those made last year.

The Office of the Chief Medical Examiner (OCME) determines the cause and manner of deaths occurring in the City, and operates the county mortuaries and the accredited Forensic Biology Laboratory.

### Financial Review

The Department's 2019 Executive Budget provides for operating expenses of \$1.6 billion, of which \$782.8 million are City funds. Capital commitments of \$123.8 million are also provided to fund agency initiatives.

### Revenue Forecast

The Department generates revenue from licenses, permits, inspection and service fees. In 2019, the Department will generate \$30.4 million in revenue from these sources.

### Expense Budget Highlights

- \$11.1 million to increase efforts to combat the opioid epidemic, including funds to expand Relay (a hospital-based peer support program), create a model for training front line staff and others on preventing overdoses, and expand engagement and assessment services for people at risk of overdose.

## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018	2019
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<b>Expenditures</b>						
Salary and Wages .....	\$450,706	\$484,114	\$482,619	\$482,245	(\$1,869)	(\$374)
Fringe Benefits .....	1,222	2,079	468	467	(1,612)	(1)
OTPS .....	1,170,453	1,255,916	1,128,698	1,133,219	(122,697)	4,521
<b>Total .....</b>	<b>\$1,622,381</b>	<b>\$1,742,109</b>	<b>\$1,611,785</b>	<b>\$1,615,931</b>	<b>(\$126,178)</b>	<b>\$4,146</b>
<b>Funding</b>						
City .....	\$719,810	\$684,649	\$777,541	\$782,774	\$98,125	\$5,233
Other Categorical Grants ..	21,245	72,857	1,730	2,392	(70,465)	662
IFA .....	—	—	—	—	—	—
State .....	557,823	624,647	539,436	541,889	(82,758)	2,453
Federal CD .....	—	—	—	—	—	—
Federal Other .....	301,877	335,555	288,245	283,651	(51,904)	(4,594)
Intra-City Other .....	21,626	24,401	4,833	5,225	(19,176)	392
<b>Total .....</b>	<b>\$1,622,381</b>	<b>\$1,742,109</b>	<b>\$1,611,785</b>	<b>\$1,615,931</b>	<b>(\$126,178)</b>	<b>\$4,146</b>
<b>Additional Costs Centrally Funded</b>						
<b>Personal Services (PS)</b>						
Fringe Benefits .....	\$140,242	\$153,262	\$161,339	\$169,216	\$15,954	\$7,877
Pensions .....	66,357	66,865	65,805	74,630	7,765	8,825
<b>Other Than Personal Service (OTPS)</b>						
Debt Service .....	53,378	46,137	52,764	55,350	9,213	2,586
<b>Total Additional Costs ...</b>	<b>\$259,977</b>	<b>\$266,264</b>	<b>\$279,908</b>	<b>\$299,196</b>	<b>\$32,932</b>	<b>\$19,288</b>
<b>Funding</b>						
City .....	226,460	233,064	248,720	265,720	32,656	17,000
Non-City .....	33,517	33,200	31,188	33,476	276	2,288
<b>Full Agency Costs (including Central Accounts)</b>						
Salary and Wages .....	\$450,706	\$484,114	\$482,619	\$482,245	(\$1,869)	(\$374)
Fringe Benefits .....	141,464	155,341	161,807	169,683	14,342	7,876
Pensions .....	66,357	66,865	65,805	74,630	7,765	8,825
<b>Total PS .....</b>	<b>\$658,527</b>	<b>\$706,320</b>	<b>\$710,231</b>	<b>\$726,558</b>	<b>\$20,238</b>	<b>\$16,327</b>
OTPS .....	\$1,170,453	\$1,255,916	\$1,128,698	\$1,133,219	(\$122,697)	\$4,521
Debt Service .....	53,378	46,137	52,764	55,350	9,213	2,586
<b>Total OTPS .....</b>	<b>\$1,223,831</b>	<b>\$1,302,053</b>	<b>\$1,181,462</b>	<b>\$1,188,569</b>	<b>(\$113,484)</b>	<b>\$7,107</b>
<b>Total Agency Costs .....</b>	<b>\$1,882,358</b>	<b>\$2,008,373</b>	<b>\$1,891,693</b>	<b>\$1,915,127</b>	<b>(\$93,246)</b>	<b>\$23,434</b>
Less Intra-City .....	\$21,626	\$24,401	\$4,833	\$5,225	(\$19,176)	\$392
<b>Net Agency Cost .....</b>	<b>\$1,860,732</b>	<b>\$1,983,972</b>	<b>\$1,886,860</b>	<b>\$1,909,902</b>	<b>(\$74,070)</b>	<b>\$23,042</b>
<b>Funding</b>						
City .....	946,270	917,713	1,026,261	1,048,494	130,781	22,233
Non-City .....	914,462	1,066,259	860,599	861,408	(204,851)	809
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	5,163	5,449	5,389	5,353	(96)	(36)
Non-City .....	1,414	1,522	1,255	1,253	(269)	(2)
<b>Total .....</b>	<b>6,577</b>	<b>6,971</b>	<b>6,644</b>	<b>6,606</b>	<b>(365)</b>	<b>(38)</b>

## Programmatic Review and Service Impact

Take Care New York (TCNY) is a comprehensive health policy for New York City laying out the Department's plans to reduce health disparities and promote health equity, advance health promoting policies and activities, and to create, sustain, and strengthen collaborations with partners.

The Department first launched TCNY in 2004. In 2015, the Department released its new iteration, TCNY 2020, setting new targets to achieve by the year 2020. Its focus is to improve every community's health and to make greater strides in groups with the worst health outcomes, so that our City becomes a more equitable place for everyone. Unlike previous plans, TCNY 2020 includes not only health factors, but also social factors that impact health, such as high school graduation. It also includes equity targets to ensure special attention is given to reducing health disparities.

During the fall and winter of 2015 and 2016, the Department held events in dozens of neighborhoods across the five boroughs to share TCNY 2020 and to speak with community members about their neighborhood's health priorities. This input will help guide how the Department continues to strategically collaborate with partners to plan for action and to develop strategies for achieving the 2020 targets.

### Mental Hygiene Services

The Department seeks to prevent and address mental illness, substance use, and developmental disabilities and delays among New York City's children and adults. The Department provides funding and oversight to mental health, developmental disabilities, and alcohol and drug abuse prevention services. Hundreds of thousands of consumers are served annually through contracts and agreements with community-based provider agencies, hospitals and other City agencies. Key activities include, but are not limited to, continued implementation of supportive housing, improved care coordination for individuals with serious mental illness and children with serious emotional disturbances, addressing the epidemic of opioid overdoses due to prescription opioids and heroin, and tracking the transition of Medicaid behavioral health services to

Medicaid Managed Care. Additionally, the Department is a leader in ThriveNYC, a road map for mental health services in the City. ThriveNYC is an unprecedented strategy and set of initiatives by the City to approach mental health as a comprehensive public health challenge involving many City agencies.

### *Mental Health*

Through contracting directly with New York City service providers, the Division manages the development, implementation, and oversight of the delivery of treatment, housing, crisis, advocacy, care coordination, and mental health rehabilitation services. The Department also administers the Assisted Outpatient Treatment program (mandated by Kendra's law). For children and their families, the Department provides oversight to a continuum of mental health services including prevention, mental health promotion, treatment, case management, crisis, family support, and school-based mental health services. Through these contracted programs and through its policy, planning and advocacy work, the Department seeks to facilitate access, improve the quality of care, and promote resilience and recovery for New Yorkers with mental illness.

### *Alcohol and Drug Use Prevention, Care and Treatment*

The Department seeks to prevent the development of alcohol and drug use problems, to educate and assist individuals to reduce problem use, to access long-term treatment for substance use disorders, and to prevent health risks related to use. The 2019 budget reflects continued commitment to prevent the problems of opioid addiction and overdose through HealingNYC, which includes the naloxone distribution program, expansion of effective treatment of opioid addiction, and educating prescribers and the public. Through its work with contracted programs and stakeholders, and policy and planning work, the Department seeks to improve care and treatment of people with substance use disorders in a continuum of settings: community, primary care, specialty (addiction) care, and harm reduction.

### *Developmental Disabilities*

The Department oversees locally contracted services supporting the needs of children and adults with intellectual disabilities, autism spectrum disorders, cerebral palsy, epilepsy and other developmental disabilities. Contracted programs provide recreation, afterschool, respite and other family support services, as well as clinic and employment support services. Through these contracted programs and through its planning and advocacy work, the Department seeks to facilitate access, improve the quality of care, and promote full community participation for New Yorkers with intellectual and developmental disabilities.

### **Public Health Services**

#### *Center for Health Equity*

The Center for Health Equity aims to strengthen and amplify the Department's work to eliminate health inequities rooted in historical and contemporary injustices and discrimination, including racism. The Center for Health Equity works in collaboration with community-based partners to build on work the District Public Health Offices and others have pursued over the years. The Center for Health Equity has five distinct approaches: 1) Support the Department's internal reform in becoming a racial justice organization, 2) Make injustice visible through data and storytelling. 3) Invest in key neighborhoods whose health inequities are a result of the historical, political, social and physical forces that affect it. 4) Advance a health equity perspective in all policy approaches 5) Amplify community power via collective action and volunteerism. The Center for Health Equity works in collaboration with residents, local institutions, community-based organizations, sister agencies and other stakeholders to make change at the neighborhood level.

As part of its approach to invest in key neighborhoods via place-based efforts, the Center for Health Equity's Neighborhood Health Action Center initiative is revitalizing underutilized Department buildings by co-locating federally qualified health centers, public hospital clinical services, community-based organizations and service providers who will move beyond current models of collaboration to better serve community members, act as an engine of improved asset linkages, and identify gaps in coverage and reduce duplication.

The Center for Health Equity's Office of Faith Based Initiatives (OFBIs) leads the Department's Citywide effort to incorporate Faith-Based Organizations (FBOs) into its programming, planning, and advocacy efforts. As one of the Center for Health Equity's collective action approach, OFBI aims to create sustainable partnerships within the faith community to better coordinate a neighborhood response that aims to address health inequities in New York City. OFBI has been a critical part of the city's effort to train 250,000 New Yorkers on Mental Health First Aid, having trained hundreds of faith leaders and their members across the city.

The Shop Healthy initiative seeks to translate healthy eating work to meaningful practice by engaging communities - including residents, food retailers, and food suppliers and distributors - to increase access to healthy foods. Shop Healthy is aligning itself to be a convener of organizations working in the food retail world. Shop Healthy NYC's main focus is on those neighborhoods with high rates of obesity and limited access to nutritious foods. Shop Healthy NYC Neighborhoods include: Fordham, West Farms, Hunts Point, Mott Haven Longwood, East Tremont and Claremont-Morrisania in the Bronx; East New York, Brownsville and Bed-Stuy in Brooklyn; and East Harlem in Manhattan.

The Harlem Health Advocacy Partners initiative was created to reduce disparities in chronic diseases among public housing residents and to improve their long-term health and quality of life. The program trains Harlem residents and others with strong neighborhood ties to serve as community health workers and health advocates. Community health workers help residents set health goals, manage existing chronic diseases, and address barriers to good health. Health advocates help residents find affordable or low-cost health insurance, understand medical bills, and review health plan options. The initiative has begun in five New York City Housing Authority developments in East and Central Harlem.

#### *Disease Control*

The Department safeguards the health of New Yorkers through the identification, surveillance, treatment, control, and prevention of infectious diseases and protects the health of citizens during disease outbreaks.

HIV/AIDS Prevention and Control remains a critical focus of the Department. Increasing the number

of New Yorkers who know their HIV status, ensuring access to HIV prevention services, and linking people with HIV to care and helping them to achieve viral suppression remain priorities of the Department and align with plans to end the epidemic in New York State by 2020.

New York Knows, the nation's largest HIV testing initiative, works with community partners to provide voluntary HIV testing, make HIV testing a routine part of health care, identify undiagnosed HIV-positive people and link them to care, and connect those who test negative for HIV to prevention services, as needed. The Department works to ensure that all New Yorkers have access to prevention services, including condoms, HIV testing, pre-exposure prophylaxis (PrEP) and post-exposure prophylaxis (PEP), HIV treatment, and harm reduction services. For New Yorkers with HIV, the Department works to link them to care and achieve viral suppression. The Department continues to foster its strong relationship with New Yorkers affected by HIV, ensuring that all services, programming, and policies are developed and implemented with significant community input. Community advisory bodies include the NYC HIV Planning Group, the HIV Health and Human Services Planning Council of New York, and the Women's Advisory Board.

In order to address health disparities, the Department works closely with populations disproportionately affected by HIV using a variety of educational, outreach, and prevention strategies. The Department has adopted an HIV status neutral approach, focusing less on HIV status and more on the use of both HIV treatment and biomedical prevention methods to prevent HIV acquisition. New initiatives in 2018 include increasing awareness and uptake of PrEP among women through sexual health marketing and provider education, using molecular epidemiology to engage out-of-care and viremic individuals in HIV care and treatment, and reducing HIV-related stigma.

Sexually Transmitted Disease Control provides direct clinical and partner services for sexually transmitted infections (STIs) and HIV, monitors and reports disease trends for STIs, provides education and training to providers and community groups, and conducts research and develops policies to improve New Yorkers' sexual health. The Department operates eight Sexual Health Clinics citywide that serve anyone 12 years or older regardless of ability to pay, insurance coverage or immigration status and without parental notification. Sexual Health Clinics provide

low to no-cost STI and HIV testing, treatment and prevention services; immunizations; cancer prevention, reproductive health and contraceptive services; behavioral health services; and navigation for referrals and follow-up care. As part of the City's strategy and the State's Blueprint for Ending the Epidemic (EtE) of HIV/AIDS, Sexual Health Clinics have expanded hours, services and access to "Express Visits" for all New Yorkers. Through EtE, Sexual Health Clinics now also offer HIV Pre-Exposure Prophylaxis (PrEP) and Post-Exposure Prophylaxis (PEP) to prevent new HIV infections among patients at risk of infection and, for newly identified infections, immediate initiation of anti-retroviral treatment through the JumpstART program. The Bureau also convenes a Sexual Health Advisory Group with the goal of informing best practices in sexual health and related policy and strengthening bi-directional communication between the Department, providers, and community networks to foster a culture of accountability in service delivery and access.

With 2017 seeing the largest increase of tuberculosis (TB) cases in New York City in the last 25 years, the Department remains committed to providing high-quality, effective TB prevention and care services to all New Yorkers. Today, TB in New York City disproportionately affects non-U.S.-born New Yorkers and U.S.-born minorities and the majority of cases emerge from the reservoir of infected individuals in the community who may be unaware of their risk for developing TB.

As the leading provider of TB services in the City, the Bureau of TB Control offers direct clinical services, regardless of patient immigration status or ability to pay, at four Department TB clinics located throughout New York City. Clinic services include TB testing, chest radiographs, treatment and monitoring, and HIV testing. To ensure positive patient outcomes, every patient diagnosed with TB receives comprehensive case management throughout the duration of their treatment – generally six to nine months – regardless of where they receive clinical care. Additionally, the Bureau identifies and evaluates individuals at high-risk for TB and offers preventive treatment, if appropriate. The Bureau of TB Control's public health activities include surveillance, case management and contact investigations, directly observed therapy, medical consultation, outbreak detection, evaluation of newly arrived immigrants and refugees, and education and outreach. The Bureau continues to work collaboratively with medical providers, elected officials, and communities to increase awareness of TB and reduce disparities in care.

Further, the Bureau is expanding the use of technology for TB testing and diagnosis, providing more effective, short course treatment options, and offering innovative forms of treatment monitoring to ensure an efficient, patient-centered model of care.

The Bureau of Immunization conducts activities to promote the vaccination of all New Yorkers and prevent the occurrence and transmission of vaccine-preventable diseases. Key activities include vaccine distribution, clinical services, provider outreach and support, public communication, monitoring immunization coverage and school immunization compliance, prevention of perinatal hepatitis B infection, surveillance of vaccine-preventable diseases, outbreak response to prevent or control the spread of disease, and maintaining the Citywide Immunization Registry (CIR). In 2018, the Bureau will continue to conduct vaccine accountability activities, promote influenza vaccination, work to increase coverage with human papillomavirus (HPV) vaccine (which remains underutilized), promote CIR clinical decision support and reminder-recall tools to help achieve on-time vaccination of children and adolescents, and implement expanded school vaccine requirements.

Established in 1892 to control a diphtheria outbreak, the New York City Public Health Laboratory (PHL) was the world's first municipal bacteriological laboratory. Since its inception, the PHL has expanded to provide a wide variety of clinical and environmental laboratory testing services. The laboratory continues to safeguard the health of all NYC residents by providing testing that addresses the needs of the Department and its community partners. The laboratory also collaborates with other city agencies, and state and federal partners to respond to public health challenges in NYC and beyond.

In addition to its role as a national leader in public health laboratory science and biosafety in laboratory diagnostics, one focus of the PHL is testing for pathogens of public health significance. The PHL tests for traditional infectious diseases such as HIV and other sexually transmitted infections of public health significance, tuberculosis, influenza, and agents of foodborne illnesses, and also responds to any public health emergencies that threaten NYC. The PHL's Bio-Threat Response laboratory analyzed the anthrax-laden letter received at the NBC News office in NYC in 2001. In 2014, the PHL was one of the first laboratories to implement Ebola testing, and diagnosed NYC's case. The PHL was integral in pinpointing the source of the

Legionella outbreak in the summer of 2015, and was also on the forefront of the Zika virus response and the response to the recent outbreak of avian influenza H7N2 in cats in the NYC shelter system.

The Bureau of Communicable Diseases tracks 73 infectious diseases and investigates outbreaks in New York City in order to rapidly detect, characterize and respond to infectious disease threats and to prevent or control ongoing transmission. BCD is responsible for a wide range of diseases (from anthrax to Zika virus), including those transmitted person to person, by contaminated food or water, animal contact, mosquito and tick bites as well as the potential threat of bioterrorism or novel influenza strains (e.g., avian influenza viruses such as H7N2). Key activities include:

- Case, contact, and outbreak investigations to determine the source of exposures and prevent spread to others.
- Routine, systematic analyses of notifiable disease data to rapidly detect outbreaks and track disease trends, characterize clinical and local epidemiologic features and identify common exposures and populations at risk to prioritize prevention efforts, and to share summary data with both internal and external partners.
- Providing consultation to the medical and animal health communities and the public on the recognition, prevention, and control of communicable diseases.
- Maintaining timely and informative syndromic surveillance systems to routinely monitor illness patterns and to provide situational awareness during public health emergencies.

#### *Environmental Health Services*

The Department's Division of Environmental Health Services (EHS) assesses, investigates, and acts on a wide range of environmental concerns to protect the health of New Yorkers. EHS conducts surveillance of environmental-related disease; assesses risk from exposure to potential environmental and occupational hazards; inspects child care facilities, restaurants, mobile food carts and other permitted entities to protect the public, children and diners from health and safety hazards. EHS responds to complaints and provides data and education to stakeholders throughout the City to understand the risks from environmental exposures, and promote actions and policies to improve the City's air

quality, maintain safe drinking and recreational water, control mosquitoes and rats, and promote housing quality. In 2018, 93 percent of the City's restaurants are posting 'A' grades, municipal animal shelters are funded at record levels, contributing to a live release rate of 93 percent, and the City continues to make improvements in outdoor air quality by implementing measures in the City's sustainability plan, OneNYC. The Department continues to create and improve upon easy-to-read guides in multiple languages to help small businesses comply with agency regulations.

The 2019 budget reflects continued commitment to these and other initiatives. As part of the Mayor's effort to expand health inspection reporting, the Department will launch grading of mobile food vending units in 2018. The Department will also continue to collaborate with the Department of Education to monitor water quality in NYC schools. Additionally, the City will continue to expand rat control efforts in neighborhoods and parks with high needs.

#### *Emergency Preparedness and Response*

The Department seeks to promote the City's ability to prevent, prepare for, respond to, and recover from health emergencies. The Department's Office of Emergency Preparedness and Response (OEPR) prepares the agency for emergency responses that impact the public's health. To increase the City's capacity to address infectious disease threats, DOHMH partners with the City healthcare system to ensure the ability to assess/treat patients with emerging infectious disease and strengthening the capacity for prevention of healthcare associated infections. The Department also continues to strengthen the general capacity of the healthcare system, including hospitals, healthcare coalitions, long-term care and primary care facilities, to effectively respond to emergencies in a manner that promotes continuity of care for some of the most vulnerable New Yorkers.

Additionally, the Department continues to build the City's capacity to stand up a post-emergency canvassing operation (PECO) for New Yorkers sheltering in place after an emergency, through the conduct of field exercises, trainings, and the development of a small-scale operational plan and Citywide staffing list that includes thousands of staff from over 30 agencies. The Department continues to build its capacity to rapidly distribute lifesaving medication to all New Yorkers, including training thousands of City employees to ensure rapid opening of points of dispensing (PODs) in

the event of an emergency requiring mass prophylaxis. The Department also continues to enhance community resilience through building sector-based networks via partnerships with community-based organizations serving as a preparedness lead for their sector (e.g. faith-based and social services organizations). Through these efforts, the agency will continue to build the City's ability to recover from any emergency that impacts the health of New Yorkers.

#### *Epidemiology*

The Division of Epidemiology provides epidemiologic information, support, and training to inform policy and program decision-making, monitor health conditions, and improve delivery of public health services in New York City. Key activities in the Division include:

- Systematic collection, analysis, and dissemination of data on health issues citywide and among special populations and provision of training and support for specialized analyses and targeted studies;
- Registration, processing and analysis of all vital events in New York City, including births, deaths, and spontaneous and induced terminations of pregnancy;
- Enhancement of public health knowledge and skills of public health staff, students and trainees through in-person and e-learning courses, internships, and lecture series;
- Education of healthcare providers in New York City and training of medical students and clinical residents to improve public health knowledge and skills; and
- Establishment and maintenance of the World Trade Center Health Registry - a cohort of more than 71,000 people directly exposed to the WTC disaster - to identify and track the long-term physical and mental health effects and unmet health needs of 9/11.

In the coming year, the Division of Epidemiology will work in collaboration with other programs within the Department to expand its public health surveillance approaches including conducting additional population surveys and leveraging administrative data. Additionally, the Division will finalize the development of eVital, the agency's new electronic vital events reporting system.

### *Family and Child Health*

The Department's Division of Family and Child Health is charged with the creation and oversight of programs, policies, services, and environments that support physical and socio-emotional health, and promote primary and reproductive health services, health equity, social justice, safety and well-being for New York City families and children. The Division is comprised of the Bureau of Maternal, Infant and Reproductive Health (BMIRH), the Office of School Health (OSH), a Bureau of Administration, and the Bureau of Early Intervention (BEI).

The vision of the Division of Family and Child Health is that every child, woman and family in New York City recognizes their power and is given the opportunity to reach their full health and developmental potential. To advance this vision, the Division implements evidence-based and evidence-informed programs, services and policies, and conducts innovative research and ongoing surveillance to achieve equitable and improved maternal, infant and reproductive health outcomes; promotes early childhood health and development and reduce adverse childhood experiences for young children; and assures that schoolchildren are healthy and ready to learn every day.

As part of its focus on improving maternal, infant and reproductive health, the Division continues to work with City hospitals through the New York City Breastfeeding Hospital Collaborative to implement evidence-based practices to increase breastfeeding initiation, duration and exclusivity. The Division provides home visiting services for mothers, infants and families, including those residing in homeless shelters, through Nurse Family Partnership, the Newborn Home Visiting Program and the Newborn Home Visiting Program's Shelter Initiative Model, which was fully implemented in 2016. The Division also partners with over 50 community based organizations through its Sexual and Reproductive Justice Community Engagement Group, to implement initiatives to assure that all people have the power and resources to make healthy decisions about their bodies, sexuality, and reproduction. A NYC Birth Equity Initiative was launched in 2017 to implement a multifaceted strategy to achieve the OneNYC goal of reducing racial disparities in infant mortality and to reduce disparities in severe maternal morbidity and maternal mortality. The Division maintains its multifaceted approach to ensuring that all individuals have access to quality, comprehensive services, including the full range of

FDA-approved contraceptive methods, and resources so that they can make informed decisions about their sexual and reproductive health. This includes working with hospitals through the Quality Improvement Network for Contraceptive Access to increase access to contraception in post-partum, post-abortion and primary care settings.

The Office of School Health (OSH) is a joint program of the Department of Education and the Department of Health and Mental Hygiene responsible for promoting the health of the 1.3 million school children enrolled in approximately 1,800 public and non-public schools in the New York City. Services to students include case management of chronic health problems, preventive health screening, urgent care, medication administration, preventive counseling, health education, referral for care, and assurance of ongoing effective treatment.

The Division maintains its multifaceted approach to reduce unintended pregnancy, including providing school-located services to increase the number of adolescents receiving high quality reproductive health services via the School-Based Health Center Reproductive Health Project and Connecting Adolescents to Comprehensive Healthcare (CATCH) program. Both of these programs provide critical school-located reproductive health services to high school students. The Office of School Health Community Schools initiative, which increases vital school-located services in 227 schools serving high-need students, also provides on-site expanded vision, asthma case management, oral health, and mental health services.

The Early Intervention (EI) program identifies and serves children from birth to age three years with developmental delays or disabilities and supports families to manage their children's needs and support their development. The Division coordinates the development of each family's Individualized Family Service Plan and authorizes all services such as speech therapy, special instruction, and physical and occupational therapy to more than 30,000 children and their families annually. All EI services are voluntary and provided at no cost to families, regardless of income, immigration, or insurance status.

### *Prevention and Primary Care*

The Department's Division of Prevention and Primary Care works to advance population health through supporting access to quality health services

and introducing system changes that promote disease prevention and control, with an emphasis on pursuing opportunities to integrate clinical and population health strategies. Division initiatives include a diverse portfolio such as assisting with health information systems and clinical quality care improvement; Medicaid enrollment assistance and advocacy for overcoming barriers to health care access; and innovative nutrition and tobacco control policy development and implementation. The Division also focuses on key issues including hypertension and the health of justice-involved populations.

The Primary Care Information Project's (PCIP) empowers healthcare providers to prevent and mitigate the burden of chronic disease through data, evidence-based guidelines, payment reform and technology. PCIP's analytic and technological expertise enables timely feedback on quality measures (e.g. Prevention and Primary Care Dashboards) to 1,500 clinicians serving over a million patients. Since 2010, PCIP has served as the NYC Regional Electronic Adoption Center for Health (NYC REACH) providing the experience and backbone support to adopt delivery models that emphasize care coordination, patient engagement, and community resource linkages to over 23,000 provider members across a network of organizations, including over 1,400 independent practices, 114 community health centers, and 68 hospital-based ambulatory clinics.

The Bureau of Primary Care Access and Planning (PCAP) creates and implements policy, program, and research interventions that maximize health insurance coverage opportunities and increase access to affordable, high quality, and coordinated primary care with a strong focus on health equity. The bureau comprises two offices: the Office of Health Insurance Services for on-the-ground programmatic work related to health coverage and access, and the Office of Health Planning for policy, data, and research activities. PCAP serves as the agency's subject matter experts on healthcare reform, including policies and federal actions that may impact New Yorkers such as changes to the Affordable Care Act or Deferred Action for Childhood Arrivals. PCAP leads the city's GetCoveredNYC media campaign to connect the uninsured with free in-person enrollment assistance and access to low- or no-cost health insurance options, and partners with the City's Public Engagement Unit to amplify these efforts through community outreach and individualized case management.

The Bureau of Chronic Disease Prevention and Tobacco Control (BCDPTC) strives to reduce the burden of chronic disease on New Yorkers, including heart disease, stroke, hypertension, cancer, and diabetes, with a particular focus on reducing gaps in health equity. The Bureau leads changes to systems, policies, and environments and provides New Yorkers with information and resources to help them make healthy choices. The Bureau focuses on addressing three key risk factors that cause chronic disease - poor nutrition, inadequate physical activity, and tobacco use - while also working to leverage clinical tools and settings to promote public health to improve control of conditions such as diabetes and hypertension. The Bureau supports increased access to fruits and vegetables and healthy beverages while working to reduce consumption of high sodium items and added sugars. The Bureau promotes opportunities for physical activity through the redesign of the built environment, including by integrating health-centric approaches into the design of housing, schools, and community spaces. The Bureau works to prevent and reduce tobacco use and improve access to smoking cessation resources by developing and disseminating campaigns to educate New Yorkers, promoting cessation support and protecting City residents from second-hand smoke. The Bureau also has a Worksite Wellness initiative in partnership with the Office of Labor Relations aimed at leveraging the worksite to promote health for all city employees and their dependents. Through its cancer prevention and public health detailing programs, the Bureau leverages evidence-based clinical tools and provider engagement in order to increase risk factor awareness and chronic disease prevention and management.

#### **Office of Chief Medical Examiner**

The Office of the Chief Medical Examiner determines the cause and manner of deaths occurring in the City, and operates the county mortuaries and the accredited Forensic Biology Laboratory.

Working closely with the New York Police Department (NYPD) and the District Attorney's Offices, the independent Office of Chief Medical Examiner (OCME) is responsible for the investigation of persons who die within New York City from criminal violence; by casualty or by suicide; suddenly, when in apparent good health; when unattended by a physician; in a correctional facility; or in any suspicious or unusual manner. The OCME is also responsible for coordinating

the burial of unclaimed or unidentified bodies of adults and children each year.

The OCME houses the nation's largest public forensic DNA laboratory, responsible for performing DNA analysis on nearly every category of crime occurring in the City, including homicide, rape, property crime, and weapons cases. Due to the large volume of casework the laboratory processes each year, the OCME is the largest contributor of forensic crime scene DNA profiles in the country. These profiles are uploaded to the national FBI DNA database, CODIS. The DNA Laboratory is also the only public laboratory in the country accredited to perform High Sensitivity Testing, a test requiring a very small amount of DNA. The OCME provides this type of test to other jurisdictions in the country that do not have the capabilities of the City's laboratory.

The OCME also plays a key role in planning and leading efforts in the event of a mass fatality incident. Working closely with the NYPD, OEM, DEP, and FDNY, the OCME has developed inter-agency teams and protocols to respond to and mitigate the effects of a mass fatality disaster. To this end, the OCME is spearheading a multi-state effort to prepare the region in the event there is another large scale incident in the Metropolitan New York area such as a plane crash, terrorist attack, or an outbreak of pandemic influenza. In the case of an infectious disease outbreak, the health of survivors and the family members of the deceased are of paramount importance to stem possible spread.

Finally, the OCME is the custodian of all unclaimed or unidentified World Trade Center (WTC) remains and will continue to identify additional victims of the World Trade Center Disaster.

## Capital Review

The 2019-2022 Four-Year Plan totals \$459 million. The plan includes allocations for renovating facilities, new construction, information technology improvements, and the purchase of equipment. The focus of the Department's 2019-2022 Four-Year Plan is to identify, prioritize and support immediate needs for code compliance and other renovations at the City's public health facilities and technology investments that are essential in providing critical public health services.

The table below shows capital commitments by program area over the 2017 - 2022 period.

### Capital Commitments (\$ in 000's)

	2017 Actual		2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Administration .....	\$-	\$-	\$2,223	\$2,223	\$4,940	\$4,940	\$4,000	\$4,000	\$-	\$-	\$-	\$-
Animal Care .....	\$1,308	\$1,308	\$12,608	\$12,608	\$35,137	\$35,137	\$50,754	\$50,754	\$-	\$-	\$-	\$-
Information Technology .....	\$4,067	\$5,285	\$12,443	\$16,867	\$6,551	\$9,073	\$3,207	\$4,174	\$3,500	\$5,000	\$4,060	\$5,800
OCME .....	\$2,685	\$2,685	\$12,892	\$13,228	\$7,983	\$7,983	\$21,372	\$21,372	\$10,869	\$10,869	\$2,980	\$2,980
Equipment .....	\$7,997	\$8,635	\$35,549	\$36,110	\$3,783	\$4,083	\$47,332	\$47,332	\$14,329	\$14,629	\$-	\$-
Renovation .....	\$3,530	\$3,530	\$27,056	\$27,056	\$62,603	\$62,603	\$37,185	\$37,185	\$79,251	\$79,251	\$51,811	\$51,811
<b>Total .....</b>	<b>\$19,587</b>	<b>\$21,443</b>	<b>\$102,771</b>	<b>\$108,092</b>	<b>\$120,997</b>	<b>\$123,819</b>	<b>\$163,850</b>	<b>\$164,817</b>	<b>\$107,949</b>	<b>\$109,749</b>	<b>\$58,851</b>	<b>\$60,591</b>

*Highlights of the 2019-2022 Four-Year Plan*

The Department's 2019-2022 Four-Year Plan features several important projects, including:

- Renovation of the Public Health Laboratory (\$153.4 million).
- Renovation of various public health facilities (\$77.5 million).
- Animal shelter investments (\$85.9 million).
- Information technology improvements, which include upgrades to the Department's network and security and systems, and the purchase of critical technologies needed to maintain and improve services (\$24 million).
- Purchase of equipment and vehicles, and upgrades of IT infrastructure within the Office of Chief Medical Examiner (\$43.2 million).

## FIRE DEPARTMENT

The Fire Department is responsible for protecting the lives and property of the citizens of New York City while responding to fire, medical and other emergencies, and investigating building hazards. The Fire Department extinguishes fires, promotes fire prevention awareness, investigates suspicious fires, provides ambulance and emergency medical services, and conducts building safety inspections. The Department currently has 357 fire units that provide fire, rescue, and emergency medical services. The agency also promotes fire prevention through public outreach and enforcement of New York City's Fire Code. The Department's Fire Marshals investigate fires and apprehend arsonists. The Bureau of Emergency Medical Services (EMS), assisted by the Certified First Responder (CFR) trained personnel responding from engine companies, provides pre-hospital emergency medical care and ambulance transport, where required.

### Financial Review

The Fire Department's 2019 Executive Budget provides for operating expenses of \$2.0 billion, a decrease of \$131 million from the amount forecasted for 2018. This variance is driven largely by Federal grant funding that has not been reflected in 2019.

Capital commitments of \$254.2 million are also provided in 2019. This represents an increase of \$51.7 million from the amount forecasted for 2018. The 2019 forecast is higher primarily due to higher planned commitments for information technology projects.

### Revenue Forecast

The Fire Department issues permits and collects fees for the inspection of fire suppression and electrical systems, places of public assembly, laboratories, high-rise buildings, and the storage and use of combustible materials. In addition, the Department realizes revenues from fees charged to private fire alarm companies and to out-of-state fire insurers that issue policies in New York City. In 2019, the revenue estimate for the Fire Department is \$99.8 million.

The Department also collects revenue from Emergency Medical Services (EMS) ambulance transports. In 2019, total EMS revenue is projected at \$205.1 million.

### Expense Budget Highlights

#### *Budgetary Priorities: Providing Core Services*

- Continue to provide fire extinguishment and rescue services, investigate suspicious fires, promote fire prevention, and conduct building safety inspections.
- Continue to provide on-site emergency medical care and ambulance transport services Citywide.
- Maintain the Department's public CPR training program through 2019, in partnership with NYC Service.
- Add 3 replacement ambulance tours previously run by New York Community Hospitals, at a cost of \$0.9 million.
- Provide funding for resources to support the creation of a Joint Operations Center for Fire/EMS dispatch, at a cost of \$2.0 million.

## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018	2019
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<b>Expenditures</b>						
Salary and Wages .....	\$1,787,062	\$1,834,867	\$1,786,628	\$1,788,971	(\$45,896)	\$2,343
Fringe Benefits .....	18,460	35,966	24,748	24,789	(11,177)	41
OTPS .....	232,133	282,403	202,673	207,960	(74,443)	5,287
<b>Total .....</b>	<b>\$2,037,655</b>	<b>\$2,153,236</b>	<b>\$2,014,049</b>	<b>\$2,021,720</b>	<b>(\$131,516)</b>	<b>\$7,671</b>
<b>Funding</b>						
City .....	\$1,776,234	\$1,863,986	\$1,766,817	\$1,774,653	(\$89,333)	\$7,836
Other Categorical Grants ..	185,448	189,920	205,104	205,104	15,184	—
IFA .....	616	538	703	538	—	(165)
State .....	2,541	2,439	1,835	1,835	(604)	—
Federal CD .....	—	—	—	—	—	—
Federal Other .....	70,243	94,761	37,678	37,678	(57,083)	—
Intra-City Other .....	2,573	1,592	1,912	1,912	320	—
<b>Total .....</b>	<b>\$2,037,655</b>	<b>\$2,153,236</b>	<b>\$2,014,049</b>	<b>\$2,021,720</b>	<b>(\$131,516)</b>	<b>\$7,671</b>
<b>Additional Costs Centrally Funded</b>						
<b>Personal Services (PS)</b>						
Fringe Benefits .....	\$723,131	\$700,011	\$755,003	\$766,024	\$66,013	\$11,021
Pensions .....	1,178,931	1,274,611	1,289,883	1,341,938	67,327	52,055
<b>Other Than Personal Service (OTPS)</b>						
Debt Service .....	137,933	145,538	166,442	163,463	17,925	(2,979)
<b>Total Additional Costs .....</b>	<b>\$2,039,995</b>	<b>\$2,120,160</b>	<b>\$2,211,328</b>	<b>\$2,271,425</b>	<b>\$151,265</b>	<b>\$60,097</b>
<b>Funding</b>						
City .....	1,986,890	2,069,799	2,167,320	2,227,509	157,710	60,189
Non-City .....	53,105	50,361	44,008	43,916	(6,445)	(92)
<b>Full Agency Costs (including Central Accounts)</b>						
Salary and Wages .....	\$1,787,062	\$1,834,867	\$1,786,628	\$1,788,971	(\$45,896)	\$2,343
Fringe Benefits .....	741,591	735,977	779,751	790,813	54,836	11,062
Pensions .....	1,178,931	1,274,611	1,289,883	1,341,938	67,327	52,055
<b>Total PS .....</b>	<b>\$3,707,584</b>	<b>\$3,845,455</b>	<b>\$3,856,262</b>	<b>\$3,921,722</b>	<b>\$76,267</b>	<b>\$65,460</b>
OTPS .....	\$232,133	\$282,403	\$202,673	\$207,960	(\$74,443)	\$5,287
Debt Service .....	137,933	145,538	166,442	163,463	17,925	(2,979)
<b>Total OTPS .....</b>	<b>\$370,066</b>	<b>\$427,941</b>	<b>\$369,115</b>	<b>\$371,423</b>	<b>(\$56,518)</b>	<b>\$2,308</b>
<b>Total Agency Costs .....</b>	<b>\$4,077,650</b>	<b>\$4,273,396</b>	<b>\$4,225,377</b>	<b>\$4,293,145</b>	<b>\$19,749</b>	<b>\$67,768</b>
Less Intra-City .....	\$2,573	\$1,592	\$1,912	\$1,912	\$320	\$—
<b>Net Agency Cost .....</b>	<b>\$4,075,077</b>	<b>\$4,271,804</b>	<b>\$4,223,465</b>	<b>\$4,291,233</b>	<b>\$19,429</b>	<b>\$67,768</b>
<b>Funding</b>						
City .....	3,763,124	3,933,785	3,934,137	4,002,162	68,377	68,025
Non-City .....	311,953	338,019	289,328	289,071	(48,948)	(257)
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	17,377	17,164	17,190	17,269	105	79
Non-City .....	86	30	26	24	(6)	(2)
<b>Total .....</b>	<b>17,463</b>	<b>17,194</b>	<b>17,216</b>	<b>17,293</b>	<b>99</b>	<b>77</b>

## Programmatic Review and Service Impact

In 2019 the Department expects that 89 percent of the responses by fire companies will be to potentially life threatening medical and other non-fire emergencies. The Department's Citywide response time to structural fires is projected to be about four minutes and 14 seconds in 2019. The Department anticipates that its ambulances will respond to over 1.5 million medical incidents in 2019.

### Fire Extinguishment

The Fire Department currently provides fire and rescue operations via 357 units consisting of 198 engine companies, 143 ladder companies, seven squads, five rescue units, three marine companies, and one hazardous materials unit.

### Emergency Medical Services

The Department is budgeted for 788 daily ambulance tours. Engine company personnel have received CFR training, and re-certification continues for those whose initial certification will expire.

### Fire Prevention

The Bureau of Fire Prevention is responsible for enforcing the City's Fire Code through the inspection of public and private properties.

### Fire Investigation

The Bureau of Fire Investigation is responsible for investigating and determining the cause and origin of all suspicious fires, and for the apprehension of arsonists. The Department will deploy 110 City-funded Fire Marshals and 26 City-funded Supervising Fire Marshals to field duty in 2019.

### Emergency Communication

The City continues work on Stage 2 of planned upgrades and enhancements to its 9-1-1 Emergency System. The majority of the capital funding for this initiative, known as the Emergency Communications Transformation Program (ECTP), is contained within DoITT's budget. In December 2011, in collaboration with the Police Department and the Fire Department, the Office of Citywide Emergency Communications completed Stage 1, which included significant upgrades to the call-taking systems and telecommunications infrastructure, as well as co-location of the Police, Fire and EMS call taking and dispatch operations into the Public Safety Answering Center in Brooklyn. ECTP's work on Stage 2 continues as the City develops a new, consolidated Fire and EMS dispatch system in a second, fully redundant Public Safety Answering Center (PSAC2) in the Bronx. As previously committed, NYPD call taking operations commenced at PSAC2 in June 2016. FDNY call taking operations at PSAC2 went live in 2017 for all boroughs and are being followed by continued implementation of public safety systems.

## Capital Review

The 2019-2022 Four-Year Capital Strategy totals \$731.5 million. This funding will be used for the purchase of fire-fighting apparatus, support vehicles, fire suppression and emergency medical equipment, the renovation and modernization of firehouses and other facilities, and the upgrade and replacement of computer and communications systems. The table below reflects capital commitments by program area over the 2018-2022 period.

### Capital Commitments (\$ in 000's)

	2017 Actual		2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan	
	City Funds	All Funds										
Communications .....	\$43,534	\$43,534	\$9,812	\$51,136	\$23,193	\$90,599	\$2,400	\$34,036	\$3,702	\$3,702	\$7,692	\$7,692
Electronic Data Processing ...	8,585	8,585	43,348	43,348	41,922	41,922	20,234	20,234	13,050	13,050	22,500	22,500
Reconstruction/Modernization of Facilities .....	58,219	58,298	60,970	63,818	62,741	62,851	43,277	43,277	57,500	57,500	25,000	25,000
Vehicles and Equipment .....	11,331	12,310	43,429	44,171	58,801	58,801	81,506	81,506	103,390	103,390	65,464	65,464
<b>Total .....</b>	<b>\$121,669</b>	<b>\$122,727</b>	<b>\$157,559</b>	<b>\$202,473</b>	<b>\$186,657</b>	<b>\$254,173</b>	<b>\$147,417</b>	<b>\$179,053</b>	<b>\$177,642</b>	<b>\$177,642</b>	<b>\$120,656</b>	<b>\$120,656</b>

*Highlights of the 2019-2022 Four-Year Plan*

- The renovation of firehouse components such as boilers, electrical systems, kitchens, roofs, bathrooms, waterproofing, apparatus doors, floors, and windows; construction, and renovation; and support facility reconstruction (\$189 million).
- The replacement of front-line fire-fighting apparatus according to mandated replacement cycles as well as support vehicles and equipment (\$309 million).
- The replacement of conduit, wiring and alarm boxes in inundation zones for the Department's outside cable plant that was damaged during Hurricane Sandy (\$107.7 million).
- The upgrade of 9-1-1 communications system infrastructure as it approaches the end of its useful life (\$65 million).
- The replacement of the telemetry radio system used by EMS Units (\$6.2 million).
- The replacement of end of life information technology and communications equipment (\$54.8 million).

*The 2019 Plan for the Department totals \$254.2 million and highlights include:*

- The renovation of firehouse components such as boilers, electrical systems, kitchens, roofs, bathrooms, waterproofing, apparatus doors, floors, and windows; construction, and renovation; and support facility reconstruction (\$62.8 million).
- The replacement of front-line fire-fighting apparatus according to mandated replacement cycles as well as support vehicles and equipment (\$58.8 million).
- The replacement of conduit, wiring, and alarm boxes in inundation zones for the Department's outside cable plant that was damaged during Hurricane Sandy (\$74.9 million).
- The upgrade of 9-1-1 communications system infrastructure as it approaches the end of its useful life (\$27 million).
- The replacement of the telemetry radio system used by EMS Units (\$6.2 million).
- The replacement of end of life information technology and communications equipment (\$24.4 million).

## DEPARTMENT OF SANITATION

As one of the oldest and largest public solid waste organizations in the United States, the Department of Sanitation maintains sanitary conditions and enforces sanitary compliance through street cleaning and the collection, management, recycling, and disposal of municipal solid waste in the City's 59 Community Districts.

### Financial Review

The Department of Sanitation's 2019 Executive Budget provides for operating expenses of \$1.73 billion, a decrease of \$7 million from the 2018 forecast, primarily due to one-time funding in 2018 that does not continue in 2019.

Capital commitments of \$495 million are also provided in 2019, an increase of \$139 million from the 2018 Plan amount, primarily due to higher planned commitments for garage construction.

### Revenue Forecast

The Department of Sanitation generates revenue from contracts for the removal of abandoned vehicles from City streets and property, payments related to methane gas extracted from the Fresh Kills landfill, from the sale of recycled paper and metal to private processors, and from an assortment of miscellaneous fees and minor sales. The Department's 2019 revenue estimate is \$20.3 million from these sources.

### Expense Budget Highlights

#### *Budgetary Priorities: Providing Core Services*

- Continue to provide curbside and containerized refuse and recycling collection service to residential properties and eligible institutions.
- Continue maintaining the cleanliness of the City by sweeping approximately 6,300 miles of streets and collecting waste from 25,000 litter baskets located at street corners Citywide.
- Respond to winter weather emergencies and keep the City's streets clear of snow and ice. Due to a heavy snow season, the cost of clearing snow and ice was higher than the previous five-year spending average. As a result, the 2018 snow budget has been increased to \$107 million. The Department's 2019 snow removal budget is \$98 million, based on the previous five-year spending average, as required by the City Charter.

## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018	2019
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<b>Expenditures</b>						
Salary and Wages .....	\$920,604	\$979,081	\$959,877	\$970,106	(\$8,975)	\$10,229
Fringe Benefits .....	35,635	38,904	39,032	39,151	247	119
OTPS .....	645,078	721,993	715,059	723,868	1,875	8,809
<b>Total .....</b>	<b>\$1,601,317</b>	<b>\$1,739,978</b>	<b>\$1,713,968</b>	<b>\$1,733,125</b>	<b>(\$6,853)</b>	<b>\$19,157</b>
<b>Funding</b>						
City .....	\$1,567,462	\$1,714,790	\$1,695,473	\$1,714,617	(\$173)	\$19,144
Other Categorical Grants ..	9,337	1,190	750	750	(440)	—
IFA .....	4,619	5,361	5,332	5,345	(16)	13
State .....	25	9,012	25	25	(8,987)	—
Federal CD .....	14,511	—	—	—	—	—
Federal Other .....	502	—	—	—	—	—
Intra-City Other .....	4,861	9,625	12,388	12,388	2,763	—
<b>Total .....</b>	<b>\$1,601,317</b>	<b>\$1,739,978</b>	<b>\$1,713,968</b>	<b>\$1,733,125</b>	<b>(\$6,853)</b>	<b>\$19,157</b>
<b>Additional Costs Centrally Funded</b>						
<b>Personal Services (PS)</b>						
Fringe Benefits .....	\$395,365	\$386,215	\$418,250	\$424,736	\$38,521	\$6,486
Pensions .....	306,661	323,953	318,850	325,284	1,331	6,434
<b>Other Than Personal Service (OTPS)</b>						
Debt Service .....	367,906	389,904	445,908	307,932	(81,972)	(137,976)
<b>Total Additional Costs .....</b>	<b>\$1,069,932</b>	<b>\$1,100,072</b>	<b>\$1,183,008</b>	<b>\$1,057,952</b>	<b>(\$42,120)</b>	<b>(\$125,056)</b>
<b>Funding</b>						
City .....	1,037,889	1,070,996	1,157,754	1,037,327	(33,669)	(120,427)
Non-City .....	32,043	29,076	25,254	20,625	(8,451)	(4,629)
<b>Full Agency Costs (including Central Accounts)</b>						
Salary and Wages .....	\$920,604	\$979,081	\$959,877	\$970,106	(\$8,975)	\$10,229
Fringe Benefits .....	431,000	425,119	457,282	463,887	38,768	6,605
Pensions .....	306,661	323,953	318,850	325,284	1,331	6,434
<b>Total PS .....</b>	<b>\$1,658,265</b>	<b>\$1,728,153</b>	<b>\$1,736,009</b>	<b>\$1,759,277</b>	<b>\$31,124</b>	<b>\$23,268</b>
OTPS .....	\$645,078	\$721,993	\$715,059	\$723,868	\$1,875	\$8,809
Debt Service .....	367,906	389,904	445,908	307,932	(81,972)	(137,976)
<b>Total OTPS .....</b>	<b>\$1,012,984</b>	<b>\$1,111,897</b>	<b>\$1,160,967</b>	<b>\$1,031,800</b>	<b>(\$80,097)</b>	<b>(\$129,167)</b>
<b>Total Agency Costs .....</b>	<b>\$2,671,249</b>	<b>\$2,840,050</b>	<b>\$2,896,976</b>	<b>\$2,791,077</b>	<b>(\$48,973)</b>	<b>(\$105,899)</b>
Less Intra-City .....	\$4,861	\$9,625	\$12,388	\$12,388	\$2,763	\$—
<b>Net Agency Cost .....</b>	<b>\$2,666,388</b>	<b>\$2,830,425</b>	<b>\$2,884,588</b>	<b>\$2,778,689</b>	<b>(\$51,736)</b>	<b>(\$105,899)</b>
<b>Funding</b>						
City .....	2,605,351	2,785,786	2,853,227	2,751,944	(33,842)	(101,283)
Non-City .....	61,037	44,639	31,361	26,745	(17,894)	(4,616)
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	9,792	10,013	10,297	10,248	235	(49)
Non-City .....	197	58	58	58	—	—
<b>Total .....</b>	<b>9,989</b>	<b>10,071</b>	<b>10,355</b>	<b>10,306</b>	<b>235</b>	<b>(49)</b>

## Programmatic Review and Service Impact

The Department's main administrative and planning divisions include the Bureau Financial Management and Administration and the Bureau of Recycling and Sustainability. The two operational divisions are the Bureau of Cleaning and Collection (BCC) and the Bureau of Solid Waste Management (SWM). The Bureau of Motor Equipment (BME) and the Bureau of Building Management (BBM) provide support operations.

### *Long Term Solid Waste Management*

In accordance with the 2006 Solid Waste Management Plan (SWMP), the Department is nearing completion of a sustainable, resilient, and equitable five borough solid waste management system to replace existing short-term contracts and reduce truck traffic and greenhouse gas emissions by relying on barge or rail export of waste in clean, sealed containers. The Department has opened two of four converted Marine Transfer Stations and the other two stations are expected to open within the next two years. The Department has procured all long-term contracts necessary to carry out the SWMP.

For Staten Island waste, the Department operates a facility at the closed Fresh Kills landfill that containerizes waste for rail transport via a rail link connecting Staten Island to the national rail freight network. In addition, the Department maintains long term solid waste management contracts with vendors to export refuse by rail for all of the Bronx, a portion of Brooklyn, and a portion of Queens.

### *Bureau of Recycling and Sustainability*

The Department continues its efforts to reduce the quantity of solid waste that must be disposed, consistent with the ambitious goal in OneNYC of a 90 percent reduction in residential waste disposal by 2030. The Department currently operates a dual-stream recycling program that requires residents to separate metal, glass, and plastic (MGP) from paper and place it in bins, bags or bundles.

In 2018, the paper recycling program is anticipated to generate an average of \$16.04 of revenue per ton from various vendors, or \$5.4 million. The City is paying \$77.12 per ton for MGP.

On January 1, 2015, a State ban of the disposal of electronic waste took effect. To carry out this law, the Department ceased collecting electronic waste with refuse at the curb. As an alternative, the Department has created the e-cycleNYC program to collect and recycle electronic waste from apartment buildings with 10 or more units. To date, more than 4,000 buildings have signed up for this program. In addition, starting in calendar year 2015 the Department expanded the number of SAFE (Solvents, Automotive, Flammables, and Electronics) disposal events from five to ten, two in each borough. In 2017 the Department began a program to collect electronic waste from residential buildings on Staten Island, which was subsequently extended to northern Brooklyn. In 2019 the Department will continue the program, which will ultimately reach all low and medium density districts.

In 2019, the Department will continue its school and curbside organics collection program. The organics collection programs will divert waste from landfills by establishing a separate waste stream for food scraps, yard waste, and other compostable materials.

### *Bureau of Cleaning and Collection*

The Bureau of Cleaning and Collection (BCC) is primarily responsible for collecting household refuse and recyclables, cleaning City streets, and enforcing recycling regulations and portions of the City's health and administrative codes. During the winter, BCC is also responsible for the removal of snow from City streets.

Currently, BCC provides refuse collection services two to four times a week depending on the population density of the community. Through March 2018, the Department's curbside refuse collection program has averaged 9.2 tons per truck.

### *Bureau of Solid Waste Management*

The Bureau of Solid Waste Management (SWM) is responsible for the receipt, transfer, transportation, and final disposal of over 10,000 daily tons of waste through its waste export contracts.

SWM is also responsible for the Fresh Kills landfill closure activities. The Financial Plan includes funds for closure activities including final capping of

the landfill, leachate treatment and control, methane gas collection and flaring, maintenance and security of the site and waterways, and environmental monitoring.

### *Bureau of Motor Equipment*

The Bureau of Motor Equipment (BME) provides services related to the acquisition, repair, and maintenance of the Department's equipment including collection trucks, street sweepers, salt spreaders, snow melters, front-end loaders, and other vehicles and equipment. BME operates an extensive network of repair and maintenance facilities. This Bureau researches and develops equipment specifications to improve productivity, vehicle design, and to take advantage of the newest technologies including alternative fuel vehicles and emissions-reducing exhaust after-treatments. As part of the City's fleet consolidation initiative, BME also maintains heavy-duty vehicles for other City agencies.

### *Sanitation Facilities*

The Bureau of Building Management (BBM) provides facility management services. BBM provides maintenance

and emergency repair work for the Department's facilities. BBM continues to work in conjunction with the New York Power Authority to reduce the Department's overall electrical consumption, particularly peak loads during high temperature summer days.

The Bureau of Facilities Planning and Engineering oversees Sanitation's capital construction and reconstruction projects. Over the next four years, the Department is funded to initiate construction to replace the aging Bronx 9, 10, and 11 garage complex and relocate the undersized Staten Island 1 garage from a densely populated residential neighborhood to land near the former Fresh Kills landfill; the Department will also make improvements to the Staten Island 3 Garage and combine districts 1 and 3 into a single garage complex. In addition, the Department is funded to pursue construction of a new garage in Manhattan to house Districts 6 and 8. The Department also has funding to begin construction of a new garage for Queens 1 on a site located within that district, which will improve service and alleviate Sanitation truck parking concerns where the garage is currently located.

## Capital Review

The Department's 2019-2022 Capital Plan totals \$1.9 billion. The Plan provides the Department with funding to construct, rehabilitate, purchase, and develop the necessary infrastructure and assets to support refuse collection, recycling, cleaning, waste disposal, and support operations. The Department's Capital Plan consists of four components — equipment purchases; solid waste management infrastructure renovation and construction; garage and facility rehabilitation, site acquisition, and construction; and information technology and telecommunications.

To support the Department's collection and cleaning operations, garages and facilities will be constructed and rehabilitated. In accordance with the City's Long Term Solid Waste Management Plan, the Department is renovating and constructing marine transfer stations. The Department continues to replenish its fleet, including collection trucks, dual-bin trucks, mechanical brooms, and salt spreaders in order to support operations.

The 2019-2022 Capital Plan totals \$1.9 billion. The table below shows capital commitments by program area over the 2019-2022 period.

### Capital Commitments (\$ in 000's)

	2017 Actual		2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan	
	City Funds	All Funds										
Solid Waste Management .....	\$37,671	\$37,671	\$54,483	\$57,739	\$44,261	\$44,876	\$4,897	\$4,897	\$52,659	\$52,659	\$—	\$—
Garages and Facilities .....	42,313	44,426	77,670	79,344	329,297	342,009	427,618	427,618	222,991	222,991	163,231	163,231
Equipment .....	162,430	162,430	200,656	200,656	92,412	92,412	196,374	196,374	154,334	154,334	160,365	160,365
Information Technology and Telecommunications .....	13,814	13,814	17,646	17,646	15,580	15,580	6,587	6,587	3,500	3,500	3,500	3,500
<b>Total .....</b>	<b>\$256,228</b>	<b>\$258,341</b>	<b>\$350,455</b>	<b>\$355,385</b>	<b>\$481,550</b>	<b>\$494,877</b>	<b>\$635,476</b>	<b>\$635,476</b>	<b>\$433,484</b>	<b>\$433,484</b>	<b>\$327,096</b>	<b>\$327,096</b>

*Highlights of the 2019-2022 Four-Year Capital Plan*

- Construction of a new garage for Bronx Community Districts 9, 10, and 11 (\$236 million).
  - Construction of a new garage for Queens Community District 1 (\$143 million).
  - Construction of a new garage for Staten Island Community Districts 1 and 3 (\$116 million).
  - Construction of a new garage for Manhattan Community Districts 6 and 8 (\$200 million).
  - Construction of a new garage for Brooklyn Community District 3 (\$177 million).
  - Component rehabilitation at garages and other facilities Citywide (\$284 million).
  - Construction and renovation of transfer stations and other facilities in accordance with the City's Long Term Solid Waste Management Plan (\$102 million).
  - Replacement of vehicles and other equipment (\$603 million).
  - Information technology and telecommunications (\$29 million).
- The 2019 Capital Plan provides \$495 million in 2019 including:
- Component rehabilitation and construction of garages and other facilities Citywide (\$342 million).
  - Construction and renovation of transfer stations and other facilities in accordance with the City's Long Term Solid Waste Management Plan (\$45 million).
  - Replacement of mechanical brooms, collection trucks, salt spreaders and other vehicles (\$92 million).
  - Information technology and telecommunications projects (\$16 million)

## DEPARTMENT OF PARKS AND RECREATION

The Department of Parks and Recreation (DPR) is the steward of more than 30,000 acres of land, including nearly 5,000 individual properties, ranging from the Coney Island Boardwalk and Central Park to community gardens and greenstreets. The Department maintains and operates approximately 900 athletic fields, 1,000 playgrounds, 700 tennis courts, and 600 community gardens. It also maintains and operates 67 public pools, 52 recreational facilities, 15 nature centers, 14 miles of beaches, 148 miles of waterfront parkland, and 14 golf courses. The Department is also responsible for nearly 850 monuments, 23 historic house museums and the care and maintenance of street and park trees, including over 1,000,000 new trees planted as part of the MillionTreesNYC initiative.

### Financial Review

The 2019 Executive Budget for the Department provides for operating expenses of \$509.4 million. This represents a net decrease of \$65.1 million from the amount forecasted for 2018. The 2018 forecast is greater because it includes Federal, State and Private funding not reflected in 2019 as well as one-time funding in 2018 that does not continue into 2019. Capital commitments of \$1.2 billion are also provided in 2019.

### Revenue Forecast

The Department of Parks and Recreation issues recreational permits, collects revenue from marina rentals, and receives revenue generated by concessions operated on Parks property. The Department will collect \$76 million from these sources in 2019.

### Expense Budget Highlights

#### *Budgetary Priorities: Providing Core Services*

- Maintaining the City's parks, playgrounds, infrastructure, and safety equipment, while ensuring acceptable ratings for the cleanliness and overall condition of parks.
- Sustaining parks through workforce transformation programs. Parks maintenance funding is also provided through the City's Human Resources Administration for the Parks Opportunity Program. This program provides a workforce to assist in the maintenance and operation of park facilities and helps to train and employ public assistance recipients.
- Operating and employing lifeguards at pools and beaches during the summer months.

- Maintaining street trees, park flora and fauna including tree pruning, dead tree removal, reforestation, foresters, contract inspection, and administration to support a variety of forestry initiatives, including increasing the City's tree inventory.
- Designing and supervising park construction. The 2019 budget includes the continuation of full-time positions in the Capital Projects Division for the design and construction of hundreds of parks projects, including parks, playgrounds, recreational and athletic fields, and tree planting.

## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018	2019
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<b>Expenditures</b>						
Salary and Wages .....	\$394,296	\$399,321	\$384,447	\$383,585	(\$15,736)	(\$862)
Fringe Benefits .....	2,501	6,844	2,966	2,966	(3,878)	—
OTPS .....	135,760	168,351	114,522	122,840	(45,511)	8,318
<b>Total .....</b>	<b>\$532,557</b>	<b>\$574,516</b>	<b>\$501,935</b>	<b>\$509,391</b>	<b>(\$65,125)</b>	<b>\$7,456</b>
<b>Funding</b>						
City .....	\$405,192	\$432,023	\$390,247	\$394,972	(\$37,051)	\$4,725
Other Categorical Grants ..	18,286	20,671	2,959	5,459	(15,212)	2,500
IFA .....	50,340	51,051	50,486	50,588	(463)	102
State .....	1,093	3,714	396	396	(3,318)	—
Federal CD .....	2,431	8,204	3,029	3,029	(5,175)	—
Federal Other .....	889	3,290	—	—	(3,290)	—
Intra-City Other .....	54,326	55,563	54,818	54,947	(616)	129
<b>Total .....</b>	<b>\$532,557</b>	<b>\$574,516</b>	<b>\$501,935</b>	<b>\$509,391</b>	<b>(\$65,125)</b>	<b>\$7,456</b>
<b>Additional Costs Centrally Funded</b>						
<b>Personal Services (PS)</b>						
Fringe Benefits .....	\$129,869	\$138,050	\$147,667	\$150,138	\$12,088	\$2,471
Pensions .....	58,249	60,800	57,777	65,526	4,726	7,749
<b>Other Than Personal Service (OTPS)</b>						
Debt Service .....	386,856	394,437	451,093	479,787	85,350	28,694
<b>Total Additional Costs .....</b>	<b>\$574,974</b>	<b>\$593,287</b>	<b>\$656,537</b>	<b>\$695,451</b>	<b>\$102,164</b>	<b>\$38,914</b>
<b>Funding</b>						
City .....	552,234	560,663	632,844	670,308	109,645	37,464
Non-City .....	22,740	32,624	23,693	25,143	(7,481)	1,450
<b>Full Agency Costs (including Central Accounts)</b>						
Salary and Wages .....	\$394,296	\$399,321	\$384,447	\$383,585	(\$15,736)	(\$862)
Fringe Benefits .....	132,370	144,894	150,633	153,104	8,210	2,471
Pensions .....	58,249	60,800	57,777	65,526	4,726	7,749
<b>Total PS .....</b>	<b>\$584,915</b>	<b>\$605,015</b>	<b>\$592,857</b>	<b>\$602,215</b>	<b>(\$2,800)</b>	<b>\$9,358</b>
OTPS .....	\$135,760	\$168,351	\$114,522	\$122,840	(\$45,511)	\$8,318
Debt Service .....	386,856	394,437	451,093	479,787	85,350	28,694
<b>Total OTPS .....</b>	<b>\$522,616</b>	<b>\$562,788</b>	<b>\$565,615</b>	<b>\$602,627</b>	<b>\$39,839</b>	<b>\$37,012</b>
<b>Total Agency Costs .....</b>	<b>\$1,107,531</b>	<b>\$1,167,803</b>	<b>\$1,158,472</b>	<b>\$1,204,842</b>	<b>\$37,039</b>	<b>\$46,370</b>
Less Intra-City .....	\$54,326	\$55,563	\$54,818	\$54,947	(\$616)	\$129
<b>Net Agency Cost .....</b>	<b>\$1,053,205</b>	<b>\$1,112,240</b>	<b>\$1,103,654</b>	<b>\$1,149,895</b>	<b>\$37,655</b>	<b>\$46,241</b>
<b>Funding</b>						
City .....	957,426	992,686	1,023,091	1,065,280	72,594	42,189
Non-City .....	95,779	119,554	80,563	84,615	(34,939)	4,052
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	7,085	7,140	6,749	6,720	(420)	(29)
Non-City .....	613	726	704	704	(22)	—
<b>Total .....</b>	<b>7,698</b>	<b>7,866</b>	<b>7,453</b>	<b>7,424</b>	<b>(442)</b>	<b>(29)</b>

## Programmatic Review and Service Impact

The Department of Parks and Recreation provides clean, safe, attractive, and functional parks and public spaces for all New Yorkers to use and enjoy, with a range of recreational facilities and opportunities for all ages.

### *Caring for Parks*

NYC Parks is dedicated to creating and maintaining thriving parks and public spaces, and plans, builds, and cares for parks citywide. Through the Parks Inspection Program, the Parks Department conducts 6,000 detailed park inspections throughout the year, as a way to consistently observe conditions encountered by the public. The results of these inspections are shared with senior management on a regular basis, guiding decisions regarding resource allocation, with the goal of improving the efficiency and effectiveness of daily operations. As measured by PIP, park and playground conditions are rated at 85% acceptable for overall condition and 92% acceptable for cleanliness in 2018, exceeding the targets set in the Mayor's Management Report.

The Parks Department is dedicated to strategic planning guided by a clear principle: distribute city resources in a fair and focused manner that reflects this administration's commitment to equity. The Parks Department's signature effort and the centerpiece of this strategic blueprint is the Community Parks Initiative (or CPI), with more than \$300 million dollars dedicated to delivering capital funding, enhanced programming, targeted improvements, and partnership development to support high need neighborhood parks. By the summer of 2018, NYC Parks will have opened 30 newly reconstructed parks and completed targeted improvements at an additional 111 parks. The recent expansion of CPI funding will allow the Parks Department to reimagine and recreate a total of 67 parks.

To ensure that the city's parks are beautiful, welcoming, and accessible to all New Yorkers, the department launched "Parks Without Borders," an exciting new design initiative. This program focuses on the edges, entrances and adjacent spaces of city parks, where they most directly interact with the surrounding community. The Parks Department is focused on creating more access to parks and creating more parkland by opening up entrances and edges and reclaiming unused park space. The Parks Department

announced eight signature projects to showcase this new approach and has incorporated Parks Without Borders into all ongoing projects. Design is now complete for the showcase projects, which are expected to begin construction next year.

Given the needs of a fast growing city, a commitment to equity also means a need to continue improving our parks and playgrounds in all neighborhoods by updating aging infrastructure and adding green space to areas most in need. The Parks Department announced a Mayoral investment of \$150 million for major improvements at five large parks, one in each borough, known as the new Anchor Parks Initiative. These parks act as anchors to their surrounding communities by providing large, diverse recreational resources. Anchor Parks will invest in new resources like soccer fields, comfort stations, running tracks and walking paths, transforming these parks for the 750,000 New Yorkers who live in the neighborhoods that surround them, and make these older parks feel new again. All five Anchor Parks projects are undergoing design and procurement, and have benefitted from well-attended public input meetings, so that the priority improvements at each park can be shaped by the local residents that know these parks best.

### *Recreational Services*

The Recreation Division operates 36 fee-based recreation centers, 11 field houses, and six centers programmed by community based organizations. With amenities such as pools, weight rooms, gymnasiums, tracks, art and dance studios, game rooms and computer classrooms, the Parks Department's recreation centers offer a wide range of programs, most of which are free or low-cost, for seniors, adults and children. As of December 2017, there are 153,481 active members enrolled at Parks Department recreation centers, enjoying over 1 million visits to our centers over the course of the year. These services are complemented by other signature programs, including Shape Up NYC, Kids in Motion, and Learn to Swim, which enable New Yorkers to lead active, healthier lifestyles.

Shape Up NYC offers more than 270 classes per week at approximately 175 locations. Class offerings are varied and include Yoga, Pilates, Zumba, Kickboxing and Cardio Sculpt. In 2017, more than 14,000 Shape Up

NYC classes received over 170,000 visits across the five boroughs. Additionally, beginning in September 2017, with support from NYC Service, Shape Up NYC was able to train more than 150 individuals to teach group fitness through the Fitness Instructor Training Program. The Kids in Motion program offered free activities at 105 sites citywide in 2017, including games, organized play, sports drills, and water activities, receiving more than 700,000 visits citywide. In 2017, the Parks Department served over 80,000 in nature education programs, 61,000 at outdoor movies, 8,000 in media education, and 36,000 through swim instruction.

### *Engaging the Community*

The Department of Parks and Recreation works closely with residents, community partners and volunteers across the city to improve the park experience. Thanks to the efforts of the Parks Department divisions that focus on community engagement, including Partnerships for Parks and GreenThumb, which together work with nearly 2,000 community groups and other organizations, the Parks Department is engaging New Yorkers in planning for the future of the park system, fostering broader community engagement in the design process, employing creative placemaking to develop dynamic community spaces and developing local stewardship of our city's parks and public spaces.

## Capital Review

The 2019-2022 Four-Year Capital Commitment Plan totals \$3.7 billion. The table below reflects capital commitments by program area over the 2018-2022 period.

### Capital Commitments

(\$000's)

	2017 Actual		2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Beaches and Boardwalks .....	\$1,978	\$1,980	\$3,437	\$9,740	\$19,306	\$23,445	\$77,602	\$107,757	\$8,342	\$21,421	\$848	\$848
Land Acquisition and Tree Planting .....	177,011	181,461	37,003	38,965	110,944	119,581	99,196	99,196	55,081	55,081	18,019	18,019
Major Recreation Facilities and Facility Reconstruction	16,882	27,805	66,374	79,179	139,037	149,926	187,645	204,660	124,284	187,368	36,891	36,891
Neighborhood Parks and Playgrounds .....	174,251	206,131	345,480	414,726	372,200	441,090	319,580	405,071	238,184	277,397	38,819	38,819
Vehicles and Equipment .....	15,739	15,739	37,456	38,429	41,913	41,913	14,526	14,526	13,511	13,511	25,381	25,381
Large, Major and Regional Park Reconstruction .....	143,283	151,874	306,032	349,266	380,151	416,900	342,673	350,501	470,092	486,563	88,006	88,596
Zoos .....	1,070	1,070	1,227	1,227	14,129	14,129	9,446	9,446	9,291	9,291	6,591	6,591
<b>Total .....</b>	<b>\$530,214</b>	<b>\$586,060</b>	<b>\$797,009</b>	<b>\$931,532</b>	<b>\$1,077,680</b>	<b>\$1,206,984</b>	<b>\$1,050,668</b>	<b>\$1,191,157</b>	<b>\$918,785</b>	<b>\$1,050,632</b>	<b>\$214,555</b>	<b>\$215,145</b>

*Highlights of the 2019-2022 Four-Year Plan*

- Continued implementation of phases one and two of the Community Parks Initiative (CPI), which directs capital funding to historically underfunded parks in areas with high population density, high concentration of poverty, and above average population growth (\$129.9 million). This funding is in addition to \$157.1 million committed in 2014-2017, \$76.5 million in planned commitments in 2018, and \$36.3 million in DEP funding for green infrastructure improvements.
  - Continued implementation of the Anchor Parks Initiative, which builds off of the Community Parks Initiative and directs capital funding to historically underfunded larger parks that are greater than six acres (\$149.1 million). This funding is in addition to \$14.2 million committed in 2017.
  - Funding to continue closing the Walk to a Park gap, including the renovation of schoolyards to allow them to be opened to the public outside of school hours, and the acquisition and development as parkland of public partnership and private sites (\$39.2 million). This funding is in addition to \$2.4 million in planned commitments in 2018.
  - Rehabilitation of Parks-owned pedestrian bridges citywide (\$646.7 million), including \$171.4 million for the reconstruction of the 79th Street Traffic Circle over the West 79th Street Plaza, \$142.6 million for the reconstruction of the Brooklyn Promenade, \$114.9 million for the reconstruction of the Passerelle Pedestrian Bridge, and \$105.4 million for the reconstruction of 6 pedestrian bridges citywide to ensure the safety and integrity of Parks-owned bridges through 2026.
  - Planting of new street trees and park trees and the reforestation and restoration of natural areas Citywide (\$217.9 million).
  - Reconstruction of recreation centers Citywide (\$131.7 million), including \$18.8 million for the reconstruction of Brownsville Recreation Center in Brooklyn, \$11.9 million for the Lost Battalion Recreation Center in Queens, \$5.9 million for the reconstruction of Tony Dapolito Recreation Center in Manhattan, \$5.1 million for the St. Mary's Recreation Center in the Bronx, and \$90.0 million for the reconstruction of other recreation centers citywide.
- The 2019 Plan for the Department totals \$1.2 billion and highlights include:
- Continued implementation of the Anchor Parks Initiative (\$102.4 million)
  - Planting of new street trees and park trees and the construction of greenstreets Citywide (\$88.4 million).
  - Continued implementation of the Community Parks Initiative (\$59.5 million).
  - Construction of Box Street Park in Brooklyn (\$21.7 million).
  - Reconstruction of the New York State Pavilion in Flushing Meadows Park in Queens (\$18.4 million).
  - Construction of a waterfront park at Ferry Point in the Bronx (\$16.2 million).
  - Reconstruction of Seward Park in Manhattan (\$6.6 million).
  - Construction of active recreation, lighting and seating areas at Faber Park in Staten Island (\$4.1 million).

## DEPARTMENT OF ENVIRONMENTAL PROTECTION

The primary mission of the Department of Environmental Protection (DEP) is to deliver drinking water; manage stormwater; treat wastewater; regulate air, noise, and asbestos pollution; and protect the environmental health, welfare, and natural resources of New York City and its residents. This includes managing the New York City water and sewer system. The New York City water system consists of 19 collecting reservoirs and three controlled lakes located within the 2,000 square miles of the Croton, Catskill, and Delaware watersheds, along with 7,000 miles of aqueducts, tunnels, and water mains that deliver more than 1.0 billion gallons of water per day, and seven upstate water pollution control plants. The New York City sewer system comprises a comprehensive network of 7,500 miles of sewers, 14 in-City Wastewater Treatment Plants (WWTPs), and 96 pump stations to convey and treat approximately 1.2 billion gallons per day of captured sewage to standards established by State and Federal law before releasing the effluent into receiving waters.

### Financial Review

The Department of Environmental Protection's 2019 Executive Budget provides for operating expenses of \$1.4 billion. It also provides capital commitments of \$11.9 billion to be financed by Water Finance Authority funds and \$289.3 million in non-City funds.

### Revenue Forecast

The Department collects revenue from the sale of hydro-energy to upstate power utilities, property rentals, and other fees. The Department also regulates air and noise quality, performs inspections, issues licenses and permits, and reviews technical plans related to asbestos control, air quality and noise abatement laws, and the storage of hazardous substances. The revenue estimate for 2019 is \$24.7 million.

### Expense Budget Highlights

#### *Budgetary Priorities: Providing Core Services*

- DEP supplies approximately 1.0 billion gallons of drinking water per day to over eight and a half million City residents and one million upstate residents, and maintains the City's water main and sewer infrastructure. Approximately 2,319 personnel and \$549.2 million are dedicated to this function. In addition, there are 299 police and security force personnel (\$35.3 million), including 221 environmental police officers, who protect the upstate watershed and respond to hazardous materials emergencies.
- The Department treats an average of 1.2 billion gallons of dry-weather sewage per day at the City's 14 WWTPs. Approximately 1,842 personnel and \$449.7 million are dedicated to this function.
- The Department continues to use various chemicals to ensure high quality drinking water for City and upstate residents and to protect the quality of waterbodies surrounding the City (\$50.7 million).
- The Department continues to fund contracts for biosolids removal, transport, and disposal (\$56.4 million).
- The Department continues to meet the terms under the Surface Water Treatment Rule for a Filtration Avoidance Determination (FAD) in the Catskill and Delaware Watersheds (\$63.3 million). The City's FAD includes programs which focus on agriculture and forestry, land management, flood hazard mitigation, and stormwater, stream, and wastewater management. The NYS Department of Health and the Environmental Protection Agency renewed the FAD in 2017 and it will be in effect for ten years.
- The Department enforces the City's air and noise codes in addition to asbestos regulations with 211 positions and \$15.8 million dedicated to this function. Included is funding to support six additional asbestos inspection auditors (\$0.6 million) and to expand the noise response unit to decrease response times to noise complaints (\$1.8 million).
- The Department will continue implementation of the City's Green Infrastructure Plan with 124 positions and \$16.6 million dedicated to the purchase, installation, and maintenance of green infrastructure components.
- The Department will ensure that the City is in compliance with the requirements set forth in the Municipal Separate Storm Sewer System (MS4) permit, which mandates the City to enforce inspection programs that address stormwater runoff from construction and development sites and from industrial or commercial facilities (\$5.9 million).

- The Department will hire additional personnel and purchase chemicals for the 24/7 operation of a new chlorination facility at the Ashokan Reservoir to treat and optimize the Catskill Aqueduct (\$2.4 million).
- The Department will achieve chemical savings of \$13.3 million due to lower contract bids, reduced prices, and updated operational needs.

#### *Restructuring and Streamlining*

The Department expects to achieve a savings of \$28.3 million identified from refinement of agency contractual needs, procurement and programmatic efficiencies, and reevaluation of program budgetary needs.

- The Department will save \$1.0 million on the maintenance associated with recently installed wastewater treatment centrifuges.
- The Department will save \$4.0 million from reevaluated dewatering contract needs at the Owls Head Wastewater Treatment Plant.
- The Department has identified surpluses and re-estimates for various agency operations totaling \$10.0 million.

## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018	2019
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<b>Expenditures</b>						
Salary and Wages .....	\$547,377	\$533,547	\$540,493	\$542,614	\$9,067	\$2,121
Fringe Benefits .....	2,353	3,476	3,295	3,295	(181)	—
OTPS .....	886,164	947,508	763,817	839,902	(107,606)	76,085
<b>Total .....</b>	<b>\$1,435,894</b>	<b>\$1,484,531</b>	<b>\$1,307,605</b>	<b>\$1,385,811</b>	<b>(\$98,720)</b>	<b>\$78,206</b>
<b>Funding</b>						
City .....	\$1,157,100	\$1,189,481	\$1,159,382	\$1,225,891	\$36,410	\$66,509
Other Categorical Grants ..	16,157	7,769	—	—	(7,769)	—
IFA .....	73,667	63,426	66,490	66,641	3,215	151
State .....	624	2,956	—	—	(2,956)	—
Federal CD .....	178,876	209,998	80,213	92,049	(117,949)	11,836
Federal Other .....	2,397	6,241	151	151	(6,090)	—
Intra-City Other .....	7,073	4,660	1,369	1,079	(3,581)	(290)
<b>Total .....</b>	<b>\$1,435,894</b>	<b>\$1,484,531</b>	<b>\$1,307,605</b>	<b>\$1,385,811</b>	<b>(\$98,720)</b>	<b>\$78,206</b>
<b>Additional Costs Centrally Funded</b>						
Personal Services (PS)						
Fringe Benefits .....	\$191,136	\$195,796	\$212,843	\$215,851	\$20,055	\$3,008
Pensions .....	81,204	82,111	80,046	90,780	8,669	10,734
Other Than Personal Service (OTPS)						
Debt Service .....	55,661	59,435	67,972	48,064	(11,371)	(19,908)
<b>Total Additional Costs</b>	<b>\$328,001</b>	<b>\$337,342</b>	<b>\$360,861</b>	<b>\$354,695</b>	<b>\$17,353</b>	<b>(\$6,166)</b>
<b>Funding</b>						
City .....	304,993	316,662	340,033	334,550	17,888	(5,483)
Non-City .....	23,008	20,680	20,828	20,145	(535)	(683)
<b>Full Agency Costs (including Central Accounts)</b>						
Salary and Wages .....	\$547,377	\$533,547	\$540,493	\$542,614	\$9,067	\$2,121
Fringe Benefits .....	193,489	199,272	216,138	219,146	19,874	3,008
Pensions .....	81,204	82,111	80,046	90,780	8,669	10,734
<b>Total PS .....</b>	<b>\$822,070</b>	<b>\$814,930</b>	<b>\$836,677</b>	<b>\$852,540</b>	<b>\$37,610</b>	<b>\$15,863</b>
OTPS .....	\$886,164	\$947,508	\$763,817	\$839,902	(\$107,606)	\$76,085
Debt Service .....	55,661	59,435	67,972	48,064	(11,371)	(19,908)
<b>Total OTPS</b>	<b>\$941,825</b>	<b>\$1,006,943</b>	<b>\$831,789</b>	<b>\$887,966</b>	<b>(\$118,977)</b>	<b>\$56,177</b>
<b>Total Agency Costs .....</b>	<b>\$1,763,895</b>	<b>\$1,821,873</b>	<b>\$1,668,466</b>	<b>\$1,740,506</b>	<b>(\$81,367)</b>	<b>\$72,040</b>
Less Intra-City .....	\$7,073	\$4,660	\$1,369	\$1,079	(\$3,581)	(\$290)
<b>Net Agency Cost .....</b>	<b>\$1,756,822</b>	<b>\$1,817,213</b>	<b>\$1,667,097</b>	<b>\$1,739,427</b>	<b>(\$77,786)</b>	<b>\$72,330</b>
<b>Funding</b>						
City .....	1,462,093	1,506,143	1,499,415	1,560,441	54,298	61,026
Non-City .....	294,729	311,070	167,682	178,986	(132,084)	11,304
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	213	268	273	290	22	17
Non-City .....	5,798	6,285	6,234	6,215	(70)	(19)
<b>Total .....</b>	<b>6,011</b>	<b>6,553</b>	<b>6,507</b>	<b>6,505</b>	<b>(48)</b>	<b>(2)</b>

## Programmatic Review and Service Impact

### *Water Supply Strategies*

The Department will continue the implementation of programs related to the Filtration Avoidance Determination (FAD) for the City's Catskill and Delaware water supplies. In 2017, the New York State Department of Health, in consultation with the U.S. Environmental Protection Agency, issued an administrative determination providing the City with a waiver from filtering the Catskill and Delaware water supplies through 2027, superseding the previously issued 2007 FAD. As part of the FAD, and in compliance with revised regulations, DEP continues successful water quality management programs and its upstate land acquisition program to protect the water entering the City's reservoirs.

The Department will also continue the Water for the Future Program to address leaks in the Rondout-West Branch Tunnel (RWBT), a 45-mile portion of the Delaware Aqueduct that conveys about 50 percent of the City's daily water supply. A major component of this program is the construction of a 2.5-mile bypass tunnel around the areas of significant leakage. During the connection of this bypass tunnel to the Delaware Aqueduct, the RWBT will need to be temporarily shut down. In order to compensate for this shutdown, the Department will continue to pursue several water supply conservation and augmentation projects.

The Department will also begin construction of a tunnel connecting the Kensico Reservoir to the Catskill/Delaware Ultraviolet Light Disinfection Facility (CDUV). Historically, for purposes of water quality and redundancy, both the Delaware and Catskill Aqueducts conveyed water from the Kensico Reservoir. However, because the Catskill Aqueduct is not sufficiently pressurized to move water through the CDUV, only the Delaware Aqueduct can deliver water from the Kensico Reservoir to the facility. The new tunnel will replace the section of the Catskill Aqueduct between the Kensico Reservoir and the CDUV and restore needed redundancy.

The Department will begin the construction of the remaining two shafts for the Brooklyn/Queens section of City Tunnel No. 3. Completion of these shafts will enable full operation of the Brooklyn/Queens section, allowing for the full inspection of City Tunnels No. 1 and 2 and providing critical water delivery redundancy in Brooklyn, Queens, and Staten Island. As of December

2017, the City Tunnel No. 3 was cleaned, pressurized, and filled with water, making it activation-ready in the event of emergencies until the remainder of the tunnel shafts are completed.

Additionally, the Department will conduct rehabilitation work at the Ashokan Reservoir in the Catskill System of the City's watershed. Projects include reconstruction of the Olive Bridge Dam and reservoir dikes, as well as replacement of the Dividing Weir Bridge and overall site restoration. This rehabilitation work will bring several key infrastructure pieces up to State and Federal safety standards and continue the Department's efforts to strengthen infrastructure in preparation for severe storms.

### *Wastewater Treatment Initiatives*

Water quality in the harbor and surrounding waters continues to improve to levels not experienced in the last 100 years. Coliform bacterial counts, which are indicators of water pollution from sewage, continue on a downward trend. Improvements have also been realized in the measure of dissolved oxygen as concentration levels in most harbor areas have been notably higher than in past years. These advancements are attributed to the following DEP initiatives: continued reconstruction and upgrades at in-City WWTPs, implementation of advanced treatment technologies for nitrogen removal, the abatement of illegal discharges, improved sewer maintenance, and increased capture of wet weather flows.

To build upon these improvements, DEP continues to implement the NYC Green Infrastructure Plan. This mandated program supplements existing Combined Sewer Overflow (CSO) controls with a mix of "green infrastructure" (natural and permeable surfaces) and the optimization of "grey infrastructure" (construction and modification of tanks and tunnels) that will more cost-effectively reduce CSOs in waterways, while also improving air quality. Upon meeting the requirement under the consent order, this program will manage one inch of precipitation on 10 percent of impervious surfaces.

In addition to the above, DEP is implementing several CSO Long-Term Control Plans which will further improve water quality in City waterbodies. This is still in the design stage, but will encompass a number of strategies including disinfection of CSOs before being released into receiving waterbodies.

### *Water Distribution and Wastewater Collection System*

The Department operates, maintains, and protects the City's vast water and sewer network by ensuring residents have an adequate supply of potable water, maintaining sewers for a properly functioning wastewater system, and providing emergency services during water main breaks, leaks, sewer backups, and more.

As of August 2015, the City is mandated to comply with the Municipal Separate Storm Sewer System (MS4) permit issued by the New York State Department of Environmental Conservation to manage stormwater runoff in a way that prevents flooding and improves water quality. The permit requires the City to develop a Citywide Stormwater Management Plan that outlines measures to meet the permit obligations.

The Department is amending the City's drainage plan to show the locations, course, size, and elevation of the existing and proposed sewers for each drainage district. This will allow the Department to provide an adequate water and sewer system as new developments take place throughout the City.

In 2015, the Department began constructing a comprehensive storm sewer system in the neighborhoods represented by Community Boards 12 and 13 in Southeast Queens to mitigate chronic flooding experienced by the communities. Recognizing that the build-out of the full sewer system in Southeast Queens remains a long-term project, the Department has developed a number of strategies to provide short-term flooding relief while construction is underway, including public education on grease management, installation of green infrastructure, development of Bluebelt wetlands that naturally filter storm water runoff, and more.

### *Customer Services Programs*

As required by the New York State Department of Environmental Conservation and the NYC Water Board, the Department is progressing towards its goal of universally metering all properties. The major objectives of universal metering include water conservation, improved water supply system management, and rate equity. DEP services approximately 835,000 water and sewer customer accounts, of which 34,000 are billed on a flat-rate system. Currently, more than 828,000 accounts are metered, while just over 6,700 remain unmetered.

In January of 2013, DEP introduced a Water and Sewer Service Line Protection Program offered by American Water Resources (AWR). The purpose of this voluntary program is to protect homeowners from the unexpected high costs of water and sewer service line repairs. In exchange for a relatively small monthly program fee, AWR provides DEP customers with unlimited coverage for water and/or sewer service line leaks and breaks due to normal wear and tear. As of April 2018, 260,656 customers have enrolled in the program and entered into service contracts with AWR. AWR was selected by the Water Board to offer the program, following a competitive Request for Proposal (RFP) process.

DEP is in the process of procuring a new customer water billing system to replace its current outdated system. DEP bills and collects approximately \$4.0 billion in revenue annually with the existing billing system and this replacement will ensure continued stability and allow for greater overall flexibility of the billing system.

### *Environmental Compliance*

The Bureau of Environmental Compliance reviews and inspects asbestos abatement projects; investigates air quality and noise complaints; monitors emissions and environmental impacts from alternative fuel vehicles; and issues permits for boilers, other combustion equipment, and other potential sources of air pollution.

The Bureau is also responsible for enforcing the City's noise code. Along with establishing rules, guidelines, and standards for governing noise in the City, the Bureau promulgates construction rules that require a site-specific noise mitigation plan for each construction site, offering alternatives for contractors to continue construction while reducing the noise impact on the surrounding environment.

### *Energy Policy*

The Department works in conjunction with the Department of Citywide Administrative Services and the Mayor's Office on coordinating the City's strategic goals on energy policy. Given that DEP is one of the City's largest energy users, this policy role is closely linked with a number of objectives in the Department's strategic plan. This role is in addition to over \$589.2 million in capital projects with energy reduction components where DEP expects to invest in clean distributed generation, energy efficiency, and hydro-electric generation.

*Bureau of Police and Security*

The Bureau of Police and Security is responsible for protecting the New York City water supply and the associated critical infrastructure from terrorism, pollution, and crime. Since February 1, 2010, the Bureau has been responsible for responding to

hazardous material emergencies within the City by evaluating the characteristics of the materials involved and making technical decisions concerning containment, abatement, and disposal. The DEP Police Department patrols the upstate water supply, with 221 officers dedicated to this function.

**Capital Review***Overview*

The Four-Year Capital Plan for 2019 through 2022 provides a total of \$12.1 billion from the following sources: \$11.9 billion financed by Water Finance Authority funds and \$289.3 million in non-City funds.

The table below shows capital commitments by program area over the 2017-2022 period.

**Capital Commitments**  
(**\$ in 000's**)

	2017 Actual		2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan	
	City Funds	All Funds										
Water Pollution .....	\$666,941	\$674,535	\$634,178	\$634,178	\$1,029,828	\$1,232,773	\$1,217,841	\$1,247,971	\$1,061,142	\$1,064,742	\$909,365	\$913,865
Water Mains .....	867,402	882,941	650,556	\$651,367	586,278	593,415	651,006	654,228	738,316	738,316	673,343	673,366
Sewers .....	669,886	685,373	689,789	\$697,368	592,418	597,570	750,648	781,536	646,864	646,864	690,428	690,428
Water Supply .....	161,564	161,564	101,857	\$101,857	317,244	317,244	278,500	278,500	137,048	137,048	1,109,000	1,109,000
Equipment .....	86,195	86,195	65,471	65,471	102,689	104,425	115,455	115,455	97,345	97,345	147,970	147,970
<b>Total .....</b>	<b>\$2,451,988</b>	<b>\$2,490,608</b>	<b>\$2,141,851</b>	<b>\$2,150,241</b>	<b>\$2,628,457</b>	<b>\$2,845,427</b>	<b>\$3,013,450</b>	<b>\$3,077,690</b>	<b>\$2,680,715</b>	<b>\$2,684,315</b>	<b>\$3,530,106</b>	<b>\$3,534,629</b>

The major elements of the Four-Year Capital Plan include:

- Extension and reconstruction of storm, sanitary, and combined sewers (\$2.7 billion).
- Investments to maintain the operational integrity of existing wastewater treatment facilities (\$2.7 billion). The total includes the hardening of wastewater infrastructure based on findings of the New York City Wastewater Resiliency Plan assessment and Federal grant funding for Sandy-related recovery work (\$458.4 million).
- Replacement and extension of trunk and distribution water mains and ancillary work (\$1.2 billion).
- Disinfection and mitigation of Combined Sewer Overflow (CSO) to achieve waterbody-specific water quality standards (\$931.0 million). This includes the construction of CSO holding tanks to improve water quality in the Gowanus Canal (\$535.0 million) and the design of a CSO tunnel for Flushing Bay (\$90.0 million).
- Construction of a comprehensive sewer system in Southeast Queens, including strategically selected projects to deliver near-term and long-term flooding relief (\$910.7 million).
- Construction of a tunnel connecting the Kensico Reservoir to the Catskill/Delaware Ultraviolet Light Disinfection Facility, necessary to provide redundancy in the water supply system (\$821.4 million).
- Reducing CSOs through the use of green infrastructure (\$676.8 million), such as right-of-way bioswales and stormwater greenstreets, porous pavement, constructed wetlands, onsite stormwater management practices, and green roofs.
- Rehabilitation of Ashokan Reservoir structures, including reconstruction of the Olive Bridge Dam, reservoir dikes, Dividing Weir Bridge, and overall site restoration (\$117.3 million).
- Construction of shafts related to the activation of the Brooklyn/Queens section of City Tunnel No. 3 (\$600.0 million). This total includes the excavation of the remaining two shafts necessary for full operation of the tunnel (\$300.0 million).
- Continuation of land acquisition for and construction of the award-winning Staten Island Bluebelt program (\$286.8 million).
- Reconstruction of Hillview Reservoir chambers (\$146.5 million).
- Reconstruction of upstate and in-City dams, including the rehabilitation of the New Croton Dam (\$135.0 million) and excluding the Olive Bridge Dam already noted. This will ensure the long-term reliability of the City's reservoir infrastructure (\$341.2 million).
- Ongoing stabilization and upgrade of in-City wastewater treatment plants (WWTPs) and systems to ensure compliance with State and Federal mandates for: operating permit requirements (\$14.8 million); mandated studies and facility upgrades to reduce nitrogen levels in treated wastewater (\$40.2 million); and enhancement of the existing chlorination system at various WWTPs in order to meet stricter chlorine discharge limits (\$114.7 million).
- Continuation of various filtration avoidance measures and land acquisition in the upstate watershed in support of the new, ten-year 2017 Filtration Avoidance Determination (\$340.6 million).
- Design and installation of a unified agency-wide security system to include access control, intrusion detection, cameras, and other security items needed to protect the water supply, distribution, and wastewater systems, Citywide and in various upstate communities (\$115.0 million).
- Complete rehabilitation and optimization of Catskill Aqueduct (\$401.0 million). This total includes leak repairs and biofilm removal in the upper 74-mile portion of the Aqueduct (\$198.0 million), reconstruction of the Lower Catskill Aqueduct connecting the Catskill/Delaware Ultraviolet Facility with Hillview Reservoir (\$125.0 million), and the inspection and repair of deep-rock pressure tunnels that maintain tunnel pressure for water distribution (\$78.0 million).
- Replacement of digesters at the Hunts Point Wastewater Treatment Plant (\$220.0 million).
- Emergency rehabilitation and replacement of sewers and water mains in the event of line breaks (\$249.5 million).

## DEPARTMENT OF TRANSPORTATION

The Department of Transportation (DOT) maintains and reconstructs City bridges, plans and funds street reconstruction, oversees ferry operations, manages traffic signals and street lighting networks, maintains and collects revenue from parking meters, operates parking facilities, and coordinates transportation planning within the five boroughs. It is DOT's goal to create a transportation network that will be reliable, safe, sustainable, and accessible, meeting the needs of all New Yorkers and supporting the City's growing economy.

### Financial Review

The Department of Transportation's 2019 Executive Budget provides for operating expenses of \$1.0 billion. Capital commitments of approximately \$11.5 billion are also provided from 2019-2022, including \$1.6 billion in Federal, State, and private funding.

### Revenue Forecast

The Department of Transportation collects revenue from parking meters and parking garages, franchises, concessions, and street opening permits. In 2019, the Department will collect \$389.2 million in revenue.

### Expense Budget Highlights

#### *Budgetary Priorities: Providing Core Services*

- Funding of \$399.9 million for the traffic program, including \$57.3 million for energy costs associated with all streetlights and traffic signals throughout the City, and \$143.0 million for the maintenance of approximately 13,150 traffic signalized intersections and over 333,670 streetlights Citywide.
- Funding of \$203.8 million for the in-house costs associated with resurfacing 1,300 lane miles of streets and the repair of approximately 253,000 street defects (potholes).
- Funding of \$103.9 million for the operation of the Staten Island Ferry and overseeing private ferry service.
- Funding of \$43.8 million for preventive maintenance, cleaning, and spot and splash zone painting of City bridges including Federal funding for the maintenance of the East River Bridges.
- Funding of \$24.4 million for the in-house bridge flag/corrective repair program.

#### *Restructuring and Streamlining*

- Reductions in overall contracts spending will generate ongoing savings of \$1.1 million.
- In 2019, the Department will realize \$2.8 million in savings by reducing overtime, eliminating unnecessary mechanic positions, and capturing savings from vacant positions.
- The Department will have \$0.9 million of savings in 2019 after obtaining a no-cost contract for the pay-by-cell parking application.

## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018	2019
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<b>Expenditures</b>						
Salary and Wages .....	\$463,914	\$465,934	\$473,590	\$487,086	\$21,152	\$13,496
Fringe Benefits .....	4,993	4,979	4,978	4,978	(1)	—
OTPS .....	488,977	528,107	486,716	549,986	21,879	63,270
<b>Total .....</b>	<b>\$957,884</b>	<b>\$999,020</b>	<b>\$965,284</b>	<b>\$1,042,050</b>	<b>\$43,030</b>	<b>\$76,766</b>
<b>Funding</b>						
City .....	\$559,999	\$539,321	\$555,629	\$624,933	\$85,612	\$69,304
Other Categorical Grants ..	11,501	2,421	1,599	1,599	(822)	—
IFA .....	211,712	233,652	236,759	240,357	6,705	3,598
State .....	112,001	104,651	99,806	101,825	(2,826)	2,019
Federal CD .....	—	—	—	—	—	—
Federal Other .....	57,223	113,774	68,620	70,464	(43,310)	1,844
Intra-City Other .....	5,448	5,201	2,871	2,872	(2,329)	1
<b>Total .....</b>	<b>\$957,884</b>	<b>\$999,020</b>	<b>\$965,284</b>	<b>\$1,042,050</b>	<b>\$43,030</b>	<b>\$76,766</b>
<b>Additional Costs Centrally Funded</b>						
<b>Personal Services (PS)</b>						
Fringe Benefits .....	\$161,346	\$168,340	\$181,565	\$185,811	\$17,471	\$4,246
Pensions .....	70,246	71,442	68,277	77,434	5,992	9,157
<b>Other Than Personal Service (OTPS)</b>						
Debt Service .....	717,116	680,031	777,709	753,149	73,118	(24,560)
<b>Total Additional Costs</b>	<b>\$948,708</b>	<b>\$919,813</b>	<b>\$1,027,551</b>	<b>\$1,016,394</b>	<b>\$96,581</b>	<b>(\$11,157)</b>
<b>Funding</b>						
City .....	858,262	831,159	932,098	920,598	89,439	(11,500)
Non-City .....	90,446	88,654	95,453	95,796	7,142	343
<b>Full Agency Costs (including Central Accounts)</b>						
Salary and Wages .....	\$463,914	\$465,934	\$473,590	\$487,086	\$21,152	\$13,496
Fringe Benefits .....	166,339	173,319	186,543	190,789	17,470	4,246
Pensions .....	70,246	71,442	68,277	77,434	5,992	9,157
<b>Total PS .....</b>	<b>\$700,499</b>	<b>\$710,695</b>	<b>\$728,410</b>	<b>\$755,309</b>	<b>\$44,614</b>	<b>\$26,899</b>
OTPS .....	\$488,977	\$528,107	\$486,716	\$549,986	\$21,879	\$63,270
Debt Service .....	717,116	680,031	777,709	753,149	73,118	(24,560)
<b>Total OTPS</b>	<b>\$1,206,093</b>	<b>\$1,208,138</b>	<b>\$1,264,425</b>	<b>\$1,303,135</b>	<b>\$94,997</b>	<b>\$38,710</b>
<b>Total Agency Costs .....</b>	<b>\$1,906,592</b>	<b>\$1,918,833</b>	<b>\$1,992,835</b>	<b>\$2,058,444</b>	<b>\$139,611</b>	<b>\$65,609</b>
Less Intra-City .....	\$5,448	\$5,201	\$2,871	\$2,872	(\$2,329)	\$1
<b>Net Agency Cost .....</b>	<b>\$1,901,144</b>	<b>\$1,913,632</b>	<b>\$1,989,964</b>	<b>\$2,055,572</b>	<b>\$141,940</b>	<b>\$65,608</b>
<b>Funding</b>						
City .....	1,418,261	1,370,480	1,487,727	1,545,531	175,051	57,804
Non-City .....	482,883	543,152	502,237	510,041	(33,111)	7,804
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	2,510	2,604	2,532	2,717	113	185
Non-City .....	2,992	3,040	2,881	2,923	(117)	42
<b>Total .....</b>	<b>5,502</b>	<b>5,644</b>	<b>5,413</b>	<b>5,640</b>	<b>(4)</b>	<b>227</b>

## Programmatic Review and Service Impact

### *Bridges*

The Division of Bridges is responsible for the reconstruction, repair, maintenance and operation of approximately 793 City-owned bridge and tunnel structures. In 2019, the Division of Bridges will be staffed with 819 positions and have an operating budget of \$108.9 million.

The Bridge program in the 2019 Executive Budget continues the City's commitment to preserve and maintain its infrastructure. The Bridge "Flag" and Correction Repair program corrects mostly structural ("red" and "yellow" flags, in descending order of priority) and safety deficiencies on bridges by using both in-house and contract forces. Furthermore, the Bridge Preventive Maintenance program includes the oiling, sweeping, cleaning, washing, electrical maintenance, and spot and salt splash zone painting of the City's bridges.

### *Highway Operations*

The Roadway Repair and Maintenance Division maintains approximately 19,324 lane miles of streets, 1,175 lane miles of which are arterial highways within the five boroughs. As of 2017, 70 percent of street lane miles are in good condition. The Permits Management and Construction Control programs are responsible for regulating the excavation and various other uses of City streets and sidewalks. In 2019, Highway Operations will be staffed by approximately 1,677 full-time and approximately 509 seasonal positions with an operating budget totaling \$308.5 million.

The Department also manages the New York City Plaza program, a community-based program to improve the public realm by creating pedestrian plazas. In total, the Department oversees 75 plazas that are now in various phases of planning, design, construction, or complete. Fifty-eight of these are currently open to the public.

### *Traffic Operations*

The Division of Traffic Operations maintains and collects revenue from approximately 88,851 metered spaces and operates 35 municipal parking facilities. It also installs and maintains an estimated one million traffic signs, approximately 13,150 signalized intersections and over 333,670 streetlights. The 2019 Executive Budget for the Division of Traffic Operations provides for 1,464 positions and \$399.9 million.

The Division of Traffic Operations continues to plan and implement projects to further the goals of providing safe, sustainable and attractive transportation options to New Yorkers, and ensuring the reliability and high quality of our transportation network. Projects implemented to improve safety for all street users include the Safe Streets for Seniors, Safe Routes to Schools, Neighborhood Slow Zone, Safe Routes to Transit and Bus Stops under Elevated Lines programs, as well as redesigns of high-crash corridors, and Arterial Slow Zones that reduce speed limits on high-crash two-way corridors. Select Bus Service program, carried out in partnership with the Metropolitan Transportation Authority, provides new transit opportunities for travelers in areas underserved by the subway. Measures are implemented to reduce traffic congestion and greenhouse gas emissions across the five boroughs. Expansion of the bike network increases safety and convenience of cycling; leading to the number of people who commute by bicycle more than doubling. Installation of pedestrian plazas throughout the City uses existing streets and sidewalks to provide valuable open space in areas in need of new passive recreation space.

### *Transit Operations (Ferries)*

The Department of Transportation operates and maintains the Staten Island Ferry and its terminals, as well as regulates private ferry operations. The 2019 Executive Budget for Ferries provides for 715 positions and an operating budget of \$103.9 million.

The Staten Island Ferry is expected to carry approximately 24 million passengers and the Department anticipates that the Ferry program will achieve an on-time performance rate of 91.8 percent in 2018. The Department currently estimates annual ridership on privately operated commuter ferries to be approximately 13 million passengers.

## Capital Review

The Department of Transportation's 2019-2022 Capital Commitment Plan totals \$11.5 billion, of which approximately 86 percent is City-funded. The table below shows commitments by program area from 2017-2022.

### Capital Commitments (\$ in 000's)

	2017 Actual		2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan	
	City Funds	All Funds										
Highways and Streets .....	\$548,896	\$630,842	\$815,032	\$919,494	\$741,174	\$882,789	\$896,900	\$1,117,301	\$1,029,094	\$1,142,412	\$913,160	\$1,117,552
Highway Bridges .....	305,390	550,992	393,321	402,061	399,752	706,722	1,277,753	1,367,669	1,559,695	1,714,036	1,613,033	1,646,174
Waterway Bridges .....	41,084	47,543	674,822	736,806	498,270	503,257	66,274	66,274	281,384	281,384	16,000	16,000
Traffic .....	81,960	91,776	54,402	68,910	121,754	156,393	72,408	113,346	60,992	103,892	72,108	126,662
Vehicles/Equipment .....	18,994	20,278	82,016	82,234	39,839	42,508	21,054	21,054	13,987	13,987	6,372	6,372
Ferries .....	122,486	261,496	(12,907)	19,616	34,993	75,306	93,862	183,417	84,014	93,974	35,150	44,294
<b>Total .....</b>	<b>\$1,118,810</b>	<b>\$1,602,927</b>	<b>\$2,006,686</b>	<b>\$2,229,121</b>	<b>\$1,835,782</b>	<b>\$2,366,975</b>	<b>\$2,428,251</b>	<b>\$2,869,061</b>	<b>\$3,029,166</b>	<b>\$3,349,685</b>	<b>\$2,655,823</b>	<b>\$2,957,054</b>

#### The Highlights of the 2019-2022 Capital Plan include:

- Complete reconstruction or rehabilitation of bridge structures (\$5.3 billion), including \$1.6 billion for Brooklyn-Queens Expressway (BQE) – Triple Cantilever bridge structures, \$344.1 million for the Shore Road Bridge over Hutchinson River and \$138.5 million for Grand Street Bridge over Newtown Creek.
- Street reconstruction of approximately 543 lane miles (\$2.7 billion) including projects to address the needs of Southeast Queens (\$221.5 million).
- Continued reconstruction and rehabilitation for the East River Bridges (\$835.9 million), including \$308.2 million for the Brooklyn Bridge, \$307.0 million for the Williamsburg Bridge, and \$220.0 million for the Queensboro Bridge.
- Installation and reconstruction of pedestrian ramps to comply with accessibility requirements (\$510.1 million) and replacement of approximately 24 million square feet of sidewalk (\$212.6 million).
- Signal installation and maintenance, as well as the computerization and modernization of signalized intersections (\$243.1 million).
- Ferry terminal and facility improvements (\$273.5 million).
- Upgrade and replacement of lampposts, luminaires, and associated infrastructure (\$131.4 million).
- Installation of thermoplastic pavement markings for traffic control (\$47.0 million).
- Signal and streetlight installation and lane markings associated with the Highway Reconstruction and Bridge Programs (\$42.3 million).
- Upgrade and replacement of the electrical distribution system along the City streets (\$16.5 million).
- Enhancements to multiple technology systems that handle intake of service requests from 311 and the public (\$10.3 million).

#### The Highlights of the 2019 Capital Plan include:

- Street reconstruction of approximately 74 lane miles (\$364.0 million), which includes the second phase of Atlantic Avenue Great Streets reconstruction (\$37.8 million) and the reconstruction of streets in the DUMBO Vinegar Hill neighborhoods (\$54.2 million).

- Rehabilitation of bridges for life extension (\$710.0 million), including Broadway Bridge over Harlem River (\$169.3 million), the Riverside Drive Bridge over West 158th Street (\$135.8 million) and Madison Avenue Bridge (\$33.7 million).
- Reconstruction of sidewalks and pedestrian ramps (\$193.8 million).
- Reconstruction of City Island Access Pier (\$10.9 million).
- Installation of equipment for the new TRANSNET wireless network, which will continue to provide wireless internet access to traffic signals and traffic cameras at signalized intersections (\$75.0 million).

## HOUSING PRESERVATION AND DEVELOPMENT

The New York City Department of Housing Preservation and Development (HPD) is the largest municipal housing preservation and development agency in the nation. The agency's mission is to make strategic investments to improve and strengthen neighborhoods while preserving the stability and affordability of the City's existing housing stock.

HPD is responsible for carrying out Mayor Bill de Blasio's Housing New York 2.0: A Five-Borough, Twelve-Year Plan, which is a citywide initiative to build or preserve 300,000 affordable housing units, and to help both tenants and landlords preserve the quality and affordability of their homes. In addition to financing affordable housing projects, HPD is responsible for:

- Ensuring that the entire City's housing stock complies with the health and safety requirements of the Housing Maintenance Code.
- Monitoring the fiscal health and ongoing affordability of more than 5,100 buildings containing more than 126,000 units in its Asset Management portfolio.
- Providing more than 39,500 households with Federal rental subsidies to support stable affordable housing in the private market.

Through the above goals, HPD works to ensure that all New Yorkers live in safe and habitable homes.

### Financial Review

HPD's 2019 Executive Budget provides for operating expenses of \$924 million, of which approximately \$105 million is City funds. The budgeted headcount of 2,548 full-time positions is funded at \$179 million while other than personal services are projected at \$744 million. Nearly \$791 million, or 86 percent of the agency's expense budget, is supported by Federal and State funding programs. In addition, HPD has planned capital commitments of \$1.3 billion in 2019.

### Revenue Forecast

HPD collects fees for processing tax abatement and exemption applications, multiple dwelling registrations, document searches, and administrative fees. HPD also collects revenue from residential and commercial tenants occupying *in rem* buildings and from the sale of *in rem* buildings to the private sector. The agency will generate \$30.8 million in 2019.

### Expense Budget Highlights

#### *Providing Core Services*

In 2019, the agency will continue to provide core services that include the enforcement of the Housing Maintenance Code, administration of Federal rent subsidies, preservation and development of quality affordable housing, and management of affordable housing assets.

- Through its Code Enforcement team, the agency will continue to respond promptly to housing maintenance complaints, assess conditions, and develop appropriate strategies to correct violations citywide.
- HPD will use various enforcement tools to ensure compliance with legal and regulatory obligations including bringing enforcement proceedings against non-compliant owners and removing hazardous conditions in private distressed buildings. The agency will continue to work with responsible owners and community partners to prevent distress and ensure neighborhood stability. All these efforts are supported by the Federal Community Development Block Grant (CDBG) funds.

- HPD will administer the nation’s fifth largest Section 8 program, and allocate Federal housing choice vouchers and other rental assistance programs to eligible New Yorkers. In 2018, the agency supported over 39,500 households. Another \$432 million in subsidy payments are planned for 2019.

HPD will continue to focus on the financial and physical health of a portfolio of over 5,100 rental and co-op buildings in which the City has previously invested.
- HPD will engage in planning and project development activities to, (1) preserve existing housing stock, (2) leverage private investments, and (3) create new affordable units.

## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018	2019
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<b>Expenditures</b>						
Salary and Wages .....	\$160,071	\$175,859	\$174,769	\$179,452	\$3,593	\$4,683
Fringe Benefits .....	202	23	—	—	(23)	—
OTPS .....	866,331	1,177,659	695,753	744,302	(433,357)	48,549
<b>Total .....</b>	<b>\$1,026,604</b>	<b>\$1,353,541</b>	<b>\$870,522</b>	<b>\$923,754</b>	<b>(\$429,787)</b>	<b>\$53,232</b>
<b>Funding</b>						
City .....	\$122,012	\$144,932	\$93,020	\$105,177	(\$39,755)	\$12,157
Other Categorical Grants ..	16,565	34,380	1,710	2,034	(32,346)	324
IFA .....	19,394	20,822	23,449	23,207	2,385	(242)
State .....	784	16,785	1,075	1,075	(15,710)	—
Federal CD .....	354,568	608,691	247,240	284,966	(323,725)	37,726
Federal Other .....	510,276	524,113	502,024	505,291	(18,822)	3,267
Intra-City Other .....	3,005	3,818	2,004	2,004	(1,814)	—
<b>Total .....</b>	<b>\$1,026,604</b>	<b>\$1,353,541</b>	<b>\$870,522</b>	<b>\$923,754</b>	<b>(\$429,787)</b>	<b>\$53,232</b>
<b>Additional Costs Centrally Funded</b>						
<b>Personal Services (PS)</b>						
Fringe Benefits .....	\$61,750	\$64,406	\$69,858	\$70,716	\$6,310	\$858
Pensions .....	24,102	24,915	23,337	26,467	1,552	3,130
<b>Other Than Personal Service (OTPS)</b>						
Debt Service .....	589,381	633,566	724,569	718,001	84,435	(6,568)
<b>Total Additional Costs .....</b>	<b>\$675,233</b>	<b>\$722,887</b>	<b>\$817,764</b>	<b>\$815,184</b>	<b>\$92,297</b>	<b>(\$2,580)</b>
<b>Funding</b>						
City .....	616,450	660,923	755,140	752,433	91,510	(2,707)
Non-City .....	58,783	61,964	62,624	62,751	787	127
<b>Full Agency Costs (including Central Accounts)</b>						
Salary and Wages .....	\$160,071	\$175,859	\$174,769	\$179,452	\$3,593	\$4,683
Fringe Benefits .....	61,952	64,429	69,858	70,716	6,287	858
Pensions .....	24,102	24,915	23,337	26,467	1,552	3,130
<b>Total PS .....</b>	<b>\$246,125</b>	<b>\$265,203</b>	<b>\$267,964</b>	<b>\$276,635</b>	<b>\$11,432</b>	<b>\$8,671</b>
OTPS .....	\$866,331	\$1,177,659	\$695,753	\$744,302	(\$433,357)	\$48,549
Debt Service .....	589,381	633,566	724,569	718,001	84,435	(6,568)
<b>Total OTPS .....</b>	<b>\$1,455,712</b>	<b>\$1,811,225</b>	<b>\$1,420,322</b>	<b>\$1,462,303</b>	<b>(\$348,922)</b>	<b>\$41,981</b>
<b>Total Agency Costs .....</b>	<b>\$1,701,837</b>	<b>\$2,076,428</b>	<b>\$1,688,286</b>	<b>\$1,738,938</b>	<b>(\$337,490)</b>	<b>\$50,652</b>
Less Intra-City .....	\$3,005	\$3,818	\$2,004	\$2,004	(\$1,814)	\$—
<b>Net Agency Cost .....</b>	<b>\$1,698,832</b>	<b>\$2,072,610</b>	<b>\$1,686,282</b>	<b>\$1,736,934</b>	<b>(\$335,676)</b>	<b>\$50,652</b>
<b>Funding</b>						
City .....	738,462	805,855	848,160	857,610	51,755	9,450
Non-City .....	960,370	1,266,755	838,122	879,324	(387,431)	41,202
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	748	805	787	811	6	24
Non-City .....	1,530	1,774	1,735	1,771	(3)	36
<b>Total .....</b>	<b>2,278</b>	<b>2,579</b>	<b>2,522</b>	<b>2,582</b>	<b>3</b>	<b>60</b>

## Programmatic Review and Service Impact

HPD administers the above-described core services through the following offices: Enforcement and Neighborhood Services; Asset and Property Management; Technology; Financial Management and Tenant Resources; Strategy and Policy; Neighborhood Strategies; Development; and Legal Affairs. The Offices of the Commissioner and First Deputy Commissioner also provide planning, leadership, technical, and support services to accomplish the agency's goals.

### *Enforcement and Neighborhood Services*

HPD's Office of Enforcement and Neighborhood Services protects housing by ensuring that building owners comply with the City's Housing Maintenance Code and the New York State Multiple Dwelling Law. The Office responds to public complaints and plans appropriate, individualized actions to address hazardous conditions in privately owned buildings – conditions may include the presence of lead paint, structural deficiencies, or the lack of heat, hot water, or electricity. Through the Proactive Preservation Initiative and the agency's Alternative Enforcement, 7A, and Underlying Conditions programs, the Office monitors deteriorating and severely distressed properties and reaches out to owners with tools to educate, assist, or enforce accountability. When warranted, the agency will undertake repairs through the Emergency Repair Program at an owner's expense. HPD will also bring cases to Housing Court to seek the correction of hazardous conditions, the imposition of civil penalties, and the protection of tenants against claims of harassment.

### *Financial Management and Tenant Resources*

HPD's Office of Financial Management and Tenant Resources provides a central place for support and consultation on financial issues and includes the Budget Division, the Fiscal Division and the Tenant Resources Division. The Budget Division develops and negotiates the agency's expense, revenue, and capital budgets and determines how to allocate those resources throughout the agency. The Fiscal Division administers the agency's accounts payable and accounts receivable functions. Finally, the Tenant Resources Division administers rental assistance programs such as Section 8, which reaches over 39,500 households.

### *Development*

HPD's Office of Development leads the implementation of the Mayor's Housing Plan in close collaboration with other City and State agencies and with the New York City Housing Development Corporation (HDC). The Office builds a pipeline of affordable housing development on both public and private sites and administers a variety of new construction, rehabilitation, preservation, and homeownership programs.

Additionally, under the Division of Housing Incentives, Development manages various tax exemption and abatement programs as well as the inclusionary housing pipeline and associated transactions. The inclusionary housing program is intended to promote economic integration as areas undergo substantial new development. The Division also manages the tax credits and incentives program.

### *Neighborhood Strategies*

HPD's Office of Neighborhood Strategies focuses on Planning and Community Partnerships to help the agency adopt a more comprehensive approach to development within the City's neighborhoods. The Division of Planning and Predevelopment identifies future sites, coordinates neighborhood zoning efforts, and collaborates with other City agencies to develop public properties. The Division of Neighborhood Development and Stabilization leads the agency commitment to strategic preservation and development through engagement with tenants, landlords, community leaders, and neighborhood stakeholders on issues involving the creation of vibrant neighborhoods anchored by affordable housing.

### *Asset and Property Management*

HPD's Office of Asset and Property Management works to ensure that properties remain financially and physically stable over the long-term. Its programs proactively identify at-risk buildings and help to stabilize mismanaged assets. The Office also manages City-owned residential and commercial properties, as well as Urban Renewal properties, until they can be returned to responsible private ownership. In addition, the agency operates Emergency Housing Services (EHS) to provide emergency shelter and housing relocation services to tenants displaced as a result of fires or vacate orders issued by the Department of Buildings, the Fire Department, or by the agency itself. Finally, the Office oversees all marketing and leasing related functions, including affordable housing lotteries and homeless placement services for re-rentals.

## Capital Review

The 2019-2022 Four-Year Plan totals \$5 billion, including \$4.9 billion in City funding and \$128 million in Federal funds. The agency will use its City capital resources to leverage State and Federal funds as well as private equity (that does not flow through the City's capital budget) as part of the agency's plan to create or preserve 300,000 units of affordable housing by 2026. The Four-Year Capital Plan includes \$600 million in new funding for HPD between 2019 and 2022 to support Housing New York 2.0. The table below reflects the Four-Year Plan by program area over the 2019 – 2022 period.

### Capital Commitments (\$ in 000's)

	FY18 Plan		FY19 Plan		FY20 Plan		FY21 Plan		FY22 Plan	
	City Funds	All Funds								
New Construction .....	\$781,633	\$779,037	\$625,617	\$625,617	\$420,732	\$420,732	\$466,831	\$466,831	\$423,869	\$423,869
Other Housing Support .....	24,568	24,568	19,483	19,483	20,907	20,907	22,595	22,595	19,066	19,066
Disposition .....	55,950	55,950	78,000	78,000	59,566	59,566	42,503	42,503	36,172	36,172
Preservation .....	221,395	221,342	349,858	349,858	462,758	462,758	529,507	529,507	490,046	490,046
Special Needs .....	159,481	209,982	159,216	191,216	231,027	263,027	221,612	253,612	182,774	214,774
<b>Total .....</b>	<b>\$1,243,027</b>	<b>\$1,290,879</b>	<b>\$1,232,174</b>	<b>\$1,264,174</b>	<b>\$1,194,990</b>	<b>\$1,226,990</b>	<b>\$1,283,048</b>	<b>\$1,315,048</b>	<b>\$1,151,927</b>	<b>\$1,183,927</b>

### Highlights of the Four-Year Plan

Under the 2019-2022 Four-Year Plan, HPD will generate affordable housing units via preservation, new construction, senior and supportive housing, and the disposition of in rem housing stock. The City will support production of approximately 24,000 units of affordable housing annually. Under the Four-Year Plan:

- Funding of \$1.8 billion will support activities to preserve existing affordable housing stock while creating long-term affordability by providing moderate to substantial rehabilitation.
- Funding of \$1.9 billion will support construction of new units serving various income levels throughout the five boroughs. Initiatives include large-scale developments, as well as funding for various rental and homeownership programs.
- Funding of \$923 million (inclusive of \$128 million of Federal HOME funds) will support senior and supportive housing initiatives funded through various Special Needs Housing loan programs.

- Funding of \$216 million will rehabilitate City-owned housing units and return them to responsible private ownership.
- Funding of \$82 million will be used in support of other ancillary housing investments. This primarily encompasses acquisition/demolition, infrastructure for large-scale developments, and Technology projects that will enhance agency operations.

In addition, units are expected to be generated without capital subsidies through various initiatives with agency partners. These units will primarily be created or preserved using bond financing, inclusionary zoning, and tax abatement or exemptions.

## DEPARTMENT OF CITYWIDE ADMINISTRATIVE SERVICES

The Department of Citywide Administrative Services (DCAS) is the principal administrative support agency for the City of New York. DCAS supports other City agencies by making sure they have the critical resources needed to provide the best possible services to the public. DCAS support includes attracting and training a diverse workforce, purchasing goods and services at the lowest prices from local sources where possible, energy and facilities management, and ensuring that public buildings truly serve the public. The following lines of service provide this support: Human Capital, Facilities Management, Real Estate Services, Energy Management, Office of Citywide Procurement, and Office of NYC Fleet.

### Financial Review

The 2019 Executive Budget for the Department of Citywide Administrative Services provides \$1.2 billion, a decrease of \$67.7 million below the amount forecasted for 2018. This decrease is predominantly attributable to One City, Built to Last projects planned for 2018, and a decline in payments to the agency for heat, light, and power and for Fleet services such as fuel, supplies, and repairs. The \$4.2 billion DCAS Four-Year Capital Plan includes \$1.3 billion for the renovation, reconstruction, and outfitting of Public Buildings, \$1.5 billion for energy efficiency initiatives, \$112.0 million for Real Property, and \$1.3 billion for Citywide resiliency and agency facility and operational protective measures.

### Revenue Forecast

The Department of Citywide Administrative Services manages the City's real estate holdings, and receives revenue in the form of rents and mortgage payments. It also holds auctions for vehicles from the City's Fleet and collects civil service exam fees. In 2019, DCAS anticipates collecting \$69.3 million in revenue.

### Expense Budget Highlights

#### *Budgetary Priorities: Providing Core Services*

- The 2019 Executive Budget provides total funds of \$1.19 billion for the Department, of which \$742.7 million is for goods and services that agencies purchase from DCAS through intra-City agreements, including the following: utilities (\$615.3 million), leases (\$84.5 million), storehouse supplies (\$19.5 million), maintenance and repair of facilities and vehicles (\$12.6 million), personnel training (\$1.0 million), and other services (\$9.9 million).
- The 2019 Executive Budget provides a total of \$258.8 million for DCAS Asset Management. Included in this total is \$112.7 million for leases and \$64.8 million for building maintenance.

- The 2019 Executive Budget provides a total of \$130.3 million for DCAS Asset Management–Public Facilities (excluding \$112.7 million for leases). Included in the \$130.3 million total is \$54.8 million in State funding for court facilities. Asset Management – Public Facilities provides overall facilities management, including maintenance and construction services for 55 public buildings including court facilities.
- The 2019 Executive Budget provides a total of \$15.8 million for DCAS Asset Management – Real Estate Services. Real Estate Services purchases, sells, and leases real property; and locates space for City agencies.
- The 2019 Executive Budget provides a total of \$33.6 million for security services in DCAS-managed buildings.

#### *Restructuring and Streamlining*

- To expeditiously provide opportunities for employment and promotion through the use of civil service lists, DCAS has made significant strides in the area of automation. By administering fully automated exams the agency will greatly improve the users' experience with the examination process and significantly decrease the cycle time from exam administration to list establishment. The plan is being implemented in three phases by DCAS' Human Capital and IT Lines of Service. In addition, DCAS has opened two new Computer-based Testing and Application Centers (CTACs) recently, bringing the total number of CTACs to four. The new testing center in Queens opened in June 2017 and has 153 test-taking stations. The Staten Island testing center opened in January 2018 and has 77 testing stations. The addition of these two sites increases DCAS' testing capacity by 60%. The agency is currently working on a plan for a site in the Bronx.

- DCAS' Energy Management (DEM) line of service continues to lead the City's efforts to reduce greenhouse gas emissions (GHG) by 80 percent by the year 2050 ("80 x 50"), with a near-term goal to reduce GHG emissions from government buildings 35 percent by the year 2025. DCAS continues to develop more opportunities to reduce City facilities' energy consumption during times of constraint on the electrical grid through its Demand Response (DR) Program. The DR Program provides incentive payments to City agencies that participate in this program by voluntarily reducing their energy consumption during peak times. In addition, DCAS is ramping up the installation of clean energy technologies within the City. DEM expects to initiate more than 24 megawatts worth of clean, distributed solar power generation projects this calendar year, which is almost double what has been installed to date.
- DCAS' NYC Fleet Line of Service is leading the implementation of the NYC Clean Fleet Initiative to add 2,000 Electric Vehicles (EVs) to the City's Fleet by the year 2025, and to reduce transportation GHG emissions by 50 percent. NYC Fleet currently has almost 1,300 electric plug-in vehicles on the road, with 400 more on order. To support the growing EV fleet, the City has installed 500 electric vehicle chargers and has completed the first phase of solar-powered electric vehicle carports. Solar-powered carports are installed at 37 locations and can fully charge electric vehicles without use of the City's electric grid.

## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018	2019
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<b>Expenditures</b>						
Salary and Wages .....	\$180,739	\$193,177	\$193,873	\$195,318	\$2,141	\$1,445
Fringe Benefits .....	2,536	3,642	1,931	1,931	(1,711)	—
OTPS .....	982,589	1,065,182	955,316	997,092	(68,090)	41,776
<b>Total .....</b>	<b>\$1,165,864</b>	<b>\$1,262,001</b>	<b>\$1,151,120</b>	<b>\$1,194,341</b>	<b>(\$67,660)</b>	<b>\$43,221</b>
<b>Funding</b>						
City .....	\$308,843	\$331,367	\$280,312	\$303,196	(\$28,171)	\$22,884
Other Categorical Grants ..	80,703	87,360	82,183	87,740	380	5,557
IFA .....	1,490	1,595	1,395	1,595	—	200
State .....	53,756	59,079	55,233	55,364	(3,715)	131
Federal CD .....	1,154	1,598	1,598	1,598	—	—
Federal Other .....	724	2,586	2,120	2,120	(466)	—
Intra-City Other .....	719,194	778,416	728,279	742,728	(35,688)	14,449
<b>Total .....</b>	<b>\$1,165,864</b>	<b>\$1,262,001</b>	<b>\$1,151,120</b>	<b>\$1,194,341</b>	<b>(\$67,660)</b>	<b>\$43,221</b>
<b>Additional Costs Centrally Funded</b>						
<b>Personal Services (PS)</b>						
Fringe Benefits .....	\$56,255	\$59,911	\$64,032	\$66,247	\$6,336	\$2,215
Pensions .....	25,944	28,544	26,687	30,266	1,722	3,579
<b>Other Than Personal Service (OTPS)</b>						
Debt Service .....	638,066	683,767	774,102	649,171	(34,596)	(124,931)
<b>Total Additional Costs</b>	<b>\$720,265</b>	<b>\$772,222</b>	<b>\$864,821</b>	<b>\$745,684</b>	<b>(\$26,538)</b>	<b>(\$119,137)</b>
<b>Funding</b>						
City .....	684,690	730,809	824,779	709,583	(21,226)	(115,196)
Non-City .....	35,575	41,413	40,042	36,101	(5,312)	(3,941)
<b>Full Agency Costs (including Central Accounts)</b>						
Salary and Wages .....	\$180,739	\$193,177	\$193,873	\$195,318	\$2,141	\$1,445
Fringe Benefits .....	58,791	63,553	65,963	68,178	4,625	2,215
Pensions .....	25,944	28,544	26,687	30,266	1,722	3,579
<b>Total PS .....</b>	<b>\$265,474</b>	<b>\$285,274</b>	<b>\$286,523</b>	<b>\$293,762</b>	<b>\$8,488</b>	<b>\$7,239</b>
OTPS .....	\$982,589	\$1,065,182	\$955,316	\$997,092	(\$68,090)	\$41,776
Debt Service .....	638,066	683,767	774,102	649,171	(34,596)	(124,931)
<b>Total OTPS</b>	<b>\$1,620,655</b>	<b>\$1,748,949</b>	<b>\$1,729,418</b>	<b>\$1,646,263</b>	<b>(\$102,686)</b>	<b>(\$83,155)</b>
<b>Total Agency Costs .....</b>	<b>\$1,886,129</b>	<b>\$2,034,223</b>	<b>\$2,015,941</b>	<b>\$1,940,025</b>	<b>(\$94,198)</b>	<b>(\$75,916)</b>
Less Intra-City .....	\$719,194	\$778,416	\$728,279	\$742,728	(\$35,688)	\$14,449
<b>Net Agency Cost .....</b>	<b>\$1,166,935</b>	<b>\$1,255,807</b>	<b>\$1,287,662</b>	<b>\$1,197,297</b>	<b>(\$58,510)</b>	<b>(\$90,365)</b>
<b>Funding</b>						
City .....	993,533	1,062,176	1,105,091	1,012,779	(49,397)	(92,312)
Non-City .....	173,402	193,631	182,571	184,518	(9,113)	1,947
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	1,709	2,050	2,021	1,999	(51)	(22)
Non-City .....	635	705	711	705	—	(6)
<b>Total .....</b>	<b>2,344</b>	<b>2,755</b>	<b>2,732</b>	<b>2,704</b>	<b>(51)</b>	<b>(28)</b>

## Programmatic Review and Service Impact

DCAS provides support services through the six lines of service described below:

### *Human Capital*

Human Capital is responsible for Citywide civil service administration, including the classification of positions and salaries, developing, validating, administering, and rating examinations, creating civil service lists, and certifying those lists to agencies to fill vacancies and reduce the number of provisional employees. Human Capital also evaluates and administers Citywide personnel policies and programs, and conducts professional development and employee training programs. It also oversees the expansion and maintenance of the New York City Automated Personnel System (NYCAPS), a centralized state-of-the-art automated personnel system for managers and employees to access and manage personnel and benefits information, including Employee Self-Service.

Human Capital also oversees the Citywide Office of Diversity and Equal Employment Opportunity (EEO). This office assists City agencies in developing strategies to achieve compliance with the City's EEO obligations. This office also monitors agencies' EEO efforts, including resolving complaints and monitoring employment actions, through quarterly compliance reports and providing statistical reports on the City's workforce, its demographic composition, and trends in hiring and promotions.

### *Facilities Management*

Facilities Management actively manages and operates approximately 55 City-owned court and office buildings totaling 15 million square feet throughout the city, which includes City Hall, the Manhattan and Brooklyn Municipal Buildings, and each of the five Borough Halls.

### *Real Estate Services*

Real Estate Services is the real estate arm of the City of New York, which includes overseeing commercial rental properties as well as negotiating and administering City leases of private space for use by City agencies. Acting as the real estate advisor for City agencies, Real Estate Services assists agencies

with finding suitable and cost-effective space for their operations, either through purchase or lease of acquired or existing space. Real Estate Services is responsible for the City's leased portfolio, totaling more than 22 million square feet.

### *Energy Management*

DCAS Energy Management (DEM) serves as the hub for energy management for City government operations, from energy procurement to performance tracking, improved operations & maintenance, and building retrofits. DEM is responsible for monitoring and paying the City's heat, light and power bills. DEM also plays a central role in One City, Built to Last, the initiative to reduce greenhouse gas emissions by 80 percent below 2005 levels by 2050.

### *Office of Citywide Procurement*

The Office of Citywide Procurement (OCP) purchases, inspects and distributes supplies and equipment at the lowest net cost, and assists in the disposal of surplus heavy equipment and goods. DCAS purchases approximately \$1.5 billion of goods and services for the City, through approximately 1,000 Citywide requirement contracts and one-time purchases. DCAS leverages the City's purchasing power to obtain the most competitive pricing for goods and services by aggregating demand and consolidating contracts. DCAS seeks to maximize Minority and Women-Owned Business Enterprise (M/WBE) vendor participation by conducting outreach and regularly representing the City at vendor fairs.

### *NYC Fleet*

NYC Fleet operates 28,000 owned and leased vehicles, the largest municipal fleet in the United States. NYC maintains fleet units at 37 dedicated fleet repair facilities and additional satellite locations, and has more than 400 in-house fueling locations. NYC Fleet oversees the vehicle maintenance contracts while managing the City's fuel, vehicle accidents, defensive driver training and alternative energy programs. DCAS directs efforts to improve fleet management Citywide in areas of safety, sustainability, transparency, and shared services.

## Capital Review

The Department is responsible for capital improvements to all DCAS-managed and client agency buildings including office space, warehouses, and courts; oversight and improvements to City-leased properties; the sale, lease, acquisition and rehabilitation of City-owned non-residential waterfront and non-waterfront properties; energy efficiency initiatives; and agency facility and operational protective measures. The capital program includes compliance work for public safety and legal mandates, renovation, rehabilitation, construction, design, and outfitting of various sites, including the purchase of furniture. The Department also purchases vehicles and various communications and technological equipment.

The 2019-2022 Four-Year Capital Strategy totals \$4.2 billion. The table below reflects capital commitments by program area over the FY 2017-2022 period.

### Capital Commitments (\$ in 000's)

	2017 Actual		2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Rehabilitation of City- Owned Space .....	\$9,953	\$9,953	\$46,582	\$46,582	\$230,907	\$230,907	\$71,203	\$71,203	\$108,919	\$108,919	\$43,629	\$43,629
Renovation of Other City-Owned Facilities.....	2,330	2,330	3,698	3,698	62,832	64,802	3,456	3,456	—	—	—	—
Rehabilitation of Court Buildings.....	—	—	(5,799)	(74)	310	310	—	—	—	—	—	—
Legal Mandates and Correction of Unsafe Conditions.....	22,918	22,918	51,626	52,544	110,469	110,469	187,204	187,204	141,030	141,030	28,922	28,922
Renovation of Leased Space.....	22,779	22,779	105,197	105,197	137,051	137,051	41,376	41,376	10,000	10,000	26,711	26,711
Equipment and Interagency Services.....	8,630	8,630	35,552	35,552	47,646	47,646	5,903	5,903	12,469	12,469	31,312	31,312
Communications Equipment .....	—	—	—	—	621	621	161	161	161	161	—	—
Board of Elections .....	(422)	(422)	630	630	—	—	—	—	707	707	1,955	1,955
Miscellaneous Construction.....	5,260	5,260	60,249	60,249	21,725	21,725	3,478	3,478	2,326	2,326	—	—
Acquisition of Real Property .....	—	—	32,195	32,195	—	—	—	—	—	—	—	—
Energy Efficiency and Sustainability .....	130,749	130,749	79,464	80,701	204,698	204,698	225,000	225,000	542,974	542,974	545,019	545,019
Resiliency and Protective Measures.....	(56)	(56)	47,356	47,356	274,513	334,484	465,233	828,887	117,380	117,380	—	—
Rehabilitation of Waterfront & Non-Waterfront Properties ..	4,401	4,401	13,364	13,364	7,087	7,087	1,407	1,407	101,185	101,185	2,338	2,338
<b>Total .....</b>	<b>\$206,542</b>	<b>\$206,542</b>	<b>\$470,114</b>	<b>\$477,994</b>	<b>\$1,097,859</b>	<b>\$1,159,800</b>	<b>\$1,004,421</b>	<b>\$1,368,075</b>	<b>\$1,037,151</b>	<b>\$1,037,151</b>	<b>\$679,886</b>	<b>\$679,886</b>

*Highlights of the Four- Year Plan include:*

- Reconstruction and rehabilitation of public buildings and City-owned facilities (\$454.7 million), including projects at 345 Adams in Brooklyn (\$100.2 million), the Brooklyn Municipal Building (\$28.5 million), the Manhattan Municipal Building (\$42.5 million), 22 Reade in Manhattan (\$25.2 million), 1932 Arthur Avenue in the Bronx (\$25.9 million), 100 Gold in Manhattan (\$35.1 million), a Computerized Testing and Applications Center in the Bronx (\$23.6 million), 253 Broadway in Manhattan (\$17.0 million), and Queens Borough Hall (\$15.9 million).
- Renovation of leased space (\$215.1 million), including expansion of Department of Emergency Management leased space in Brooklyn (\$85.0 million), relocation of the Municipal Archives warehouse in Brooklyn (\$28.3 million), and renovation of the Department of Finance Business Center in Queens (\$13.1 million).
- Energy efficiency measures and building retrofits, Citywide (\$1.5 billion), including funding for the Accelerated Conservation and Efficiency (ACE) Program (\$149.4 million), Local Law 87 deep retrofits (\$63.4 million), Solar panels at Citywide facilities (\$75.4 million), and other energy efficiency upgrades for various projects (\$1.2 billion). The One City, Built to Last plan will achieve an 80 percent reduction in GHG emissions from 2005 levels by 2050.
- Legal mandates (\$467.6 million), including fire/life safety upgrades to ensure Local Law 5 compliance (\$228.1 million), fuel tank replacement and remediation (\$160.1 million), and façade upgrades to ensure Local Law 11 compliance (\$21.4 million).
- Equipment and interagency services (\$97.3 million), including the development of a replacement system for the Integrated Property Information System (\$9.3 million), installation of charging infrastructure for electric vehicles (\$14.3 million), installation of security cameras in public buildings (\$5.1 million), and the development of a municipal supplies Inventory Management System (\$13.8 million).
- Miscellaneous construction in other facilities (\$27.5 million).
- Renovation of other City-owned facilities (\$68.3 million), including space for the Taxi and Limousine Commission at its Woodside, Queens facility (\$63.9 million).
- Communications equipment (\$0.9 million).
- Rehabilitation of court buildings (\$0.3 million).
- Rehabilitation of waterfront property (\$112.0 million).
- Citywide agency resiliency and agency facility and operational protective measures (\$1.3 billion).

## DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS

DoITT is the technology core of New York City government, working with over 100 city agencies and entities to deliver the tech they need to serve and empower New Yorkers. DoITT's technology solutions help keep the five boroughs safe, strong, and connected by providing Citywide coordination and technical expertise in the development and use of data, voice, and video technologies in City services and operations. DoITT researches and manages large City IT projects and contracts, provides infrastructure support for data processing and communications services to numerous agencies, and administers the City's cable television and mobile and high-capacity telecommunications franchises. DoITT also provides technology and administrative support to NYC311, the City's broadcast/cable television and radio stations, the Mayor's Office of Data Analytics, and the Mayor's Office of the Chief Technology Officer (MOCTO).

### Financial Review

DoITT's 2019 Executive Budget provides for an operating budget of \$652.5 million, a decrease of \$113.7 million over the amount forecasted for 2018. This change is largely attributable to non-city funds that have not yet been rolled into the coming year and intra-city agreements for telecom that have not yet been renewed.

### Revenue Forecast

The Department collects revenue from cable television, high capacity and mobile telecommunications franchises, advertising on wireless internet kiosks, and international programming fees for the use of the City's NYC TV cable television network. The Department will generate \$180.9 million in revenue for 2019.

### Expense Budget Highlights

#### *Budgetary Priorities: Providing Core Services*

- The Department's 2019 Executive Budget includes \$137.9 million for services that DoITT purchases on behalf of client agencies, including telecommunications, data, and consultant services.
- The Department's 2019 Executive Budget provides \$248.1 million for the Infrastructure Management Division. This Division is responsible for the data center operations and fiber optic network that provide data processing and networking services to over 120 City agencies and entities, 24 hours a day, seven days a week.
- The Department's 2019 Executive Budget provides \$43.6 million for the 311 Citizen Service Center. The Service Center provides the public with continuous access to non-emergency City services through one phone number.
- The Department's 2019 Executive Budget provides \$25.2 million for the administration of the City's five cable television channels, a broadcast station, and a radio station on the NYC TV Media Group network. The City produces programming designed to inform the public on City affairs.

## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018	2019
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<b>Expenditures</b>						
Salary and Wages .....	\$126,164	\$137,948	\$148,148	\$157,469	\$19,521	\$9,321
Fringe Benefits .....	—	—	—	(4,500)	(4,500)	(4,500)
OTPS .....	511,440	628,246	454,428	499,525	(128,721)	45,097
<b>Total .....</b>	<b>\$637,604</b>	<b>\$766,194</b>	<b>\$602,576</b>	<b>\$652,494</b>	<b>(\$113,700)</b>	<b>\$49,918</b>
<b>Funding</b>						
City .....	\$440,279	\$480,588	\$448,292	\$478,047	(\$2,541)	\$29,755
Other Categorical Grants ..	5,076	14,683	2,837	2,680	(12,003)	(157)
IFA .....	2,769	2,960	—	1,895	(1,065)	1,895
State .....	165	74,535	8,668	25,668	(48,867)	17,000
Federal CD .....	13,047	12,484	5,989	6,014	(6,470)	25
Federal Other .....	4,442	6,171	300	300	(5,871)	—
Intra-City Other .....	171,826	174,773	136,490	137,890	(36,883)	1,400
<b>Total .....</b>	<b>\$637,604</b>	<b>\$766,194</b>	<b>\$602,576</b>	<b>\$652,494</b>	<b>(\$113,700)</b>	<b>\$49,918</b>
<b>Additional Costs Centrally Funded</b>						
Personal Services (PS)						
Fringe Benefits .....	\$33,667	\$38,060	\$40,974	\$43,059	\$4,999	\$2,085
Pensions .....	16,821	18,701	18,371	20,834	2,133	2,463
Other Than Personal Service (OTPS)						
Debt Service .....	—	—	—	—	—	—
<b>Total Additional Costs .....</b>	<b>\$50,488</b>	<b>\$56,761</b>	<b>\$59,345</b>	<b>\$63,893</b>	<b>\$7,132</b>	<b>\$4,548</b>
<b>Funding</b>						
City .....	46,004	51,290	55,982	59,635	8,345	3,653
Non-City .....	4,484	5,471	3,363	4,258	(1,213)	895
<b>Full Agency Costs (including Central Accounts)</b>						
Salary and Wages .....	\$126,164	\$137,948	\$148,148	\$157,469	\$19,521	\$9,321
Fringe Benefits .....	33,667	38,060	40,974	38,559	499	(2,415)
Pensions .....	16,821	18,701	18,371	20,834	2,133	2,463
<b>Total PS .....</b>	<b>\$176,652</b>	<b>\$194,709</b>	<b>\$207,493</b>	<b>\$216,862</b>	<b>\$22,153</b>	<b>\$9,369</b>
OTPS .....	\$511,440	\$628,246	\$454,428	\$499,525	(\$128,721)	\$45,097
Debt Service .....	—	—	—	—	—	—
<b>Total OTPS .....</b>	<b>\$511,440</b>	<b>\$628,246</b>	<b>\$454,428</b>	<b>\$499,525</b>	<b>(\$128,721)</b>	<b>\$45,097</b>
<b>Total Agency Costs .....</b>	<b>\$688,092</b>	<b>\$822,955</b>	<b>\$661,921</b>	<b>\$716,387</b>	<b>(\$106,568)</b>	<b>\$54,466</b>
Less Intra-City .....	\$171,826	\$174,773	\$136,490	\$137,890	(\$36,883)	\$1,400
<b>Net Agency Cost .....</b>	<b>\$516,266</b>	<b>\$648,182</b>	<b>\$525,431</b>	<b>\$578,497</b>	<b>(\$69,685)</b>	<b>\$53,066</b>
<b>Funding</b>						
City .....	486,283	531,878	504,274	537,682	5,804	33,408
Non-City .....	29,983	116,304	21,157	40,815	(75,489)	19,658
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	1,439	1,718	1,718	1,770	52	52
Non-City .....	52	75	34	51	(24)	17
<b>Total .....</b>	<b>1,491</b>	<b>1,793</b>	<b>1,752</b>	<b>1,821</b>	<b>28</b>	<b>69</b>

## Programmatic Review and Service Impact

DoITT is committed to leading exponential growth in technology and providing world-class IT services for the City of New York. The Department's initiatives reflect DoITT's mission of providing resilient, scalable, and leading IT services, infrastructure, and telecommunications to agency partners, and support the hallmark of the de Blasio Administration: to create a more equitable city for all. To achieve these goals, DoITT works to establish Citywide policies around large-scale technology programs.

Recent efforts to broaden and diversify DoITT's pool of vendors to include more Minority- and Women-Owned Business Enterprises (M/WBE) and small businesses directly supports the Mayor's goal to increase total City awards to M/WBEs to \$16 billion over the next ten years, and in recognition of the essential nature of broadband, DoITT is working with its City partners to provide every resident and business access to affordable, reliable, high-speed broadband service by 2025. DoITT continues to support the implementation of WiFi at parks sites and the deployment of LinkNYC, a free, high-speed, citywide Wi-Fi network. Up to 10,000 "Link" kiosks are in the process of replacing aging public payphones across all five boroughs.

DoITT's state-of-the-art Citywide Data Center allows the City to leverage expertise, IT personnel, and enterprise architecture practice to avoid duplicative efforts across agencies and improve efficiency and effectiveness. DoITT also manages Citynet, the City's institutional fiber network; NYC.gov, the City's official website; the New York City Wireless Network (NYCWiN); the Citywide Radio Network (Channel 16); the 800 MHz Radio Network; the Citywide Geographic Information Systems Unit; and provides administrative support to various other initiatives to help streamline agency operations and deliver services to New Yorkers.

### *Sustainable Broadband Adoption and the Mayor's Office of the Chief Technology Officer*

As part of Mayor de Blasio's goal of universal broadband access, DoITT's franchisee installed the first LinkNYC kiosks on Monday, December 28, 2015, growing to more than 1,500 installed and active by April 2018. DoITT leads NYC Connected Communities, which provides \$3.7 million per year to a range of City partners to increase public broadband access, computer literacy, and job readiness training in communities of need.

The Mayor's Office of the Chief Technology Officer (MOCTO) is leading the efforts to reach affordable, reliable universal broadband for all New Yorkers by 2025. MOCTO also helps facilitate citywide coordination and collaboration on technology issues, serves as a catalyst for and advises agencies on innovation, and interacts with the wider New York City technology ecosystem in order to fulfill Mayor de Blasio's vision of making NYC the most innovative, tech-friendly, and equitable big city in the world.

### *New York City Cyber Command (NYC3)*

Since its creation in July 2017 by Executive Order 28, NYC Cyber Command (NYC3) has led the City of New York's cyber defense efforts by directing citywide cyber defense and incident response, mitigating cyber threats, and providing guidance to the Mayor and City agencies. Using the latest technologies and leveraging public-private partnerships, NYC Cyber Command works to protect, detect, respond, and recover from threats while setting citywide information security policies and standards. NYC Cyber Command is also assisting in protecting the digital lives of all New Yorkers. In March 2018, Mayor de Blasio announced a pioneering cybersecurity initiative called NYC Secure, a free mobile application aimed at protecting New Yorkers online. Using a steadily evolving suite of solutions, NYC Secure will defend New Yorkers from malicious cyber activity on mobile devices, across public Wi-Fi networks, and beyond.

### *Emergency Communications Transformation Program*

The City continues work on Stage 2 of planned upgrades and enhancements to its 9-1-1 Emergency System. The majority of the capital funding for this initiative, known as the Emergency Communications Transformation Program (ECTP), is contained within DoITT's budget. In December 2011, in collaboration with the Police Department and the Fire Department, the Office of Citywide Emergency Communications completed Stage 1, which included significant upgrades to the call-taking systems and telecommunications infrastructure, as well as co-location of the Police, Fire and EMS call taking and dispatch operations into the Public Safety Answering Center in Brooklyn. ECTP's work on Stage 2 continues as the City develops a new, consolidated Fire and EMS dispatch system in a second, fully redundant Public Safety Answering Center (PSAC2) in the Bronx. As previously committed, NYPD call taking operations commenced at PSAC2 in June 2016.

FDNY call taking operations at PSAC2 went live in 2017 for all boroughs and are being followed by continued implementation of public safety systems.

### *New York City Wireless Network*

The New York City Wireless Network (NYCWIn) is a high-speed, mobile data network providing first responders high-speed data access to support large file transfers, including fingerprints, mug shots, City maps, automatic vehicle location, and full-motion streaming video. The network is also leveraged by City agencies to improve service delivery to New Yorkers. This network is relied on for systems such as Automated Water Meter Reading (AMR), Traffic Signal Control, License Plate Reader (LPR) and various other programs.

### *Citywide Radio Network & 800 MHz Radio Network*

DoITT maintains two distinct mission-critical radio systems – 800 MHz and the Citywide Radio Network (400 MHz) – supporting more than 40 City agencies and some 30,000 radios with internal and interoperable communications among various jurisdictions. There is heavy reliance on these systems by other City agencies as a very dependable means of voice communications. During Hurricane Sandy these systems had 100% uptime and reliability throughout the emergency in areas surrounding the impacted zones. DoITT is currently in the process of upgrading these systems to the Project 25 (P25) standard for the design and manufacture of interoperable, digital two-way wireless communications products, which is the latest standard for interoperable digital two-way wireless communications developed for state, local & federal users.

### *Geographic Information Systems*

DoITT's Citywide Geographic Information Systems (GIS) Unit provides enterprise-wide support for geospatial applications by developing and hosting interactive maps and geo-referenced data along with associated tools and applications. This includes NYCityMap, a physical base map and planimetrics of the City derived from aerial photography. Leveraging NYCityMap and similar technologies, DoITT works with agencies across the City to launch many interactive websites and applications serving a range of audiences and needs.

### *NYC311*

NYC311 is the nation's largest and most comprehensive government information and services center. It is available 24 hours a day, 7 days a week. New Yorkers can connect with NYC311 online, chat, mobile app, text, phone, or social media. The agency works continuously to make government services more accessible to non-English speakers, with 311 Online available in more than 50 languages. Since its launch, NYC311 has received more than 220 million calls and has been a clearinghouse for all things New York City government, providing information on more than 5,000 topics, routing details to the appropriate City agencies and providing customers with service request numbers for use in tracking the progress of their inquiry.

### *NYC.gov*

NYC.gov, the official website of the City of New York, is in many ways the City's digital face to the world. Home to more than 180 NYC.gov websites, representing City agencies, entities, organizations, and initiatives, NYC.gov greets more than 34 million unique visitors who view nearly 275 million pages of content each year. Additionally, NYC.gov serves as a launching point to City government on other digital platforms such as mobile applications, social media, and targeted alerts. Along with the Mayor's Office of Digital Strategy, DoITT continues to work with agencies across the City to redesign their websites to match the re-launched NYC.gov, which entails major improvements both to the site's design and accessibility features, and to its back-end technology infrastructure. The site is more user-centric and accessible than before and easily navigated by all users via an intuitive, data-informed interface and comprehensible plain language. From the homepage, users can find important alerts, watch Mayoral announcements live, make a 311 service request, get customized information about their neighborhood, and discover new events and programs.

### *Mayor's Office of Media and Entertainment*

The New York City Mayor's Office of Media and Entertainment (MOME) streamlines government communications by making more information accessible, leveraging technology to aid in the transparency of government, and by supporting relevant industries in New York City. MOME consists of the Office of Film, Theatre and Broadcasting, and NYC Media, the official television, radio, and online network of the City of New York.

*Streamlining Agency Operations*

DoITT will continue to leverage its data centers, fiber optic network, wireless data network, and other resources in order to achieve cost savings for City agencies in need of internet access, data center hosting and management, e-mail, security and firewall solutions, disaster recovery sites, wireless solutions, and remote access. The DoITT Capital Plan for 2019-2022 includes \$288.6 million for infrastructure improvements associated with these Citywide initiatives.

## ECONOMIC DEVELOPMENT

Fostering economic development growth in New York City requires a multi-faceted approach, coordinated between multiple agencies. The two main entities responsible for economic development in the City are the Department of Small Business Services (SBS) and the New York City Economic Development Corporation (NYCEDC). SBS makes it easier for businesses in New York City to form, do business and grow by providing direct assistance to business owners, fostering neighborhood development in commercial districts and linking employers to a skilled and qualified workforce. NYCEDC's mission is to encourage inclusive economic growth throughout the five boroughs of New York City by facilitating investments that create jobs and strengthen neighborhoods. Together, SBS and NYCEDC oversee programming to achieve the City's economic development goals.

### The Department of Small Business Services (SBS)

SBS aims to unlock economic potential and create economic security for all New Yorkers by connecting people to quality jobs, building stronger businesses, and fostering thriving neighborhoods across the five boroughs. SBS operates the City's NYC Business Solutions Centers, Industrial Business Solutions Provider Network and Workforce1 Career Centers; provides services to support the growth of local community development organizations throughout the City; and administers the Minority and Women-owned Business Enterprise (M/WBE) Program. SBS also contracts with NYCEDC, NYC & Company, the Trust for Governors Island (TGI) and the Brooklyn Navy Yard Development Corporation (BNYDC), to bolster economic development in the five boroughs.

### New York City Economic Development Corporation (NYCEDC)

NYCEDC is a not for profit organization under contract with SBS. It manages City-owned properties and invests in major infrastructure upgrades and capital projects; conducts area-wide planning and real estate development; and works to support the City's major business sectors. NYCEDC addresses challenges faced by industries through analysis of current economic trends, development of strategies and solutions, and implementation of programs that help businesses thrive and grow. Through the New York City Industrial Development Agency (NYCIDA) and Build New York City Resource Corporation (Build NYC), NYCEDC helps eligible businesses meet financing needs for property acquisition, new equipment, renovation and working capital through low-cost tax-exempt bonds and exemptions and abatements of selected City and State taxes.

### Brooklyn Navy Yard Development Corporation (BNYDC) and Trust for Governors Island (TGI)

SBS also contracts with the BNYDC and the TGI for the purposes of economic development and rehabilitating City-owned assets. Since 1981, BNYDC has operated the Brooklyn Navy Yard on behalf of the City and has diversified the types of businesses that operate at the Navy Yard. Currently, over 400 businesses employ over 7,500 people at the Navy Yard's 300-acre campus.

In 2011, the City of New York assumed responsibility for the development and operation of Governors Island, located in Upper New York Harbor. Since assuming control of the Island, the City has made major investments at the Island for public access and to prepare it for future development. With these investments, TGI has fortified the Island against natural disasters, rehabilitated the Island's electrical and maritime infrastructure, created new parkland, and stabilized historic buildings.

### Financial Review

The 2019 Executive Budget provides \$258.3 million in operating expenses at SBS, comprised of \$183.4 million of City funding and \$74.9 million of non-City sources. The SBS operating budget includes allocations for NYCEDC, NYC & Company and the TGI.

City-funded capital commitments of \$4.06 billion are forecast in the 2018-2022 capital plan. Of this amount, \$3.9 billion reflects Mayoral commitments. The remaining \$139 million reflects Elected Official commitments.

**Expense Budget Highlights***SBS*

- The Workforce Development Division helps New Yorkers build careers and connect to jobs. Workforce Development programs are currently budgeted at \$74.2 million in 2019.
- The Business Services Division helps businesses to start, operate and grow. The 2019 Executive Budget provides \$78.4 million in City and Federal funds.
- The Neighborhood Development Division strengthens commercial neighborhoods and supports the City's network of 75 Business Improvement Districts. The 2019 Executive Budget provides \$9.2 million in City and Federal funds.
- The Division of Economic and Financial Opportunity certifies minority- and women-owned businesses (M/WBEs) for government contracts, provides technical assistance to M/WBEs, and works to ensure parity in the City's hiring practices. The 2019 Executive Budget provides \$8.2 million in City and Federal funds.

*NYCEDC*

- NYCEDC is self-sustaining and receives no direct operating funds from the City, deriving revenues primarily from the management of City-owned property, financing fees, and land sale proceeds.

*NYC and Co.*

- Through a contract with SBS, NYC & Company will receive \$21.1 million in City funding in 2019 for its work to promote the City as the country's premier tourist destination, serve as the City's official marketing organization, and to provide partnership services.

*Trust for Governors Island*

- Through a contract with SBS, TGI will receive \$16.3 million in City funding towards the management and operation of the Island in 2019, as well as capital funds for further investment in infrastructure, improvement of the ferry landings, and restoration of landmark buildings.

*Brooklyn Navy Yard Development Corporation (BNYDC)*

- BNYDC is self-sustaining and receives no direct operating funds from the City, deriving revenues primarily from the management of City properties. Through a contract with SBS, BNYDC will receive capital funds for investments in infrastructure.

## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018	2019
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<b>Expenditures</b>						
Salary and Wages .....	\$22,852	\$27,854	\$29,290	\$30,891	\$3,037	\$1,601
Fringe Benefits .....	—	5	—	—	(5)	—
OTPS .....	237,130	288,742	143,391	227,545	(61,197)	84,154
<b>Total .....</b>	<b>\$259,982</b>	<b>\$316,601</b>	<b>\$172,681</b>	<b>\$258,436</b>	<b>(\$58,165)</b>	<b>\$85,755</b>
<b>Funding</b>						
City .....	\$149,675	\$178,962	\$118,270	\$183,363	\$4,401	\$65,093
Other Categorical Grants ..	6,774	8,857	301	301	(8,556)	—
IFA .....	—	—	—	—	—	—
State .....	2,351	2,681	2,000	2,000	(681)	—
Federal CD .....	35,615	46,532	10,197	21,147	(25,385)	10,950
Federal Other .....	43,869	57,129	41,353	48,046	(9,083)	6,693
Intra-City Other .....	21,698	22,440	560	3,579	(18,861)	3,019
<b>Total .....</b>	<b>\$259,982</b>	<b>\$316,601</b>	<b>\$172,681</b>	<b>\$258,436</b>	<b>(\$58,165)</b>	<b>\$85,755</b>
<b>Additional Costs Centrally Funded</b>						
Personal Services (PS)						
Fringe Benefits .....	\$7,013	\$7,831	\$8,276	\$8,823	\$992	\$547
Pensions .....	3,340	3,433	3,327	3,774	341	447
Other Than Personal Service (OTPS)						
Debt Service .....	176,748	205,205	226,532	156,305	(48,900)	(70,227)
<b>Total Additional Costs .....</b>	<b>\$187,101</b>	<b>\$216,469</b>	<b>\$238,135</b>	<b>\$168,902</b>	<b>(\$47,567)</b>	<b>(\$69,233)</b>
<b>Funding</b>						
City .....	179,569	206,748	228,598	158,532	(48,216)	(70,066)
Non-City .....	7,532	9,721	9,537	10,370	649	833
<b>Full Agency Costs (including Central Accounts)</b>						
Salary and Wages .....	\$22,852	\$27,854	\$29,290	\$30,891	\$3,037	\$1,601
Fringe Benefits .....	7,013	7,836	8,276	8,823	987	547
Pensions .....	3,340	3,433	3,327	3,774	341	447
<b>Total PS .....</b>	<b>\$33,205</b>	<b>\$39,123</b>	<b>\$40,893</b>	<b>\$43,488</b>	<b>\$4,365</b>	<b>\$2,595</b>
OTPS .....	\$237,130	\$288,742	\$143,391	\$227,545	(61,197)	\$84,154
Debt Service .....	176,748	205,205	226,532	156,305	(48,900)	(70,227)
<b>Total OTPS .....</b>	<b>\$413,878</b>	<b>\$493,947</b>	<b>\$369,923</b>	<b>\$383,850</b>	<b>(\$110,097)</b>	<b>\$13,927</b>
<b>Total Agency Costs .....</b>	<b>\$447,083</b>	<b>\$533,070</b>	<b>\$410,816</b>	<b>\$427,338</b>	<b>(\$105,732)</b>	<b>\$16,522</b>
Less Intra-City .....	\$21,698	\$22,440	\$560	\$3,579	(18,861)	\$3,019
<b>Net Agency Cost .....</b>	<b>\$425,385</b>	<b>\$510,630</b>	<b>\$410,256</b>	<b>\$423,759</b>	<b>(\$86,871)</b>	<b>\$13,503</b>
<b>Funding</b>						
City .....	329,244	385,710	346,868	341,895	(43,815)	(4,973)
Non-City .....	96,141	124,920	63,388	81,864	(43,056)	18,476
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	216	304	293	306	2	13
Non-City .....	109	112	111	112	—	1
<b>Total .....</b>	<b>325</b>	<b>416</b>	<b>404</b>	<b>418</b>	<b>2</b>	<b>14</b>

## Programmatic Review and Service Impact

### *Department of Small Business Services*

SBS works to foster a thriving, equitable economy and promote inclusive growth by connecting New Yorkers to good jobs, creating stronger businesses, and building a fairer economy. It does this by linking employers to a skilled and qualified workforce, providing direct assistance to business owners, reducing the burden of regulation, supporting neighborhood development in commercial districts, and promoting financial and economic opportunity among minority- and women-owned businesses.

### *Workforce Development Division (WDD)*

The Workforce Development Division helps New Yorkers find jobs by connecting them to employment opportunities and industry-informed training. In 2017, Workforce1 Career Centers served more than 100,000 jobseekers, providing recruitment expertise, industry knowledge, and skill-building workshops to match candidates to jobs and training opportunities. Additionally, the Workforce1 system helped to connect New Yorkers to more than 28,000 jobs.

### *Division of Business Services (DBS)*

The Division of Business Services helps small businesses start, operate, and thrive by providing free business services through NYC Business Solutions Centers in all five boroughs.

Centers are open in the South Bronx, Upper Manhattan, Queens, Downtown Brooklyn, Washington Heights, Staten Island and Lower Manhattan. In 2017, SBS's NYC Business Solutions Centers facilitated or distributed financing awards to 593 unique businesses; held approximately 700 free business education workshops for entrepreneurs; enabled 905 establishments to open; and served 8,146 unique businesses.

The Emergency Response Unit, in coordination with the Mayor's Office of Emergency Management, assists businesses affected by disasters by providing updates on building re-openings, facilitating the resolution of matters affecting day-to-day business operations, and compiling evidence to support business claims for assistance. In 2017, staff provided assistance to 308 businesses.

### *Neighborhood Development Division (NDD)*

NDD supports community-based economic development organizations throughout New York City in order to strengthen neighborhood commercial corridors and to create conditions under which local businesses thrive and residents can access to a vibrant mix of goods and services. In 2017, through a network of 75 Business Improvement Districts (BIDs), NDD oversaw contracts that led to the provision of more than \$147 million in supplemental services across 277 miles of New York City commercial corridors.

### *Division of Economic and Financial Opportunity (DEFO)*

SBS works to ensure that the City's procurement process reflects the great diversity of this City, and that government uses all levers available to strengthen minority and women-owned businesses. The Division of Economic and Financial Opportunity focuses on helping minority and women owned firms certify with the City, and build their capacity so they can compete and win contracts in the public and private sectors. Mayor de Blasio has made significant investments in the M/WBE program and set ambitious goals to support M/WBEs, including certifying 9,000 M/WBEs by 2019. As of the end of the first quarter of FY18, SBS has certified 5,271 M/WBEs, representing a nearly 45% increase.

### **New York City Economic Development Corporation**

As the City's primary vehicle for advancing inclusive economic development, NYCEDC coordinates with both the private and public sectors to promote economic development activities across a diverse set of industries and neighborhoods. To support industrial and commercial development, and improve transportation and waterfront infrastructure, NYCEDC utilizes a combination of City capital funds and NYCEDC revenue to manage the City's industrial, waterfront and commercial assets.

### *Industry Support and Small Business Assistance*

NYCEDC provides several small business lending, guarantee, and bond programs, as well as a range of sector-based programs and initiatives designed to spur growth and innovation in strategic sectors of the City's economy. The purpose of these programs is to create

jobs, and retain and expand businesses through financial assistance, incubator space or talent development initiatives. NYCEDC has launched a network of 17 business incubators in the five boroughs. Over 1,000 startup businesses and 1,500 employees are currently located at the City-sponsored incubators.

#### *Waterfront Development*

NYCEDC manages and assists in the redevelopment of City-owned waterfront industrial property. This includes the Manhattan and Brooklyn Cruise Terminals and the operation of the Citywide Ferry Service. Since 2017, the first four lines of the Citywide Ferry Service have begun operations, with two additional lines starting operations in 2018.

#### *Asset Management*

NYCEDC helps the City manage and sell its real estate assets. NYCEDC also conducts real estate planning and development, disposes of City-owned property, releases RFPs to develop City assets, and

conducts neighborhood-wide planning, throughout the five boroughs. The asset management portfolio includes over 275 City-owned properties, which includes approximately 62 million square feet of largely industrial real estate. This includes the Brooklyn Army Terminal (BAT), which is currently 94 percent occupied, with over 100 tenants employing over 3,700 workers.

NYCEDC also oversees the New York City Industrial Development Agency (NYCIDA) and the Build NYC Resource Corporation (Build NYC) to provide financing and tax assistance for capital expansion projects for industrial and commercial companies and not-for-profit organizations. The NYCIDA provides low-cost tax-exempt bonds and exemptions and abatements of selected City and State taxes to create and retain jobs. By working with Build NYC, not-for-profit institutions are able to access triple tax-exempt bonds that can lower the costs of financing their capital needs and free up funds to invest in their programs. NYCIDA had 349 active projects and Build NYC had 114 active projects as of June 30, 2017.

## Capital Review

The primary goal of the Ten Year Capital Plan is to encourage development in order to create and retain jobs in New York City, to bolster the City's tax base, and to maintain City-owned facilities in a state of good repair. The 2018-2022 Five Year Capital Plan totals \$4.06 billion.

The following chart shows Capital plan commitments by major function over the 2018-2022 period. Actual commitments are provided for 2017.

### Capital Commitments (\$ in 000's)

	2017 Actual		2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Commercial Development .....	\$31,199	\$42,363	\$24,014	\$36,584	\$34,757	\$45,625	\$45,495	\$45,924	\$154,677	\$154,677	\$95,000	\$95,000
Industrial Development.....	97,869	97,869	120,813	121,133	113,247	113,247	94,124	103,575	88,546	97,997	61,530	70,981
Market Development.....	5,654	5,654	30,606	30,606	47,567	47,567	41,172	41,172	-	-	30,000	30,000
Neighborhood Revitaliz'n .....	67,429	69,673	90,188	104,304	360,142	373,947	392,851	418,613	437,046	439,807	190,588	193,349
Port Development .....	5,594	5,594	935	935	16,729	19,653	13,727	13,728	-	-	-	-
Rail Development .....	-	-	1,500	1,500	8,900	8,900	7,093	7,093	-	-	-	-
Waterfront Development.....	75,679	76,354	67,709	86,358	267,517	276,109	190,831	190,831	121,186	121,186	-	-
Cultural Development.....	-	-	4,675	4,675	9,271	9,271	6,530	6,530	-	-	-	-
Community Development.....	1,309	2,544	21,154	21,169	48,674	49,039	13,715	13,715	20,000	20,000	20,000	20,000
Miscellaneous .....	39,981	41,661	148,094	188,004	261,087	336,232	154,383	190,227	140,332	205,279	60,888	70,888
<b>Total .....</b>	<b>\$324,714</b>	<b>\$341,712</b>	<b>\$509,688</b>	<b>\$595,268</b>	<b>\$1,167,891</b>	<b>\$1,279,590</b>	<b>\$959,921</b>	<b>\$1,031,408</b>	<b>\$961,787</b>	<b>\$1,038,946</b>	<b>\$458,006</b>	<b>\$480,218</b>

#### Highlights of the 2018-2022 Five Year Capital Plan (including uncommitted 2018 funds):

- A total of \$506 million for projects related to the re-zonings proposed in neighborhood plans developed by the Department of City Planning, funded by the Neighborhood Development Fund, to help provide for critical infrastructure work.
- A total of \$457 million for infrastructure work related to the Citywide Ferry Service.
- A total of \$194 million to support the Mayor's 100,000 Jobs Plan.
- A total of \$186 million for the development of the Made in New York campus at Bush Terminal.
- A total of \$230 million for the rehabilitation of existing structures, public access improvements, and infrastructure upgrades to support future redevelopment at Brooklyn Navy Yard.
- A total of \$97 million for the rehabilitation of existing structures, public access improvements, and infrastructure upgrades to support public open space and future redevelopment at Governors Island.

## LIBRARIES

The City of New York funds three independently operated public library systems, each administered by a separate board of trustees. The Brooklyn Public Library (BPL) oversees the operation of 58 branches and a Central Library. The New York Public Library (NYPL) is made up of four research libraries all located in Manhattan and 88 neighborhood branches throughout the Bronx (35 branches), Manhattan (40 branches), and Staten Island (13 branches). NYPL's four research libraries are the Stephen A. Schwarzman Building, the New York Public Library for the Performing Arts, the Schomburg Center for Research in Black Culture, and the Science, Industry and Business Library. The Queens Borough Public Library (QBPL) consists of 61 branches, a Central Library, one family literacy center, one technology center and a teen library in Far Rockaway.

### Financial Review

The Libraries 2019 Executive Budget provides for operating expenses of \$372.4 million. It also provides for City funded capital commitments of \$884.6 million and \$8.6 million in non-City funds.

### Expense Budget Highlights

#### *Budgetary Priorities: Providing Core Services*

- In 2019, the operating subsidy for the Brooklyn Public Library will be \$102.2 million.

- In 2019, the operating subsidy for the New York Public Library will be \$137.4 million.
- In 2019, the operating subsidy for the New York Public Library's research libraries will be \$27.9 million.
- In 2019, the operating subsidy for the Queens Borough Public Library will be \$104.8 million.

## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018	2019
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<b>Expenditures</b>						
Salary and Wages .....	\$—	\$—	\$—	\$—	\$—	\$—
Fringe Benefits .....	—	—	—	—	—	—
OTPS .....	374,719	378,928	371,758	372,412	(6,516)	654
<b>Total .....</b>	<b>\$374,719</b>	<b>\$378,928</b>	<b>\$371,758</b>	<b>\$372,412</b>	<b>(\$6,516)</b>	<b>\$654</b>
<b>Funding</b>						
City .....	\$369,490	\$374,678	\$371,758	\$372,412	(\$2,266)	\$654
Other Categorical Grants	380	—	—	—	—	—
IFA .....	—	—	—	—	—	—
State .....	—	—	—	—	—	—
Federal CD .....	—	—	—	—	—	—
Federal Other .....	—	—	—	—	—	—
Intra-City Other .....	4,849	4,250	—	—	(4,250)	—
<b>Total .....</b>	<b>\$374,719</b>	<b>\$378,928</b>	<b>\$371,758</b>	<b>\$372,412</b>	<b>(\$6,516)</b>	<b>\$654</b>
<b>Additional Costs Centrally Funded</b>						
Other Than Personal Service (OTPS)						
Fringe Benefits .....	\$2,030	\$2,059	\$2,150	\$2,143	\$84	(\$7)
Pensions .....	32,756	33,628	34,628	34,628	1,000	—
Debt Service .....	71,979	69,382	79,348	68,782	(600)	(10,566)
<b>Total Additional Costs</b>	<b>\$106,765</b>	<b>\$105,069</b>	<b>\$116,126</b>	<b>\$105,553</b>	<b>\$484</b>	<b>(\$10,573)</b>
<b>Funding</b>						
City .....	104,230	102,168	113,296	103,040	872	(10,256)
Non-City .....	2,535	2,901	2,830	2,513	(388)	(317)
<b>Full Agency Costs (including Central Accounts)</b>						
Fringe Benefits .....	\$2,030	\$2,059	\$2,150	\$2,143	\$84	(\$7)
OTPS .....	374,719	378,928	371,758	372,412	(6,516)	654
Pensions .....	32,756	33,628	34,628	34,628	1,000	—
Debt Service .....	71,979	69,382	79,348	68,782	(600)	(10,566)
<b>Total OTPS .....</b>	<b>\$481,484</b>	<b>\$483,997</b>	<b>\$487,884</b>	<b>\$477,965</b>	<b>(\$6,032)</b>	<b>(\$9,919)</b>
<b>Total Agency Costs ....</b>	<b>\$481,484</b>	<b>\$483,997</b>	<b>\$487,884</b>	<b>\$477,965</b>	<b>(\$6,032)</b>	<b>(\$9,919)</b>
Less Intra-City .....	\$4,849	\$4,250	\$—	\$—	(\$4,250)	\$—
<b>Net Agency Cost .....</b>	<b>\$476,635</b>	<b>\$479,747</b>	<b>\$487,884</b>	<b>\$477,965</b>	<b>(\$1,782)</b>	<b>(\$9,919)</b>
<b>Funding</b>						
City .....	473,720	476,846	485,054	475,452	(1,394)	(9,602)
Non-City .....	2,915	2,901	2,830	2,513	(388)	(317)
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	—	—	—	—	—	—
Non-City .....	—	—	—	—	—	—
<b>Total .....</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

\* The 2019 Executive Budget provides an estimated 4,324 full-time and full-time equivalent positions, which are funded with City subsidies.

### Programmatic Review and Service Impact

The three library systems will continue to provide services throughout the five boroughs at existing branches and at recently opened or rehabilitated libraries:

- The Van Cortlandt branch, in the Bronx, will move to a new site that will be more than twice the size of the current location. The new branch will include dedicated teen and children spaces.
- Construction is anticipated to begin in Fall 2018 for the new Roosevelt Island branch.
- A new branch, Charleston Library, is being added to the Staten Island community. Construction is scheduled to begin in Spring 2019.
- Five Carnegie branches in the New York Public Library System (Port Richmond, Hunts Point, Melrose, 125th Street, and Fort Washington) will undergo comprehensive renovations. Construction is slated to begin in 2019.
- The Ozone Park branch re-opened in May 2017 following a \$1.2 million interior renovation.
- A new Hunters Point branch is under construction and is expected to open to the public in Winter 2019.
- The newly expanded and renovated Kew Gardens Hills branch reopened to the public in September 2017. The \$12.1 million project increased the branch size by more than a third. The facility includes a green roof, separate areas for adults, teens and children, new computers, and a 24/7 exterior book return.
- Construction is anticipated to begin in Fall 2018 for a new Far Rockaway branch.
- The expansion and renovation of the East Elmhurst branch is in progress. This \$10.9 million project is expected to be completed in Fall 2018 and will almost double the size of the existing facility. When completed, this branch will feature a new east entry, new interior court with a skylight, new multi-purpose room, new teen area and new landscaped patio.
- The Marcy, Mill Basin and Brighton Beach branches recently reopened with new HVAC systems and interior improvements.
- The Sunset Park interim library will open in 2018 and will serve the community during the reconstruction of the permanent branch library, which is also creating 49 units of affordable housing.

The three library systems continue to provide a variety of community programming throughout the five boroughs:

- The Brooklyn Public Library (BPL) offered a wide variety of programs and services in its library branches, which had over 8.1 million total visits in 2017. Over the course of the year, BPL offered over 66,000 free programs to the public – including cultural programming, English for Speakers of Other Languages (ESOL) classes and citizenship preparation groups, workforce development, technology training, and others. Serving as a vital resource for diverse immigrant communities, BPL brought in multilingual immigration lawyers to assist patrons with citizenship applications at four library branches. In 2017, BPL released its first ever *Where the Wild Things Are* library card with images from the iconic Maurice Sendak book. BPL forgave library fines for all cardholders under the age of 17, enabling tens of thousands of children and teens with suspended privileges the opportunity to re-connect with BPL's collection and resources. BPL is engaged in its most ambitious program to upgrade and enhance its branches in over half a century, including the building of six new library spaces, eight renovated branches, and expand the many service points throughout the borough. In 2018, BPL unveiled its strategic plan, Now/Next, which distills the library's mission and articulates its vision for a more community-centered, innovative public library.
- The New York Public Library (NYPL) has been an essential presence in every neighborhood across the city for more than a century, providing a safe and reliable space for all New Yorkers, regardless of their background or means. In 2017, NYPL had over 17 million visits across its 92 locations, offering 110,500 programs and classes with attendance totaling approximately 3.4 million visitors. Despite national downward trends, circulation of NYPL's materials increased by over five percent in the last fiscal year. This increase was due in part to the roll out of their early literacy programming in 87 branches and expanded availability to accommodate over 747,000 attendees in 2017— a 105 percent increase from the prior year. In partnership with the Department of

Education, NYPL served over 500 schools through the MyLibraryNYC program, which circulated over 9,000 specially curated booksets directly to teachers at their schools, while library branches lent over 1.5 million items to educators and students with MyLibraryNYC cards. Furthermore, NYPL has witnessed a 500 percent increase in enrollment of English for Speakers of Other Languages (ESOL) classes over the last five years and the library is now the third largest provider in the City. In addition to the ESOL classes, NYPL partnered with the Department of Corrections to provide library services to incarcerated patrons including ESOL classes at two Rikers Island correction facilities. In 2016, NYPL opened the first dedicated library space at the Rose M. Singer facility at Rikers Island and is opening a second dedicated library space at the Manhattan Detention Complex in May 2018.

- The Queens Borough Public Library (QBPL), which serves the most heterogenous population in the nation, continued to meet the rising demand for its resources and programs. QBPL welcomed over 11.2 million visitors at its 65 locations across the borough, and its collection of nine million items had a circulation of 12.7 million. Three million

people used the library's computers to access the internet. In addition, a record 1.4 million people participated in more than 80,000 library programs, such as early childhood literacy, youth development and job skills training. QBPL held two 31-hour library marathon events at its Corona branch and Peninsula branch in the Rockaways as part of its Queens Library is for Everyone outreach campaign to raise the public's awareness that their libraries are open to all, regardless of their background or circumstances. The two events drew a total of 10,000 visitors. QBPL finalized and began implementing its five-year strategic plan. QBPL established a \$100,000 fund to support ten initiatives generated by staff throughout the system to deepen their engagement with customers. And along with NYPL and BPL, QBPL announced a one-time fine amnesty for 161,000 children and teens whose borrowing privileges were suspended after they accumulated fines of \$15 or more.

Days and hours of library branch service remain a priority for all three library systems. In 2018, on average, each branch provides at least six days of service per week (approximately 48.3 hours per week).

## Capital Review

The Four-Year Plan for the Libraries totals \$893.2 million. The table below reflects capital commitments by system over the 2017-2022 period.

### Capital Commitments (\$ in 000's)

	2017 Actual		2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Brooklyn Public Library .....	\$4,734	\$4,734	\$45,095	\$45,095	\$69,172	\$75,430	\$142,165	\$142,165	\$34,108	\$34,108	\$13,591	\$13,591
New York Public Library .....	4,565	4,565	75,382	76,552	310,583	312,683	45,660	45,660	21,587	21,587	3,341	3,341
NYPL Research Libraries .....	-1,505	-1,505	32,159	35,159	1,380	1,380	221	221	221	221	221	221
Queens Borough Public Library	8,590	8,590	98,686	102,617	117,121	117,354	24,684	24,684	54,221	54,221	46,347	46,347
<b>Total .....</b>	<b>\$16,384</b>	<b>\$16,384</b>	<b>\$251,322</b>	<b>\$259,423</b>	<b>\$498,256</b>	<b>\$506,847</b>	<b>\$212,730</b>	<b>\$212,730</b>	<b>\$110,137</b>	<b>\$110,137</b>	<b>\$63,500</b>	<b>\$63,500</b>

*Highlights of the Ten-Year Plan include:**Brooklyn Public Library (BPL):*

The Four-Year Plan allocates \$265.3 million for various renovations and improvements at BPL branches, including:

- Comprehensive renovations of five branches identified as most critical (\$91.0 million, in addition to \$9.0 million in 2018).
- Interior and exterior rehabilitation of the Borough Park branch (\$9.6 million, in addition to \$0.7 million in 2018).
- Various upgrades at the Arlington branch (\$7.9 million).

*New York Public Library (NYPL), which includes projects in the Bronx, Manhattan, and Staten Island:*

The Four-Year Plan allocates \$385.3 million for various renovations and improvements at NYPL branches and research libraries, including:

- Renovation of the Midtown Campus in Manhattan (\$140.9 million, in addition to \$9.9 million in 2018).
- Comprehensive renovations of five branches identified as most critical (\$100.0 million).
- Upgrades and renovations at the St. George branch in Staten Island (\$3.4 million, in addition to \$0.1 million in 2018).
- Construction of the new Westchester Square branch in the Bronx (\$17.4 million in 2018).
- Phase two renovations of the Schomburg Center for Research in Black Culture in Manhattan (\$13.5 million in 2018).

*Queens Borough Public Library (QBPL):*

The Four-Year Plan allocates \$242.6 million for various renovations and improvements at QBPL branches, including:

- Comprehensive renovations, new construction, and expansion of branches identified as most critical (\$93.4 million, in addition to \$6.6 million in 2018).
- Construction of an elevator at the Flushing branch (\$2.5 million).
- Expansion and furnishing of the Baisley Park branch (\$6.6 million, in addition to \$0.8 million in 2018).
- Infrastructure, furniture and equipment upgrades at the Hollis branch (\$2.8 million, in addition to \$1.4 million in 2018).
- Expansion of the Arverne branch (\$5.9 million, in addition to \$1.2 million in 2018).
- Renovation and furnishing of the North Forest Park branch (\$2.8 million)

## THE DEPARTMENT OF CULTURAL AFFAIRS

The Department of Cultural Affairs (DCLA) is responsible for supporting and strengthening the City's vibrant cultural life through funding, technical assistance, and advocacy for more than 1,200 nonprofit cultural organizations across New York City, including museums, dance companies, theaters, performing arts organizations, botanical gardens, zoos, and a wide array of other cultural organizations.

The City supports operations at the 33 City-owned cultural institutions known as the Cultural Institutions Group (CIG). This group includes diverse organizations such as the American Museum of Natural History, the Bronx Museum of the Arts, the Queens Museum, the Brooklyn Academy of Music, and the Staten Island Historical Society.

DCLA provides support for capital improvements at more than 200 cultural organizations throughout the five boroughs. Funding is provided for infrastructure, renovation, expansion, equipment, and public art projects. In 2018, DCLA also provided program grants and support services for more than 940 cultural organizations Citywide, including groups such as Bronx House, the Horticultural Society of New York, the Bangladesh Institute of Performing Arts, Williamsburg Art Nexus, Staten Island MakerSpace, and the Stuttering Association for the Young.

### Financial Review

The Department of Cultural Affairs' 2019 Executive Budget provides for operating expenses of \$147.0 million. It also provides for City funded capital commitments of \$613.4 million and \$14.1 million in non-City funds.

### Expense Budget Highlights

#### *Budgetary Priorities: Providing Core Services*

- The City's 33 CIG institutions will receive operating support of \$109.3 million, including \$42.5 million in energy subsidies.
- In the 2019 Executive Budget, various cultural organizations Citywide will receive program grants totaling \$31.1 million.
- The 2019 Executive Budget contains \$6.7 million in operating funds for the Department of Cultural Affairs' staff, rent, supplies, and equipment.

## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018	2019
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<b>Expenditures</b>						
Salary and Wages .....	\$4,872	\$4,685	\$5,160	\$5,069	\$384	(\$91)
Fringe Benefits .....	—	—	—	—	—	—
OTPS .....	177,720	190,156	138,647	141,929	(48,227)	3,282
<b>Total .....</b>	<b>\$182,592</b>	<b>\$194,841</b>	<b>\$143,807</b>	<b>\$146,998</b>	<b>(\$47,843)</b>	<b>\$3,191</b>
<b>Funding</b>						
City .....	\$174,996	\$186,548	\$142,130	\$145,321	(\$41,227)	\$3,191
Other Categorical Grants ..	353	1,137	1,000	1,000	(137)	—
IFA .....	244	243	243	243	—	—
State .....	—	3	3	3	—	—
Federal CD .....	154	426	251	251	(175)	—
Federal Other .....	—	—	—	—	—	—
Intra-City Other .....	6,845	6,484	180	180	(6,304)	—
<b>Total .....</b>	<b>\$182,592</b>	<b>\$194,841</b>	<b>\$143,807</b>	<b>\$146,998</b>	<b>(\$47,843)</b>	<b>\$3,191</b>
<b>Additional Costs Centrally Funded</b>						
<b>Personal Services (PS)</b>						
Fringe Benefits .....	\$1,357	\$1,352	\$1,584	\$1,513	\$161	(\$71)
Pensions .....	8,636	9,577	9,953	10,048	471	95
<b>Other Than Personal Service (OTPS)</b>						
Debt Service .....	156,415	152,641	174,566	195,250	42,609	20,684
<b>Total Additional Costs .....</b>	<b>\$166,408</b>	<b>\$163,570</b>	<b>\$186,103</b>	<b>\$206,811</b>	<b>\$43,241</b>	<b>\$20,708</b>
<b>Funding</b>						
City .....	160,783	157,074	179,781	199,584	42,510	19,803
Non-City .....	5,625	6,496	6,322	7,227	731	905
<b>Full Agency Costs (including Central Accounts)</b>						
Salary and Wages .....	\$4,872	\$4,685	\$5,160	\$5,069	\$384	(\$91)
Fringe Benefits .....	1,357	1,352	1,584	1,513	161	(71)
Pensions .....	8,636	9,577	9,953	10,048	471	95
<b>Total PS .....</b>	<b>\$14,865</b>	<b>\$15,614</b>	<b>\$16,697</b>	<b>\$16,630</b>	<b>\$1,016</b>	<b>(\$67)</b>
OTPS .....	\$177,720	\$190,156	\$138,647	\$141,929	(\$48,227)	\$3,282
Debt Service .....	156,415	152,641	174,566	195,250	42,609	20,684
<b>Total OTPS .....</b>	<b>\$334,135</b>	<b>\$342,797</b>	<b>\$313,213</b>	<b>\$337,179</b>	<b>(\$5,618)</b>	<b>\$23,966</b>
<b>Total Agency Costs .....</b>	<b>\$349,000</b>	<b>\$358,411</b>	<b>\$329,910</b>	<b>\$353,809</b>	<b>(\$4,602)</b>	<b>\$23,899</b>
Less Intra-City .....	\$6,845	\$6,484	\$180	\$180	(\$6,304)	\$—
<b>Net Agency Cost .....</b>	<b>\$342,155</b>	<b>\$351,927</b>	<b>\$329,730</b>	<b>\$353,629</b>	<b>\$1,702</b>	<b>\$23,899</b>
<b>Funding</b>						
City .....	335,779	343,622	321,911	344,905	1,283	22,994
Non-City .....	6,376	8,305	7,819	8,724	419	905
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	59	69	65	66	(3)	1
Non-City .....	6	5	5	5	—	—
<b>Total .....</b>	<b>65</b>	<b>74</b>	<b>70</b>	<b>71</b>	<b>(3)</b>	<b>1</b>

\* The 2019 Executive Budget provides an estimated 1,192 full-time and full-time equivalent positions, which are funded with City Subsidies.

### Programmatic Review and Service Impact

- Following the release of CreateNYC, the City's first ever comprehensive 10-year cultural plan, DCLA has begun to address the plan's recommended areas of public commitment. The 2018 Adopted Budget provided a \$9.0 million increase for DCLA, in 2018, which includes support for the following specific areas:
  1. Increased funding for the Cultural Institutions Group (CIG) and for DCLA's grant-making program, the Cultural Development Fund (CDF), with a focus on organizations with smaller budgets in those areas with high public engagement and low cultural resources.
  2. Promoting engagement between the City and the cultural community through the introduction of a new grant program, the Grant for Cultural Impact, which connects cultural organizations with City agencies; through cultural partnerships with the City's three public library systems; and through continuation of Public Artists in Residence (PAIR) program.
  3. Supporting increased language access with new grant funding and laying the groundwork for a new grant program addressing disability access.
  4. Supporting diversity and inclusion in the cultural workforce through the continuation of the CUNY Cultural Corps program, which places CUNY students in paid internship positions at the 33 CIGs. In addition, the Department introduced a CUNY-led professional development program for mid-level cultural workers.
- DCLA continued its Public Artists in Residence (PAIR) program, which creates more avenues for artists to work with government agencies. In 2018, DCLA launched four new residencies with four new City agency partners: the Commission on Human Rights, the Mayor's Office to Combat Domestic Violence, the Department of Probation, and the Department of Correction (Rikers Island). The four new artists will be in residence with their host agencies for a year where they will implement participatory art projects that address some of the challenges facing the City.
- DCLA's Building Community Capacity (BCC) program continues to work in participating communities to ensure that culture is included as part of the City's inter-agency efforts around neighborhood planning and economic development, and that local cultural stakeholders have a voice in their community's overall development strategies and efforts. In 2018, cultural non-profits and community-based development organizations are partnering to strengthen the role of culture in three neighborhoods undergoing broader planning efforts: Bushwick, Brooklyn; Far Rockaway, Queens; and Morrisania, Bronx. In 2018, over \$0.2 million is allocated for the first phase of the program, to support neighborhood arts inventories and community-driven cultural planning.
- In 2018, nine commissions for Percent for Art are slated for completion, including Matthew Geller's *I Ought To* for Myrtle Plaza in Brooklyn, and Xu Bing's *Writings at Helin Temple* at Forsyth Plaza in Manhattan. In 2018, Percent for Art also selected six artists for new commissions, and by the end of the summer expects to select 13 more artists for new City construction projects, including the Animal Care Center in Brooklyn, Woodhaven Boulevard in Queens and five Carnegie Libraries in the Bronx, Upper Manhattan and Staten Island.
- Materials for the Arts (MFTA) is celebrating its 40th anniversary and continues to divert millions of pounds of reusable goods from the landfill. Recently, MFTA has been working closely with building owners, moving companies and liquidators to provide their members, including many City agencies, with high quality furniture and supplies. Arts groups, such as Ensemble Mise En, Cre-Art Box, and educational group Greek School of Plato all received pianos from individual donors. The Little Mermaid performed by the students at Forest Hills High School benefited from MFTA's materials from donors like M&J Trimming, GAP Inc. and the Victor Group. Arts groups including performance, dance and visual arts visited MFTA nearly 2,000 times so far in 2018 picking up materials valued at \$2.6 million.

## Capital Review

The Four-Year Plan for the Department of Cultural Affairs totals \$627.5 million for over 200 cultural organizations in the five boroughs. The table below reflects capital commitments by program area over the 2017-2022 year period.

### Capital Commitments (\$ in 000's)

	2017 Actual		2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Department of Cultural Affairs .....	\$65,044	\$147,632	\$330,000	\$358,737	\$258,475	\$272,530	\$121,917	\$121,917	\$116,123	\$116,123	\$116,900	\$116,900
<b>Total.....</b>	<b>\$65,044</b>	<b>\$147,632</b>	<b>\$330,000</b>	<b>\$358,737</b>	<b>\$258,475</b>	<b>\$272,530</b>	<b>\$121,917</b>	<b>\$121,917</b>	<b>\$116,123</b>	<b>\$116,123</b>	<b>\$116,900</b>	<b>\$116,900</b>

#### Highlights of the Ten-Year Capital Strategy and Four-Year plan:

- Renovation of the Queens Botanical Garden Education Building (\$17.9 million).
- Site-wide upgrades at Wave Hill (\$5.6 million, in addition to \$0.1 million in 2018).
- Improvements to the South Wing Atrium at the Bronx Museum of the Arts (\$11.8 million, in addition to \$0.7 million in 2018).
- Build out of the Brooklyn Academy of Music Karen Theaters and Brooklyn Academy of Music Hamm Archives at the Downtown Brooklyn Cultural Condo (\$16.0 million).
- Various upgrades and improvements at the New York Hall of Science (\$14.5 million, in addition to \$3.3 million in 2018).
- Rehabilitation of the building envelope at the Brooklyn Museum (\$8.6 million).
- Campus-wide upgrades and improvements at the Snug Harbor Cultural Center & Botanical Garden (\$19.6 million, in addition to \$15.4 million in 2018).
- Construction of a new building at the Studio Museum in Harlem (\$62.8 million).
- Restoration of Building B at the Staten Island Museum (\$7.6 million, in addition to \$2.0 million in 2018).
- Exterior restorations at the Seventh Regiment Armory Conservancy (\$4.3 million).
- Renovation of New York Botanical Garden's Children's Adventure Garden (\$4.0 million).

## CITY UNIVERSITY OF NEW YORK

The City University of New York (CUNY) includes eleven senior colleges, seven community colleges, the School of Professional Studies, the Graduate Center, the Graduate School of Journalism, the Macaulay Honors College, the CUNY School of Law, the CUNY Graduate School of Public Health and Health Policy and the CUNY School of Labor and Urban Studies. CUNY also sponsors the Hunter College Campus Schools. The CUNY colleges, some of which date back to the nineteenth century, were federated in 1961. The University is governed by a 17-member Board of Trustees. Ten members are appointed by the Governor with the advice and consent of the New York State Senate, five are appointed by the Mayor, and two (the chairpersons of the Faculty and Student Senates) serve as ex-officio members.

CUNY is the largest municipal university system in the United States and ranks third in number of students among the public university systems in the nation. In 2018, CUNY serves over 274,000 students in degree programs with approximately 178,000 in the senior colleges and 95,900 in the community colleges. In addition, CUNY serves approximately 269,000 non-degree students.

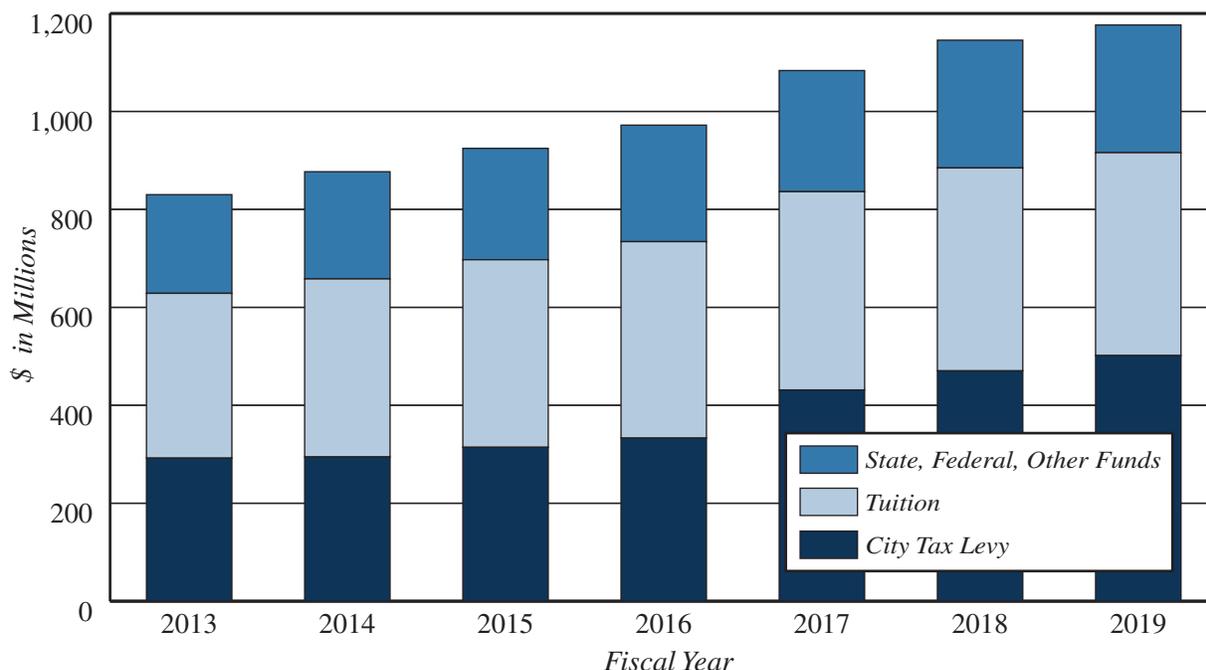
### Financial Review

The City University of New York's 2019 Executive Budget totals \$ 1,172.3 million, a net decrease of \$ 97.8 million from the 2018 forecast of \$ 1,270.1 million.

The total budget decrease of \$97.8 million is largely due to Intra-City revenue funds decreasing from \$ 114.5 million in 2018 to \$12.6 million in 2019. The Senior College lump sum appropriation of \$35 million remains unchanged from 2018.

In addition, higher education related pension and other fringe costs of \$91.9 million that are budgeted in separate agencies bring CUNY's total 2019 budget to \$1,264.2 million.

**COMMUNITY COLLEGE EXPENDITURES BY SOURCE 2013 - 2019**



\* Funding which supports senior college and Hunter Campus Schools activities is not included here. City tax levy includes pension contributions which are budgeted in the Pension Agency and Collective Bargaining, Medicare Part B and Stabilization Fund contributions which are budgeted in the Miscellaneous Agency. Tuition includes Tuition and Fees, Miscellaneous Revenues, Adult Continuing Education fees and Other Categorical funds. State and Federal dollars are combined and include Community Development funds. The 2016 and 2017 amounts are as per the Executive forecast. Source: NYC OMB

**Revenue Forecast**

In 2019, State, Federal, and Other Categorical funds for two-year colleges increase by \$0.1 million from \$274.5 million in 2018 to \$274.6 million in 2019.

**Expense Budget Highlights**

*Budgetary Priorities: Providing Core Services*

- Aligned with the Mayor’s commitment for expanding support to Higher Education, this budget fully phases in the expansion of Accelerated Study in Associate Programs (ASAP), an effort focusing on improving college preparation, retention, and graduation rates for community college students. In addition, funding for Science, Technology, Engineering, and Math (STEM) continues to support associate degree students through enhanced advisement, student research opportunities, and summer tuition. Furthermore, Equity and Excellence initiatives continue to provide college visits, teacher certifications, tutoring, and application fee waivers to NYC Department of Education students.

*Center for Economic Opportunities and Young Men’s Initiative*

- An additional \$8.1 million is included for programs such as Teacher Paid Recruitment, the Accelerate, Complete and Engage initiative (ACE), and a new pilot program that provides wrap-around supports to part-time degree students.

*Technical Adjustments*

- An additional \$9.3 million is funded for initiatives supporting Center for Economic Opportunity (CEO) programs and a partnership between John Jay College and the Department of Correction’s training academy.

## Summary of Agency Financial Data

The following table compares 2019 Executive Budget with the 2019 Preliminary Budget, the 2018 forecast and actual expenditures for 2017, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2017 Actual	2018 Forecast	2019		2018 Forecast	2019 Preliminary Budget
			Preliminary Budget	Executive Budget		
<b>Expenditures</b>						
Salary and Wages .....	\$626,261	\$624,338	\$625,291	\$625,291	\$953	\$—
Fringe Benefits .....	164,604	170,228	183,273	183,273	13,045	—
OTPS .....	367,621	475,500	361,024	363,746	(111,754)	2,722
<b>Total .....</b>	<b>\$1,158,486</b>	<b>\$1,270,066</b>	<b>\$1,169,588</b>	<b>\$1,172,310</b>	<b>(\$97,756)</b>	<b>\$2,722</b>
<b>Funding</b>						
City .....	\$800,982	\$844,210	\$846,364	\$848,297	\$4,087	\$1,933
Other Categorical Grants ..	17,999	13,583	13,820	13,820	237	—
IFA .....	—	—	—	—	—	—
State .....	248,266	296,872	296,815	297,323	451	508
Federal CD .....	904	868	—	281	(587)	281
Federal Other .....	—	—	—	—	—	—
Intra-City Other .....	90,335	114,533	12,589	12,589	(101,944)	—
<b>Total .....</b>	<b>\$1,158,486</b>	<b>\$1,270,066</b>	<b>\$1,169,588</b>	<b>\$1,172,310</b>	<b>(\$97,756)</b>	<b>\$2,722</b>
<b>Additional Costs Centrally Funded</b>						
<b>Personal Services (PS)</b>						
Fringe Benefits .....	\$3,013	\$3,043	\$3,180	\$3,160	\$117	(\$20)
Pensions .....	79,826	86,150	87,613	88,756	2,606	1,143
<b>Other Than Personal Service (OTPS)</b>						
Debt Service .....	58,727	56,371	56,033	74,462	18,091	18,429
<b>Total Additional Costs</b>	<b>\$141,566</b>	<b>\$145,564</b>	<b>\$146,826</b>	<b>\$166,378</b>	<b>\$20,814</b>	<b>\$19,552</b>
<b>Funding</b>						
City .....	139,951	143,856	145,160	164,090	20,234	18,930
Non-City .....	1,615	1,708	1,666	2,288	580	622
<b>Full Agency Costs (including Central Accounts)</b>						
Salary and Wages .....	\$626,261	\$624,338	\$625,291	\$625,291	\$953	\$—
Fringe Benefits .....	167,617	173,271	186,453	186,433	13,162	(20)
Pensions .....	79,826	86,150	87,613	88,756	2,606	1,143
<b>Total PS .....</b>	<b>\$873,704</b>	<b>\$883,759</b>	<b>\$899,357</b>	<b>\$900,480</b>	<b>\$16,721</b>	<b>\$1,123</b>
OTPS .....	\$367,621	\$475,500	\$361,024	\$363,746	(\$111,754)	\$2,722
Debt Service .....	58,727	56,371	56,033	74,462	18,091	18,429
<b>Total OTPS</b>	<b>\$426,348</b>	<b>\$531,871</b>	<b>\$417,057</b>	<b>\$438,208</b>	<b>(\$93,663)</b>	<b>\$21,151</b>
<b>Total Agency Costs .....</b>	<b>\$1,300,052</b>	<b>\$1,415,630</b>	<b>\$1,316,414</b>	<b>\$1,338,688</b>	<b>(\$76,942)</b>	<b>\$22,274</b>
Less Intra-City .....	\$90,335	\$114,533	\$12,589	\$12,589	(\$101,944)	\$—
<b>Net Agency Cost .....</b>	<b>\$1,209,717</b>	<b>\$1,301,097</b>	<b>\$1,303,825</b>	<b>\$1,326,099</b>	<b>\$25,002</b>	<b>\$22,274</b>
<b>Funding</b>						
City .....	940,933	988,066	991,524	1,012,387	24,321	20,863
Non-City .....	268,784	313,031	312,301	313,712	681	1,411
<b>Personnel (includes FTEs at fiscal year-end)</b>						
City .....	9,184	9,899	10,102	10,102	203	—
Non-City .....	—	—	—	—	—	—
<b>Total .....</b>	<b>9,184</b>	<b>9,899</b>	<b>10,102</b>	<b>10,102</b>	<b>203</b>	<b>—</b>

## Programmatic Review and Service Impact

The Executive Budget continues City support for CUNY's efforts to raise and maintain high standards and to create a flagship academic environment. Assisted by revenues generated through enrollment, State aid for the community colleges, as well as continuous efforts to promote efficiency from within, CUNY will continue to recruit full-time faculty to improve disciplinary strength and increase the ratio of full-time to adjunct faculty in its schools. Also, CUNY will continue to invest city funding to bolster student-facing programs, such as ASAP and STEM.

### Program Highlights

- CUNY is expected to engage in numerous independent and collaborative programs with particular focus on increasing college and career readiness aligned with the Mayor's commitment for expanding support to Higher Education.

These programs include:

#### *Accelerated Study in Associate Programs (ASAP)*

The program is designed to help community college students earn their associates degrees as quickly as possible. Features of ASAP include required full-time study, consolidated course schedules, and academic support. This support includes: monthly Metrocards, textbooks, tuition support for summer courses, along with academic advisement and tutoring.

- In 2018, the program impacted a total of 21,419 students and will reach 25,190 in 2019 and beyond.

#### *Summer Tuition*

CUNY waives summer tuition for students in STEM-related disciplines, which will help them to make significant and timely progress in earning college degrees.

- This initiative will impact approximately 5,000 students in 2018 and beyond.

#### *Academic Advisement*

Advisement improves the quality of academic support especially given the complexity of the degree requirements in STEM fields. STEM

majors have several prerequisites and these students need to understand the courses that are required to be accepted into the major. Increasing access to advisors and reducing the advisement caseload will improve retention and graduation rates. This aims to improve students' understanding of the curriculum, the courses they need to take, and to help them chart a path toward graduation.

- In 2018, approximately 15,000 students benefited from academic advisement. This level of service will continue in 2019 and beyond.

### Other Initiatives

In addition to ASAP and STEM, another initiative that continues to serve more students is the Equity and Excellence program:

#### *Application Fee Waivers for Public School Students*

This initiative is aligned with the College Access for All initiative.

- This covers approximately 33,000 waivers for all public school students with a financial need.

#### *College Visits for Middle School Students*

This initiative supports NYC DOE students visiting CUNY college campuses through the College Access for All initiative. CUNY supports visits with grade-level curriculum materials, and specially trained Student Ambassadors who guide school groups through campus tours.

- In 2019, the program is set to expand to approximately 80,000 middle school students.

#### *Algebra for All*

Under Algebra for All, the goal is for all students to successfully complete algebra by 9th grade. CUNY supports this initiative by providing graduate course tuition assistance to existing teachers who are pursuing a 5<sup>th</sup> through 9<sup>th</sup> grade math teaching certificate.

- In 2019, CUNY will support 140 teachers receiving teaching certificates.

## Capital Review

The City University of New York's 2019-2022 Four-Year Capital Plan totals \$381.1 million (\$380.9 million in City funds and \$0.2 million in Non-City funds). Approximately one third of CUNY's 2018-2022 capital funds reside in the current fiscal year, totaling \$220.6 million (\$211.2 million in City funds and \$9.4 million in Non-City funds). CUNY expects a significant portion of these funds to roll into 2019.

Community college critical maintenance and new capital construction projects approved by the City are eligible for an equal amount of State matching funds. The State provides its 50 percent share for such projects through annual State budget capital appropriations. A portion of the State matching funds from annual appropriations are reflected in the City's capital plan. However, a majority of the State matching funds, provided through the independent sale of New York State Dormitory Authority (DASNY) bonds, are not represented in the City's capital plan.

The following are on-going major projects and initiatives funded by the City's 2019-2022 Executive Budget:

- Critical Maintenance and state of good repair for the Community Colleges (\$39 million).
  - A CUNY-wide capital initiative to provide office and administrative space in support of the expansion of the Accelerated Study in Associate Programs (ASAP) (\$8.5 million).
  - At Borough of Manhattan Community College, a capital initiative to provide for the construction of Americans with Disabilities Act (ADA) bathroom upgrades phase two is ongoing (\$9 million).
  - At LaGuardia Community College, construction of the Center 3 Building Facade Replacement is underway (\$62.1 million).
  - At Bronx Community College, the fifth phase of a multi-phase major upgrade of the campus' outdated utilities will begin in the fall (\$34.8 million). In addition, funding was provided for the construction of the new Student Success Center in Meister Hall (\$7 million).
  - At Kingsborough Community College, construction of a new cooling tower for the campus is nearly completed (\$4.9 million). In addition, the reconstruction of the Marina is scheduled in the commitment plan (\$3 million).
  - At Queensborough Community College, a major upgrade of the campus-wide electrical infrastructure is ongoing (\$21 million). Construction is nearly complete on phase I of the new cafeteria facility and the phase II is in design (\$6 million).
  - At Hunter College Campus School, an upgrade of the HVAC is in construction (\$13.3 million).
- Other major elements of the Four-Year Capital Plan include:
- Renovation of the third floor of the 500 Grand Concourse building at Hostos Community College (\$5 million) and initial funding for the college's new Allied Health & Sciences complex (\$3.5 million).
  - Structural rehabilitation of Kingsborough Community College's pool facilities (\$2.1 million).
- It is anticipated that rolling resources from 2018 into 2019 will fund significant projects that will be accomplished during the next four-year plan period. Highlights of the 2018 commitments include:
- Re-construction of roofs at Bronx Community College (\$5 million).
  - ADA Upgrades to Performing Arts Center at Queensborough Community College (\$4.8 million).

The table below shows the capital commitments by program area over the 2016-2021 period.

**Capital Commitments**

**(\$ in 000's)**

	2017 Actual		2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
New School Construction .....	\$—	\$—	\$—	\$194	\$—	\$—	\$100	\$100	\$13,875	\$13,875	\$13,875	\$13,875
Renovation/Rehabilitation of Roofs, Classrooms, etc .....	31,482	31,483	181,137	189,444	136,774	136,837	87,449	87,513	68,900	68,965	45,597	45,597
Purchase & Installation of ... EDP and Other Equipment ...	1,150	1,150	29,426	30,335	9,112	9,112	1,746	1,746	—	—	59	59
Electrical, Mechanical & ..... HVAC .....	—	—	405	405	—	—	—	—	—	—	—	—
Other Projects	—	—	210	211	1,137	1,137	1,092	1,092	—	—	1,230	1,230
<b>Total .....</b>	<b><u>\$32,632</u></b>	<b><u>\$32,633</u></b>	<b><u>\$211,178</u></b>	<b><u>\$220,589</u></b>	<b><u>\$147,023</u></b>	<b><u>\$147,086</u></b>	<b><u>\$90,387</u></b>	<b><u>\$90,451</u></b>	<b><u>\$82,775</u></b>	<b><u>\$82,840</u></b>	<b><u>\$60,761</u></b>	<b><u>\$60,761</u></b>

## PENSIONS AND OTHER FRINGE BENEFITS

### Pension Overview

The Executive Budget for 2019 includes \$9,852 million in expenditures for City pension contributions, an increase of \$220 million from the amount to be paid in 2018. The City's pension contributions reflect collective bargaining, 2017 asset gains, and the prefunding of the additional cost of providing a guaranteed 8.25 percent return on the Tax-Deferred Annuity Fixed Fund for non-UFT members. These estimates are based on recent actuarial calculations of the City's five actuarial systems prepared by the Office of the Actuary. In addition, the pension contributions include the potential cost of \$100 million beginning in 2019 to change the current lag methodology from two years to one year as recommended by the City's independent actuarial auditor. Also, the City set aside a reserve of \$300 million in 2021 and 2022 to address the potential costs resulting from other pending recommendations by the auditor. The final recommendations from the auditor are expected to be released by July 2019. In the table below: (1) \$9,756 million in expenditures are for contributions to the City's five major retirement systems (City Actuarial Systems) that cover City employees and retirees; (2) \$96 million in expenditures are for contributions to retirement systems not maintained by the City (Non-City Systems), including the State pension plan that covers employees of City libraries, the Cultural Institutions Retirement System that covers non-City employees of day care centers and certain cultural institutions, and the Teachers' Insurance and Annuity Association (TIAA) that covers certain CUNY employees and the City's Voluntary Defined Contribution program; and (3) less than a million in expenditures (Non-Actuarial) are primarily for supplemental benefits for certain retired uniformed members.

### Pension Expenditures and Funding Sources (\$ in 000's)

	2017 Actual	2018 Forecast	2019		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2018 Forecast	Preliminary Budget
<i>Expenditures</i>						
<i>Personal Service</i>						
City Actuarial Systems .....	\$9,232,026	\$9,537,612	\$9,705,697	\$9,755,615	\$218,003	\$49,917
Non-City Systems.....	87,185	94,037	95,789	95,789	\$1,752	\$—
Non-Actuarial .....	73,694	350	350	350	—	—
<b>Total .....</b>	<b><u>\$9,392,905</u></b>	<b><u>\$9,631,998</u></b>	<b><u>\$9,801,836</u></b>	<b><u>\$9,851,753</u></b>	<b><u>\$219,755</u></b>	<b><u>\$49,917</u></b>
<i>Funding</i>						
City .....	\$9,248,626	\$9,487,719	\$9,657,557	\$9,707,474	\$219,755	\$49,917
State .....	32,025	32,025	32,025	32,025	—	—
Federal .....	—	—	—	—	—	—
Intra-City Other .....	112,254	112,254	112,254	112,254	—	—
<b>Total .....</b>	<b><u>\$9,392,905</u></b>	<b><u>\$9,631,998</u></b>	<b><u>\$9,801,836</u></b>	<b><u>\$9,851,753</u></b>	<b><u>\$219,755</u></b>	<b><u>\$49,917</u></b>

The City's five actuarial retirement systems are the New York City Employees' Retirement System, the New York City Teachers' Retirement System, the New York City Police Pension Fund, the New York City Fire Pension Fund, and the Board of Education Retirement System. These systems cover approximately 680,000 employees, retirees and beneficiaries of the City, the

Department of Education, the City University System, and certain independent agencies. Each system is governed by a board of trustees and functions in accordance with applicable state and local laws. Annual pension contributions are made as required by statute based on an actuarial valuation of liabilities and assets.

## Other Fringe Benefits

The City provides a number of fringe benefits to its employees, retirees and eligible dependents. City contribution amounts and terms of coverage are governed by various contractual, legal and collective bargaining provisions. In general, the City's Miscellaneous Expense Budget contains the budget appropriations for the fringe benefit expenditures on behalf of employees and retirees of the mayoral agencies. Separate allocations are included in the Department of Education, the City University system, the Health and Hospitals Corporation, and the various other covered organizations, libraries and cultural institutions, for the fringe benefit expenditures on behalf of their active and retired employees. These estimates also include the health care savings agreed to in the May 2014 Agreement between the City and the Municipal Labor Committee. The savings amounts agreed to were \$400 million, \$700 million, \$1 billion and \$1.3 billion in FY 2015 through FY 2018 respectively. The savings are expected to continue through the financial plan.

The City's basic health insurance program provides comprehensive major medical and hospitalization benefits to its employees, retirees and eligible dependents. In addition, the City makes annual contributions to union-administered welfare funds, which typically provide supplemental health insurance benefits to their members. Annual City contributions to the various welfare funds conform to collective bargaining and labor agreements.

The City also makes the required employer contributions on behalf of its employees who are covered under federal Social Security. As required by New York State Workers' Compensation Law, the City pays wage replacement and medical benefits to employees who sustain on-the-job injuries. Under New York State Labor Law, the City provides up to 26 weeks in unemployment benefits (capped at statutory maximums) to eligible employees who lose their jobs due to economic reasons. The City, as required by the Administrative Code, also pays for the medical costs of uniformed employees of the Police, Fire and Sanitation Departments who sustain injuries in the line of duty.

## Retiree Health Benefits Trust Fund

The Retiree Health Benefits Trust Fund (the "Trust") was created in 2006 and is used to receive City deposits and make the annual pay as you go ("PAYGO") payments required to meet current year health insurance and supplemental welfare benefits expenses for retirees. In 2017, the PAYGO amount paid out of the Trust was approximately \$2.3 billion. Assets in the Trust are used to offset the City's Other Postemployment Benefits (OPEB) obligations. OPEB exclude pensions, and include retiree health insurance premium payments, contributions to retiree welfare funds, and Medicare Part B reimbursements. As of the end of 2017, the City's reported net OPEB obligation was \$88.4 billion. The City is not required to fund OPEB obligations on an actuarial basis, other than to meet its current year PAYGO payment.

The following table sets forth the fringe benefit amounts carried in the Miscellaneous Budget for 2018 and 2019.

**Fringe Benefits**

(\$ in 000's)

	2018 Forecast	2019 Executive	Increase/ (Decrease)
Workers' Compensation .....	\$298,196	\$323,296	\$25,100
Health Insurance Plans .....	3,434,254	4,270,807	836,553
Social Security Contributions .....	1,070,236	1,123,670	53,434
Unemployment Insurance Benefits.....	20,354	21,054	700
Supplementary Employee Welfare Benefits .....	614,414	647,051	32,637
Workers' Compensation - Other.....	36,600	40,900	4,300
<b>Total.....</b>	<b>\$5,474,054</b>	<b>\$6,426,778</b>	<b>\$952,723</b>
<b>Funding</b>			
City .....	\$4,664,072	\$5,684,929	\$1,020,857
Other Categorical.....	238,522	183,208	(55,314)
State.....	169,068	153,414	(15,654)
Interfund Agreements .....	71,852	84,894	13,041
Intra-City.....	95,696	100,228	4,533
Federal.....	234,844	220,104	(14,740)
• CD .....	35,124	36,102	978
• Other .....	199,720	184,002	(15,718)
<b>Total.....</b>	<b>\$5,474,054</b>	<b>\$6,426,778</b>	<b>\$952,723</b>

## JUDGMENTS AND CLAIMS

The Executive Budget for 2019 includes an appropriation of \$697 million for expenditures on Judgments and Claims. These expenditures represent the City's payments to settle tort and contract liability claims, and are projected to reach \$742 million by 2022. Tort expenditures cover both personal injury and property damage claims, and typically represent about 95 percent of total Judgment and Claims expenditures. The projections incorporate a substantial amount of claims expenditures attributed to the Health and Hospitals Corporation for which the Corporation will reimburse the City.

The Office of Management and Budget (OMB) employs various statistical methods and financial models to estimate claims expenses. In addition, OMB consults the Law Department to obtain cost estimates for cases that are expected to settle for \$1 million or greater. These are mainly serious personal injury cases that have been in litigation or on appeal for a considerable period of time. These cases represent a significant portion of total tort expenditures, but their relatively small volumes do not lend themselves to statistical analysis. Historical claim data contained on the Comptroller's Omnibus Automated Image Storage and Information System (OASIS) are analyzed to determine annual settlement volumes and average cost per claim. Total expenditures are the product of the volume and average claim cost projections.

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# Analysis of Agency Budgets: Covered Organizations

## NEW YORK CITY HEALTH + HOSPITALS

NYC Health + Hospitals, the largest municipal hospital and health care system in the country, includes 11 acute care hospitals, six Gotham Health neighborhood health centers, five skilled nursing facilities, and more than 60 community and school-based health centers. The system provides comprehensive healthcare including behavioral health, substance abuse, trauma, high-risk neonatal and obstetric care and burn care. NYC Health + Hospitals' acute care hospitals serve as major teaching hospitals. In addition, the system includes MetroPlus (a managed care plan), an Accountable Care Organization, a Certified Home Health Agency, Correctional Health Services and a program conducting mental health evaluations for the family courts in the Bronx, Brooklyn, Queens, and Manhattan. NYC Health + Hospitals is the City's single largest provider of care to Medicaid patients, mental health patients, and the uninsured, serving 1.1 million New Yorkers.

Of the 1.1 million patients served by NYC Health + Hospitals last year, approximately 415,000 were uninsured. In FY2017, the system provided approximately 5.3 million outpatient visits and 1.2 million emergency room visits. There were more than 190,000 patient discharges, including more than 17,000 newborn deliveries.

In January, Dr. Mitchell Katz started as President and Chief Executive Officer. A primary care doctor by training, Dr. Katz will practice as an outpatient doctor at NYC Health + Hospitals/Gouverneur and as an inpatient doctor at their hospitals on a rotating basis.

Dr. Katz's three top priorities for NYC Health + Hospitals are to invigorate and expand primary care, improve access to needed specialty care, and strengthen fiscal solvency. By focusing on these areas, they will better address community health needs, improve the patient experience, and maximize opportunities for new revenue.

### Financial Review

Over the last year, NYC Health + Hospitals has undertaken new initiatives to redesign their system to deliver on their mission of providing quality, affordable, culturally responsive health care to New Yorkers. As the safety net provider for all New Yorkers, the system's commitment to the patients and communities they serve is as strong as ever.

To date, NYC Health + Hospitals has been successful in reducing expenses and increasing revenue in order to meet their financial targets. In the current year, the system is working to reduce costs by \$387 million and increase revenue by \$820 million to meet their \$1.2 billion target. For example, the system implemented initiatives to standardize purchasing, improve billing and revenue collection processes, and managed personnel expenses.

### Recent System-wide Achievements

#### *Reducing Opioid Overdoses*

NYC Health + Hospitals has emerged as a key partner in the City's fight against the opioid epidemic. Seventeen of their patient care sites are now State-certified Opioid Overdose Prevention Programs that routinely dispense naloxone based on best practices, including overdose prevention training of patients

and community members. The system is expanding peer intervention programs, increasing naloxone distribution, and training on how to use this lifesaving drug, and connecting more New Yorkers struggling with substance misuse to treatment. NYC Health + Hospitals will also expand its peer advocate program from three to all 11 of its emergency departments by the end of 2018 and implement the Consult for Addiction Treatment and Care in Hospitals (CATCH) program at six sites, with four opening in 2018 and the final two by the end of 2019.

#### *Promoting Culturally Competent Care*

NYC Health + Hospitals has received the national designation of "Leader in LGBTQ Healthcare Equality" at 22 patient care locations, including the system's Gotham Health community centers and their long term care facilities. This recognition underscores the system's tradition of pioneering diversity and inclusion in the workplace and developing specialized programs to effectively serve the healthcare needs of their city's diverse LGBTQ community.

#### *Implementing Innovative Care Coordination*

NYC Health + Hospitals' Accountable Care Organization (ACO) achieved shared savings for the fourth consecutive year, the only program in the state to achieve such shared savings success based on

outstanding quality performance. The ACO saved the Medicare program \$3.5 million for 2016 and returned \$1.5 million in shared savings to the system. Through enhanced care coordination, the health system was able to prevent unnecessary emergency department visits, avoidable hospitalizations, and other high-cost care for the more than 10,000 Medicare fee-for-service patients who are followed through the program.

### *Expanding Primary Care Access*

NYC Health + Hospitals has been completing renovations at several community-based outpatient care sites over the past year to increase access to primary and specialty care in seven underserved communities as part of the Mayor's Caring Neighborhoods initiative. Expanded services include specialties based on community needs, such as behavioral health, cardiology, endocrinology, and after-hours urgent care. The seven renovated sites will be capable of handling up to 42,000 additional patient visits.

### *Increasing Quality and Improving Community Health*

- Seven hospitals were recognized as U.S. News & World Report Best Hospital for 2017-18 in treatment of heart failure. Of those, three hospitals also earned Best Hospital for 2017-18 in chronic obstructive pulmonary disease (COPD) care.
- Ten hospitals received national recognition awards from the American Heart Association and the American Stroke Association for excellence in heart and stroke care.
- With the support of First Lady Chirlane McCray, and under the City's ThriveNYC program, maternal depression screenings are provided to pregnant women and new mothers as part of the continuum of care at prenatal clinics.
- The system established the integration of in-clinic technology to provide faster point-of-care hemoglobin A1c testing to patients with diabetes. This enables physicians to assess a patient's average blood sugar level at the time of their appointment and adjust treatment as needed.
- Thirty-two hospital and community-based primary care clinics, including all of the system's hospitals in Manhattan and NYC Health + Hospitals/Gotham Health, received Level 3 (highest-level Patient-

Centered Medical Home (PCMH) recognition) for meeting rigorous national standards and establishing a model to deliver patient-centered, coordinated, and convenient health care services to New Yorkers. Level 3 designation is expected to yield NYC Health + Hospitals approximately \$60 million in state reimbursements over fiscal years 2018 and 2019.

### **Correctional Health Services**

The system's Correctional Health Services (CHS) recently established the 24/7 enhanced pre-arraignment screening unit (EPASU) to better identify and respond to acute medical and mental health issues before detainees arrive on Riker's Island or other City jails. CHS expanded Hepatitis C treatment, opened seven satellite clinics to bring their services closer to patients, opened two new specialized housing units for patients with serious mental illness, nearly tripled the number of daily patients on methadone maintenance and buprenorphine, distributed thousands of naloxone kits to members of the public at the Rikers Island visitor's center, and enhanced mental health services for women in jail.

### **MetroPlus**

Last May, the New York State Department of Health awarded MetroPlus Health Plan with the highest quality measures score among Medicaid managed care plans statewide. The quality scores reflect the investments the plan is making to keep members healthy. MetroPlus scored particularly high in timeliness of prenatal care, administration of flu shots, smoking cessation, asthma medication management, and two key indicators of diabetes management. MetroPlus also received high scores for postpartum care and well child visits.

### **Capital Review**

Recent highlights include:

- NYC Health + Hospitals/Gouverneur recently completed a \$9 million project to open 60 new beds. With the addition of these beds, the system will now accommodate more clinically complex and short-term rehabilitation patients. The new space is designed to reflect a modern therapeutic environment that is more home-like and features state-of-the-art equipment to serve the needs of patients recovering from heart attacks, strokes, traumatic brain injuries, and other debilitating conditions.

- NYC Health + Hospitals completed the renovation of the Roberto Clemente center on the Lower East Side with \$1 million of City Council and Manhattan Borough President funding. This site provides culturally appropriate behavioral health services.
- NYC Health + Hospitals will open a new \$28 million community health center on Staten Island this year. The center will offer pediatrics, women's health, behavioral health, asthma care, diabetes care, radiology, ophthalmology, podiatry, and walk-in services.
- NYC Health + Hospitals/Elmhurst is renovating and expand the adult emergency room at NYC Health + Hospitals/Elmhurst. The project will open in phases given the complexity of constructing space in an active Emergency Department and be completed in 2021.
- NYC Health + Hospitals/Coney Island will open a new tower, featuring an elevated emergency department and inpatient services. Demolition is underway now on existing buildings to make way for the new tower which will take approximately four years to fully complete. While this work is underway, short-term storm barriers have been put in place to protect the hospital in the event of a future storm.
- Lastly, implementation is progressing on the system's new electronic infrastructure, Epic. This state-of-the-art electronic medical record system has been installed at three acute care hospitals so far and will continue to rollout in stages with an expected completion date of 2020. The new electronic medical record system will improve clinical care, as well as documentation to support efforts to bill and code optimally, reduce claims denials, and accelerate receipt of reimbursement. The will include a new billing component that will integrate seamlessly and standardize revenue collection across acute care, long-term care, and ambulatory care sites.

## NEW YORK CITY TRANSIT

New York City Transit (NYCT) operates the most extensive public transportation system in the nation, which served approximately 2.35 billion subway and bus passengers in calendar year 2017, with over 1.74 billion passengers riding the subway system. NYCT has been a component of the Metropolitan Transportation Authority (MTA) since the Authority's inception in 1968. The MTA is a New York State public authority responsible for coordinating and implementing a mass transportation program for New York City and the seven adjacent counties. Other components of the MTA primarily serving New York City are the Staten Island Rapid Transit Operating Authority (SIRTOA) and the MTA Bus Company (MTABC). The MTA also includes the Long Island Rail Road and the Metro-North Commuter Railroad.

The NYCT's subway system operates 24 hours a day, seven days a week, on over 660 miles of mainline track, serving 472 stations throughout the Bronx, Brooklyn, Manhattan, and Queens. The NYCT bus system consists of a fleet of 4,438 buses on 191 local, 14 Select Bus Service, and 31 express routes servicing all five boroughs.

SIRTOA operates a 29-mile rapid transit line which links 21 communities on Staten Island and provides a connection to the Staten Island Ferry. SIRTOA serves approximately 4.6 million passengers per year.

The MTABC operates an extensive public bus transportation system throughout New York City, primarily in the Bronx, Brooklyn, and Queens. Almost 123 million passengers are carried annually on local and express routes. The MTABC is primarily funded through farebox revenues and City subsidies.

The MTABC currently operates 1,294 buses owned by the City. Service on 44 local, three Select Bus, and 43 express routes is available 24 hours a day, seven days a week. Since beginning operations in 2005, the MTABC has significantly improved service and the City expects the MTABC to continue making improvements to all facets of its operations, ensuring service levels are up to MTA's standards.

### Financial Review

The City's financial plan includes \$629.3 million for NYCT in fiscal year 2019. As NYCT operates on a calendar year (CY) basis, the financial plan below is presented in that format. The plan for CY 2018 incorporates the following key elements:

- The City's scheduled contribution to NYCT's operating budget for CY 2018 totals \$627.8 million, including \$158.1 million in operating assistance as part of the City match to State "18b" aid (\$35.0 million of which is IFA), \$45.0 million for student fare discounts, \$153.4 million for the Paratransit program, \$13.8 million for elderly and disabled fare discounts, \$3.5 million for expenses incurred by NYCT on behalf of the NYPD Transit Bureau, and a one-time payment of \$254.0 million toward operating expenses for the Subway Action Plan, as required by the SFY 2019 State Enacted Budget.
- CY 2018 fare revenue is projected to be \$4.6 billion, a 1.5 percent increase over the CY 2017 total.
- Tax revenues dedicated for NYCT's use are projected to total \$3.4 billion; \$1.1 billion from the regional Metropolitan Mass Transportation Operating Assistance Account (MMTOA), \$530.8 million from the State "Lock Box" Petroleum Business Tax, and \$562.9 million from the Urban Mass Transportation Operating Assistance Account (Urban Account). Additionally, \$1.1 billion comes from other State taxes and fees. This includes \$761.9 million from the Payroll Mobility Tax, \$213.8 million from license, vehicle registration, taxi, and vehicle rental fees, and \$172.3 million to replace forgone revenues from exempting school districts and small businesses from the Payroll Mobility Tax.

In addition to the very large indirect contributions the City makes to various MTA revenue sources, the following chart summarizes the City's direct subsidies to NYCT for CY 2018:

**City Subsidies to NYCT, CY 2018**  
**(\$ in Millions)**

• Elderly and Disabled Subsidy.....	\$13.8
• School Fare Subsidy.....	\$45.0
• Operating Assistance.....	\$158.1
• Police Reimbursement.....	\$3.5
• Paratransit.....	\$153.4
• Subway Action Plan.....	\$254.0
<b>TOTAL.....</b>	<b><u>\$627.8</u></b>

Based on recent financial reports, NYCT projects that it will close CY 2017 with a cash surplus of \$79.7 million. NYCT has projected budget surpluses in CY 2018 and CY 2019 of \$6.3 million and \$2.7 million, respectively. Future shortfalls are projected in CY 2020 and CY 2021 of \$272.6 million and \$678.8 million, respectively, which are expected to be offset by gap-closing and other government actions including potential tax, fee, and further fare increases.

**New York City Transit Financial Plan**  
**(\$ in Millions)**

	Calendar Years [1]				
	2017	2018	2019	2020	2021
<b>REVENUES</b>					
Subway / Bus Fare Revenue.....	\$4,482.8	\$4,550.4	\$4,571.4	\$4,601.0	\$4,598.4
Other Operating Revenue.....	\$183.6	\$172.4	\$181.1	\$186.5	\$191.7
Transit Tax and Other Subsidies .....	\$3,775.2	\$3,374.7	\$3,650.6	\$3,654.8	\$3,662.3
City Subsidies .....	\$353.0	\$373.8	\$379.2	\$390.3	\$402.8
State Subsidies .....	\$183.3	\$183.3	\$183.3	\$183.3	\$183.3
TBTA Surplus Transfer.....	\$286.4	\$257.5	\$233.1	\$221.2	\$201.7
Capital and Other Reimbursements ...	\$1,370.0	\$1,356.2	\$1,264.9	\$1,179.2	\$1,175.0
<b>TOTAL REVENUES .....</b>	<b>\$10,634.4</b>	<b>\$10,268.3</b>	<b>\$10,463.6</b>	<b>\$10,416.4</b>	<b>\$10,415.2</b>
<b>EXPENSES</b>					
Salaries & Wages .....	\$3,852.8	\$3,921.6	\$4,010.7	\$4,106.8	\$4,163.9
Fringes.....	\$2,408.4	\$2,550.9	\$2,698.5	\$2,833.7	\$2,977.0
Reimbursable Overhead.....	(\$294.9)	(\$276.2)	(\$264.9)	(\$246.6)	(\$242.9)
OTPS [2] .....	\$1,710.8	\$1,597.9	\$1,667.4	\$1,701.9	\$1,743.1
Paratransit Expenses .....	\$390.8	\$416.5	\$439.5	\$467.5	\$492.1
Capital Reimbursable Expenses.....	\$1,370.0	\$1,356.2	\$1,264.9	\$1,179.2	\$1,175.0
Transit Police.....	\$3.4	\$3.5	\$3.5	\$3.5	\$3.6
Debt Service.....	\$1,268.7	\$1,282.2	\$1,359.0	\$1,433.9	\$1,487.8
Depreciation [3] .....	\$1,778.1	\$1,828.1	\$1,878.1	\$1,928.1	\$1,978.1
Other Post Employment Benefits [3].	\$1,268.9	\$1,350.2	\$1,436.7	\$1,528.7	\$1,626.6
<b>TOTAL EXPENSES .....</b>	<b>\$13,757.1</b>	<b>\$14,030.8</b>	<b>\$14,493.3</b>	<b>\$14,936.6</b>	<b>\$15,404.3</b>
<b>OTHER ACTIONS</b>					
Balance before Adjustments .....	(\$3,122.7)	(\$3,762.5)	(\$4,029.7)	(\$4,520.2)	(\$4,989.1)
Gap-Closing Actions [4] .....	\$32.5	\$523.9	\$730.6	\$856.7	\$1,074.8
Cash Flow Adjustments [5].....	\$3,002.5	\$3,165.2	\$3,295.5	\$3,388.2	\$3,508.0
Net Cash from Prior Year.....	\$167.4	\$79.7	\$6.3	\$2.7	(\$272.6)
<b>SURPLUS/(DEFICIT).....</b>	<b>\$79.7</b>	<b>\$6.3</b>	<b>\$2.7</b>	<b>(\$272.6)</b>	<b>(\$678.8)</b>

[1] All Financial Plan figures were provided by NYCT in February 2018 and represent estimated values. The MTA operates on a calendar year basis (January-December) that is not directly comparable to the City's fiscal year (July-June).

[2] Includes Inter-agency Loan, NYCT Charge Back of MTA Bus Debt Service, Forward Energy Contracts and Commitments to Capital.

[3] Since February 2004, NYCT has included depreciation in its financial plan. As of 2007, NYCT also reports other post employment benefits (OPEB) obligations and environmental remediation liabilities.

[4] Includes Below the Line Items and items not yet provided by the MTA. Typically includes increased ridership, fare collection, expense reduction, management initiatives, cash reserve, and other governmental assistance.

[5] Cash flow adjustments include operating, depreciation, environmental remediation and OPEB cash flow adjustments.

In addition to its contribution to NYCT, the City expects to contribute \$99.2 million directly to the MTA to maintain Long Island Rail Road and Metro-North Commuter Railroad stations in the five boroughs and for operating assistance for the commuter railroads as part of the local match of State “18b” aid. Based on MTA’s forecast, the City will provide \$46.4 million for liabilities related to the Staten Island Rapid Transit Operating Authority, and \$439.0 million for liabilities related to the MTA Bus Company. The City will also contribute \$11.4 million for E-ZPass courtesy tags used by City agencies.

Overall, the City annually provides the MTA with approximately \$900.0 million in direct subsidies and \$900.0 million of in-kind contributions (NYPD Transit Bureau, debt service for MTA capital projects, and homeless outreach); in 2018, the City’s contribution will include an additional \$254.0 million of expense funding for the Subway Action Plan.

### Capital Review

The City’s 2019-2022 Four-Year Capital Plan totals \$324.0 million for NYCT. Funding for the MTA 2015-2019 Capital Program includes \$80.0 million in the Four-Year Capital Plan as well as \$470.0 million in 2018, and \$32.0 million in matching funds to Federal grants supporting the MTA Bus Capital Program. These funds will be used to support MTA’s most essential work: bringing the mass transit system to a state of good repair, maintaining a normal replacement cycle, and helping expand the transit system. City capital funds are used in conjunction with other sources (Federal, State, and Private) towards MTA’s Capital Program. The MTA 2015-2019 Capital Program Amendment from December 2017 includes a City contribution of \$2.492 billion, consisting of \$1.892 billion to be funded with proceeds of City general obligation bonds and \$600.0 million to be funded through alternative non tax levy revenue sources. Additional City funds shall be provided concurrently with additional State funds in accordance with the funding needs of the capital program.

The City’s Four-Year Capital Plan for NYCT, SIRTOA, and MTABC includes the following key elements:

- Funds to help provide for various NYCT infrastructure improvements, system enhancements, and bus and subway car upgrades, \$20.0 million for 2019-2022.
- Funds for NYCT track work, \$140.0 million for 2019-2022.
- Funds for the Subway Action Plan, as required by the SFY2019 State Enacted Budget, \$164.0 million for 2019.

The table below outlines the City’s capital commitments to NYCT, SIRTOA and MTABC for the 2017-2022 period:

### Capital Commitments (\$ in 000’s)

	2017 Actual		2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Infrastructure.....	\$—	\$—	\$418,625	\$418,625	\$164,000	\$164,000	\$—	\$—	\$—	\$—	\$—	\$—
Trackwork .....	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Revolving Fund.....	5,000	5,000	15,000	15,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
SIRTOA.....	—	—	7,375	7,375	—	—	—	—	—	—	—	—
Miscellaneous .....	32,477	32,477	8,941	8,941	—	—	—	—	—	—	—	—
MTABC.....	3,793	7,586	18,724	37,448	—	—	—	—	—	—	—	—
<b>Total .....</b>	<b>\$76,270</b>	<b>\$80,063</b>	<b>\$503,665</b>	<b>\$522,389</b>	<b>\$204,000</b>	<b>\$204,000</b>	<b>\$40,000</b>	<b>\$40,000</b>	<b>\$40,000</b>	<b>\$40,000</b>	<b>\$40,000</b>	<b>\$40,000</b>

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# Appendix

## EXHIBIT 1 EXPENDITURE ASSUMPTIONS

### Personal Services

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

	(\$ in Millions)				
	2018	2019	2020	2021	2022
Salaries and Wages . . . . .	\$27,083	\$27,272	\$27,826	\$28,100	\$28,361
Pensions . . . . .	9,632	9,852	9,903	10,162	10,367
Other Fringe Benefits* . . . . .	9,989	10,733	11,647	12,418	13,098
Reserve for Collective Bargaining . . . . .	63	1,445	1,785	2,259	1,699
<b>Total . . . . .</b>	<b>\$46,767</b>	<b>\$49,302</b>	<b>\$51,161</b>	<b>\$52,939</b>	<b>\$53,525</b>

\* Numbers adjusted for prepayments.

### Salaries and Wages

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

### Pensions and Other Fringe Benefits

Pension expenses reflect recent actuarial estimates of the City's five major retirement systems prepared by the Office of the Actuary. These estimates include the impact of asset gains in fiscal year 2017 and the prefunding of the additional cost of providing a guaranteed 8.25% return on the Tax-Deferred Annuity Fixed Fund for non-UFT members.

Pension expense estimates in the financial plan reflect the funding assumptions and actuarial methods recommended by the Chief Actuary in fiscal year 2012. The assumptions were adopted by the boards of trustees of each of the City's retirement systems and a certain portion of the assumptions subject to legislation was enacted into law in January 2013.

In fiscal year 2016, mortality assumptions were updated based, in part, on the results of an actuarial audit, on studies of mortality improvement published in 2015, and on input from the City's outside consultants and auditors. The changes reflect longer retiree lifespans and the application of Mortality Improvement Scale MP-2015, published by the Society of Actuaries in October 2015. In addition, an asset corridor was implemented to keep the Actuarial Value of Assets (AAV) within 80% - 120% of the Market Value of Assets (MVA). Usually, the unexpected investment return, or difference between the assumed and actual investment return, is phased into the AAV over six years. With the asset corridor, the unexpected return will be phased in immediately if AAV falls under 80% or above 120% of the MVA.

The financial plan includes the potential cost of \$100 million beginning in 2019 to change the current lag methodology from two years to one year as recommended by the City's independent actuarial auditor. In addition, the City set aside a reserve of \$300 million in fiscal years 2021 and 2022 to address the potential costs resulting from other recommendations by the auditor. The final recommendations from the auditor are expected to be released by July 2019.

Other adjustments stemming from changes in the number of active members, wage growth assumptions, and administrative expenses of the retirement systems, have been reflected in the financial plan.

Total pension expenses for the financial plan are shown below:

<b>Total Pension Expenses</b>					
(\$ in Millions)					
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
City Actuarial Systems . . . . .	\$9,538	\$9,756	\$9,805	\$10,061	\$10,264
Non-City Systems . . . . .	94	96	98	101	103
Non-Actuarial* . . . . .	0	0	0	0	0
<b>Total . . . . .</b>	<b>\$9,632</b>	<b>\$9,852</b>	<b>\$9,903</b>	<b>\$10,162</b>	<b>\$10,367</b>

\* Zeros represent dollar amounts of less than one million.

Other fringe benefits include, primarily, Social Security, Unemployment Insurance, Workers' Compensation and Health Insurance. Expenditures on fringe benefits include adjustments for expected changes in the City's planned headcount levels. The Social Security expense estimates reflect the tax rates and earnings caps issued by the Social Security Administration. In calendar year 2018, the combined tax rate is 7.65%. The OASDI tax portion of 6.2% is capped at \$128,400 in earnings; the Medicare tax portion of 1.45% is applied to all earnings. Unemployment Insurance expense estimates are consistent with the statutory maximum weekly benefit levels and planned payroll levels. Workers' Compensation expense estimates are consistent with the compensation rate schedule mandated by State law and the projected growth in medical costs. Health Insurance expense estimates reflect current levels of City enrollee coverage based on the health insurance contract counts and premium data available from the City's health insurance providers. These estimates also include the health care savings agreed to in the May 2014 Agreement between the City and the Municipal Labor Committee. The savings amounts agreed to were \$400 million, \$700 million, \$1 billion and \$1.3 billion in FY 2015 through FY 2018 respectively. The savings are expected to continue through the financial plan.

### Reserve for Collective Bargaining

The labor reserve contains funding for the net cost of all the elements of the United Federation of Teachers (UFT) and AFSCME District Council 37 (DC37) pattern as applied to the remaining unions, representing less than 1% of the workforce, that have not yet settled for the 2010-2017 round of collective bargaining. The reserve also includes funding for the restructured payments for those unions covered by the UFT nine-year pattern.

For the period beyond the current round of bargaining, the reserve contains funding for assumed wage increases of 1% per year following the expiration of the contracts in the 2010-2017 round of bargaining.

**Other Than Personal Services**

The following items are included in this category:

	(\$ in Millions)				
	2018	2019	2020	2021	2022
Administrative OTPS . . . . .	\$25,572	\$24,018	\$23,456	\$23,715	\$23,920
Public Assistance . . . . .	1,583	1,605	1,617	1,617	1,617
Medical Assistance . . . . .	5,915	5,915	5,915	5,915	5,915
Health + Hospitals* . . . . .	966	916	1,019	920	920
Covered Agency Support & Other Subsidies	4,322	4,571	4,389	4,450	4,524
City Debt Service* . . . . .	6,231	6,962	7,511	7,903	8,608
Prepayment Adjustments** . . . . .	(528)	(3,652)	—	—	—
Capital Stabilization Reserve . . . . .	—	250	250	250	250
General Reserve . . . . .	50	1,000	1,000	1,000	1,000
<b>Total . . . . .</b>	<b>\$44,111</b>	<b>\$41,585</b>	<b>\$45,157</b>	<b>\$45,770</b>	<b>\$46,754</b>

\* Numbers adjusted for prepayments.

\*\* Includes all prepayments reflected in the financial plan.

**Administrative OTPS**

The estimates in this category include new needs and savings in the baseline. For 2020 through 2022, most expenditures have been increased to reflect the effect of inflation. The inflation adjustment, which is shown in a citywide account, represents an estimated annual 2.5 percent increase in 2020 through 2022. Baseline costs for energy and lease requirements are shown in the appropriate operating agency, while out-year inflationary cost are primarily shown in citywide accounts as noted in the following two sections.

**Energy**

The financial plan includes a Citywide appropriation to provide for the changing cost of energy for 2020 through 2022. Energy costs in each agency, with the exception of HPD, are held constant for 2019 through 2022. Price and usage changes for HPD's In-Rem / DAMP Programs are budgeted in HPD's four-year plan.

Energy costs are expected to increase by \$67 million from 2018 to 2022 due to weather normalization and increasing utility rates. Gasoline and fuel oil costs are expected to increase by an additional \$33 million from 2018 to 2022. Heat, light and power costs are also expected to increase by \$34 million between 2018 and 2022.

	Energy Costs (\$ in Millions)				
	2018	2019	2020	2021	2022
Gasoline . . . . .	\$79	\$81	\$83	\$90	\$92
Fuel Oil . . . . .	75	82	85	92	95
HPD-In Rem / DAMP . . . . .	4	5	5	5	6
HPD-Emergency Repairs . . . . .	5	3	3	3	3
Heat, Light and Power . . . . .	744	735	747	762	778
<b>Total . . . . .</b>	<b>\$907</b>	<b>\$906</b>	<b>\$923</b>	<b>\$952</b>	<b>\$974</b>

## Leases

In each agency, the cost of leases is budgeted at a constant level from 2019 through 2022. A citywide adjustment for 2020 through 2022 provides for the increasing cost of leases based on a three percent annual inflator as well as known future leases, where applicable.

In total, the four-year plan includes \$1.190 billion for leases in 2019, \$1.226 billion in 2020, \$1.262 billion in 2021 and \$1.300 billion in 2022. Of these amounts, the citywide adjustment is \$36 million, \$72 million, and \$110 million respectively in 2020 through 2022.

## Public Assistance

The four-year financial plan supports the current monthly average caseload of 367,000 persons on Public Assistance.

## Medical Assistance

The financial plan for Medical Assistance assumes baselined funds consistent with the New York State enacted budget effective April 1, 2018, in which the State continues to take over Medicaid growth from localities. The financial plan also includes the City share of Disproportionate Share and Upper Payment Limit payments to Health + Hospitals which fall outside of the Medicaid cap.

## Health + Hospitals

Revenue and expenditure projections for 2018 through 2022 include assumptions related to actual collections experience, the impact of rates by third party payers, and collections performance through a variety of revenue enhancement efforts. Included in the System's baseline revenue assumption are the continued receipt of the Disproportionate Share and Upper Payment Limit transactions, as well as a shift from Medicaid Fee for Service to Medicaid Managed Care. Expenditure increases are driven by growth in health insurance costs and wage increases.

## 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 Judgments and Claims.

## General Reserve

The General Reserve is projected at \$50 million for 2018 and \$1 billion for 2019 through 2022 to provide for uncontrollable increases in expenditures as well as shortfalls in revenue. The General Reserve for 2019 through 2022 has been increased above the required amount as per the City Charter to allow for any further uncertainties that may occur in the future.

## Capital Stabilization Reserve

The financial plan includes a capital stabilization reserve of \$250 million in fiscal years 2019 through 2022, for a total of \$1 billion.

**Debt Service**

Debt Service projections cover payments of debt service on currently outstanding City, TFA, and Conduit debt as well as future issuances in accordance with the 2018 through 2022 financing program (See Financing Program). Actual debt service payments in these years will be affected by the timing of bond sales and by market conditions. Estimates of City and TFA debt service costs on debt to be issued are based on estimates of the periods of probable usefulness of the capital assets for which the debt will be issued.

A Budget Stabilization Account has been established for the prepayment of future years' debt service costs. Funding of \$3.652 billion in 2018 has been provided for this purpose.

Below are the detailed estimates for debt service for 2018 through 2022 after prepayments:

(\$ in Millions)

	<b>Long Term</b>	<b>Short Term</b>	<b>Lease Purchase</b>	<b>Budget Stabilization*</b>	<b>Total City and Lease</b>	<b>TFA</b>	<b>Prepayment Adjustment</b>	<b>Total City, Lease and TFA</b>
2018	\$2,286	\$-	\$238	\$3,652	\$6,176	\$227	\$(172)	\$6,231
2019	2,360	-	148	-	\$2,508	802	3,652	\$6,962
2020	4,346	-	150	-	\$4,496	3,015	-	\$7,511
2021	4,506	-	150	-	\$4,656	3,247	-	\$7,903
2022	4,851	-	150	-	\$5,001	3,607	-	\$8,608

\* Amounts in the Budget Stabilization Account are used to prepay the succeeding year's debt service.

**EXHIBIT 2**  
**FISCAL YEAR 2019 EXECUTIVE BUDGET AND PROJECTIONS,**  
**FISCAL YEAR 2020 THROUGH FISCAL YEAR 2022**  
**(\$ in thousands)**

Dept. No.	Agency	Fiscal Year 2018							
		FY 2017	8 Month		FY 2019	FY 2020	FY 2021	FY 2022	
		Actual Expenditures	Executive Budget	Actuals July - Feb.	Forecast	Executive Budget	Estimate	Estimate	Estimate
002	Mayorality.....	\$121,264	\$136,597	\$79,460	\$138,681	\$138,742	\$134,737	\$132,472	\$132,656
003	Board of Elections.....	121,618	140,996	93,686	143,062	122,169	98,249	96,055	96,055
004	Campaign Finance Board.....	13,174	56,656	26,983	43,665	20,643	14,023	14,023	14,023
008	Office of the Actuary.....	6,659	7,351	4,837	7,561	7,220	7,195	7,170	7,170
010	President,Borough of Manhattan.....	4,762	5,016	3,049	5,023	5,025	4,589	4,589	4,589
011	President,Borough of the Bronx.....	4,971	6,009	2,935	6,020	6,016	5,458	5,458	5,458
012	President,Borough of Brooklyn.....	6,099	6,583	3,693	6,694	6,582	5,703	5,703	5,703
013	President,Borough of Queens.....	5,172	5,580	3,159	5,591	5,589	4,749	4,749	4,749
014	President,Borough of S.I.....	4,226	4,531	2,295	4,558	4,535	4,248	4,248	4,248
015	Office of the Comptroller.....	93,618	105,638	55,182	105,832	106,297	106,297	106,297	106,297
017	Dept. of Emergency Management.....	47,395	59,228	38,156	64,445	56,526	27,619	28,531	28,529
021	Office of Admin. Tax Appeals.....	4,619	5,146	2,944	5,108	5,325	5,467	5,466	5,467
025	Law Department.....	218,776	207,668	140,786	228,605	235,043	243,396	242,701	242,679
030	Department of City Planning.....	36,313	49,506	28,604	40,788	52,026	41,824	41,640	39,909
032	Department of Investigation.....	45,278	44,728	30,266	54,200	38,927	37,468	37,467	37,466
035	NY Public Library - Research.....	27,783	27,612	26,359	27,988	27,938	27,938	27,938	27,938
037	New York Public Library.....	138,032	135,512	134,130	138,980	137,444	137,444	137,444	137,444
038	Brooklyn Public Library.....	103,745	100,694	68,675	104,911	102,184	102,184	102,184	102,184
039	Queens Borough Public Library.....	105,159	102,077	84,658	107,049	104,846	104,846	104,846	104,846
040	Department of Education.....	23,508,038	24,277,727	15,240,791	25,024,441	25,533,674	26,479,277	27,283,607	27,984,214
042	City University.....	1,158,486	1,127,105	596,194	1,270,066	1,172,310	1,180,273	1,196,094	1,211,835
054	Civilian Complaint Review Bd.....	15,230	16,713	10,224	16,027	16,721	17,019	17,019	17,019
056	Police Department.....	5,583,996	5,568,021	3,718,566	5,814,296	5,595,211	5,530,540	5,495,916	5,495,877
057	Fire Department.....	2,037,655	2,020,684	1,355,449	2,153,236	2,021,720	2,039,721	2,037,101	2,030,541
063	Dept. of Veterans' Services.....	2,468	4,492	2,322	4,370	4,814	4,814	4,814	4,814
068	Admin. for Children Services.....	2,974,092	3,071,389	2,224,379	3,157,374	2,944,457	2,651,350	2,673,756	2,665,866
069	Department of Social Services.....	9,563,424	9,858,614	6,942,424	9,908,470	9,922,701	9,963,984	9,973,997	9,965,077
071	Dept. of Homeless Services.....	1,823,698	1,609,290	1,404,794	2,149,793	2,059,910	2,079,797	2,085,933	2,084,714
072	Department of Correction.....	1,368,640	1,428,326	894,607	1,421,826	1,401,910	1,441,405	1,441,977	1,438,701
073	Board of Correction.....	1,838	2,997	1,443	2,761	2,813	3,090	3,090	3,090
095	Citywide Pension Contributions.....	9,392,905	9,571,640	6,358,552	9,631,998	9,851,753	9,903,084	10,161,667	10,367,112
098	Miscellaneous.....	9,169,409	9,740,457	4,168,042	8,813,713	11,814,590	12,411,768	13,376,733	13,285,885
099	Debt Service.....	5,889,831	3,200,411	2,057,867	6,403,044	3,310,594	7,510,623	7,902,835	8,607,526
101	Public Advocate.....	3,526	3,620	2,391	3,621	3,619	3,619	3,619	3,619
102	City Council.....	62,164	64,077	41,913	65,077	81,366	54,200	54,200	54,200
103	City Clerk.....	5,914	5,558	3,540	5,386	5,372	5,582	5,582	5,582
125	Department for the Aging.....	333,481	310,111	293,944	375,405	345,419	351,632	352,954	352,941
126	Department of Cultural Affairs.....	182,592	143,801	137,247	194,841	146,998	144,802	144,802	144,802
127	Financial Info. Serv. Agency.....	99,856	110,289	87,012	106,184	113,447	115,459	112,459	112,459
131	Office of Payroll Admin.....	15,841	16,998	10,612	16,866	16,608	17,286	17,286	17,286
132	Independent Budget Office.....	4,123	5,513	2,912	5,554	5,469	5,506	5,240	5,231
133	Equal Employment Practices Com....	886	1,187	543	1,108	1,137	1,188	1,188	1,188
134	Civil Service Commission.....	1,039	1,094	670	1,043	1,100	1,151	1,151	1,151
136	Landmarks Preservation Comm.....	5,476	6,465	3,652	6,168	6,685	6,528	6,538	6,558
156	Taxi & Limousine Commission.....	45,778	56,364	29,964	49,430	52,049	59,542	59,712	51,536

**EXHIBIT 2**  
**FISCAL YEAR 2019 EXECUTIVE BUDGET AND PROJECTIONS,**  
**FISCAL YEAR 2020 THROUGH FISCAL YEAR 2022**  
**(\$ in thousands)**

Dept. No.	Agency	Fiscal Year 2018							
		FY 2017	8 Month		FY 2019	FY 2020	FY 2021	FY 2022	
		Actual Expenditures	Executive Budget	Actuals July - Feb.	Forecast	Executive Budget	Estimate	Estimate	Estimate
226	Commission on Human Rights.....	\$10,427	\$11,457	\$8,182	\$14,852	\$13,161	\$13,381	\$13,381	\$13,381
260	Youth & Community Development...	719,233	679,819	575,567	834,663	719,406	706,083	709,264	709,262
312	Conflicts of Interest Board.....	2,430	2,580	1,736	2,580	2,580	2,580	2,580	2,580
313	Office of Collective Barg.....	2,220	2,322	1,512	2,456	2,322	2,322	2,322	2,322
499	Community Boards (All).....	16,207	17,406	10,671	18,044	17,597	17,597	17,597	17,597
781	Department of Probation.....	94,498	102,571	69,740	110,876	118,959	117,070	117,364	117,358
801	Dept. Small Business Services.....	259,982	191,708	177,402	316,601	258,436	171,788	156,909	136,023
806	Housing Preservation & Dev.....	1,026,604	1,131,963	946,945	1,353,541	923,754	833,294	817,130	826,684
810	Department of Buildings.....	150,351	183,776	110,767	168,988	202,504	190,320	178,650	178,988
816	Dept Health & Mental Hygiene.....	1,622,381	1,566,207	1,249,526	1,742,109	1,615,931	1,648,129	1,648,655	1,648,688
819	Health and Hospitals Corp.....	783,447	872,204	325,888	666,057	916,491	1,019,406	919,886	920,118
820	Office Admin Trials & Hearings.....	39,011	50,349	30,141	46,021	49,592	50,736	50,591	50,589
826	Dept of Environmental Prot.....	1,435,894	1,408,102	1,057,917	1,484,531	1,385,811	1,295,164	1,278,122	1,256,669
827	Department of Sanitation.....	1,601,317	1,674,029	1,295,136	1,739,978	1,733,125	1,758,620	1,760,794	1,762,625
829	Business Integrity Commission.....	9,559	8,728	6,219	8,976	8,644	8,644	8,644	8,644
836	Department of Finance.....	266,623	298,523	188,015	299,045	303,511	306,438	304,922	304,676
841	Department of Transportation.....	957,884	961,532	737,117	999,020	1,042,050	998,097	989,306	989,652
846	Dept of Parks and Recreation.....	532,557	493,309	351,435	574,516	509,391	508,906	507,383	507,459
850	Dept. of Design & Construction.....	505,554	351,848	407,921	515,006	160,278	162,157	149,439	149,431
856	Dept of Citywide Admin Srvc.....	1,165,864	1,186,207	1,084,097	1,262,001	1,194,341	1,182,505	1,181,873	1,181,293
858	D.O.I.T.T.....	637,604	621,734	469,175	766,194	652,494	665,770	704,921	702,473
860	Dept of Records & Info Serv.....	7,726	8,298	5,300	8,138	9,779	10,808	10,808	10,808
866	Department of Consumer Affairs.....	36,104	41,129	24,610	42,095	42,571	42,231	42,109	42,054
901	District Attorney - N.Y.....	116,911	103,987	85,557	125,165	105,229	105,257	105,257	105,257
902	District Attorney - Bronx.....	73,638	72,335	46,401	75,635	75,339	75,337	75,337	75,337
903	District Attorney - Kings.....	98,216	97,081	67,021	100,660	101,112	101,102	101,102	101,102
904	District Attorney - Queens.....	62,820	63,756	39,185	66,177	64,272	64,280	64,280	64,280
905	District Attorney - Richmond.....	14,573	14,176	8,840	15,441	14,593	14,594	14,594	14,594
906	Off. of Prosec. & Spec. Narc.....	22,078	22,353	13,442	22,373	22,621	22,626	22,626	22,626
941	Public Administrator - N.Y.....	1,614	2,804	2,159	2,866	2,921	2,921	2,921	2,921
942	Public Administrator - Bronx.....	625	692	300	725	704	704	704	704
943	Public Administrator- Brooklyn.....	772	843	542	852	856	856	856	856
944	Public Administrator - Queens.....	520	620	331	621	633	633	633	633
945	Public Administrator -Richmond.....	517	519	323	525	536	536	536	536
989	Prior Payable Adjustment.....	(486,401)	—	—	(400,000)	—	—	—	—
991	General Reserve.....	0	1,000,000	—	50,000	1,000,000	1,000,000	1,000,000	1,000,000
992	Citywide Savings Initiatives.....	0	—	—	—	—	(43,350)	(65,080)	(73,980)
995	Energy Adjustment.....	0	—	—	—	—	17,351	45,633	66,569
996	Lease Adjustment.....	0	—	—	—	—	35,709	72,490	110,373
998	OTPS Inflation Adjustment.....	—	—	—	—	—	111,038	166,557	222,076
<b>TOTAL EXPENDITURES.....</b>		<b>\$86,148,409</b>	<b>\$86,675,038</b>	<b>\$55,819,031</b>	<b>\$90,878,187</b>	<b>\$90,887,068</b>	<b>\$96,318,314</b>	<b>\$98,709,347</b>	<b>\$100,279,492</b>
<b>LESS: INTRA-CITY EXPENDITURES....</b>		<b>2,052,545</b>	<b>1,814,795</b>	<b>538,059</b>	<b>2,207,972</b>	<b>1,824,405</b>	<b>1,769,856</b>	<b>1,774,423</b>	<b>1,774,424</b>
<b>NET TOTAL EXPENDITURES.....</b>		<b><u>\$84,095,864</u></b>	<b><u>\$84,860,243</u></b>	<b><u>\$55,280,972</u></b>	<b><u>\$88,670,215</u></b>	<b><u>\$89,062,663</u></b>	<b><u>\$94,548,458</u></b>	<b><u>\$96,934,924</u></b>	<b><u>\$98,505,068</u></b>

**EXHIBIT 3**  
**ACTUAL REVENUE**  
**(\$ in Millions)**

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
<b>Taxes:</b>				
Real Property .....	\$20,202	\$21,518	\$23,181	\$24,679
Personal Income .....	10,152	11,264	11,340	11,230
General Corporation .....	2,766	2,873	3,354	3,528
Banking Corporation .....	1,227	1,214	268	(82)
Unincorporated Business .....	1,882	1,962	2,040	2,005
Sales and Use .....	6,494	6,742	6,911	7,017
Commercial Rent .....	710	735	779	816
Real Property Transfer .....	1,527	1,765	1,775	1,415
Mortgage Recording .....	961	1,155	1,234	1,118
Utility .....	405	384	354	371
Cigarette .....	54	50	45	37
Hotel .....	536	556	565	579
All Other .....	548	591	614	653
Tax Audit Revenue .....	911	1,132	1,161	1,296
<b>Total Taxes .....</b>	<b>48,375</b>	<b>51,941</b>	<b>53,621</b>	<b>54,662</b>
<b>Miscellaneous Revenues:</b>				
Licenses, Franchises, Etc. ....	648	703	729	770
Interest Income .....	16	30	79	73
Charges for Services .....	951	974	1,001	1,033
Water and Sewer Charges .....	1,491	1,439	1,297	1,385
Rental Income .....	311	284	279	253
Fines and Forfeitures .....	892	959	995	985
Miscellaneous .....	1,313	1,827	724	565
Intra-City Revenue .....	1,764	1,974	1,922	2,053
<b>Total Miscellaneous .....</b>	<b>7,386</b>	<b>8,190</b>	<b>7,026</b>	<b>7,117</b>
<b>Unrestricted Intergovernmental Aid:</b>				
Federal Revenue Sharing .....	—	—	—	—
N.Y. State Per Capita Aid .....	—	—	—	—
Other Federal and State Aid .....	1	1	6	59
<b>Total Unrestricted Intergovernmental Aid .....</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>59</b>
Provision for Disallowance of Categorical Grants .....	(18)	(110)	(1)	558
Less Intra-City Revenue .....	(1,764)	(1,974)	(1,922)	(2,053)
<b>Sub Total City Funds .....</b>	<b>53,980</b>	<b>58,048</b>	<b>58,730</b>	<b>60,343</b>
Other Categorical Grants .....	1,023	908	861	1,208
Transfers from Capital Fund: .....				
Inter Fund Agreements .....	535	551	557	633
<b>Total City Funds &amp; Capital Budget Transfers .....</b>	<b>55,538</b>	<b>59,507</b>	<b>60,148</b>	<b>62,184</b>
<b>Federal Grants and Contracts Categorical:</b>				
Community Development .....	337	537	780	1,108
Social Services .....	3,206	3,076	3,225	3,454
Education .....	1,672	1,677	1,698	1,709
Other .....	1,747	1,692	1,691	1,656
<b>Total Federal Grants and Contracts Categorical .....</b>	<b>6,962</b>	<b>6,982</b>	<b>7,394</b>	<b>7,927</b>
<b>State Grants and Contracts Categorical:</b>				
Social Services .....	1,415	1,410	1,490	1,709
Education .....	7,907	9,131	9,612	10,250
Higher Education .....	221	227	239	248
Department of Health and Mental Hygiene .....	454	364	535	573
Other .....	919	965	1,126	1,210
<b>Total State Grants and Contracts Categorical .....</b>	<b>10,916</b>	<b>12,097</b>	<b>13,002</b>	<b>13,990</b>
<b>Total Revenues .....</b>	<b>\$73,416</b>	<b>\$78,586</b>	<b>\$80,544</b>	<b>\$84,101</b>

**EXHIBIT 4**  
**REVENUE ESTIMATES**  
**(\$ in Millions)**

	Fiscal Year 2018 8 Months Actuals	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
<b>Taxes:</b>						
Real Property .....	\$24,549	\$26,194	\$27,789	\$29,295	\$30,711	\$31,702
Personal Income .....	9,174	12,658	12,378	12,969	13,390	13,722
General Corporation .....	1,607	3,298	3,593	3,606	3,640	3,604
Banking Corporation .....	(14)	—	—	—	—	—
Unincorporated Business...	1,285	2,205	2,271	2,372	2,468	2,490
Sale and Use .....	4,788	7,399	7,762	8,167	8,491	8,779
Commercial Rent.....	418	848	867	893	916	949
Real Property Transfer.....	882	1,404	1,459	1,435	1,485	1,532
Mortgage Recording.....	707	988	938	924	952	979
Utility.....	215	382	387	396	410	421
Cigarette.....	22	36	35	34	33	32
Hotel .....	316	589	606	605	615	630
All Other .....	307	778	750	750	750	756
Tax Audit Revenue .....	925	1,299	1,056	721	721	721
State Tax Relief Program - STAR	189	189	185	182	180	178
<b>Total Taxes.....</b>	<b>45,370</b>	<b>58,267</b>	<b>60,076</b>	<b>62,349</b>	<b>64,762</b>	<b>66,495</b>
<b>Miscellaneous Revenue:</b>						
Licenses, Franchises, Etc.	522	740	689	719	716	725
Interest Income .....	66	110	190	252	282	284
Charges for Services.....	571	1,023	1,005	1,007	1,006	1,006
Water and Sewer Charges..	1,410	1,423	1,450	1,449	1,436	1,416
Rental Income.....	170	263	254	251	250	250
Fines and Forfeitures .....	664	975	943	938	928	917
Miscellaneous .....	184	386	434	444	343	342
Intra-City Revenue .....	538	2,208	1,824	1,770	1,774	1,774
<b>Total Miscellaneous.....</b>	<b>4,125</b>	<b>7,128</b>	<b>6,789</b>	<b>6,830</b>	<b>6,735</b>	<b>6,714</b>
<b>Unrestricted Intergovernmental Aid:</b>						
Federal Revenue Sharing...	—	—	—	—	—	—
Other Federal & State Aid.	—	—	—	—	—	—
<b>Total Unrestricted Intergovernmental Aid</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Reserve for Disallowance of Categorical Grants .....	—	85	(15)	(15)	(15)	(15)
Less: Intra-City Revenue .....	(538)	(2,208)	(1,824)	(1,770)	(1,774)	(1,774)
<b>Sub Total City Funds....</b>	<b>48,957</b>	<b>63,272</b>	<b>65,026</b>	<b>67,394</b>	<b>69,708</b>	<b>71,420</b>
Other Categorical Grants .....	372	1,088	879	871	866	861
Inter Fund Agreements .....	217	646	682	641	638	638
<b>Total City Funds &amp; Inter-Fund Revenues.</b>	<b>\$49,546</b>	<b>\$65,006</b>	<b>\$66,587</b>	<b>\$68,906</b>	<b>\$71,212</b>	<b>\$72,919</b>

**EXHIBIT 4**  
**REVENUE ESTIMATES**  
**(\$ in Millions)**

	Fiscal Year 2018 8 Months Actuals	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
<b>Federal Grants and</b>						
<b>Contracts Categorical:</b>						
Community Development..	\$399	\$1,353	\$506	\$302	\$278	\$272
Social Services .....	1,259	3,734	3,605	3,473	3,481	3,481
Education .....	282	1,825	1,944	2,042	2,044	2,044
Other .....	771	1,887	1,452	1,310	1,303	1,292
<b>Total Federal Grants and Contracts Categorical.</b>	<b>2,711</b>	<b>8,799</b>	<b>7,507</b>	<b>7,127</b>	<b>7,106</b>	<b>7,089</b>
<b>State Grants and</b>						
<b>Contracts Categorical:</b>						
Social Services .....	592	1,815	1,781	1,796	1,803	1,795
Education .....	2,720	10,759	11,108	11,419	11,851	12,291
Higher Education .....	62	297	297	297	297	297
Department of Health and Mental Hygiene .....	206	616	543	543	527	527
Other .....	128	1,378	1,240	1,244	1,282	1,333
<b>Total State Grants and Contracts Categorical.</b>	<b>3,708</b>	<b>14,865</b>	<b>14,969</b>	<b>15,299</b>	<b>15,760</b>	<b>16,243</b>
<b>TOTAL REVENUE.....</b>	<b>\$55,965</b>	<b>\$88,670</b>	<b>\$89,063</b>	<b>\$91,332</b>	<b>\$94,078</b>	<b>\$96,251</b>

**EXHIBIT 5**  
**FULL-TIME and PART-TIME POSITIONS (FTEs)**

	6/30/2019		6/30/2020		6/30/2021		6/30/2022	
	Total	City	Total	City	Total	City	Total	City
<b>MAYORAL AGENCIES AND ELECTED OFFICIALS:</b>								
<i>Uniformed Forces:</i>								
Police -Uniform	36,105	36,105	36,110	36,110	36,110	36,110	36,110	36,110
-Civilian	17,372	17,352	17,585	17,565	17,584	17,564	17,584	17,564
Fire -Uniform	10,946	10,938	10,946	10,938	10,946	10,938	10,946	10,938
-Civilian	6,347	6,331	6,372	6,356	6,371	6,356	6,371	6,356
Correction -Uniform	10,226	10,226	10,242	10,242	10,242	10,242	10,083	10,083
-Civilian	2,357	2,349	2,357	2,349	2,357	2,349	2,357	2,349
Sanitation -Uniform	7,657	7,657	7,670	7,670	7,670	7,670	7,670	7,670
-Civilian	2,649	2,591	2,682	2,624	2,682	2,624	2,682	2,624
<i>Subtotal</i>	<u>93,659</u>	<u>93,549</u>	<u>93,964</u>	<u>93,854</u>	<u>93,962</u>	<u>93,853</u>	<u>93,803</u>	<u>93,694</u>
<i>Health and Welfare:</i>								
Admin. for Children's Services	7,075	6,908	7,509	7,343	7,723	7,557	7,723	7,557
Social Services	14,678	11,270	14,733	11,325	14,733	11,325	14,733	11,325
Homeless Services	2,578	2,568	2,578	2,568	2,578	2,568	2,578	2,568
Health & Mental Hygiene	6,606	5,353	6,660	5,417	6,660	5,417	6,660	5,417
<i>Subtotal</i>	<u>30,937</u>	<u>26,099</u>	<u>31,480</u>	<u>26,653</u>	<u>31,694</u>	<u>26,867</u>	<u>31,694</u>	<u>26,867</u>
<i>Other Agencies:</i>								
Housing Preservation and Development	2,582	811	2,578	808	2,531	808	2,530	807
Environmental Protection	6,505	290	6,452	301	6,532	301	6,502	300
Finance	2,266	2,254	2,331	2,319	2,331	2,319	2,331	2,319
Transportation	5,640	2,717	5,850	2,720	5,847	2,717	5,846	2,717
Parks	7,424	6,720	7,516	6,812	7,513	6,809	7,513	6,809
Citywide Administrative Services	2,704	1,999	2,728	2,023	2,727	2,022	2,727	2,022
All Other	22,643	19,235	22,601	19,340	22,638	19,406	22,618	19,403
<i>Subtotal</i>	<u>49,764</u>	<u>34,026</u>	<u>50,056</u>	<u>34,323</u>	<u>50,119</u>	<u>34,382</u>	<u>50,067</u>	<u>34,377</u>
<i>Education:</i>								
Dept. of Education-Pedagogical	121,577	92,922	121,825	93,291	123,267	93,118	125,952	93,110
-Civilian	25,171	22,477	25,308	22,559	25,975	23,045	26,251	23,045
City University -Pedagogical	6,533	6,533	6,533	6,533	6,533	6,533	6,533	6,533
-Civilian	3,569	3,569	3,753	3,753	3,753	3,753	3,753	3,753
<i>Subtotal</i>	<u>156,850</u>	<u>125,501</u>	<u>157,419</u>	<u>126,136</u>	<u>159,528</u>	<u>126,449</u>	<u>162,489</u>	<u>126,441</u>
<b>Total - Mayoral Agencies and Elected Officials</b>	<u><b>331,210</b></u>	<u><b>279,175</b></u>	<u><b>332,919</b></u>	<u><b>280,966</b></u>	<u><b>335,303</b></u>	<u><b>281,551</b></u>	<u><b>338,053</b></u>	<u><b>281,379</b></u>
<b>COVERED ORGANIZATIONS<sup>1</sup>:</b>								
Health + Hospitals	37,025	37,025	37,025	37,025	37,025	37,025	37,025	37,025
Housing Authority	10,651	—	10,623	—	10,595	—	10,567	—
Libraries	4,324	4,324	4,339	4,339	4,339	4,339	4,339	4,339
Cultural Institutions <sup>2</sup>	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192
School Construction Authority	865	865	865	865	865	865	865	865
New York City Employees Retirement System	454	454	454	454	454	454	454	454
Economic Development Corporation	520	520	520	520	520	520	520	520
Teachers Retirement System	392	392	392	392	392	392	392	392
Police Pension Fund	153	153	153	153	153	153	153	153
Fire Pension Fund	50	50	50	50	50	50	50	50
All Other <sup>3</sup>	265	261	266	262	267	263	268	264
<b>Total - Covered Organizations</b>	<u><b>55,891</b></u>	<u><b>45,236</b></u>	<u><b>55,879</b></u>	<u><b>45,252</b></u>	<u><b>55,852</b></u>	<u><b>45,253</b></u>	<u><b>55,825</b></u>	<u><b>45,254</b></u>
<b>Grand Total</b>	<u><b>387,101</b></u>	<u><b>324,411</b></u>	<u><b>388,798</b></u>	<u><b>326,218</b></u>	<u><b>391,155</b></u>	<u><b>326,804</b></u>	<u><b>393,878</b></u>	<u><b>326,633</b></u>

1. Includes non-city employees substantially paid by city subsidies.

2. Includes only those employees of the Cultural Institutions Group paid by city fund subsidies.

3. Includes Housing Development Corporation, Education Construction Fund, City University Construction Fund, Rent Guidelines Board and Water Finance Authority.

**EXHIBIT 6**  
**FY 2019 EXECUTIVE BUDGET**  
**CITYWIDE SAVINGS PROGRAM - 5 YEAR VALUE**  
**(City \$ in 000's)**

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>Uniformed Forces:</b>					
Police.....	\$22,188	\$50,791	\$762	\$762	\$762
Fire .....	1,500	1,500	1,500	1,500	1,500
Correction .....	38,932	82,848	55,186	55,186	55,186
Sanitation .....	28,685	8,969	4,387	1,220	184
<b>Health and Welfare:</b>					
Admin. for Children's Services .....	—	17,547	14,800	14,800	14,800
Social Services .....	8,000	5,000	5,000	5,000	5,000
Homeless Services .....	—	26,145	26,145	26,145	26,145
Aging.....	1,000	281	—	—	—
Youth and Community Dev.....	9,000	1,548	1,000	1,000	1,000
Health and Mental Hygiene .....	76,607	9,314	7,421	7,421	7,421
<b>Other Agencies:</b>					
Housing Preservation and Dev.....	2,966	3,915	1,915	915	915
Finance .....	4,260	57,117	53,139	53,139	53,117
Transportation .....	27,377	17,668	4,687	4,500	3,940
Parks and Recreation .....	7,000	10,536	—	—	—
Citywide Administrative Services .....	14,101	5,130	—	—	—
All Other Agencies .....	123,438	88,088	24,829	23,779	23,957
<b>Education:</b>					
Education .....	116,663	273,671	137,662	137,662	137,662
<b>Other:</b>					
Citywide Savings Initiatives.....	—	12,029	17,141	23,298	32,326
Miscellaneous .....	227,575	169,780	182,921	212,921	242,921
Debt Service .....	324,805	195,062	278,783	356,097	193,904
Procurement Savings .....	—	55,519	—	—	—
<b>Total Citywide Savings Program .....</b>	<b>\$1,034,097</b>	<b>\$1,092,458</b>	<b>\$817,278</b>	<b>\$925,345</b>	<b>\$800,740</b>

Note: Includes initiatives from the April 26, 2018 Executive Budget, February 1, 2018 Preliminary Budget and the November 21, 2017 Financial Plan.

**EXHIBIT 6A**  
**FY 2019 EXECUTIVE BUDGET**  
**CITYWIDE SAVINGS PROGRAM - 5 YEAR VALUE**  
**(City \$ in 000's)**

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>All Other Agencies:</b>					
Mayoralty . . . . .	\$5,527	\$1,482	\$—	\$—	\$—
Campaign Finance Board . . . . .	13,000	—	—	—	—
Actuary . . . . .	—	740	765	790	790
Emergency Management . . . . .	851	127	20	20	20
Administrative Tax Appeals . . . . .	143	232	51	51	51
Law . . . . .	9,225	9,736	—	—	—
City Planning . . . . .	4,539	1,027	456	386	386
Investigation . . . . .	939	1,500	—	—	—
Civilian Complaint Review Board . . . . .	—	297	—	—	—
Veterans' Services . . . . .	81	—	—	—	—
Board of Correction . . . . .	140	277	—	—	—
City Clerk . . . . .	330	226	—	—	—
Cultural Affairs . . . . .	2,953	371	1,107	1,107	1,107
Financial Info. Services Agency . . . . .	3,467	1,368	—	—	—
Payroll Admin. . . . .	310	703	25	25	25
Equal Employment Practices . . . . .	—	50	—	—	—
Civil Service . . . . .	51	51	—	—	—
Landmarks Preservation . . . . .	296	403	100	100	100
Taxi and Limousine . . . . .	9,635	10,455	1,100	1,100	1,100
Human Rights . . . . .	—	221	—	—	—
Conflicts of Interest Board . . . . .	111	31	—	—	—
Probation . . . . .	2,690	1,627	697	400	400
Small Business Services . . . . .	5,388	2,826	1,945	1,551	1,551
Buildings . . . . .	11,544	8,598	8,703	8,389	8,395
Administrative Trials and Hearings . . . . .	2,352	1,400	—	—	—
Environmental Protection . . . . .	32,193	25,571	747	747	747
Business Integrity . . . . .	—	172	—	—	172
Design and Construction . . . . .	—	17	—	—	—
DOITT . . . . .	17,291	17,982	9,113	9,113	9,113
Records and Info. Services . . . . .	382	243	—	—	—
Consumer Affairs . . . . .	—	355	—	—	—
<b>Total All Other Agencies . . . . .</b>	<b>\$123,438</b>	<b>\$88,088</b>	<b>\$24,829</b>	<b>\$23,779</b>	<b>\$23,957</b>

Note: Includes initiatives from the April 26, 2018 Executive Budget, February 1, 2018 Preliminary Budget and the November 21, 2017 Financial Plan.

**EXHIBIT 6B**  
**FY 2019 EXECUTIVE BUDGET**  
**CITYWIDE SAVINGS PROGRAM - BY EXPENSE AND REVENUE**  
**(City \$ in 000's)**

	Expense	Revenue	Total
<b>Uniformed Forces:</b>			
Police . . . . .	\$50,029	\$762	\$50,791
Fire . . . . .	—	1,500	1,500
Correction . . . . .	82,848	—	82,848
Sanitation . . . . .	3,453	5,516	8,969
<b>Health &amp; Welfare:</b>			
Admin. for Children's Services . . . . .	17,547	—	17,547
Social Services . . . . .	5,000	—	5,000
Homeless Services . . . . .	26,145	—	26,145
Aging . . . . .	281	—	281
Youth and Community Dev. . . . .	1,548	—	1,548
Health and Mental Hygiene . . . . .	9,314	—	9,314
<b>Other Agencies:</b>			
Housing Preservation and Dev. . . . .	595	3,320	3,915
Finance . . . . .	3,907	53,210	57,117
Transportation . . . . .	17,668	—	17,668
Parks and Recreation . . . . .	5,145	5,391	10,536
Citywide Administrative Services . . . . .	3,130	2,000	5,130
All Other Agencies . . . . .	77,549	10,539	88,088
<b>Education:</b>			
Education . . . . .	273,671	—	273,671
<b>Other:</b>			
Citywide Savings Initiatives . . . . .	12,029	—	12,029
Miscellaneous . . . . .	169,780	—	169,780
Debt Service . . . . .	195,062	—	195,062
Procurement Savings . . . . .	55,519	—	55,519
<b>Total Citywide Savings Program . . . . .</b>	<b><u>\$1,010,220</u></b>	<b><u>\$82,238</u></b>	<b><u>\$1,092,458</u></b>

Note: Includes initiatives from the April 26, 2018 Executive Budget, February 1, 2018 Preliminary Budget and the November 21, 2017 Financial Plan.