

The City of New York
Executive Budget
Fiscal Year 2017

Bill de Blasio, Mayor

Office of Management and Budget
Dean Fuleihan, Director

Message of the Mayor

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April 26, 2016

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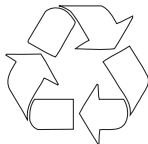
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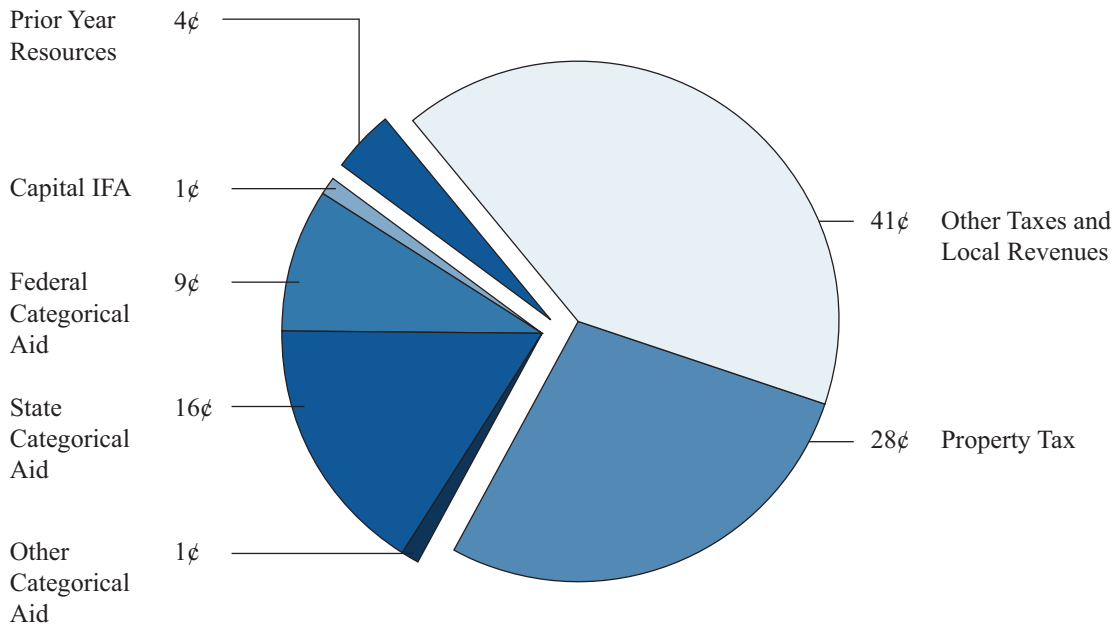


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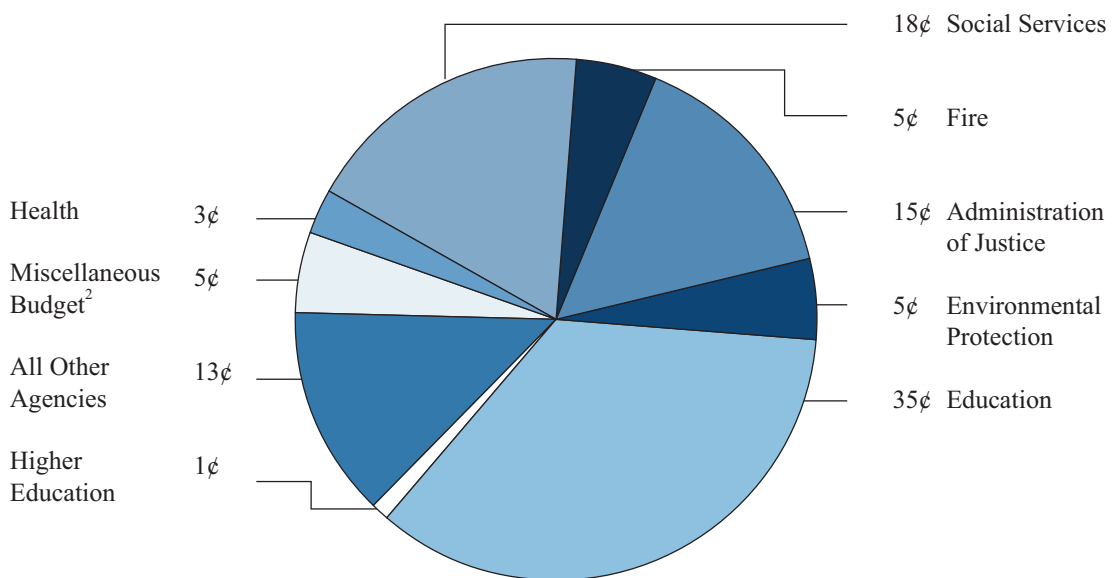


Budget and Financial Plan Summary

Where the 2017 Dollar Comes From



Where the 2017 Dollar Goes To¹



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

² Includes Labor Reserve, Judgments and Claims, General Reserve, Capital Stabilization Reserve, MTA Subsidies, and Indigent Defense Services.

BUDGET AND FINANCIAL PLAN OVERVIEW

The Fiscal Year 2017 Executive Expense Budget is \$82.2 billion. This is the thirty-seventh 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 2016	FY 2017	FY 2018	FY 2019	FY 2020
<i>Revenues</i>					
<i>Taxes:</i>					
General Property Tax	\$22,815	\$23,981	\$25,397	\$26,900	\$28,165
Other Taxes	29,873	29,948	31,105	32,101	33,208
Tax Audit Revenue.....	1,060	714	714	714	714
Subtotal - Taxes.....	\$53,748	\$54,643	\$57,216	\$59,715	\$62,087
Miscellaneous Revenues.....	7,070	6,500	6,432	6,577	6,777
Unrestricted Intergovernmental Aid.	6	—	—	—	—
Less: Intra-City Revenues.....	(1,983)	(1,763)	(1,764)	(1,758)	(1,765)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)
Subtotal City Funds	\$58,826	\$59,365	\$61,869	\$64,519	\$67,084
Other Categorical Grants	705	851	834	832	828
Inter-Fund Revenues	583	645	643	582	581
Federal Categorical Grants.....	8,467	7,677	6,811	6,680	6,618
State Categorical Grants	13,485	13,682	14,291	14,761	15,247
Total Revenues.....	\$82,066	\$82,220	\$84,448	\$87,374	\$90,358
<i>Expenditures</i>					
<i>Personal Service</i>					
Salaries and Wages	\$25,364	\$26,153	\$27,555	\$29,086	\$29,590
Pensions	9,288	9,422	9,710	9,853	9,785
Fringe Benefits	9,250	9,862	10,411	11,088	11,874
Retiree Health Benefits Trust ..	250	—	—	—	—
Subtotal – Personal Service	\$44,152	\$45,437	\$47,676	\$50,027	\$51,249
<i>Other Than Personal Service</i>					
Medical Assistance	5,817	5,915	5,915	5,915	5,915
Public Assistance	1,481	1,584	1,602	1,613	1,624
All Other	26,811	26,275	25,758	26,050	26,440
Subtotal – Other Than Personal Service.....	\$34,109	\$33,774	\$33,275	\$33,578	\$33,979
Debt Service ^{1,2,3}	6,009	6,628	6,996	7,504	8,164
Debt Defeasances ¹	(103)	—	—	—	—
FY 2015 Budget Stabilization ²	(3,524)	—	—	—	—
FY 2016 Budget Stabilization ³	3,356	(3,356)	—	—	—
Capital Stabilization Reserve.....	—	500	—	—	—
General Reserve.....	50	1,000	1,000	1,000	1,000
Subtotal	\$84,049	\$83,983	\$88,947	\$92,109	\$94,392
Less: Intra-City Expenses	(1,983)	(1,763)	(1,764)	(1,758)	(1,765)
Total Expenditures	\$82,066	\$82,220	\$87,183	\$90,351	\$92,627
Gap To Be Closed	\$—	\$—	\$(2,735)	\$(2,977)	\$(2,269)

¹ Includes Debt Defeasances of TFA in Fiscal Year 2013 of \$196 million impacting Fiscal Year 2014 through Fiscal Year 2016.

² Fiscal Year 2015 Budget Stabilization totals \$3.601 billion, including GO of \$1.976 billion, TFA-PIT of \$1.501 billion, TFA-BARBs of \$77 million, and net equity contribution in bond refunding of \$47 million.

³ Fiscal Year 2016 Budget Stabilization totals \$3.356 billion, including GO of \$1.660 billion and TFA-PIT of \$1.696 billion.

STATE AND FEDERAL AGENDA

STATE

On April 1st, the Legislature passed the State Fiscal Year 2016-17 Budget. Several of the most significant actions impacting New York City in the State Budget are indicated below.

The Enacted State Budget rejects the Governor's proposal to require the City to fund one-third of CUNY senior college operating expenses. It also rejects the Governor's proposal to require the City fund the non-federal share of its Medicaid growth.

The Enacted State Budget authorizes reductions in City sales tax revenue over three years at the direction of the State Budget Director.

In education, the Enacted State Budget provides a \$525 million increase in State education aid from last year's budget, including \$28 million set aside for Community School funding; \$300 million for full-day universal pre-kindergarten; and a \$14.5 million increase for CUNY community colleges including a \$12.6 million increase in base aid and \$2.5 million for the Accelerated Study in Associate Programs (ASAP). The Gap Elimination Adjustment is eliminated -- restoring \$87 million in future cuts. The State Budget also adds \$2 million in funding to expand assistance for middle school students taking the Specialized High School Admissions Test.

Within human services, the Enacted State Budget provides \$41 million to address increased Safety Net Assistance caseload; maintains the prior year commitment of \$55 million a year for homelessness prevention programs over four years; and continues funding for a \$15 million homelessness prevention pilot. A 10 percent, or \$22.5 million, reduction in reimbursement to the City for homelessness prevention and other emergency assistance programs for families with children is also maintained in the Enacted State Budget.

On housing, the Enacted State Budget provides nearly \$2 billion in new capital resources for supportive and affordable housing statewide. However, no details are available on the allocation or disbursement of this funding, which will be determined pursuant to a future memorandum of understanding between the State Director of the Budget and the State Legislature.

FEDERAL

The 114th Congress is considering the fiscal 2017 budget, which begins on October 1, 2016.

Neither the House nor the Senate has approved a Federal Fiscal Year (FFY) 2017 budget resolution, which determines the total level of discretionary funding that will be available for the upcoming fiscal year.

The House and the Senate each are drafting separate appropriations bills that adhere to the \$1.07 trillion spending cap for FFY 2017 enacted in last year's Bipartisan Budget Act. If Congress does not reach an agreement on spending, they can enact a continuing resolution 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 three-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 program. This funding supports unmet recovery needs remaining after all other funding sources are exhausted. HUD's Community Development Block Grant 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 three-and-a-half years since Sandy. The overall cost of the City's FEMA-funded Sandy recovery is projected to be about \$10 billion. The cost for emergency response activities is projected to be about \$2.2 billion, and the cost for the long-term infrastructure repairs and resiliency investments is projected to be about \$7.8 billion. The City has secured \$9.4 billion in FEMA Public Assistance grants, and is currently working with FEMA to develop grants for an additional \$500 million in funding. The \$9.4 billion includes \$3.1 billion for NYCHA, \$1.8 billion for H+H, and \$240 million for other non-Mayoral entities. Of the \$9.4 billion in FEMA grants secured, the City has been reimbursed over \$1.5 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. In addition, the City is focused on compliance and developing proper documentation to ensure full reimbursement from FEMA for recovery activities.

The City is also 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. To meet this requirement, the City has implemented an insurance program that will be fully executed by June 30, 2016 at an estimated annual cost of \$8 million.

Highlights of FEMA-funded infrastructure repair and mitigation projects include the following:

- NYCHA: 33 housing developments estimated at \$2.9 billion.
- H+H: four hospitals (Coney Island, Bellevue, Metropolitan and Coler) estimated at \$1.7 billion.
- DPR: beaches, parks and recreational facilities estimated at \$942 million.
- SCA: 43 public schools across the five boroughs estimated at \$686 million.
- DOT: transportation infrastructure (roads, ferries and lighting systems) estimated at \$661 million.
- DEP: wastewater treatment plants and pump stations citywide estimated at \$283 million.

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

	Expense	Capital - Repair	Capital - Mitigation	Total
Health + Hospitals (H+H) ¹	\$191	\$887	\$757	\$1,834
Parks.....	120	712	230	1,062
DEP.....	774	132	151	1056
Education (DOE and SCA).....	80	495	191	765
Transportation (DOT) ²	68	656	5	728
Police Department.....	211	64	4	280
Fire Department.....	36	187	4	228
Sanitation.....	138	9	8	155
All Other Agencies.....	336	360	68	765
<i>Subtotal</i>	\$1,954	\$3,502	\$1,418	\$6,874
New York City Housing Authority ³	205	1,442	1,460	3,107
Grand Total	\$2,159	\$4,944	\$2,878	\$9,981

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

2. Transportation includes \$604 million of Federal Highway and Federal Transit Administration funding.

3. NYCHA figures include damages to be covered by \$270 million of insurance.

Investing in Communities

The City is investing \$4.2 billion of HUD funding to make sure all City communities impacted by Hurricane Sandy recover fully and quickly. The 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 unfunded recovery and resiliency projects. These initiatives include restoring public and private housing stock, assisting businesses, and investing in long-term resiliency improvements.

CDBG-DR Funding
(\$ in millions)

Program Area	Total Funding
Housing	\$2,519
Build it Back Single Family	1,713
Build it Back Multifamily	476
NYCHA	308
Other	22
Business	\$123
Infrastructure and Other City Services	\$755
Coastal Resiliency	\$570
Rebuild by Design - East Side Coastal Resiliency	335
Rebuild by Design - Hunts Point	45
Other	190
Planning/Admin	\$247
Total	\$4,214

Source: CDBG-DR Action Plan, www.nyc.gov/cdbg

Commitment to Serve all Build it Back Applicants by End of 2016

In 2014, the Mayor released the One City, Rebuilding Together report, detailing a significant reorganization of the Build it Back program to accelerate recovery for homeowners. And last year, to coincide with the third anniversary of the storm, the Mayor made a commitment to serve all single-family Build it Back applicants by the end of 2016. The City is well on its way toward meeting that goal.

At the beginning of the de Blasio administration, no homes had begun construction and no homeowner reimbursement checks had been issued. As a result of the de Blasio administration's leadership these numbers have vastly improved:

- over 5,700 homeowner reimbursement checks totaling \$113 million have been issued.
- over 2,700 home repair, reconstruction, and elevation projects have begun construction.
- over 1,650 homes have been completed.
- the City has significantly increased construction capacity to address complicated elevation and reconstruction projects.

Making Neighborhoods More Resilient

As the City focuses on returning Sandy-impacted families to their repaired or reconstructed homes, it is also implementing a comprehensive \$20 billion resiliency program – informed by the best available climate science – that is continuing to build a stronger, more resilient New York by bolstering coastal defenses, protecting infrastructure, strengthening communities and businesses, and adapting buildings.

- in Staten Island, the City is restoring 68 acres of degraded wetlands and piloting an innovative mitigation banking proposal at Saw Mill Creek led by the New York City Economic Development Corporation.
- in Hunts Point, the City's food distribution hub, \$45 million is being invested in resiliency measures and long-term planning to ensure the long-term viability of the City's food supply.

- in Red Hook, Brooklyn, the City's Economic Development Corporation is developing a \$100 million integrated flood protection system using funding provided by FEMA's Hazard Mitigation Grant Program and HUD and is currently engaging the community on project scope.
- the RISE : NYC and Business PREP programs will provide Sandy-impacted small businesses throughout the City with strategies and innovative technologies to better prepare for and respond to future disasters. This follows the successful completion of the Hurricane Sandy Business Loan and Grant Program in 2015.
- the City is working in partnership with the U.S. Army Corps of Engineers to advance significant investments on the Coney Island peninsula, the Rockaway peninsula, Jamaica Bay, and the south shore of Staten Island.
- the City is leading additional investments in coastal protection for Breezy Point, Edgemere in the Rockaways, Coney Island, and vulnerable shorelines across the City.

Protecting Lower Manhattan

The City is implementing projects in various stages of development to accomplish the ambitious goal of protecting Lower Manhattan residents and businesses from future storm events while also engineering coastal defense solutions that combine with the urban fabric. These solutions may include berms, deployable flood walls, stationary walls, and drainage improvements. These measures will combine to provide community protection while simultaneously enhancing community access to open space and economic and social resiliency.

The Mayor's Office of Recovery and Resiliency, in partnership with the Department of Design and Construction and other City agencies is developing a coastal flood protection system that runs along the eastern shore of Manhattan from 23rd St. to Montgomery St., just above the Manhattan Bridge. This \$335 million East Side Coastal Resiliency project, funded by HUD's Rebuild by Design competition, has undergone a year of public engagement and is now moving into final design and environmental review. The City is committing an additional \$170 million in City capital to fund innovative drainage improvements adding to the project's overall coastal protection features.

The City is continuing this line of protection along Manhattan's perimeter by extending flood protection measures into the Two Bridges neighborhood from Montgomery St. down to the Brooklyn Bridge. In the coming months, the City will sign a grant agreement with HUD for \$176 million to reflect its award from the National Disaster Resilience Competition, the largest single award from that competition, for this project. The City has already committed an additional \$27.5 million of City capital funding as leverage for the Federal investment in this area.

In order to complete a full line of protection for Lower Manhattan's east side from midtown to the Island's southern tip, the Mayor previously announced \$108 million in City capital funding as a down payment on continuing this coastal defense down to the Battery. The City is currently pursuing additional funding sources to fully fund this phase of coastal resilience and provide vital protection to an area in which millions of New Yorkers live and work.

For more information on Sandy recovery, including detailed performance metrics, please visit www.nyc.gov/recovery.

CONTRACT BUDGET

The Contract Budget is presented as part of the 2017 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 2017 Executive Contract Budget contains an estimated 17,714 contracts totaling over \$14.0 billion. Over 72 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 \$1.85 billion in contracts, approximately 69 percent of which represents contracts allocated for Children's Charitable Institutions (\$458 million) and Day Care (\$824 million). Of the over \$5.80 billion in Department of Education contracts, approximately 49 percent of the contracts are allocated for Transportation of Pupils (\$1.14 billion) and Charter Schools (\$1.70 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 2016 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
Social Service Related and Health Services	4,576	\$4,457	31.8%
• Home Care, Child Welfare, Employment Services, Public Assistance, Day Care, Family Services, Homeless Programs, AIDS, Senior Citizen Programs, Health, Mental Hygiene & Prison Health, etc.			
Youth and Student Related Services	2,976	4,653	33.2%
• (including Transportation of Pupils and Payments to Contract Schools)			
Other Services	3,130	2,234	15.9%
• Custodial, Security Services, Secretarial, Cultural Related, Employee Related, Economic Development, Transportation, Municipal Waste Exporting, etc.			
Professional Services/Consultant	3,611	1,846	13.1%
• Accounting, Auditing, Actuarial, Education, Investment Analysis, Legal Engineering & Architectural, System Development & Management Analysis, etc.			
Maintenance & Operation of Infrastructure	1,694	465	3.3%
• Lighting, Street Repair, Buildings, Parks, Water Supply, Sewage and Waste Disposal, etc.			
Maintenance of Equipment	1,727	378	2.7%
• Data Processing, Office Equipment, Telecommunications & Motorized Equipment, etc.			
TOTAL	17,714	\$14,033	100.00%

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. Each board represents up to 250,000 residents in a community district. 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 pay for a district manager, support staff and other operating expenses. In FY 2017 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 2017 community boards submitted 1,719 capital requests and 1,583 expense requests to 33 agencies. Two-thirds of the community board capital budget requests seek improvements to streets, sewers and parks. 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 2017 budget.

Register of Community Board Budget Requests for the Executive Budget, Fiscal Year 2017 – 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 2017 – details the expense budgets of fourteen agencies that deliver local services by borough and service district. Includes FY 2017 Executive Budget information as well as FY 2016 current modified budget and budgeted headcount data.

Executive Capital Budget for Fiscal Year 2017 – 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 2017 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 U.S. economy continues to grow at a modest pace, with real GDP expanding by only 2.4 percent in 2015. Consumption spending remains the key driver of the recovery, supported by strong employment growth, an improving housing market, and low energy prices. Job growth has accelerated over the last three years, with employment in 2015 growing at the strongest pace since the end of the tech boom. The unemployment rate continues to fall steadily, reaching cyclical lows below five percent in January and February. The tighter job market has encouraged more sidelined workers to reenter the labor force. As a result, the labor force participation rate, which hit a 39-year low last year, has started to rebound. However, evidence on wage growth continues to be mixed. New home sales and housing starts in 2015 were up sharply from the prior year, which lifted the contribution of residential investment to growth. Depressed, though volatile, energy prices continued to drive auto sales and vehicle miles to new records. However, consumers are still saving a large share of the energy windfall pushing the saving rate higher.

Economic activity softened in the first quarter of 2016 as financial markets were roiled by plunging equity prices. Measures of consumer spending decelerated with even auto sales slumping. In addition, the strong dollar has hurt manufacturers and exporters, who are facing growing competition from abroad. Likewise, subdued energy prices have taken a toll on energy producers, with the number of drilling rigs falling to an all-time low. As a result, business investment continues to be hesitant and demand for durable capital goods has been weak. Nevertheless, it is expected that these headwinds will slacken in 2016 as the dollar declines in reaction to the Fed's more accommodative monetary policy and energy prices start to normalize.

After losing ground in 2015, both the S&P 500 and the Dow Jones Industrial Average extended their losses into 2016, falling steeply through the beginning of February. However, both indices recovered over the subsequent two months and volatility measures are signaling smoother conditions. Bond markets have likewise been hesitant, with new bond issuance falling in the last two quarters and trading volume contracting. The challenging conditions resulted in losses on Wall Street in the fourth quarter of 2015. Early signs from earnings announcements for the first quarter of 2016 indicate that weakness extended into the new year. In addition, with the Fed adopting a more cautious stance on the path of future interest rates, net interest income is expected to remain weak.

In contrast to the tepid national conditions, the New York City economy extended its strong track record. The labor market added 119,000 new positions in 2015, bringing the two-year total to a quarter million jobs – the strongest employment growth on record. A rapid increase in the City's population is one factor driving this remarkable job growth. Over the last five years, the population has grown at a rate not seen since the 1920's, benefitting sectors such as education & health, leisure & hospitality, and construction. However, overall wage growth has been restrained by the weakness in securities and finance compensation. Nonetheless, non-finance wages are expected to accelerate as labor markets tighten.

Rapid employment growth continues to drive strong performance in the City's commercial and residential real estate markets. Manhattan office vacancy rates continued to fall in 2015 while asking rents climbed, forcing employers to use space more efficiently. Trends in vacancy rates and rents are expected to continue until 2017 when office supply is projected to catch up with demand. Residential transactions were constrained by a shortage of inventory, which resulted in strong price appreciation in 2015. Nevertheless, supply should begin to pick up in 2017 allowing for faster transaction growth and slower price appreciation.

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

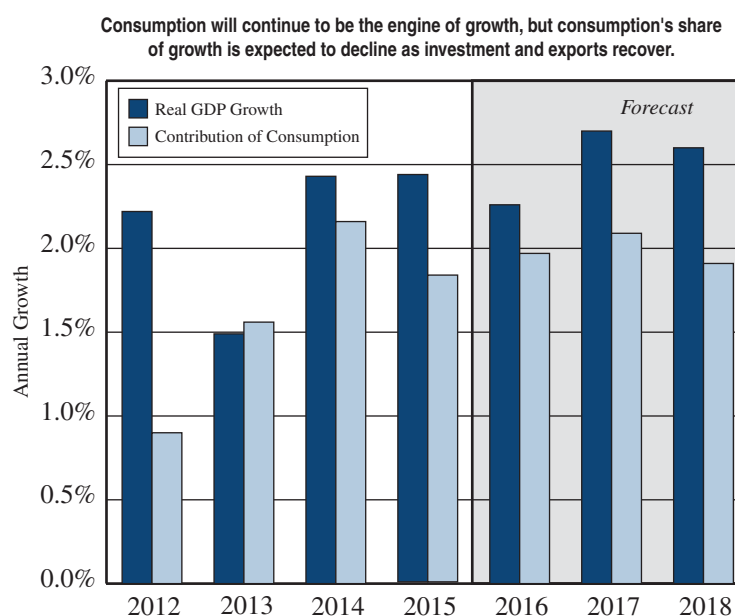
THE U.S. ECONOMY

The U.S. recovery stretched into its 82nd month as of April, with 2015 GDP growing at only 2.4 percent, the same pace as 2014. Since the end of the recession in mid-2009, the economy has averaged only 2.1 percent growth per year, the second slowest rebound since the end of WWII. It is a testament to the resilience of the U.S. economy that it maintained even moderate growth in the face of headwinds including a continued slump in energy prices, a strong dollar that has hurt export and manufacturing industries, and a recent bout of financial market volatility. As a result, fourth quarter 2015 growth was constrained to only 1.4 percent (annualized rate). Looking ahead, it is anticipated that the diminishing impact of all three of these challenges will allow the U.S. to grow at a reserved 2.3 percent rate in 2016, accelerating to 2.7 percent in 2017.

The engine of the recovery continues to be consumption, which increased 3.1 percent in 2015 – the third consecutive year with consumption outpacing GDP growth. Several positive factors have helped bolster this trend. The U.S. labor market has been consistently adding jobs at a robust pace and the unemployment rate has been approaching the Fed’s long-run jobless rate. However, despite strong payrolls, the evidence of wage growth continues to be mixed. The housing market rebounded from a dip in 2014 with residential investment up sharply in 2015. Finally, the plunge in energy prices has been a windfall for consumers, although it appears that much of the extra cash has been saved rather than recycled into new spending in other areas.

Nonfarm employment continued to grow at a strong pace averaging 229,000 per month in 2015 before slowing to 209,000 per month in the first quarter of 2016. The annual 2015 growth rate of 2.1 percent was the highest since 2000 and the pace has climbed over the last three years. The unemployment rate dropped below five percent in the first two months of 2016 for the first time since early 2008. While the jobless rate rebounded to five percent in March, it was primarily due to more workers coming off the sidelines and reentering the labor force. As a result, the labor force participation rate, which bottomed out at 62.4 percent in September 2015, has risen to a two-year high of 63 percent. Nevertheless, due to aging of the U.S. workforce, it is unlikely that the participation rate will return to the all-time high of 67 percent set during the tech boom. The number of job seekers per job opening dropped to 1.4 in February, matching the eight-year low set in July 2015.

GDP GROWTH AND CONTRIBUTION OF CONSUMPTION



While most of the employment indicators are positive, whether the tightening labor market will drive higher wages remains unclear. Annual growth of hourly earnings increased for the last three years, rising from 2.0 percent in 2013 to 2.3 percent in 2015. However, this pace decelerated in the most recent data, falling back to just under two percent (year-over-year) in the first quarter 2016. The increase of wages and salaries from the employment cost index jumped from 1.6 percent (year-over-year) in the first quarter of 2014 to 2.6 percent in the first quarter of 2015. However, like hourly earnings, this indicator also softened, falling to 2.1 percent by the final quarter of 2015, the last available reading. On a more positive note, the Atlanta Fed’s wage growth tracker, which follows wage increases of individual workers over a 12 month window, is showing growth of

over three percent for the first three months of 2016. Anecdotally, the Fed's April Beige Book reported wage increases in 11 of 12 regional districts, with "moderate" pressure in four of the districts.

The national economy continues to benefit from an improved housing picture, with new home sales jumping 14 percent in 2015, up strongly from only two percent in 2014. Housing starts mirrored these patterns, with total starts (single family and multi-family) growing 11 percent in 2015, up from 8.5 percent the prior year. Through the first quarter of 2016, starts are up 14.5 percent over the same period in 2015 – albeit, a base period beset by weather disruptions. As a result, residential fixed investment grew 8.9 percent in 2015 up from just 1.8 percent in 2014. This boost added about a quarter of a percentage point to GDP growth last year. The forecast projects that annual growth rates will stabilize at 8.5 and 9.0 percent in 2016 and 2017, respectively, providing a welcomed stimulus over the next two years.

The steep decline in energy prices that began in mid-2014 was expected to be a tailwind for the economy as consumers enjoyed a windfall. The savings are considerable – spending on energy goods and services as a share of consumer expenditures has fallen from 5.4 percent in June 2014 to only 3.7 percent in February 2016. Thus, at current West Texas Intermediate prices around \$40 per barrel, consumers are spending over \$100 billion less annually on energy than before the collapse in prices. However, consumers are saving a large portion of the surplus, indicating that they perceive the benefit to be temporary. The high volatility of oil prices only reinforces this view – over the last year, there have been two price jumps of more than 35 percent separated by a steep price decline. As a result, the saving rate has moved higher from an average of 4.8 percent in 2014 to 5.4 percent in February 2016.

The impact on consumption has generally been positive but restrained. One particular highlight was auto sales, which rose to 17.4 million light vehicles in 2015, a 5.8 percent gain over the previous year and an all-time record. The effect of cheaper gas was evident in the sales mix. Light trucks and SUVs grew by almost 13 percent in 2015, while autos slumped by two percent. However, the first quarter 2016 has seen slowing growth, with total sales up 3.1 percent over the same period last year. Vehicle miles soared in 2015 to a new record, growing by 3.0 percent, up from 2.0 percent in 2014. To put this into perspective, the single-year increase in 2015 was greater than the entire growth of vehicle miles during the four year period from 2010 to 2014.

However, the recent deceleration of vehicle sales may be a reflection of broader trends. Retail sales through the first quarter of 2016 have been soft, with either negative or flat monthly growth. The March drop was driven by a particularly large 2.1 percent decline in sales at auto dealers. Likewise, the pace of personal consumption expenditures has been slackening, increasing by 0.1 percent per month in January and February 2016, down from an average of 0.28 percent per month in 2015. Many analysts have blamed the soft patch on recent financial market volatility, in particular, the 10.5 percent plunge in S&P 500 Index from 2015 year-end through early February. As a result, real consumption growth is projected to slow from the 3.1 percent pace seen in 2015 to only 2.9 percent in 2016.

While consumption continues to be the main economic driver, it is not getting much assistance from other sectors. Investment and net exports subtracted 0.3 percentage points from the fourth quarter 2015 growth rate, holding it to only 1.4 percent. In the same quarter, government spending's contribution was neutral. The investment picture continues to deteriorate due to cutbacks by domestic energy producers and manufacturing. Through mid-April, the number of active oil and natural gas drilling rigs contracted by 77 percent from the 2014 peak and now stands at an all-time low. Capital expenditures in the mining sector, hit a peak of \$146 billion (annualized rate) in the second quarter of 2014. By the fourth quarter of 2015, this spending had fallen to \$65 billion, a drop of about half a percent of nominal GDP. There are employment consequences as well. The Dallas Fed estimates that oil and gas companies shed 20,000 jobs in the first quarter of 2016.

The U.S. dollar appreciated 20 percent on trade-weighted terms from mid-2014 through the end of 2015 as currency markets waited for the Fed's first rate hike in December 2015. Both the dollar strength and global weakness has constrained manufacturers and other export-oriented industries. New factory orders hit a post-recession peak in July 2014, but dropped 19 percent through the end of 2015. Industrial production peaked in November 2014 but was down 2.5 percent by December 2015. Over the same period, the Institute

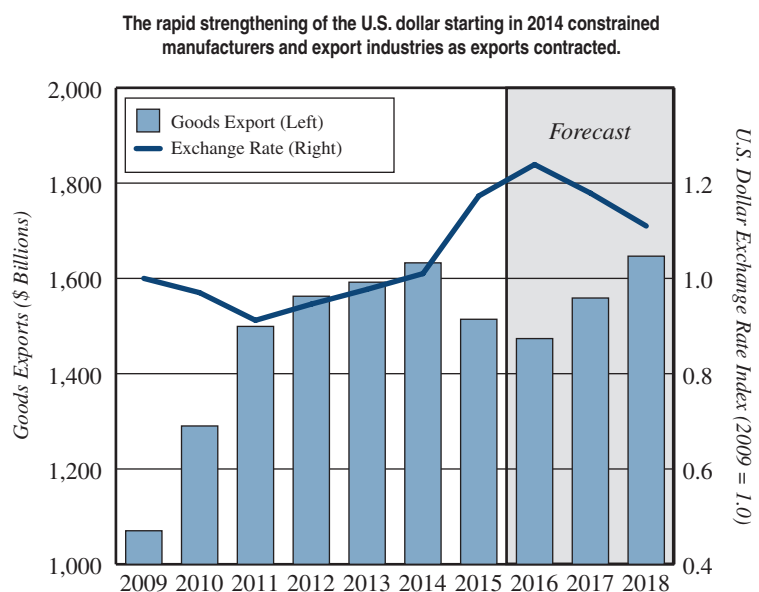
for Supply Management's manufacturing composite index faded over 16 percent and by the end of 2015 was indicating a contraction. Not surprisingly, the weakness in demand is translating in downstream declines in durable goods orders. Core capital goods, a proxy for business spending on durable investment goods, dropped 8.1 percent from mid-2014 through the end of 2015 and have continued to soften further through the first two months of 2016.

Relief should start in 2016 with rising energy prices and a weaker dollar. Upward pressure on the dollar appears to be fading, in reaction to a more accommodative monetary policy. The forecast projects that the dollar will peak in the second quarter 2016 and then fall steadily thereafter. Likewise, energy prices are expected to grow modestly, approaching \$50 per barrel by the end of 2017. Accordingly, the contribution of investment to growth increases from about 10 percent in 2016 to over 30 percent in 2017. Likewise, the negative drag from net exports diminishes through the forecast horizon, eventually providing a small positive boost in the last year of the projection.

At the FOMC's December 2015 meeting, the Federal Reserve raised the federal funds rate (FFR) for the first time since June 2006. At the time, financial markets were expecting a total of four interest rate hikes in 2016. However, expectations for the global economy have dimmed with the IMF downgrading its estimate of global growth to 3.2 from 3.4 percent in its April forecast. In addition, financial markets suffered through another episode of heightened volatility and inflation pressures remain subdued, overshadowing continued gains in the labor market. Chair Janet Yellen said at the Economic Club of New York that economic and financial conditions remain less favorable than they did back at the time of the December FOMC meeting. As a result, members of the committee have taken no further monetary policy action. The Fed's interest rate projections released after their March meeting are consistent with two quarter-point hikes in the fed funds rate this year, a much flatter interest rate path than before.

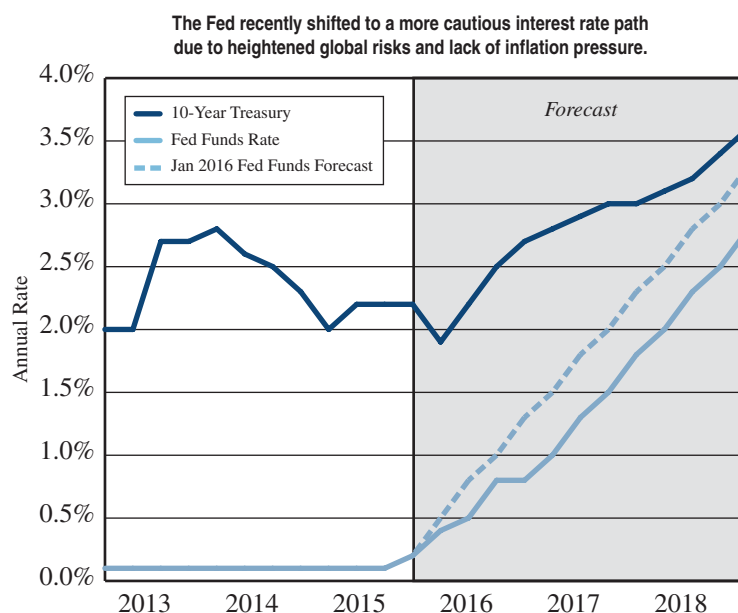
One consequence of the Fed's expected slower pace of monetary tightening has been a reversal of the dollar appreciation. Over the past two years, the divergence between prospects of tighter monetary policy in the U.S. and wholesale easing by other central banks (including negative interest rates in Europe and Japan) had increased demand for the dollar. The dollar's surge had the unsolicited effects of tightening domestic monetary conditions and weakening the outlook for GDP growth as manufacturers and exporters faced increased competition from abroad. From the third quarter of 2014 through the fourth quarter of 2015, the trade deficit widened to \$44.6 billion, up from \$42.0 billion. At the same time, commodity import prices have restrained inflation, falling by over 13 percent. Thus, the dollar strength, diminished global growth prospects, and muted inflation provided the Fed with ample rationale to dial back on tightening. This in turn has caused the dollar to weaken by over four percent since the January FOMC meeting.

U.S. GOODS EXPORTS VERSUS EXCHANGE RATES



The other factor in the Fed's decision was an increase of financial market volatility at the start of the year, which extended the weak conditions in the second half of 2015. The S&P 500 finished last year down 0.7 percent, the first full-year decline since 2011, while the Dow shed 2.2 percent. The first quarter appeared to be similarly dire, with both indices down over 10 percent by mid-February before recovering the losses by April. The volatility index (VIX) published by the Chicago Board Options Exchange bounced from 18 at the end of 2015 to a year-to-date peak of 28, coinciding with the February trough of the S&P. Since then, the VIX has retraced to below 14, well below the long-run average of 21. The trading day ratio – the share of S&P trading days with index moves greater than one percent – also reflected this pattern. The ratio peaked at 68 percent in January, a level last seen in late 2011 during the Federal debt ceiling impasse. However, in March it plunged to 14 percent. The behavior of the VIX and trading day ratio indicate that the volatility has diminished.

U.S. FED FUNDS AND TREASURY RATES



One ongoing puzzle has been the strong correlation between equity and oil prices. Normally, cheaper energy is considered a benefit to a net importing country so declining oil prices are associated with rising equity prices. However, this general rule of thumb was overturned in the most recent quarter as stock prices and oil prices in many countries started to move in lockstep. The correlation between oil and the S&P 500 peaked above 95 percent, a level not seen in more than 25 years. Historically, the links between the two asset classes tighten during volatile periods, such as recessions, as investors use the price of energy as a proxy for the state of the economy. Thus, one possible explanation is that oil prices are reflecting the slowing Chinese economy and the possibility of a global slowdown. Another potential mechanism is that investors have discounted the benefits of cheaper oil since the U.S. consumer appears to be saving the windfall. Instead traders are focused on the damage it does to the domestic energy industry and the higher risks confronting the financial industry via banks' loan portfolios.

Despite signs in 2015 that bond markets might stage a comeback, average trading volume for the year ended down 0.1 percent, the fifth year of diminished activity. The only category with higher trading in 2015 was mortgage-backed securities issued by the U.S. housing agencies. However, new bond issuance in 2015 grew by 8.2 percent, rebounding from declines in the prior two years. Notably, corporate debt issues hit \$1.5 trillion in 2015 (up 3.0 percent over 2014), setting a new record for the fourth consecutive year as low interest rates continued to make corporate borrowing appealing. Nevertheless, activity decelerated in the fourth quarter 2015 and first quarter 2016 as underwriting contracted over three percent relative to year-ago levels. The Fed's shift in March to a more gradual interest rate path should help support fixed income activity over the next year. However, retail investors appear to be unconvinced. Mutual fund flows tracked by the Investment Company Institute show that \$28 billion was withdrawn from all bond mutual funds in the fourth quarter 2015 followed by \$4.4 billion in the first two months of 2016, the last available data.

Both equity market volatility and weakness in fixed income markets over the last two quarters has taken a toll on the major banks. NYSE member firms lost \$177 million in the fourth quarter 2015, yielding total

year profits of \$14.3 billion – down from \$16 billion in 2014. Fourth quarter revenue fell by 5.6 percent (year-over-year), driven by a steep decline in underwriting and trading revenues, while expenses grew over 6 percent. While first quarter 2016 results for all the NYSE firms are not yet available, early earnings reports from the Big Five banks suggest that the headwinds persisted into 2016.¹ Pretax earnings at the investment banking units of the large banks contracted by 33.5 percent (year-over-year) as revenue from equities and fixed income trading fell. Compensation dropped 12 percent at the consolidated banks, while the investment banking units at JPMorgan, Goldman, and Morgan Stanley reported a 25.5 percent decline.

Perhaps the most positive news from the earnings announcements was the tapering of litigation costs as lawsuits tied to the housing crash dissipate. Legal expenses at the Big Five plunged to \$1.1 billion in the first quarter, down from \$2.3 billion a year ago. But it would be premature to say that the banks are entirely in the clear. There are still ongoing lawsuits related to the housing crisis, including recent settlements by Wells Fargo (\$1.2 billion), Morgan Stanley (\$3.2 billion) and Goldman Sachs (\$5 billion).

Looking forward, Wall Street will still face strong headwinds. The yield curve remains flat, which will continue to constrain interest income. The drop in Treasury yields last year led to a 1.4 percent drop in net interest income at the Big Five. The Fed's current accommodative monetary policy and easing by other central banks means that this challenge will continue for the immediate future. The regulatory environment is still tightening, particularly on the largest banks, constraining both risk taking and revenues. Nevertheless, the rebound in equity prices, calmer financial markets and improving commodities prices should help boost trading and underwriting revenues, while reducing the uncertainty tied to energy loans. On balance, it is projected that Wall Street profits will decline further to \$10.6 billion in 2016 down from \$14.3 billion in 2015.

¹ Bank of America, Citigroup, Goldman Sachs, JPMorgan Chase, and Morgan Stanley

THE NEW YORK CITY ECONOMY

New York City exhibited striking economic growth over the past two years. Following a record-high addition of 130,000 new jobs in 2014, the City has extended its momentum with a gain of 119,000 in 2015 for a cumulative increase of 249,000 in 2014 and 2015. This two-year surge sets an all-time record for the City, with notable employment growth in education & health services, professional & business services, and leisure & hospitality. Looking forward, the forecast anticipates that the strength will persist but at a more moderate pace.

Demographically, New York City's population has maintained a robust pace. The U.S. Census Bureau estimates that the City's population reached 8,550,405 as of July 2015. Since the 2010 decennial census, the city's population has grown by 4.6 percent, or 375,300 residents, a rate not seen since 1920s.

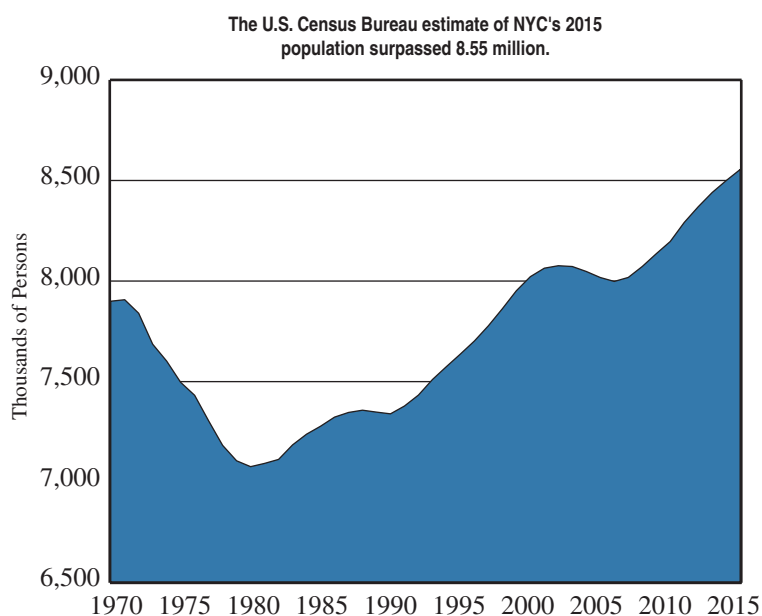
Significant population growth is one of the factors underpinning the City's recent remarkable employment expansion, especially in the sectors of education & health and leisure & hospitality. In 2014 and 2015, education & health services led growth with 62,800 jobs, which accounted for one in every four new jobs. The sector is forecast to slow down to 13,100 and 8,600 in 2016 and 2017 respectively. Over the same two-year span, the leisure & hospitality sector added a total of 40,300 jobs, representing approximately

16 percent of total new jobs. Boosted by the expanding food & accommodation subsector, which benefits from both demographic gains and the booming tourism industry, the leisure & hospitality sector is projected to grow by 8,400 and 7,300 in the next two years before stabilizing to around 5,000 in the out-years.

Another noteworthy sector that has benefitted from strong population growth is the construction industry. In the past two years, the construction sector added a total of 16,070 positions. In 2015 alone, the sector added 9,100 jobs, the largest annual gain since 1999. Although the City has seen a development boom in recent years bolstered by domestic and international economic strength and demographic growth, the forecast projects that construction sector employment growth will gradually taper off in the out-years.

Professional & business services, financial activities, and information, which together comprise office-using employment, will sustain their role as the high-wage segment of the City's payrolls. In 2015, professional & business services reported the largest annual gain since 2000, adding 31,300 positions or over 26 percent of the total employment gain. This sector's expansion is expected to moderate, adding 15,500 and 13,000 in 2016 and 2017 respectively. Meanwhile, although financial activities has reported strong hiring in the past two years, the ongoing risk in global markets, uncertainty surrounding Fed policy, and the plunge in energy and commodities prices are projected to constrain near-term Wall Street performance. Shrinking profits are expected to be a drag on hiring at the big banks and, as a result, job growth in financial activities will stall over the next two years.

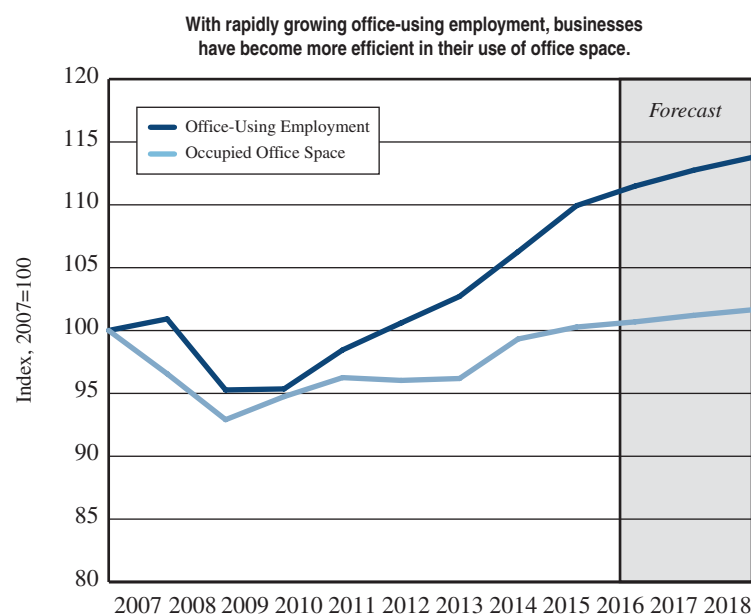
NEW YORK CITY POPULATION



Wages will be influenced by two competing factors. Finance compensation will be held in check due to disappointing revenue growth, challenging market conditions and a tighter regulatory environment. Securities wages are estimated to have contracted last year by 2.4 percent and are expected to fall again by 0.3 percent this year before recovering modestly in 2017. However, strong employment growth outside of finance has reduced slack in the non-finance industries and is projected to result in wage-growth consistently above four percent beginning in 2017. Because finance generates such a large share of overall wage earnings, the net impact is that average wage growth will remain below two percent in 2015 and 2016.

Robust office-using employment growth has supported the commercial real estate industry throughout the expansion. Asking rents have increased steadily and vacancy rates ended 2015 below ten percent. From the end of 2009 through 2015, primary market asking rents increased by over \$14 dollars. Record employment gains over the past two years absorbed additional inventory and drove down vacancy rates. Employers have partly compensated by using space more efficiently. Rents are expected to continue to grow in 2016 and 2017, surpassing the prior peak in 2017 before decelerating in the out-years. The eventual slowdown is due to both demand and supply effects. Office-using employment growth is expected to slacken throughout the forecast horizon, while office-supply is estimated to expand annually beginning in 2017. As a result, vacancy rates start to climb in 2017, and beginning in 2018 growth in asking rents downshifts.

OFFICE EMPLOYMENT AND OCCUPIED OFFICE SPACE



Reflecting national trends, a shortage of residential inventory resulted in strong price appreciation of 4.2 percent in 2015 but lackluster sales volume growth of 2.2 percent. However, there could be relief on the horizon as residential construction boomed in 2015 with over 56,000 units permitted, a level influenced by the expiration of the 421-a tax exemption. In 2015, prices and transactions increased for condos and one-to-three family homes but declined for co-ops. Prices are expected to grow moderately by 3.3 percent in 2016 before falling below three percent in the out-years as much needed new inventory hits the market in 2017. Transaction volume, after recording three consecutive years of more than 50,000 sales, is projected to temporarily decline in 2016 before growing moderately in the out-years.

New York City has established itself as one of the premier tourist destinations in the nation and robust visitor growth has benefitted many areas of the local economy. NYC & Company, the city's official tourism organization, estimated a total of 58.3 million visitors in 2015, the sixth consecutive year of growth. The strength of the city's tourism industry has helped foster a booming hotel industry and robust employment growth in the leisure and hospitality sector. Hotel occupancy rates averaged 89 percent in 2015 with an average daily room-rate of \$291. Global weakness and the strong dollar, however, are likely to impact future travel plans into the City and slow visitor spending. Furthermore, hotel inventory is expected to increase significantly over the next two years. These two factors will drive occupancy rates lower to 83 percent in 2016 and 2017, while daily room-rates will drop to \$283.

Risks to the Forecast

The forecast is predicated on the continuation of moderate domestic growth and more stable financial market conditions. One of the largest risks comes from global economic and financial developments, which have been a major cause of recent volatility. The IMF downgraded its forecast of world growth from 3.4 percent in January to 3.2 percent in April as Brazil, Russia, Japan, Canada and the European Union suffer through recessions or slow growth periods. China recently lowered its growth projections to the slowest rate in 25 years. In response, many central banks have been implementing extremely accommodative monetary policies, with the European Central Bank and the Bank of Japan experimenting with negative interest rates. The disconnect between U.S. monetary policy and other central banks could potentially result in further appreciation of the dollar, which would prolong pressure on U.S. industry and exporters. Likewise, a continuation of depressed energy and commodity prices, while benefitting consumers, has the potential to further damage the U.S. energy sector. As witnessed earlier this year, an episode of financial volatility quickly impairs Wall Street activity, pushing profits and securities wages lower. Furthermore, the strong dollar and weaker global growth could slow tourism and visitor spending in NYC and weaken the pace of international investment in local real estate.

New York City Job Growth Forecast

	2015	2016	2017
NYC Employment (Thousands)	Level	Level Change	Level Change
Total	4,224	53	48
Private	3,674	53	48
Financial Activities	460	—	1
Securities	172	—	—
Professional & Business Services	700	16	13
Information	189	3	1
Education	214	—	—
Health & Social Services	655	13	9
Leisure & Hospitality	426	8	7
Wholesale & Retail Trade	497	3	10
Transportation & Utilities	132	1	—
Construction	138	4	5
Manufacturing	78	2	—
Other Services	185	2	2
Government	550	—	—

**Forecasts of Selected Economic Indicators for the United States and New York City
Calendar Year 2015-2020**

	2015	2016	2017	2018	2019	2020	1979-2014*
NATIONAL ECONOMY							
Real GDP							
Billions of 2009 Dollars	16,345	16,714	17,166	17,612	18,041	18,471	
Percent Change	2.4	2.3	2.7	2.6	2.4	2.4	2.6%
Non-Agricultural Employment							
Millions of Jobs	141.8	144.3	146.2	147.6	148.9	150.5	
Level Change	2.9	2.5	1.9	1.3	1.4	1.6	
Percent Change	2.1	1.8	1.3	0.9	0.9	1.1	1.3%
Consumer Price Index							
All Urban (1982-84=100).....	237.0	238.9	244.4	250.9	257.6	264.4	
Percent Change	0.1	0.8	2.3	2.7	2.7	2.6	3.4%
Wage Rate							
Dollars Per Year	55,166	56,732	58,799	61,048	63,365	65,793	
Percent Change	2.5	2.8	3.6	3.8	3.8	3.8	3.9%
Personal Income							
Billions of Dollars	15,342	15,954	16,734	17,595	18,467	19,364	
Percent Change	4.4	4.0	4.9	5.1	5.0	4.9	5.8%
Before-Tax Corporate Profits							
Billions of Dollars	2,294	2,348	2,360	2,346	2,327	2,367	
Percent Change	3.9	2.3	0.5	-0.6	-0.8	1.7	6.1%
Unemployment Rate							
Percent	5.3	4.8	4.7	4.8	4.9	4.9	6.4% avg
10-Year Treasury Note							
Percent	2.1	2.3	2.9	3.3	3.6	3.6	6.6% avg
Federal Funds Rate							
Percent	0.1	0.6	1.4	2.4	3.0	3.0	5.3% avg
NEW YORK CITY ECONOMY							
Real Gross City Product**							
Billions of 2009 Dollars	731.8	733.1	747.1	761.6	774.4	781.1	
Percent Change	1.8	0.2	1.9	1.9	1.7	0.9	2.7%
Non-Agricultural Employment***							
Thousands of Jobs	4,224	4,277	4,325	4,357	4,391	4,424	
Level Change	119	53	48	32	34	33	
Percent Change	2.9	1.3	1.1	0.7	0.8	0.8	0.6%
Consumer Price Index							
All Urban (1982-84=100).....	260.6	263.2	269.7	277.4	285.2	293.1	
Percent Change	0.1	1.0	2.5	2.8	2.8	2.8	3.7%
Wage Rate							
Dollars Per Year	85,764	86,983	89,411	92,724	95,769	98,399	
Percent Change	1.1	1.4	2.8	3.7	3.3	2.7	4.9%
Personal Income							
Billions of Dollars	526.8	541.3	564.8	594.3	622.1	649.1	
Percent Change	3.8	2.8	4.3	5.2	4.7	4.3	5.7%
NEW YORK CITY REAL ESTATE MARKET							
Manhattan Primary Office Market							
Asking Rental Rate****							
Dollars per Square Feet	76.8	80.0	82.9	83.4	84.9	85.0	
Percent Change	4.1	4.2	3.7	0.6	1.8	0.2	2.4%
Vacancy Rate****							
Percent	9.2	8.8	9.5	10.8	11.2	11.6	10.6% avg

* Compound annual growth rates for 1979-2014. Compound growth rate for Real Gross City Product covers the period 1980-2014

** GCP estimated by OMB.

*** Employment levels are annual averages.

**** Office market statistics are based on 1985-2015 data published by Cushman & Wakefield.

TAX REVENUE¹

OVERVIEW

Total tax revenue, including audits, is forecast to increase 3.5 percent in 2016 and 1.7 percent in 2017.

Forecast Summary for 2016

Non-property tax revenues are forecast to increase 1.5 percent, after an increase of 7.3 percent in 2015.²

In 2016, *personal income tax* revenue is forecast to grow 2.5 percent, following 11.4 percent growth in 2015. Gains are driven primarily by growth in wage income, as New York City continues to see growth in wages and employment, with the City recovering all of the jobs lost during the recession.

In April 2015, New York State passed a comprehensive corporate reform bill that resulted in several major changes to the City's corporate tax structure effective on or after January 1, 2015. This includes the creation of a *business corporation tax*: a uniform tax for all C-corporations that formally paid under the *banking corporation tax* and the *general corporation tax*. *Business corporation tax*³ revenue is forecast to decline 4.5 percent, reflecting a slowdown in the finance sector due to a decline in Wall Street profitability.

Unincorporated business tax revenue is forecast to increase a modest 3.3 percent, reflecting the impact of continuing global volatility in the financial markets.

Sales tax revenue is forecast to increase 4.1 percent, or 3.3 percent after adjusting for a \$50 million intercept by New York State regarding STARC bonds, as employment gains and wage growth lift taxable consumption in the City. Sales tax revenue growth continues to be supported by tourist spending as the number of City visitors broke another record in calendar year 2015. *Hotel room occupancy tax* exhibits mild growth at 1.6 percent as a weak global economy and additional inventory dampen occupancy and room rates.

Real property transfer tax revenue is forecast to decline 2.8 percent as the pace of large commercial transactions and high end residential transactions slows down. *Mortgage recording tax* revenue is forecast to increase 3.2 percent as residential financing remains robust buoyed by the historic low interest rates.

Property tax revenue is forecast to increase 7.0 percent, based upon 6.9 percent growth in billable assessed value.

Commercial rent tax revenue is forecast to increase 4.8 percent.

Forecast Summary for 2017

Non-property tax revenues are forecast to grow at 0.6 percent in 2017, on moderate wage growth and lower levels of Wall Street profitability. In addition, the commercial real estate market is expected to settle down at a lower level.

Personal income tax revenue is expected to grow 0.9 percent in 2017. Total withholding is expected to increase at a moderate pace, offset by a decline in estimated payments.

Business tax revenue growth is expected to grow 1.2 percent as Wall Street profitability continues to decline.

Sales tax revenue is forecast to increase 3.5 percent, or 2.1 percent after adjusting for a \$150 million intercept by New York State regarding STARC bonds, as gains from local employment and wage growth lift consumer

1 All years referenced in the Tax section are City fiscal years unless otherwise noted.

2 The total non-property tax revenue excludes audits.

3 Business corporation tax collections for reporting purposes include S-corporations under the general corporation tax.

spending. *Hotel room occupancy tax* declines over four percent and reflects, for the most part, the impact of global economic concerns and the strong U.S. dollar on international tourism.

Real property transfer tax revenue is forecast to decline 6.6 percent in 2017 and *mortgage recording tax* revenue is forecast to decline 9.5 percent, as the high levels of commercial activity from the prior year are not expected to repeat and mortgage rates begin to rise.

Property tax revenue is forecast to increase 5.1 percent, based upon 6.7 percent growth in billable assessed value.

Commercial rent tax revenue is forecast to increase 4.5 percent, supported by a combination of higher asking rents and new inventory in the New York City office market.

2016 and 2017 Tax Revenue Forecast
(\$ in Millions)

Tax	2016	2017	Increase/(Decrease) From 2016 to 2017	
			Amount	Percent Change
Real Property	\$22,815	\$23,981	\$1,166	5.1%
Commercial Rent	770	805	35	4.5%
Real Property Transfer	1,716	1,602	(114)	(6.6%)
Mortgage Recording	1,192	1,079	(113)	(9.5%)
Personal Income	10,894	10,990	96	0.9%
Business Corporation ¹	3,904	3,949	45	1.2%
Unincorporated Business	2,027	2,060	33	1.6%
Sales and Use	7,018	7,266	248	3.5%
Utility	370	381	11	3.0%
Cigarette	45	43	(2)	(4.4%)
Hotel	565	541	(24)	(4.2%)
All Other	609	585	(24)	(3.9%)
Subtotal	\$51,926	\$53,282	\$1,357	2.6%
STAR Aid	812	797	(15)	(1.8%)
Tax Audit Revenue	1,060	714	(346)	(32.7%)
NYS Actions - Sales Tax Intercept	(50)	(150)	(100)	200.0%
Total (After Tax Program)[†]	\$53,748	\$54,643	\$896	1.7%

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

[†] Totals may not add due to rounding.

REAL PROPERTY TAX

Real property tax revenue is projected to account for 43.9 percent of total tax revenue in 2017, or \$23.981 billion.

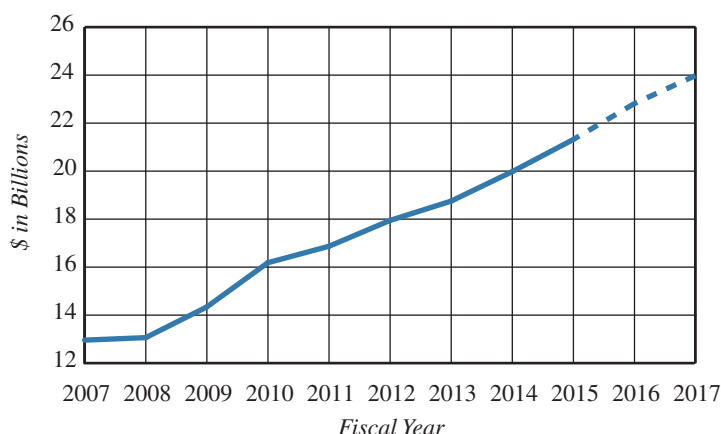
2016 Forecast: Property tax revenue is forecast at \$22.815 billion, growth of 7.0 percent over the prior year, an increase of \$259 million over the January 2016 Plan. The 2016 revenue growth is based on billable assessed value growth of 6.9 percent seen on the 2016 final roll (before accounting for the veterans’ and STAR exemptions). The plan change results primarily from a reduction in the reserve for uncollectible taxes arising from revisions to cancellations and cash overpayments.

2017 Forecast: Property tax revenue is forecast at \$23.981 billion, growth of 5.1 percent over the current year, an increase of \$108 million over the January 2016 Plan, resulting from reductions in the reserve for uncollectible taxes.

In 2017, the levy is expected to increase by \$1.611 billion to \$25.756 billion, growth of 6.7 percent over the current year. The property tax levy forecast is based on the 2017 tentative roll released by the Department of Finance on January 15, 2016. The final roll is expected to be released by the Department of Finance on May 25, 2016. Citywide, total billable assessed value on the 2017 final roll (before accounting for the veterans’ and STAR exemptions) is forecast to increase by \$13.1 billion over 2016 to \$209.8 billion, growth of 6.7 percent.

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 5.3 percent from 2018 through 2020. Tax revenue growth is forecast to average 5.5 percent during the same period.

REAL PROPERTY TAX 2007-2017



Distribution of Property Parcels by Class

	Parcels*	Percentage Share
Class 1	699,372	66.52%
Class 2	255,309	24.28%
Class 3	296	0.03%
Class 4	96,374	9.17%
Citywide	1,051,351	100.00%

* FY 2016 final roll

COMMERCIAL RENT TAX

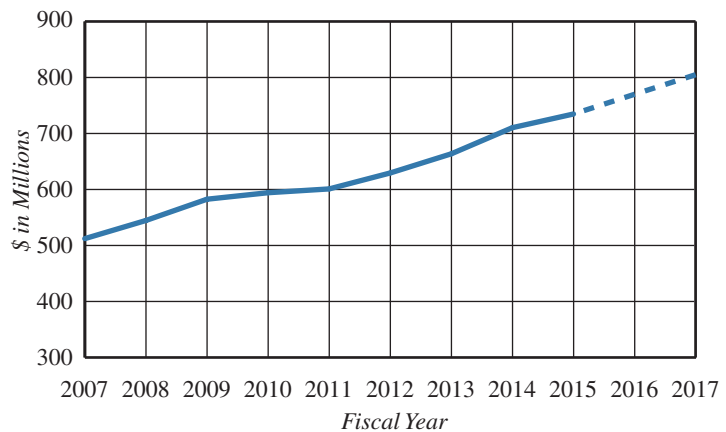
The commercial rent tax is projected to account for 1.5 percent of total tax revenue in 2017, or \$805 million.

2016 Forecast: Commercial rent tax revenue is forecast at \$770 million, growth of 4.8 percent over the prior year, resulting from above average leasing activity in 2015 and steadily improving vacancy rates. Primary Market asking rents are forecast to grow 4.2 percent in calendar year 2016, driven in part by continued growth from a strong Midtown Primary Market.

2017 Forecast: Commercial rent tax revenue is forecast at \$805 million, growth of 4.5 percent over the current year. While asking rents are forecast to increase moderately, the addition of new inventory in the Midtown Primary Market is expected to cause a slight increase in vacancy rates.

Commercial rent tax revenue is projected to grow at an average of 4.2 percent from 2018 through 2020, reflecting continued improvement in the commercial real estate market as the local economy continues to expand. Primary Market asking rents show steady improvement, while vacancy rates will continue to increase as office-using employment growth levels off and new inventory continues to enter the market over the forecast period.

COMMERCIAL RENT TAX 2007-2017



REAL PROPERTY TRANSFER TAX

The real property transfer tax is projected to account for 2.9 percent of total tax revenue in 2017, or \$1.602 billion.

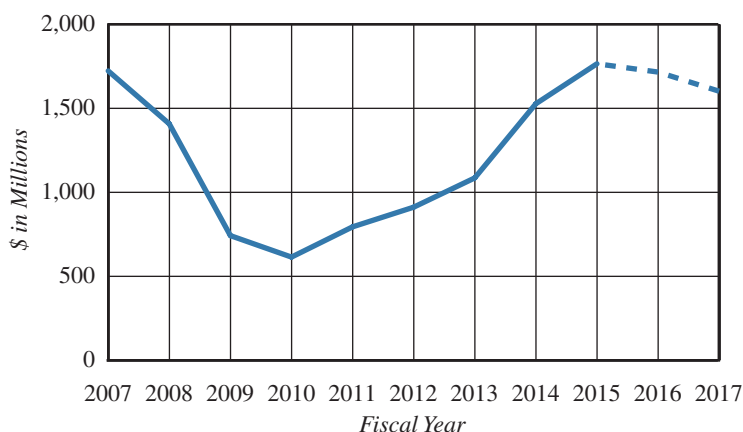
2016 Forecast: Real property transfer tax revenue is forecast at \$1.716 billion, a decline of 2.8 percent from the prior year. In 2016, total tax collections year-to-date through March grew 2.7 percent over the prior year, resulting from a strong 14.9 percent growth in revenue from residential transactions, off-set by a 3.5 percent decline in revenue from commercial transactions. Adjusting for the Stuyvesant Town-Peter Cooper Village transaction, the decline in revenue from commercial transactions would be 14.6 percent. This reflects a decelerating trend compared to the 23.2 percent growth in revenue seen in year-to-date commercial collections through March in 2015.

Collections through March indicate that the City’s residential real estate market remains strong. Transaction data for the first half of 2016 indicates that on a year-over-year basis, residential sales volume grew 3.9 percent while the average sale price grew 5.8 percent. However, commercial collections have slowed significantly compared to the prior year. With a stronger dollar and rising interest rates, demand for commercial office properties is expected to decline.

Revenue from residential transactions is forecast to grow 8.8 percent, while revenue from commercial transactions is forecast to decline 9.6 percent.

2017 Forecast: Real property transfer tax is forecast at \$1.602 billion, a decline of 6.6 percent from the current year. Revenue from residential transactions in 2017 is forecast to decline 3.1 percent from the current year primarily from lack of inventory. Revenue from commercial transactions in 2017 is forecast to decline 9.2 percent from the current year as interest rates rise, the dollar appreciates, and international demand wanes. Residential transaction tax collections are expected to average 5.8 percent growth from 2018 through 2020 as new condominiums are completed and offered to potential buyers, while commercial transaction tax collections are expected to decline slightly at an annual average rate of 0.9 percent from 2018 through 2020.

REAL PROPERTY TRANSFER TAX 2007-2017



MORTGAGE RECORDING TAX

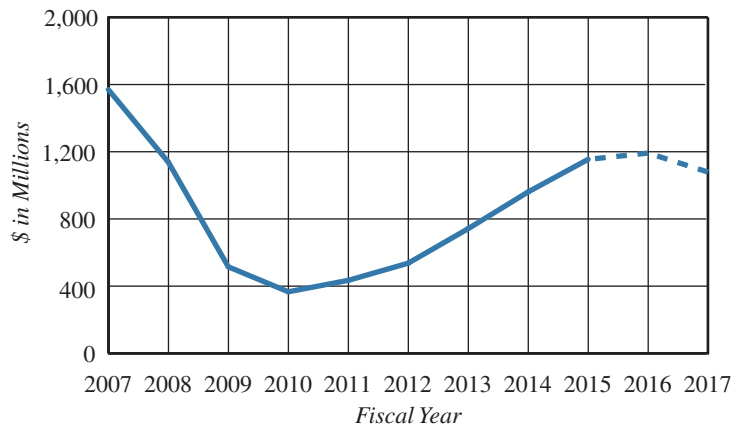
The mortgage recording tax is projected to account for 2.0 percent of total tax revenue in 2017, or \$1.079 billion.

2016 Forecast: Mortgage recording tax revenue is forecast at \$1.192 billion, growth of 3.2 percent over the prior year. In 2016, total tax collections year-to-date through March grew 9.6 percent over the prior year, reflecting a 20.1 percent increase in revenue from residential mortgages and a 5.1 percent growth in revenue from commercial mortgages. This reflects a slowdown compared to the 29.6 percent growth in revenue seen in year-to-date commercial collections through March 2015.

Revenue from residential mortgage recordings in 2016 is forecast to grow 14.2 percent. Revenue from commercial mortgage recordings is forecast to decline 1.5 percent.

2017 Forecast: Mortgage recording tax is forecast at \$1.079 billion, a decline of 9.5 percent from the current year. Revenue from residential mortgage recordings is forecast to decline 3.0 percent and revenue from commercial mortgage recordings is forecast to decline 12.7 percent, which mirrors the forecast decline in real property transfer tax. Residential mortgage recording tax collections are expected to average 5.8 percent growth from 2018 through 2020, while the commercial mortgage recording tax collections are expected to decline slightly at an annual average rate of 0.9 percent from 2018 through 2020.

MORTGAGE RECORDING TAX 2007-2017



PERSONAL INCOME TAX

The personal income tax is projected to account for 20.1 percent of tax revenue in 2017, or \$10.990 billion.

2016 Forecast: Personal income tax revenue is forecast at \$10.894 billion, an increase of \$265 million over the prior year (2.5 percent).

Personal income tax *withholding* is forecast to grow by 4.1 percent in 2016. New York City residents' withholding is based on their total wage earnings, which is a function of both employment and average wages. The strength in the 2016 withholding forecast is due to employment growth of 2.9 percent in calendar year 2015 and wage earnings growth of 4.0 percent.

In the July-through-November period, withholding collections increased 4.9 percent over the same prior year period. In the December-through-March bonus period, withholding collections increased 3.2 percent. Withholding during the December-through-March period was held back by a drop in bonuses in the securities industry. The decline in bonuses for 2016 is due to a few factors. Banks have struggled with market volatility in 2015, along with a slowdown in fixed-income trading. Wall Street profits declined for the third year in a row, posting profits of \$14.3 billion in 2015, resulting in lower compensation packages. In addition, a smaller amount of deferred compensation vested in 2015 than in prior years, as firms shifted away from the compensation models used immediately after the financial crisis.

For the April-through-June quarter, withholding collections are expected to grow 4.3 percent from the same prior year period, reflecting growth in the wage earnings forecast.

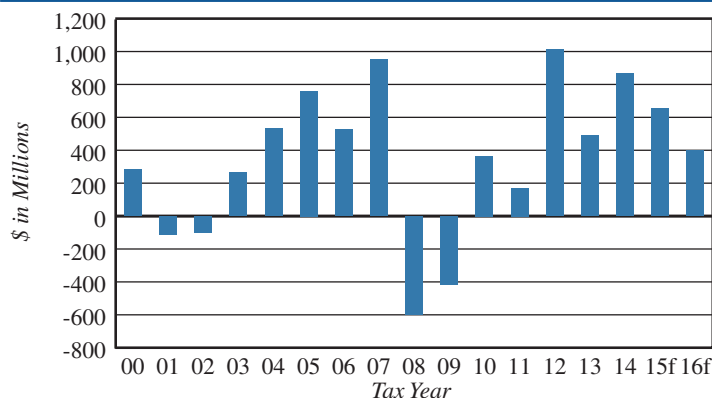
Installment payments on tax year 2015 grew 9.8 percent over the prior year. The strength in installment payments appears to be the result of safe harbor rules, as high-income taxpayers calculate their installment payments on 110 percent of their prior year's total liability to avoid penalties. Liability for tax year 2015 has slowed as weakness in the equity markets has not been fully offset by continued strength in the real estate markets. As filers have been paying the default amount in their installments, the decrease in total liability will be seen in lower extension payments. Overall, total settlements (final returns, extension payments, City/State offsets, and refunds) are expected to fall from last year's level due to lower extension payments, City/State offsets, and an increase in refunds.

2017 Forecast: Personal income tax revenue is forecast at \$10.990 billion, growth of 0.9 percent over the current year. The slower personal income tax revenue growth can be attributed to moderate withholding growth coupled with a decline in estimated payments.

PERSONAL INCOME TAX 2007-2017



SETTLEMENT PAYMENTS



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

Withholding in 2017 is forecast to increase 4.3 percent over the prior year. For the July-through-November base withholding calculation period, collections are forecast to increase 3.6 percent. In the December-through-March bonus period, withholding is forecast to grow 2.1 percent. For the final April-through-June 2017 quarter, withholding collections growth is forecast to return to trend.

Installment payments on tax year 2016 are expected to grow 3.5 percent from the prior year's level. Extension payments are forecast to decline over the prior year as taxpayers recognize a decline in liability after a stronger than expected 2015. As a result, total settlements (final returns, extension payments, City/State offsets, and refunds) are expected to be lower than the previous year.

Personal income tax revenue is forecast to average growth of 3.5 percent from 2018 through 2020, as the national and local economy continues to expand.

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

	2010	2011	2012	2013	2014	2015	2016 ^f	2017 ^f
Withholding	\$5,754	\$6,096	\$6,157	\$6,542	\$6,976	\$7,513	\$7,818	\$8,152
Estimated Payments ¹	1,691	2,110	2,109	2,893	2,680	3,167	3,185	3,026
Final Returns	288	317	327	382	380	429	442	423
Other ²	427	302	527	576	810	837	789	746
Gross Collections	\$8,159	\$8,825	\$9,119	\$10,393	\$10,846	\$11,946	\$12,234	\$12,347
Refunds	-1,301	-1,181	-1,166	-1,225	-1,307	-1,317	-1,340	-1,357
Net Collections Less TFA Retention	\$6,858	\$7,644	\$7,953	\$9,168	\$9,539	\$10,629	\$10,894	\$10,990
Total	\$6,858	\$7,644	\$7,953	\$9,168	\$9,539	\$10,629	\$10,894	\$10,990

¹ Includes extension payments.

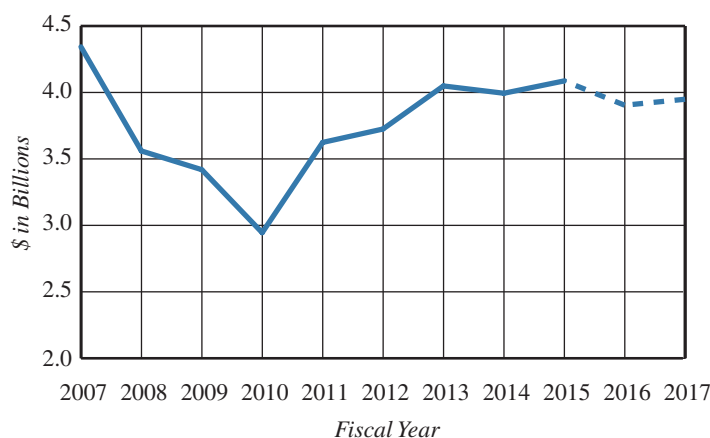
² Offsets, charges, assessments less City audits.

f = Forecast.

Totals may not add due to rounding.

BUSINESS CORPORATION TAX

The business corporation tax¹ is projected to account for 7.2 percent of tax revenue in 2017, or \$3.949 billion. In April 2015, the State of New York's enacted budget for State Fiscal Year 2015/2016 imposed major changes to the City's corporate tax structure. These changes modernized and streamlined the New York City corporate income taxation of C-corporations conducting business in the City. Effective for tax year 2015 and after, all New York City C-Corporations will be paying under the business corporation tax. As a result, beginning in fiscal year 2016 nearly all of the bank tax will be reported as business corporation tax. Any remaining bank tax collections beyond fiscal year 2016 will only reflect collections from liabilities prior to tax year 2015.

BUSINESS CORPORATION TAX 2007-2017

2016 Forecast: Business corporation tax revenue is forecast at \$3.904 billion, a 4.5 percent decline from the prior year combined general corporate and bank tax revenues.

In 2016, tax collections year-to-date through March declined 3.6 percent from the prior year. Tax payments from the finance sector through the first half of the fiscal year reflect a good start of calendar year 2015 for Wall Street. However, profitability slowed in the second half of the calendar year with firms posting a slight loss in the fourth quarter. A slowdown in finance sector tax payments began the third quarter as several large firms applied their existing overpayments on account to their estimated tax liabilities. A lower level of finance tax payments is forecast through the remainder of the fiscal year, reflecting the decline in the level of Wall Street profitability in calendar year 2015. Tax payments from the non-finance sector through March reflect the decline in corporate profits seen in the second half of calendar year 2015. Non-finance sector tax payments are forecast to remain weak through the remainder of the fiscal year as businesses continue to cope with a strong dollar, tepid overseas demand and inventory overhang.

Along with economic factors impacting the business corporation tax, the 3.6 percent decline in collections through March may in part be due to the implementation of the new corporate tax reform. While the corporate reform is expected to be revenue neutral, the filing requirements have been changed for all C-Corporations, including banks, and many firms have filed final returns on extensions for tax year 2015. At this time it is uncertain as to what extent collections have been impacted as a result of firms adjusting to filing under the new corporate tax reform.

2017 Forecast: In fiscal year 2017, the business corporation tax is forecast at \$3.949 billion, 1.2 percent growth over the current year. In 2017, tax payments from finance sector firms are expected to be constrained by a decrease in calendar year 2016 Wall Street profitability. 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 2.4 percent from 2018 through 2020, paralleling steady growth in the national and local economies.

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

UNINCORPORATED BUSINESS TAX

The unincorporated business tax is projected to account for 3.8 percent of tax revenue in 2017, or \$2.060 billion.

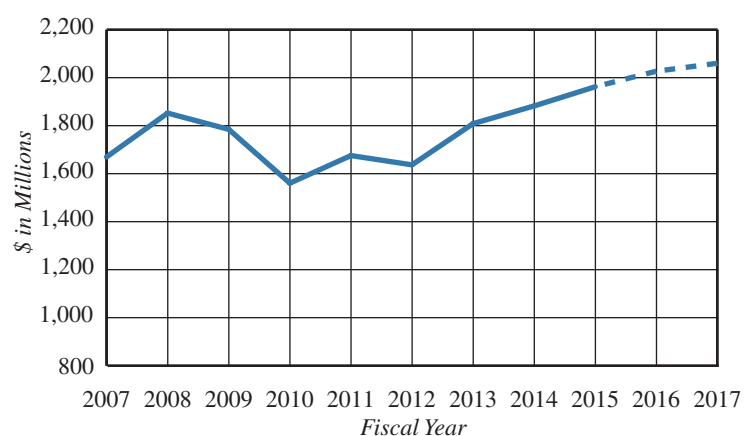
2016 Forecast: Unincorporated business tax revenue is forecast at \$2.027 billion, growth of 3.3 percent over the prior year. In 2016, net collections year-to-date through March grew 5.1 percent over the prior year, reflecting the positive growth in finance sector tax payments and below trend growth of tax payments from the non-finance sector.

Finance sector tax payments are forecast to grow by a modest 2.7 percent in 2016, reflecting the volatile financial market performance of the past year. New York City-based hedge fund firms have averaged nine percent growth over the past five years and total hedge fund assets-under-management are at all-time high levels. However, the pace of finance sector tax payment growth is expected to slow for the final quarter of the fiscal year, the result of the Wall Street profit decline in 2015 due to poor performances for trading and investment revenues, uncertainties concerning global economic growth and the steep decline in energy prices. The market turbulence associated with these factors resulted in a surge of redemption requests and an elevated number of funds winding down.¹

Following a setback in 2015, non-finance sector tax payments are forecast to rebound at a rate of 5.6 percent, reflecting broad-based local economic growth.

2017 Forecast: Unincorporated business tax revenue is forecast at \$2.060 billion, growth of 1.6 percent over the current year. Finance sector payments are forecast to decline 1.9 percent on continued downward pressure on assets under management. Tax payments from non-finance sector firms are forecast to grow 2.9 percent over the current year, reflecting growth of the local economy.

In 2018 through 2020, unincorporated business tax revenue is forecast to return to trend, with annualized average growth of 4.5 percent.

UNINCORPORATED BUSINESS TAX 2007-2017

¹ “BlackRock winding down Global Macro Hedge Fund after losses” Bloomberg News, November 18, 2015.
 “Avenue Capital closing its original hedge fund” CNBC.com, November 10, 2015.
 “Hedge fund assets decline by biggest amount since financial crisis” New York Times October 20, 2015.

SALES AND USE TAX

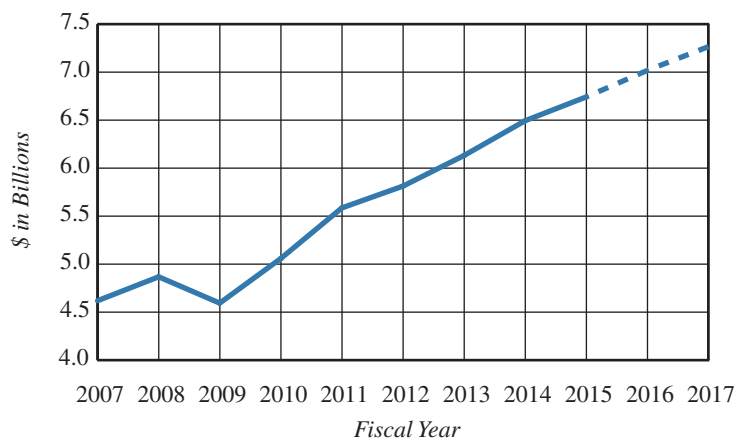
The sales and use tax is projected to account for 13.0 percent of total tax revenue in 2017, or \$7.116 billion after the \$150 million intercept by NYS regarding STARC bonds.¹

2016 Forecast: Sales tax revenue is forecast at \$7.018 billion, growth of 4.1 percent over the prior year.² Sales tax collections year-to-date through March grew 3.8 percent. Consumer spending has been supported by moderate personal income growth as overall personal income tax collections have grown nearly four percent year-to-date through March.

Consumer spending is expected to pick up in the fourth quarter and boost sales tax revenue as broad local economic growth is anticipated.

2017 Forecast: Sales tax revenue is forecast at \$7.266 billion, growth of 3.5 percent over the current year.³ Growth will derive mostly from gains in local employment and wage growth, boosting consumer sentiment and spending. Tourism spending is expected to cool as global economic weakness is forecast to slow down international tourism.

Sales tax revenue growth is forecast to average 4.2 percent from 2018 through 2020, paralleling the steady growth in the local economy.

SALES TAX 2007-2017

¹ The 2016-17 NYS Enacted Budget legislation enables New York State to reduce collections by \$150 million in order to recoup the savings New York City achieved through refinancing STARC bonds. As a result, sales tax revenue is forecast at \$7.116 billion, growth of 2.1 percent over the prior year.

² The 2016-17 NYS Enacted Budget legislation enables New York State to reduce collections by \$50 million in order to recoup the savings New York City achieved through refinancing Sales Tax Assets Receivable Corporation (STARC) bonds. As a result, sales tax revenue is forecast at \$6.968 billion, growth of 3.3 percent over the prior year. The legislation also eliminates local sales tax on noncommercial aviation fuels starting in calendar year 2017 and will reduce collections minimally.

³ See footnote ¹.

UTILITY TAX

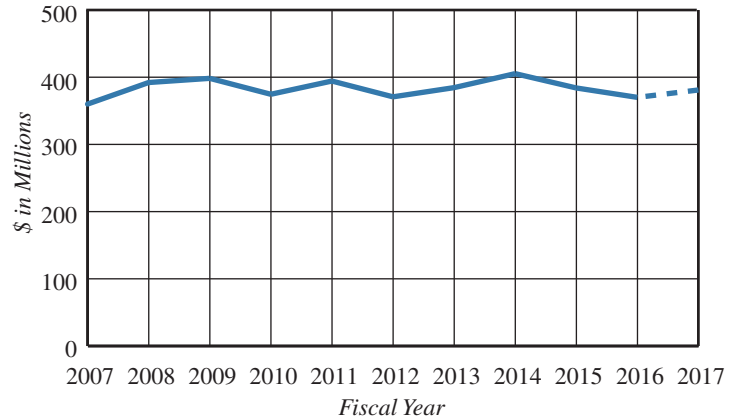
The utility tax is projected to account for 0.7 percent of total tax revenue in 2017, or \$381 million.

2016 Forecast: Utility tax revenue is forecast at \$370 million, a 3.6 percent decline from the prior year. Year-to-date collections through March declined 6.2 percent from the prior year, the result of mild winter weather and low energy commodity prices throughout the winter season. Fourth quarter utility tax revenue is forecast to exhibit a slight uptick from last year’s levels, with normal temperatures expected to return.

2017 Forecast: Utility tax revenue is forecast at \$381 million, growth of 3.0 percent over the current year, signifying more stable energy prices and a return to normal weather patterns.

Utility tax collections are forecast to average annual growth of 3.2 percent from 2018 through 2020.

UTILITY TAX 2007-2017

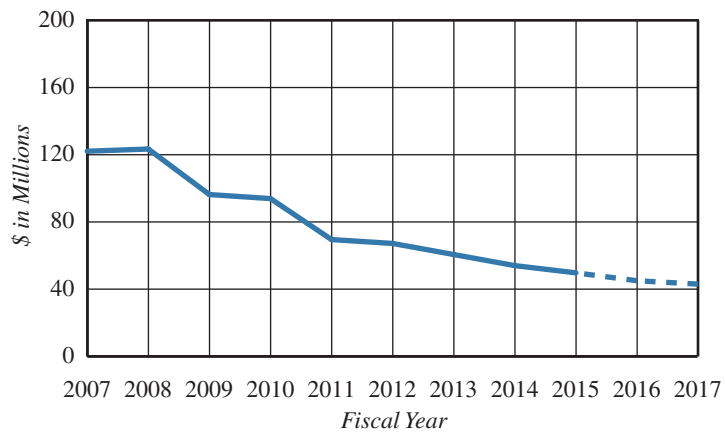


CIGARETTE TAX

The cigarette tax is projected to account for 0.1 percent of total tax revenue in 2017, or \$43 million.

2016 Forecast: Cigarette tax revenue is forecast at \$45 million, a 9.5 percent decline from the prior year, reflecting the continued reduction in cigarette consumption. 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.

CIGARETTE TAX 2007-2017



2017 Forecast: Cigarette tax revenue is forecast to decline to \$43 million in 2017.

Cigarette tax revenues are projected to decline at an average annual rate of 2.4 percent from 2018 through 2020, reflecting the long-term decline in the number of packs sold.

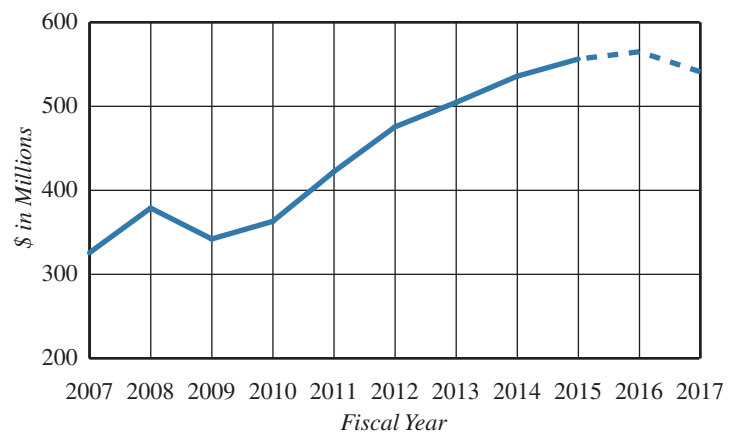
HOTEL TAX

The hotel room occupancy tax is projected to account for 1.0 percent of tax revenue in 2017, or \$541 million.

2016 Forecast: Hotel tax revenue is forecast at \$565 million, a 1.6 percent increase over the prior year. Collections year-to-date through March grew 3.0 percent over the same prior year period. Calendar year 2015 saw another record-breaking number of visitors to New York City of 58.3 million. The moderate growth in collections can be explained by the continued rise in visitors along with increased hotel room inventory and consistently high occupancy rates at hotels throughout the City. The forecast assumes a slowdown in growth for collections through the remainder of the fiscal year. The weak global economy and the appreciation of the U.S. dollar continue to dampen occupancy and room rate growth. Additional hotel inventory puts further downward pressure on room rates.

2017 Forecast: Hotel tax revenue is forecast at \$541 million, a 4.2 percent decline from the current year. Concerns about the global economy and the persistence of the strong U.S. dollar are forecast to hurt international tourist growth. The increased supply of hotel rooms will continue to cause downward pressure on room rates and occupancy rates, which are estimated to decline 2.0 percent and 5.2 percent, respectively.

From 2018 through 2020, hotel tax revenue is forecast to average growth of 4.3 percent, indicating a return to a more stable global economy.

HOTEL TAX 2007-2017

OTHER TAXES

All other taxes are projected to account for 1.1 percent of total tax revenue in 2017, or \$585.5 million.

**2016–2017 Other Taxes Forecast
Excluding Tax Audit Revenue
(\$000s)**

Tax	2016	2017	Increase/(Decrease) From 2016 to 2017 Amount	Percent Change
Auto Related Taxes				
Auto Use	\$29,000	\$29,000	-	0.0%
Commercial Motor Vehicle.....	55,000	55,000	-	0.0%
Taxi Medallion Transfer.....	2,000	2,000	-	0.0%
Excise Taxes.....				
Beer and Liquor	24,000	24,000	-	0.0%
Liquor License Surcharge.....	5,000	5,000	-	0.0%
Horse Race Admissions	50	50	-	0.0%
Off-Track Betting Surtax	1,220	1,220	-	0.0%
Miscellaneous				
Other Refunds	(29,000)	(29,000)	-	0.0%
Payment in Lieu of Taxes (PILOTs)	314,200	292,200	(22,000)	(7.0%)
Section 1127 (Waiver)	156,000	156,000	-	0.0%
Penalty and Interest Real Estate.....				
.....(Current Year)	19,000	18,000	(1,000)	(5.3%)
Penalty and Interest Real Estate.....				
.....(Prior Year)	36,000	35,000	(1,000)	(2.8%)
Penalty and Interest - Other Refunds...	(3,000)	(3,000)	-	0.0%
Total	\$609,470	\$585,470	(\$24,000)	(3.9%)

AUTO RELATED TAXES

Auto Use Tax: This tax is expected to generate \$29.0 million in both 2016 and 2017.

Commercial Motor Vehicle Tax: This tax is expected to generate \$55.0 million in both 2016 and 2017.

Taxi Medallion Transfer Tax: This tax is expected to generate \$2.0 million in both 2016 and 2017.

EXCISE TAXES

Beer and Liquor Excise Tax: This tax is expected to generate \$24.0 million in both 2016 and 2017.

Liquor License Surcharge: This tax is expected to generate \$5.0 million in both 2016 and 2017.

Horse Race Admissions Tax: This tax is expected to generate \$50 thousand in both 2016 and 2017.

Off-Track Betting Surtax: This tax is expected to generate \$1.2 million in both 2016 and 2017.

MISCELLANEOUS

Other Refunds: These refunds are primarily paid out on the commercial rent tax and Section 1127 (waiver) and are projected to be \$29.0 million in both 2016 and 2017.

Payments in Lieu of Taxes (PILOTs): PILOTs are contractual agreements between public agencies and private property owners. There are three 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 and the Battery Park City Authority. These agencies administer projects that comprise approximately 83 percent of PILOT payments received. PILOT revenue is expected to be \$314.2 million in 2016 and \$292.2 million in 2017.

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 projected to be \$156.0 million in both 2016 and 2017.

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 expected to be \$19.0 million in 2016 and \$18.0 million in 2017, while penalty and interest collections from prior year delinquencies are expected to be \$36.0 million in 2016 and \$35.0 million in 2017.

Penalty and Interest - Other Refunds: The City pays interest on refunds claimed for overpayment 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 projected at \$3.0 million in both 2016 and 2017.

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 \$1.060 billion in 2016. The audit revenue for 2017 is forecast at \$713.8 million.

MISCELLANEOUS RECEIPTS

Forecast of Miscellaneous Receipts

The non-tax revenue portion of City Funds is referred to as miscellaneous revenues. The 2017 Executive Budget includes eleven classes of miscellaneous revenues which are discussed below.

Miscellaneous Revenues (\$ in Millions)

	2016 Forecast	2017 Executive Budget	Forecast to Executive Budget Increase (Decrease)
Licenses.....	\$82	\$75	(7)
Permits.....	262	236	(26)
Franchises and Privileges.....	346	345	(1)
Interest Income.....	46	61	15
Tuition and Charges for Services.....	993	973	(20)
Water and Sewer Revenues.....	1,516	1,420	(96)
Rental Income.....	257	217	(40)
Fines and Forfeitures.....	937	905	(32)
Miscellaneous.....	648	505	(143)
Total Miscellaneous Revenues.....	<u>\$5,087</u>	<u>\$4,737</u>	<u>(350)</u>

Miscellaneous revenues are estimated at \$4,737 million in 2017, a decrease of \$350 million from 2016, exclusive of private grants and intra-city revenues. The revenue classes listed above are regrouped and described in the following three areas: Cost-based Charges (Licenses, Permits, and Charges for Services); Water and Sewer Revenues; and Other Income (Interest Income, Franchises, Rental Income, Fines, and Miscellaneous).

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 570,000 licenses. About 84,000 are non-recurring, 117,000 are renewed annually, 327,000 biennially, and 42,000 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 2017 forecast for license revenue is \$75 million, \$7 million less than 2016. This decline is attributable to the cyclical renewal of certain licenses and a surge in licenses issued by the Taxi and Limousine Commission in 2016.

Permits

Permits are issued to 1,310,000 individuals or entities for the use of facilities, premises or equipment. Approximately 340,000 permits are renewable on an annual, biennial or triennial basis. Seasonal or single occurrence permits, such as tennis and building permits, account for 970,000 additional permits, all of which are issued and regulated by twelve City agencies.

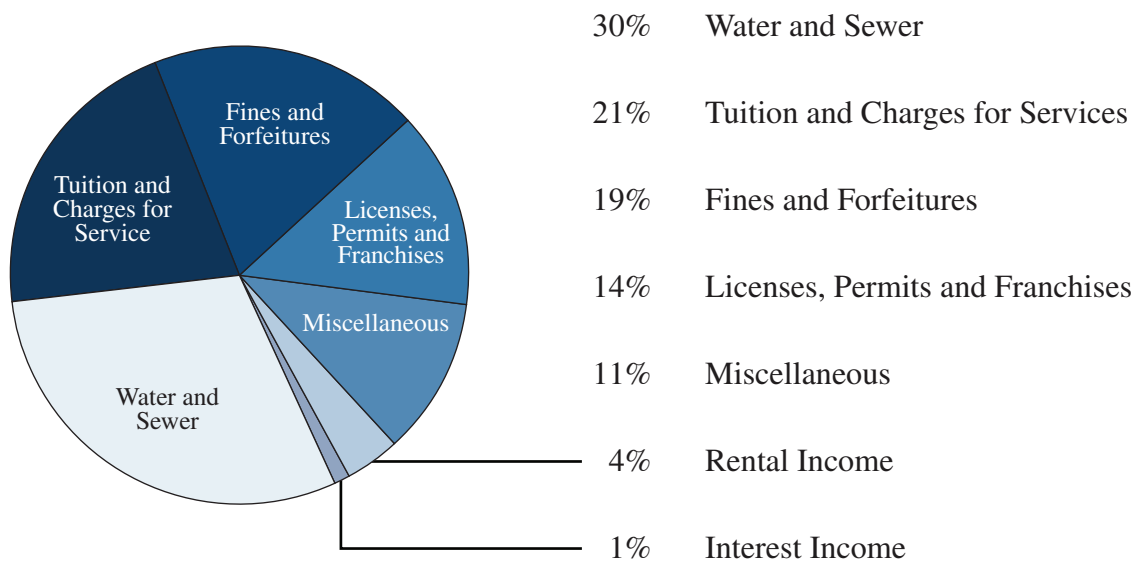
The major sources of revenue are permits for building construction and alterations, street openings, restaurants, hazardous materials, and air pollution control. The 2017 forecast for permit revenue is \$236 million, \$26 million less than 2016. The decrease is due to a decline in receipts for construction-related permits issued by the Department of Buildings and 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, provision of school lunches, copies of certificates, processing applications, searches, and performing fire and building inspections. The 2017 forecast for tuition and charges for services is \$973 million, \$20 million less than 2016. This decline is due to non-recurring revenue from various building and fire department fees and the processing of high volumes of 421-a tax exemption applications, due to the expiration of the tax abatement program.

COMPONENTS OF MISCELLANEOUS REVENUES

As a Percentage of 2017



Water and Sewer Revenues

Water and Sewer charges are collected by the New York City Water Board. From these charges the Board historically paid revenue to the City in two components: reimbursement for operation and maintenance (O&M) of the water delivery and waste water disposal systems and rent. 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 rental payment from the Water Board was intended to pay for the use of the City's water supply, distribution, collection and treatment plant, and was equal to the greater of debt service payments for outstanding water and sewer-related general obligation debt or up to 15 percent of Water Finance Authority debt service. On a pilot program basis beginning in 2012 and ending in 2015, the City returned part of the rental payment to the Water Board. The Water Board recognized this rental return payment as revenue. In 2016, the returned rental payment was 40 percent of the prior year's rental payment; beginning in 2017, the City will no longer request the rental payment from the Water Board.

The Water Board has proposed a 2.10 percent rate increase for 2017. The forecast for Water Board revenue is \$3.7 billion, including a City payment of \$114 million for municipal water and sewer charges and \$97 million for subsidies and interest on funds held by the New York City Municipal Water Finance Authority. The City will receive \$1.420 billion for O&M services rendered in the delivery of water and the collection, treatment, and disposal of waste water.

Other Income

Other income includes fines, concession and franchise payments, rental income, interest earned on the City's cash balances, 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, transportation, and quality of life 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 2017 forecast for interest earnings is \$61 million, an increase of \$15 million from 2016. This increase is attributable to the expectation that the Federal Reserve will continue a slow increase to the federal funds rate in 2017, partially offset by conservative assumptions for anticipated cash available for investment.

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 2017 forecast for franchise revenue is \$345 million, \$1 million less than in 2016.

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 2,500 properties are rented from the City.

Approximately 500 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 2017 forecast for rental income is \$217 million, \$40 million less than in 2016. The decrease is a result of the elimination of rental income from certain EDC managed properties.

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 2017 forecast for forfeitures is \$1.1 million. The revenue expected from fines in 2016 and 2017 is listed below:

Fine Revenue

Type (\$ in 000's)	2016 Forecast	2017 Executive Budget
Parking Violations.....	\$518,800	\$518,800
Environmental Control Board Violations	110,862	97,730
Speed Camera Violations.....	55,000	66,596
Department of Buildings Penalties	58,000	43,400
Red Light Camera Violations.....	27,000	27,000
Department of Health Violations	26,000	26,000
Bus Lane Violations.....	15,096	18,628
Taxi and Limousine Commission Violations.....	19,200	15,700
Traffic Violations	22,300	12,567
Department of Consumer Affairs.....	8,926	9,300
State Court Fines.....	7,135	7,135
Department of Finance Penalties	8,800	5,400
Other Sources.....	58,725	55,416
Total.....	\$935,844	\$903,672

The Parking Violation division of the Department of Finance is forecasted to collect \$631 million in parking, red light, bus lane, and speed camera fines in 2017, \$15 million more than in 2016.

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 211 red light cameras operating at 150 intersections. Red light camera violations will generate \$27 million in 2017. In addition, the Department has implemented 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 from 7:00 am to 7:00 p.m. The Department will generate approximately \$19 million in 2017. In January 2014, the Department was authorized to use speed camera enforcement. Currently 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). As of September 2015, all 140 authorized cameras are placed, 100 fixed and 40 mobile. Collections are expected to reach \$67 million in 2017, approximately \$12 million more than 2016 as a result of full year implementation of all cameras.

The Office of Administrative Trials and Hearings (OATH) 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 \$129 million in 2017.

The Department of Consumer Affairs enforces the City's consumer protection, licensing, weights and measures, and Truth-in-Pricing Laws. In 2017, the Department will generate \$9.3 million in fine revenue, slightly more than in 2016. The Department of Consumer Affairs will continue its change in 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 2017.

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.

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 2017 forecast for miscellaneous revenue is \$505 million, \$143 million less than in 2016. The decrease is primarily related to one-time revenue in 2016 from the tobacco settlement disputed payments account, restitution, and the return of prior year expenditures for the early intervention program; this is partially offset by one-time revenue from asset sales and the release of funds from the health stabilization reserve in 2017.

Private Grants

The Executive Budget includes \$851 million in private grants in 2017, \$146 million more than 2016. 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 2017 expected reimbursements will be \$645 million.

CAPITAL BUDGET

The Executive Capital Budget and Four-Year Plan, 2017-2020

The 2017 Executive Capital Budget includes new appropriations of \$13.1 billion, of which \$11.4 billion are to be funded from City sources. These appropriations, together with available balances from prior years, authorize total commitments of \$18.1 billion for 2017, of which \$15.3 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 2017-2020 Capital Plan totals \$52.2 billion for the construction and rehabilitation of the City's infrastructure. This will provide funding targeted to building and improving schools, reconstructing parks, providing affordable housing, improving transportation, and maintaining the drinking water system. In addition, damages to critical infrastructure throughout New York City caused by Hurricane Sandy are estimated at \$3.2 billion in the 2017-2020 Capital Program.

The Capital Plan provides \$11.0 billion for new school construction and expansion, as well as the modernization, rehabilitation and improvements to existing school buildings. An investment of \$2.9 billion will support the reconstruction of the City's parks, playgrounds, and other facilities to provide clean, safe, attractive and functional public spaces. The Capital Plan also provides \$2.8 billion for the preservation and construction of affordable housing for low to moderate incomes and those with special needs. The City will invest \$743.0 million for the continued rehabilitation of the four East River Bridges. The City will also invest \$735.0 million 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, the reconstruction of the Lower Catskill Aqueduct, and the boring of a tunnel between the Kensico Reservoir and Catskill/Delaware Ultraviolet Light Disinfection Facility.

FY 2016 - 2020 Commitment Plan
(\$ in Millions)

	2016		2017		2018		2019		2020	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Environmental Protection										
Equipment	\$131	\$131	\$86	\$86	\$107	\$107	\$64	\$64	\$69	\$69
Sewers.....	472	492	972	984	517	517	535	535	426	426
Water Mains, Sources & Treatment.....	680	681	1,011	1,014	585	585	349	349	363	363
Water Pollution Control.....	926	947	965	1,027	1,130	1,368	1,045	1,045	609	609
Water Supply	102	102	123	123	20	20	424	424	205	205
Subtotal.....	\$2,311	\$2,353	\$3,156	\$3,234	\$2,359	\$2,597	\$2,416	\$2,416	\$1,671	\$1,671
Transportation										
Mass Transit.....	\$364	\$394	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125
Bridges.....	350	506	1,268	1,638	357	461	598	640	1,377	1,473
Highways	546	711	869	1,111	832	996	634	760	292	313
Subtotal.....	\$1,261	\$1,611	\$2,262	\$2,875	\$1,314	\$1,582	\$1,357	\$1,525	\$1,795	\$1,911
Education										
Education.....	\$2,821	\$3,150	\$2,827	\$3,121	\$2,281	\$2,953	\$2,693	\$2,888	\$2,067	\$2,067
Higher Education.....	226	236	102	102	50	50	70	70	23	23
Subtotal.....	\$3,048	\$3,386	\$2,930	\$3,224	\$2,331	\$3,003	\$2,763	\$2,958	\$2,090	\$2,090
Housing & Economic Development										
Economic Development	\$532	\$657	\$942	\$1,061	\$536	\$569	\$271	\$349	\$401	\$485
Housing	1,064	1,070	657	683	657	683	671	703	686	718
Subtotal.....	\$1,596	\$1,727	\$1,599	\$1,744	\$1,193	\$1,252	\$943	\$1,053	\$1,087	\$1,203
Administration of Justice										
Corrections	\$387	\$458	\$312	\$317	\$930	\$930	\$392	\$392	\$53	\$53
Courts	155	168	185	187	315	315	131	131	208	208
Police	425	451	504	530	180	180	224	224	351	351
Subtotal.....	\$968	\$1,078	\$1,001	\$1,033	\$1,425	\$1,425	\$748	\$748	\$612	\$612
City Operations and Facilities										
Cultural Institutions.....	\$511	\$644	\$211	\$215	\$50	\$50	\$4	\$4	\$0	\$0
Fire.....	210	215	197	292	150	214	94	94	102	102
Health & Hospitals.....	365	514	355	778	297	705	167	529	165	374
Parks	575	820	1,107	1,442	456	512	389	389	562	562
Public Buildings	180	180	344	345	270	270	128	128	58	58
Sanitation.....	250	253	382	397	253	253	362	362	705	705
Resiliency, Technology & Equipment	847	852	760	1,218	623	623	462	462	448	448
Other.....	1,065	1,239	997	1,300	514	635	310	362	206	244
Subtotal.....	\$4,003	\$4,716	\$4,353	\$5,987	\$2,615	\$3,263	\$1,916	\$2,331	\$2,245	\$2,493
Total Commitments.....	\$13,187	\$14,872	\$15,300	\$18,097	\$11,237	\$13,122	\$10,144	\$11,030	\$9,500	\$9,979
Reserve for Unattained Commitments										
	(\$3,809)	(\$3,809)	(\$1,774)	(\$1,774)	(\$303)	(\$303)	\$276	\$276	\$322	\$322
Commitment Plan.....	\$9,378	\$11,063	\$13,526	\$16,323	\$10,934	\$12,819	\$10,420	\$11,306	\$9,822	\$10,301
Total Expenditures.....	\$6,499	\$8,288	\$7,835	\$9,299	\$9,303	\$10,876	\$10,148	\$11,727	\$10,254	\$11,477

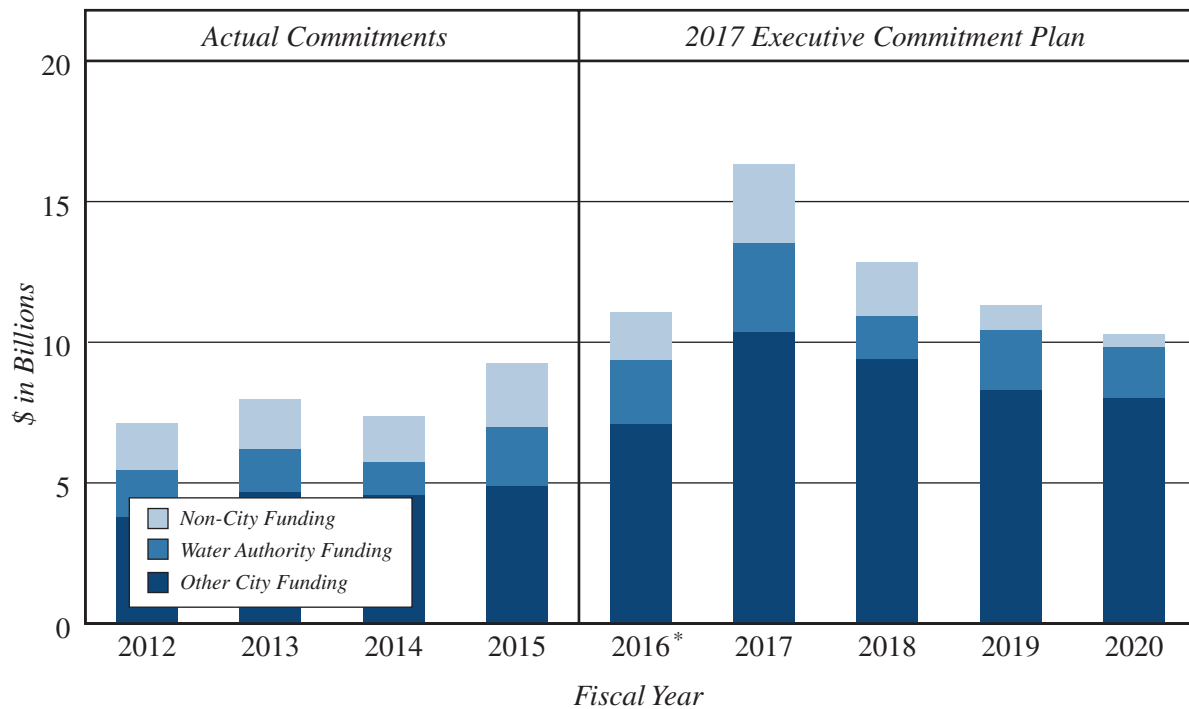
Note: Individual items may not add to totals due to rounding.

Non-City Funding Sources

Non-City capital funding sources include \$2.8 billion in the 2017 plan and \$6.0 billion over the 2017-2020 four-year plan period. The majority of non-City funding supports Transportation, Hospitals, Education, Resiliency Measures, and Parks.

Transportation programs are projected to receive non-City funding of \$1.6 billion over the 2017-2020 period, with \$1.3 billion from the Federal government, \$242.6 million from the State, and private funds of \$103.1 million. Hospitals programs are projected to receive \$1.4 billion in Federal funding over the 2017-2020 period. Education programs anticipate receiving \$1.2 billion over the 2017-2020 period, with \$1.1 billion from the State, and \$98.8 million from the Federal government. Resiliency Measures anticipate receiving \$456.5 million in Federal funding in 2017. Parks programs are projected to receive \$391.3 million over the 2017-2020 period, with \$303.5 million from the Federal government, \$69.4 million from private funds, and \$18.4 million from the State.

FY 2012-2020 CAPITAL COMMITMENTS BY FUNDING SOURCE



* Projected

The Capital Program since 2012

The table below illustrates the changes in the size of the City's capital program over the 2012-2015 period.

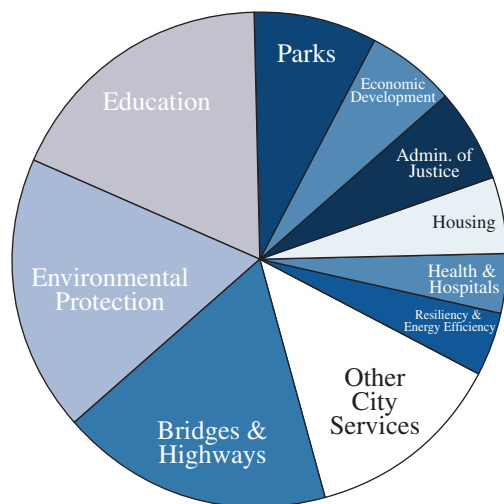
**FY 2012-2015 Commitments
(\$ in Millions)**

	2012		2013		2014		2015	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
<i>Environmental Protection</i>								
Equipment	\$59	\$59	\$65	\$58	\$84	\$84	\$91	\$91
Sewers.....	366	368	279	288	300	302	344	355
Water Mains, Sources and Treatment.....	578	590	402	402	343	345	553	553
Water Pollution Control.....	571	570	454	456	412	408	367	367
Water Supply	97	97	316	316	21	21	737	737
<i>Subtotal</i>	\$1,670	\$1,685	\$1,516	\$1,521	\$1,160	\$1,160	\$2,091	\$2,103
<i>Transportation</i>								
Mass Transit.....	\$5	\$35	\$125	\$133	\$35	\$35	\$125	\$125
Bridges.....	6	125	249	361	131	234	300	735
Highways	278	300	298	438	325	415	329	421
<i>Subtotal</i>	\$290	\$460	\$672	\$931	\$491	\$684	\$755	\$1,280
<i>Education</i>								
Education.....	\$1,263	\$2,481	\$1,282	\$2,345	\$1,040	\$2,060	\$1,546	\$2,884
Higher Education.....	70	70	48	48	74	74	55	55
<i>Subtotal</i>	\$1,332	\$2,551	\$1,330	\$2,394	\$1,113	\$2,134	\$1,601	\$2,940
<i>Housing & Economic Development</i>								
Economic Development	\$205	\$244	\$272	\$282	\$255	\$278	\$152	\$163
Housing	192	298	308	376	336	415	376	413
<i>Subtotal</i>	\$397	\$542	\$580	\$657	\$590	\$694	\$528	\$576
<i>Administration of Justice</i>								
Correction.....	\$95	\$95	\$104	\$104	\$114	\$125	\$153	\$154
Courts	63	63	17	17	123	123	10	10
Police	63	63	83	89	164	170	140	141
<i>Subtotal</i>	\$221	\$221	\$204	\$210	\$401	\$418	\$303	\$304
<i>City Operations & Facilities</i>								
Cultural Institutions.....	\$133	\$135	\$172	\$176	\$211	\$215	\$151	\$154
Fire.....	83	87	143	157	52	63	70	71
Health & Hospitals.....	292	298	264	315	244	307	143	157
Parks	256	290	310	533	255	365	465	646
Public Buildings	154	154	190	190	144	144	94	94
Sanitation.....	222	222	392	400	276	277	255	274
Technology & Equipment.....	260	276	277	279	571	573	258	258
Other	147	187	147	215	216	356	278	404
<i>Subtotal</i>	\$1,548	\$1,651	\$1,894	\$2,265	\$1,969	\$2,298	\$1,714	\$2,056
<i>Total Commitments</i>	\$5,458	\$7,111	\$6,196	\$7,978	\$5,725	\$7,387	\$6,992	\$9,260
<i>Total Expenditures</i>	\$6,994	\$8,431	\$6,888	\$8,385	\$7,468	\$7,903	\$5,949	\$7,836

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

2017 AUTHORIZED CAPITAL COMMITMENTS, BY PROGRAM

(\$ in Millions - All Funds)



<i>% of Plan</i>	<i>Program</i>	<i>2017 Plan</i>
18%	Bridges & Highways	\$3,364
18%	Environmental Protection	3,234
18%	Education	3,224
8%	Parks	1,442
6%	Economic Development	1,061
6%	Administration of Justice	1,033
5%	Housing	859
4%	Health & Hospitals	778
4%	Resiliency & Energy Efficiency	739
13%	Other City Services	2,363
	Total	\$18,097

2017 Agency Highlights

Technology

- Information and Communication Systems: 911/Emergency Communications Transformation Program (ECTP) facilities, software, and equipment to update and integrate the City’s computer aided dispatch capabilities (\$102.8 million); Broadband Initiative including expansion of wireless access for low-income residents (\$20.0 million); and as part of IT security, hardware and software security upgrades required to safeguard the City’s information technology assets (\$14.0 million).

Environmental Protection and Sanitation

- Sewers: reconstruction and augmentation of the City’s sewer system (\$457.5 million); continued replacement of chronically failing components (\$167.0 million); Staten Island Bluebelt build out (\$130.2 million); and Southeast Queens sewer construction (\$192.7 million). The total Sewers program for 2017 is \$984.1 million.
- Water Mains, Sources and Treatment: continued in-City water main construction and ancillary work (\$647.8 million), including Southeast Queens related work (\$49.7 million); and continued improvements and repairs to infrastructure in the City’s upstate watersheds (\$366.1 million), including projects in fulfillment of dam and bridge safety mandates (\$137.7 million), projects geared towards water quality preservation (\$120.9 million), and projects related to the Croton Filtration Plant (\$72.1 million). The total Water Mains, Sources and Treatment program for 2017 is \$1.0 billion.
- Wastewater Treatment: conduct essential projects at water pollution control plants and related infrastructure to sustain uninterrupted wastewater treatment operation (\$559.0 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 (\$186.6 million); ongoing stabilization and upgrade of in-City wastewater treatment plants and systems to ensure compliance with State and Federal

mandates (\$177.9 million), including the development of cogeneration at the North River wastewater treatment plant (\$174.6 million); and addressing water quality problems attributed to combined sewer overflow discharges into the City's surrounding waterways during wet weather conditions (\$95.5 million). The total Wastewater Treatment program for 2017 is \$1.0 billion.

- **Water Supply:** initial design work for the construction of two remaining shafts for the Brooklyn/Queens section of City Tunnel No. 3 (\$57.0 million); and a tunnel providing needed redundancy between Kensico Reservoir and the Ultraviolet Light Treatment Plant (\$35.0 million). The total Water Supply program for 2017 is \$122.8 million.
- **Equipment:** continued water conservation programs, including installation of automatic meter reading devices (\$23.9 million). The total Equipment program for 2017 is \$85.7 million.
- **Sanitation:** replacement of vehicles (\$656.8 million); component rehabilitation at garages and other facilities, Citywide (\$260.3 million); construction of a new garage for Bronx Community Districts 9, 10, and 11 (\$206.9 million); construction of a new garage for Manhattan Community Districts 6 and 8 (\$199.1 million); construction of a new garage for Brooklyn Community District 3 (\$144.1 million); construction of a new garage for Staten Island Community District 1 (\$111.0 million); construction and renovation of transfer stations and other facilities in accordance with the City's Long Term Solid Waste Management Plan (\$103.4 million); and purchases of information technology and telecommunications equipment (\$35.1 million).

Transportation

- **Bridges:** rehabilitation of bridges in fair or good condition, including the Bruckner Expressway over Westchester Creek (\$213.2 million) and Atlantic Ave over LIRR (\$90.9 million); rehabilitation of the Ed Koch Queensboro Bridge (\$291.5 million); and rehabilitation of bridge projects scheduled for life extension, including the Broadway Bridge over Harlem River (\$156.4 million). The total Bridge program for 2017 is \$1.6 billion.
- **Highways:** street reconstruction of 139 lane miles (\$585.3 million), which includes Trench Restoration (\$60.0 million), various projects to address the needs in Southeast Queens (\$44.6 million) and reconstruction of West 33rd Street – Hudson Yards Vicinity (\$35.7 million); street and arterial resurfacing of 1300 lane miles of streets (\$282.3 million); and reconstruction of sidewalks and pedestrian ramps (\$164.4 million). The total Highways program for 2017 is \$1.1 billion.
- **Traffic:** replacement of lampposts, luminaires, and associated infrastructure with LED (\$22.6 million); upgrading Central Park street lighting infrastructure (\$14.0 million); and installation of bus lane enforcement cameras (\$11.4 million). The total Traffic program for 2017 is \$161.2 million.
- **Ferries:** construction of three new ferry boats (\$327.7 million); and floodproofing of Staten Island Ferry terminals (\$24.9 million). The total Ferries program for 2017 is \$397.5 million.
- **Equipment:** replacement of vehicles and equipment that are past useful life (\$20.0 million); and purchase 48 pieces of pothole repair equipment (\$1.7 million). The total Equipment program for 2017 is \$55.3 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 2017 is \$125.0 million.

Education, Health and Social Services

- Education: rehabilitate, replace and upgrade building components (\$913.8 million); expand facilities through leases, building additions, and new athletic fields and playgrounds (\$758.4 million); cover emergency projects, research and development, and prior plan completion costs (\$568.8 million); construct new schools (\$415.4 million); capital improvements that enhance educational programs (\$210.3 million); technological enhancements, expansion of pre-kindergarten capacity, and removal of transportable classroom units (\$195.0 million); and address the need for security systems, emergency lighting and code compliance (\$59.6 million). The total Education program for 2017 is \$3.1 billion.
- Higher Education: miscellaneous reconstruction (\$91.1 million); data processing and other equipment (\$9.7 million); and energy conservation projects (\$1.6 million). The total Higher Education program for 2017 is \$102.4 million.
- Health: NYC Health + Hospitals (H+H) Electronic Health Record system (\$68.0 million); ambulance purchases (\$51.0 million); unsafe facade remediation work on various H+H facilities (\$33.0 million); H+H primary care expansion (\$25.0 million); H+H Vanderbilt Avenue Health Center (\$24.0 million); various DOHMH facility renovations and rehabilitation (\$9.1 million); DOHMH's automation and technology infrastructure improvements (\$5.9 million); and OCME's lab equipment purchases (\$5.1 million).
- Aging: rehabilitation of senior centers (\$4.8 million); computer and network upgrades and equipment purchases (\$3.1 million); and vehicle expenses (\$2.6 million).
- Administration for Children's Services: renovation and upgrades of the Department's two secure detention facilities (\$45.6 million); renovation and code compliance at various child care centers (\$23.7 million); and telecommunications and data infrastructure upgrades and improvements (\$13.2 million).
- Homeless Services: renovation and upgrade of adult shelters (\$27.1 million); renovation and upgrade of family shelters (\$24.6 million); and computer network upgrade and equipment purchases (\$10.0 million).
- Human Resources: data infrastructure upgrades and improvements (\$33.2 million), including the agency's Client Services Re-engineering initiative (\$27.5 million); construction and initial outfitting for citywide facilities (\$22.0 million); and purchases of telecommunications equipment (\$2.6 million).

Housing and Development

- Housing: provision of low-interest loans to finance the rehabilitation and preservation of approximately 9,100 units in privately-owned buildings under Low Income Housing Tax Credit Year 15 Preservation, Multifamily Housing Rehabilitation, Participation Loan, and other housing preservation programs (\$245.0 million); production and rehabilitation of approximately 1,970 units for low-income formerly homeless individuals, seniors, and persons with special needs, through Senior Affordable Rental, and Supportive Housing Loan programs (\$195.0 million); new construction of approximately 9,000 rental and homeownership dwelling units through varied scattered site, large-scale, and multifamily initiatives (\$175.6 million); funding for technology, infrastructure, demolition and other ancillary production investments (\$45.0 million); and disposition and rehabilitation of approximately 550 *In Rem* dwelling units through various privatization initiatives (\$22.5 million).
- Housing Authority: upgrades to building exteriors and systems, including roof work and mold remediation, elevators, conversion to instantaneous hot water heaters, exterior lighting, and other general capital maintenance (\$176.0 million).
- Economic Development: rehabilitation of industrial space at the Brooklyn Army Terminal (\$71.0 million); upgrades at the Hunts Point Meat Market in the South Bronx (\$65.0 million); Phases II and III of the

infrastructure work at the Stapleton waterfront (\$50.0 million); infrastructure work to support planned affordable housing sites throughout the five boroughs (\$43.0 million); Phase II of the infrastructure work at Hunters Point South (\$36.0 million); construction of a homeporting pier at the Brooklyn Navy Yard and the purchase of four ferries for the new citywide Ferry System (\$35.0 million); and development, management and rehabilitation of City-owned waterfront, industrial and other properties (\$30.0 million).

Administration of Justice and Public Safety

- Correction: improvements to building systems, infrastructure and support space (\$172.4 million); capacity replacement construction (\$135.5 million); and lifecycle replacement of equipment (\$8.6 million).
- Courts: interior renovations and operational improvements of courts facilities (\$143.9 million); electrical upgrades (\$11.0 million); fire/life safety work (\$9.8 million); exterior renovations (\$9.2 million); elevator upgrades (\$6.4 million); site work (\$3.7 million); and HVAC improvements (\$3.3 million).
- Police: construction, rehabilitation and relocation of facilities, Citywide (\$337.4 million); replacement and upgrade of critical network infrastructure equipment and data management systems (\$108.3 million); replacement and upgrade of portable radios, radio equipment, infrastructure and systems (\$44.3 million); replacement and upgrade of general equipment, Citywide (\$22.1 million); and lifecycle replacement of vehicles (\$17.4 million).
- Fire: the replacement of conduit and wiring in inundation zones for the Department's outside cable plant that was damaged during Hurricane Sandy (\$90.0 million); the renovation of firehouse components such as boilers, electrical systems, kitchens, roofs, bathrooms, waterproofing, apparatus doors, floors, and windows, EMS Station acquisition, construction, and renovation, and support facility reconstruction (\$78.0 million); the replacement of end of life information technology and communications equipment (\$45.6 million); the replacement of front-line fire-fighting apparatus according to mandated replacement cycles as well as support vehicles and equipment (\$38.5 million); the upgrade of 9-1-1 communications system infrastructure as it approaches the end of its useful life (\$32.5 million); the replacement of the building information and billing system used by Fire Prevention (\$5.4 million); and the design of a new firehouse for Engine Company 268 in Queens (\$2.0 million).

Recreation and Cultural

- Parks: the implementation of the Community Parks Initiative (\$74.2 million); the planting of new street trees and park trees and the construction of greenstreets, Citywide (\$30.5 million); construction of Andrew Haswell Green Park in Manhattan (\$22.4 million); the reconstruction of the Brownsville Recreation Center in Brooklyn (\$16.6 million); the reconstruction of Fairview Park in Staten Island (\$10.8 million); the reconstruction of the Porpoise Bridge and Tide Gate System in Queens (\$7.5 million); and the reconstruction of ballfields at Crotona Park in the Bronx (\$3.4 million).
- Public Libraries: renovation of the Midtown Campus (\$107.7 million) and comprehensive renovation of the Fort Washington branch in Manhattan (\$2.0 million); expansion and furnishing of the Baisley Park branch (\$6.6 million) and various improvements at the St. Albans branch in Queens (\$1.9 million); interior and exterior rehabilitation of the Borough Park branch (\$2.9 million) and the Arlington branch in Brooklyn (\$1.8 million); comprehensive renovations of the Hunts Point branch (\$2.0 million) and the Melrose branch in the Bronx (\$2.0 million); and comprehensive renovation of the Port Richmond branch in Staten Island (\$0.5 million).
- Cultural Affairs: construction of the new Gilder Center for Science, Education, and Innovation at the American Museum of Natural History (\$34.6 million); initiation of the South Site Cultural Project in Downtown Brooklyn, accommodating the Museum of Contemporary African Diasporan Arts (MoCADA), 651 Arts, Brooklyn Academy of Music (BAM), and Brooklyn Public Library (\$31.8 million); various

upgrades and expansion of the Queens Museum of Art (\$13.5 million); construction of the Kids' Powerhouse Discovery Center at the Bronx Children's Museum (\$5.3 million); and various upgrades and improvements at the Snug Harbor Cultural Center (\$4.0 million).

Department of Citywide Administrative Services

- **Public Buildings and Real Property:** rehabilitation of City-owned space (\$124.8 million), including 345 Adams in Brooklyn (\$37.9 million), the Brooklyn Municipal Building (\$27.7 million), 137 Centre in Manhattan (\$15.2 million), 21st Century Civic Center Plan projects (\$5.3 million), and Queens Borough Hall (\$4.3 million); legal mandates (\$75.0 million), including façade upgrades to ensure Local Law 11 compliance (\$19.9 million) and fire alarm and sprinkler updates per Local Laws 5 and 26 (\$13.3 million); renovation of leased space (\$62.6 million), including space for the Department of Finance (\$34.6 million); miscellaneous construction in other facilities (\$50.1 million); reconstruction of waterfront properties and non-waterfront properties (\$31.7 million); equipment and interagency services (\$20.5 million), including equipment upgrades for New York City Emergency Management at Cadman Plaza (\$3.3 million); renovation of other City-owned facilities (\$10.0 million); acquisition of real property (\$1.2 million); communications equipment (\$0.5 million); and rehabilitation of court buildings (\$0.3 million).
- **Energy Efficiency and Sustainability:** energy efficiency measures and building retrofits (\$277.4 million), including energy efficiency upgrades in public buildings to meet the goals of One City, Built to Last (\$108.8 million), the Accelerated Conservation and Efficiency ("ACE") Program (\$76.1 million), cogeneration systems at local hospitals (\$19.8 million), Local Law 87 deep retrofits (\$49.6 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 (\$461.3 million), including East Side Coastal Resiliency (\$280.5 million) and Lower Manhattan Two Bridges Infrastructure Resiliency (\$176.0 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 2017-2020 Borough Presidents' Allocations*
(City Funded Appropriations \$ in 000's)

	2017	2018	2019	2020
Bronx Program				
Cultural Affairs.....	\$1,325	—	—	—
Economic Development	500	—	—	—
Education	4,330	—	—	—
Higher Education.....	2,500	—	—	—
Highways	2,650	—	—	—
Hospitals.....	232	—	—	—
Housing.....	3,765	—	—	—
Housing Authority	200	—	—	—
Human Resources.....	162	—	—	—
New York Public Library.....	500	—	—	—
Parks	14,615	—	—	—
Public Buildings	1,621	—	—	—
GRAND TOTAL: BRONX.....	\$32,400	\$0	\$0	\$0
Brooklyn Program				
Brooklyn Public Library.....	\$500	—	—	—
Cultural Affairs.....	7,647	—	—	—
Economic Development	5,357	—	—	—
Education.....	23,398	—	—	—
Health	662	—	—	—
Higher Education.....	1,227	—	—	—
Highways	2,000	—	—	—
Homeless	100	—	—	—
Housing.....	2,250	—	—	—
Housing Authority	2,000	—	—	—
Human Resources.....	250	—	—	—
Parks	2,250	—	—	—
Police	287	—	—	—
Public Buildings	523	—	—	—
Traffic	575	—	—	—
GRAND TOTAL: BROOKLYN	\$49,026	\$0	\$0	\$0

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

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

FY 2017-2020 Borough Presidents' Allocations*
(City Funded Appropriations \$ in 000's)

	2017	2018	2019	2020
Manhattan Program				
Aging	\$100	—	—	—
Children's Services.....	248	413	—	—
Cultural Affairs.....	4,389	—	—	—
Economic Development	626	—	—	—
Education.....	13,089	—	—	—
Higher Education.....	1,200	—	—	—
Homeless.....	75	—	—	—
Hospitals.....	85	—	—	—
Housing	400	—	—	—
Human Resources.....	1	—	—	—
New York Public Library.....	900	—	—	—
Parks.....	3,275	3,250	—	—
Public Buildings	951	263	—	—
GRAND TOTAL: MANHATTAN	\$25,339	\$3,926	\$0	\$0
Queens Program				
Children's Services.....	\$41	—	—	—
Cultural Affairs.....	6,485	—	—	—
Economic Development	99	—	—	—
Education.....	9,720	—	—	—
Health.....	4,439	—	—	—
Higher Education.....	4,496	—	—	—
Hospitals.....	1,450	—	—	—
Housing.....	2,750	—	—	—
Housing Authority.....	3,750	—	—	—
Human Resources.....	700	—	—	—
Parks.....	21,269	800	—	—
Police.....	800	—	—	—
Public Buildings	1,250	—	—	—
Queens Library.....	14,423	—	—	—
GRAND TOTAL: QUEENS	\$71,672	\$800	\$0	\$0
Staten Island Program				
Cultural Affairs.....	\$3,746	—	—	—
Education.....	12,062	—	—	—
Fire.....	1	—	—	—
Higher Education.....	800	—	—	—
Housing Authority.....	1,400	—	—	—
New York Public Library.....	1,750	—	—	—
Parks.....	8,490	—	—	—
Public Buildings	1,000	—	—	—
GRAND TOTAL: STATEN ISLAND.....	\$29,249	\$0	\$0	\$0

* 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 34 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 projects' scope, cost and schedule. In addition to defining potential cost reductions, the VE process frequently generates project improvements, and anticipates project risks and solves functional problems by raising relevant issues which adversely compromise the project's development, cost and schedule early in the design process. 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 projects' 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, water tunnel structures, hospitals, garages, and operational reviews.

FINANCING PROGRAM

The City financing program projects \$41.4 billion of long-term borrowing for the period fiscal years 2016 through 2020 to support the City current capital program. The portion of the capital program not financed by the New York City Municipal Water Finance Authority (NYW or the Authority) will be split between General Obligation (GO) bonds of the City and Future Tax Secured (FTS) bonds of the New York City Transitional Finance Authority (TFA). Given the TFA is approaching its statutory limit on Building Aid Revenue Bonds (BARB) debt outstanding, the financing program reflects a reduction in BARB issuance so as to remain under the limit. Correspondingly, the portion of the education capital program previously planned to be financed with BARBs will be financed by GO or TFA FTS bonds.

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

Financing Program (\$ in Millions)

	2016	2017	2018	2019	2020	Total
City General Obligation Bonds	\$0	\$2,250	\$3,650	\$4,040	\$4,120	\$14,060
TFA Bonds ¹	3,650	3,375	3,650	4,040	4,120	18,835
Water Authority Bonds ²	1,124	2,083	1,760	1,808	1,770	8,545
Total	\$4,774	\$7,708	\$9,060	\$9,888	\$10,010	\$41,440

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.

Capital Stabilization Reserve

The Mayor's Executive Budget includes \$500 million in fiscal year 2017 for the Capital Stabilization Reserve. Expenditures from the Capital Stabilization Reserve will be directed in support of the streamlining and modernization of the Capital Program proposed by the Mayor. The Capital Stabilization Reserve will be used, in part, in the early stages of capital project planning and design for necessary up-front expenses including pre-scoping, whether capially eligible or not. The Capital Stabilization Reserve can also be used to defease City debt if not needed in total for other capital purposes. In the event of a recession, the Capital Stabilization Reserve can be used to prevent debt service costs from rising unduly as a percent of total taxes when revenues come under stress. The Capital Stabilization Reserve is consistent with the Mayor's commitment to build up various reserves.

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)

	2016	2017	2018	2019	2020
City General Obligation Bonds	\$38,023	\$38,076	\$39,476	\$41,307	\$43,026
TFA Bonds ¹	29,314	31,860	34,539	37,274	40,023
TSASC Bonds.....	1,145	1,129	1,103	1,077	1,050
Conduit Debt.....	1,445	1,365	1,284	1,206	1,121
Total	\$69,926	\$72,430	\$76,402	\$80,862	\$85,220
Water Authority Bonds.....	\$29,702	\$31,389	\$32,858	\$34,352	\$35,744

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)

	2016	2017	2018	2019	2020
City General Obligation Bonds ¹	\$4,035	\$4,184	\$4,290	\$4,364	\$4,686
TFA Bonds ²	1,804	2,226	2,495	2,908	3,181
TSASC Bonds.....	139	74	82	82	82
Conduit Debt ³	169	218	211	232	297
Total Debt Service.....	\$6,147	\$6,702	\$7,078	\$7,586	\$8,246
Water Authority Bonds ⁴	\$1,569	\$1,674	\$1,858	\$1,983	\$2,141

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

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

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

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

Debt Burden

	2016	2017	2018	2019	2020
Total Debt Service ¹ as % of:					
a. Total Revenue	7.3%	8.1%	8.3%	8.6%	9.0%
b. Total Taxes	11.2%	12.1%	12.2%	12.6%	13.2%
c. Total NYC Personal Income.....	1.1%	1.2%	1.2%	1.2%	1.3%
Total Debt Outstanding ¹ as % of:					
a. Total NYC Personal Income.....	12.9%	12.9%	13.0%	13.1%	13.2%

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

The financing of the City capital program is split among GO, TFA FTS and NYW bond issuance. The City and TFA will issue \$14.1 billion and \$18.8 billion, respectively, during the plan period. The City issuance supports 34 percent of the total, while TFA FTS issuance supports 45 percent of the total. NYW will issue, excluding refundings, approximately \$8.5 billion. The aggregate NYW financing during the plan period will account for 21 percent of the total financing program.

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	AA+

New York City General Obligation Bonds

Since July 1, 2015, the City has issued approximately \$1.6 billion in refunding bonds. The dates and principal amounts are as follows:

Series	New \$/ Refunding	NYC GO Issuances (\$ in Millions)			
		Issue Date	Tax Exempt Amount	Taxable Amount	Total Par Amount
2016 AB	R	8/13/15	\$750	\$0	\$750
2016 CD	R	3/10/16	800	0	\$800
Total			\$1,550	\$0	\$1,550

The refunding transactions the City has completed to date in fiscal year 2016 generated approximately \$250 million of debt service savings during the financial plan period.

The City plans to issue GO bonds for capital purposes of approximately \$2.3 billion, \$3.7 billion, \$4.0 billion, and \$4.1 billion in fiscal years 2017 through 2020, respectively.

Currently the debt service for the City, TFA (excluding BARBs), and City appropriation debt, or conduit debt, excluding the effect of pre-payments, is 7.3 percent of the City's total budgeted revenues in fiscal year 2016. That ratio is projected to rise to 9.0 percent in fiscal year 2020. As a percentage of tax revenues, the debt service ratio is 11.2 percent in fiscal year 2016 and is projected to increase to 13.2 percent in fiscal year 2020.

In fiscal year 2016, the City does not project a note issuance to satisfy cash flow needs. The City financing program assumes the issuance of \$2.4 billion of notes annually through the remainder of the financial plan.

New York City Related Issuers - Variable Rate Debt

Floating rate bonds have been a reliable source of low cost financing in the City capital program. In considering the proportion of the City's debt which is in variable rather than fixed rates, it is useful to consider all sources of financing with the exception of NYW, which is typically considered separately for such purposes. Included would be not only City GO bonds but also TFA, TSASC bonds and conduit debt. The City and its related entities have approximately \$10.7 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 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 2016. However, the City did terminate approximately \$360 million of a basis swap, resulting in a payment to the City of approximately \$2.4 million. The total notional amount of swaps outstanding as of March 31, 2016 was \$1.37 billion, on which the termination value was negative \$127 million. This is the theoretical amount which the City would pay if all of the swaps terminated under market conditions as of March 31, 2016.

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

NYC Floating-Rate Exposure¹
(\$ in Millions)

	<u>GO</u>	<u>TFA</u>	<u>Conduit</u>	<u>TSASC</u>	<u>Total</u>
Floating Rate Bonds	\$6,049	\$4,248	\$30	\$0	\$10,327
Synthetic Fixed	210		31		241
Taxable Basis Swap	0				0
Enhanced Basis Swap	125				125
Total Floating-Rate	\$6,384	\$4,248	\$61	\$0	\$10,693
Total Debt Outstanding.....	\$38,023	\$29,314	\$1,445	\$1,145	\$69,926
<i>% of Floating-Rate / Total Debt Outstanding</i>	<i>15.3%</i>				
Total Floating-Rate Less \$6.55 Billion Balance in					
General Fund (Floating-Rate Assets).....					
<i>% of Net Floating Rate / Total Debt Outstanding</i>	<i>5.9%</i>				

¹ Debt Outstanding as of the 2017 Executive Budget excluding NYW, HYIC, and TFA BARBs

The 15.3 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 \$6.5 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 5.9 percent of its outstanding debt. Moreover, the City uses conservative assumptions in budgeting expenses from floating rate instruments.

During fiscal year 2016, short-term interest rates relating to the \$10.3 billion of floating rate debt have been 0.10 percent on average for tax-exempt and 0.40 percent for taxable floating rate debt. These rates have continued to provide extremely attractive financing costs relative to fixed rate debt. Tax exempt floating rate debt has traded recently at rates that are approximately 325 basis points lower than those for long term fixed-rate debt, resulting in an annual savings of over \$330 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 \$59.5 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. In November 2015, Moody's Investors Service upgraded the Authority's second general resolution debt to Aa1 from Aa2. Moody's also rates the Authority's first (general) resolution debt Aa1.

Of the aggregate bond par amount sold, \$29.8 billion is outstanding, \$22.2 billion was refinanced with lower cost debt, \$2.7 billion was defeased with Authority funds prior to maturity, and \$4.7 billion was retired with revenues as it matured. In addition to this long-term debt, NYW uses a \$600 million tax-exempt commercial paper program as a source of flexible short-term financing. The commercial paper includes \$400 million of unenhanced extendible municipal commercial paper (EMCP) notes and \$200 million of notes backed by a line of credit from a bank.

NYW's outstanding debt also includes floating rate bonds, which have been a reliable source of cost effective financing. NYW has \$4.9 billion of floating rate bonds or 16% of its outstanding debt, including \$401 million which was swapped to a fixed rate. NYW's floating rate exposure includes tax-exempt floating rate debt supported by liquidity facilities.

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

Summarized in the following table are four bond series that have closed to date in Fiscal Year 2016. The proceeds of the bonds refinanced commercial paper previously issued by NYW 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
2016 Series 1 & 2 ¹	N/R	7/2/15	\$380,825,000	1.99% ²	2045
2016 AA	N	10/29/15	\$250,000,000	0.05% ³	2048
2016 BB	N/R	11/24/15	\$349,845,000	4.12%	2046
2016 A	R	3/17/16	\$196,585,000	3.15%	2036
2016 CC	R	3/17/16	\$438,800,000	3.50%	2038

¹ Bonds issued to EFC

² This is the Effective Interest Cost, which includes subsidy but does not include annual fees for administration

³ Bonds issued as variable rate demand bonds; rate shown is an average from the issue date through April 08, 2016

NYW is a party to two interest rate exchange agreements (swaps) with a total notional amount of \$401 million. As of March 31, 2016, the mark-to-market value of the swaps was negative \$140.2 million. This is the theoretical amount which NYW would pay if all swaps terminated as of March 31, 2016.

NYW expects to issue \$600 million of additional new money bonds through EFC over the remainder of Fiscal 2016. During the period from 2017 to 2020, NYW expects to sell an average of approximately \$1.9 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, 2015, the TFA has issued approximately \$400 million in refunding bonds and \$3.65 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>
2016 A	N	9/29/15	\$900	\$250	\$1,150
2016 B	N	11/5/15	350	250	600
2016 CD	R	11/5/15	400	0	400
2016 E	N	2/26/16	900	250	1,150
2015 F	N	4/21/16	500	250	750
Total			\$3,050	\$1,000	\$4,050

The \$400 million refunding transaction the TFA completed during fiscal year 2016 generated approximately \$65 million of debt service savings during the financial plan period.

Beyond the financings described above, the TFA plans to issue TFA FTS bonds for capital purposes of approximately \$3.4 billion, \$3.7 billion, \$4.0 billion and \$4.1 billion in years 2017 through 2020, 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 \$8.0 billion of BARBs outstanding which fund the capital program of the Department of Education. As mentioned previously, the financing program reflects reduced BARB issuance to remain under the statutory cap. The TFA plans to issue BARBs of approximately \$533 million, \$217 million, \$178 million, and \$60 million in fiscal years 2017 through 2020, respectively. The reduction of BARB issuance is offset by an increase in GO and TFA FTS bonds.

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 system of parks, streets, and open spaces, 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 issued 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.

Given the ongoing development in the Manhattan's far west side, revenues received by HYIC have accelerated. HYIC has begun to receive recurring PILOT revenue. Additionally, since July 1, 2015, HYIC received approximately \$100 million from the sale of Transferrable Development Rights as well as \$45 million from the sale of District Improvement Bonus. These revenues, along with other revenues, will eliminate the interest support the City would have to provide on the HYIC bonds for fiscal years 2016 through 2018. However, some revenues are not ongoing, and the City financial plan reflects appropriation for interest support on the HYIC bonds in the future.

The subway extension, which was constructed by and is operated by the MTA, began service in September 2015.

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

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 2017
(\$ 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 Fund Total
	Salaries & Wages	Fringe Benefits	Pensions	PS Subtotal	Agency OTPS	PA, MA & Other Mandates	Debt Service	OTPS Subtotal			
UNIFORMED AGENCIES											
Police Department	\$4,689	\$2,100	\$2,550	\$9,339	\$387	\$—	\$162	\$549	\$9,888	\$9,629	\$9,524
Fire Department.....	1,730	717	1,181	3,628	184	—	151	335	3,963	3,961	3,722
Department of Correction..	1,176	550	403	2,129	168	—	202	370	2,499	2,499	2,468
Department of Sanitation...	923	431	306	1,660	705	—	398	1,103	2,763	2,753	2,699
Subtotal.....	\$8,518	\$3,798	\$4,440	\$16,756	\$1,444	\$—	\$913	\$2,357	\$19,113	\$18,842	\$18,413
HEALTH AND WELFARE											
Administration for Children's Services	\$474	\$158	\$72	\$704	\$2,508	\$—	\$—	\$2,508	\$3,212	\$3,135	\$1,097
Department of Social Services	861	370	148	1,379	1,372	7,499	79	8,950	10,329	10,318	7,930
Department of Homeless Services	143	57	21	221	1,151	—	—	1,151	1,372	1,371	819
Department of Health and Mental Hygiene.....	450	143	67	660	1,038	—	59	1,097	1,757	1,754	898
Health and Hospitals Corporation.....	—	37	—	37	735	—	196	931	968	915	869
Subtotal.....	\$1,928	\$765	\$308	\$3,001	\$6,804	\$7,499	\$334	\$14,637	\$17,638	\$17,493	\$11,613
EDUCATION											
Department of Education...	\$11,230	\$3,892	\$3,929	\$19,051	\$8,133	\$599	\$1,787	\$10,519	\$29,570	\$29,560	\$16,844
City University.....	546	179	76	801	309	—	66	375	1,176	1,162	861
Subtotal.....	\$11,776	\$4,071	\$4,005	\$19,852	\$8,442	\$599	\$1,853	\$10,894	\$30,746	\$30,722	\$17,705
OTHER AGENCIES.....	\$2,942	\$975	\$469	\$4,386	\$6,432	\$—	\$3,057	\$9,489	\$13,875	\$12,768	\$9,717
ELECTED OFFICIALS.....	\$552	\$154	\$88	\$794	\$122	\$—	\$—	\$122	\$916	\$911	\$827
MISCELLANEOUS.....	\$437	\$99	\$112	\$648	\$—	\$3,932⁽¹⁾	\$320	\$4,252	\$4,900	\$4,689	\$4,369
DEBT SERVICE COSTS											
(Unallocated).....	\$—	\$—	\$—	\$—	\$—	\$—	\$151	\$151	\$151	\$151	\$77
TOTAL - ALL FUNDS⁽²⁾.....	\$26,153	\$9,862	\$9,422	\$45,437	\$23,244	\$12,030	\$6,628	\$41,902	\$87,339	\$85,576	
TOTAL - CITY FUNDS⁽²⁾.....	\$17,913	\$7,731	\$9,278	\$34,922	\$11,299	\$10,140	\$6,360	\$27,799			\$62,721
Less: Prepayments	\$—	\$—	\$—	\$—	\$—	\$—	\$3,356	\$3,356	\$3,356	\$3,356	\$3,356
Total After Prepayments	\$26,153	\$9,862	\$9,422	\$45,437	\$23,244	\$12,030	\$3,272	\$38,546	\$83,983	\$82,220	\$59,365

(1) Includes subsidies to the MTA, General Reserve, Capital Stabilization Reserve, Judgments and Claims, Indigent Defense Services 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 lunch services, and the operation and maintenance of approximately 1,800 schools.

Financial Review

The Department of Education's 2017 operating budget is \$23,073 million, an increase of \$700 million over the 2016 forecast of \$22,372 million. In addition, education-related pension, debt service, and other fringe costs of \$6,497 million are budgeted in separate agencies. These additional costs include a pension increase of \$229 million from 2016, an increase in other fringe benefits of \$18 million and a debt service increase of \$215 million. City funds including pensions, debt service and other fringe support \$16,844 million of the Department of Education's expense budget in 2017, an increase of \$698 million, or 4.3 percent. State funds support \$10,843 million, an increase of \$493 million. The balance of the education budget is supported by \$1,717 million in Federal aid, an increase of \$29 million from the 2016 forecast, \$10 million in intra-city funds and \$155 million in other categorical funds. Including those funds budgeted centrally; total funds budgeted on behalf of the Department of Education increase from \$28,407 million in the 2016 forecast to \$29,569 million in the 2017 Executive Budget.

Total Department of Education Expenses 2010-2017 (\$ in Millions)

	2010	2011	2012	2013	2014	2015	Forecast 2016	Executive Budget 2017	Change 2016 to 2017	Change 2010 to 2017
Department Of Education Operating Budget										
City.....	\$7,140	\$7,737	\$9,076	\$9,081	\$9,548	\$9,740	\$10,719	\$10,949	\$230	\$3,809
Other Categorical	298	253	215	246	309	309	169	155	(14)	(143)
State.....	8,072	8,123	8,033	7,982	8,480	9,189	9,742	10,242	500	2,170
Federal.....	2,961	2,794	1,918	1,889	1,714	1,716	1,688	1,717	29	(1,245)
Intra-City	27	31	42	37	35	45	55	10	(45)	(17)
Total Operating Expenditures	\$18,499	\$18,939	\$19,283	\$19,234	\$20,085	\$20,999	\$22,372	\$23,073	\$700	\$4,574
Other City Funds Supporting Education										
Pensions	\$2,452	\$2,457	\$2,672	\$2,830	\$2,971	\$3,273	\$3,700	\$3,929	\$229	\$1,477
State Aid for Pensions	(5)	(5)	0	0	0	0	0	0	0	5
Federal Aid for Pensions	(0)	(0)	0	0	0	0	0	0	0	0
Other Fringe.....	96	102	113	126	133	146	164	182	18	87
G.O. Bond Debt Service	930	934	1,085	944	885	903	1,122	1,196	74	266
State Aid for Debt Service	(3)	(3)	(222)	(146)	(3)	(3)	(3)	(3)	0	0
TFA Debt Service	661	720	637	816	912	1,027	1,049	1,190	141	529
State Aid for TFA Debt Service.....	(380)	(416)	(209)	(345)	(518)	(561)	(605)	(599)	6	(218)
Total Additional City Funds	\$3,750	\$3,787	\$4,076	\$4,226	\$4,379	\$4,785	\$5,427	\$5,896	\$468	\$2,146
TOTAL CITY FUNDS										
FOR EDUCATION	\$10,890	\$11,525	\$13,152	\$13,307	\$13,927	\$14,525	\$16,146	\$16,844	\$698	\$5,955
TOTAL STATE FUNDS										
FOR EDUCATION	\$8,460	\$8,547	\$8,464	\$8,472	\$9,000	\$9,753	\$10,349	\$10,843	\$493	\$2,383

The amounts shown for 2010 through 2015 represent actual expenditures including pensions and debt service funds budgeted in other agencies. Numbers may not add due to rounding.

Expense Budget Highlights

The FY2017 Executive Budget includes funding for new policy initiatives, previously announced policies and mandated support services for the City's special education population and Charter Schools. In this budget the Mayor continues his commitment to narrow the funding and achievement gap between schools by increasing the fair student funding floor and bringing equity and excellence to all schools.

Fair Student Funding

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. FSF has not been fully funded in the past, with the average school receiving just 86% of their formula level in FY12.

In keeping the Mayor's promise of bridging the equity gap amongst schools, the FY16 Executive Plan raised the minimum FSF level to 100% for Renewal & Community Schools over two years and to 82% for all other schools, bringing the city-wide average to 89%.

In the FY17 Preliminary Plan, using additional State aid the City raised the floor for all schools to 87%, increased formula weights for English Language Learners (ELL) and added weights for Students with Interrupted Formal Education (SIFE), bringing the city-wide average to 91%.

In the FY17 Executive Plan, the City continues to narrow the equity gap and is committing to raising the floor from 87% to 90% in FY18 if the State provides the same level of school aid growth next year. The system-wide average FSF funding level in FY18 will be 92.5%.

Equity and Excellence

In September 2015, the Mayor delivered his speech on achieving Equity & Excellence for all New York City schools. In his speech the Mayor committed to six core education initiatives meant to equip children with the skills needed to succeed. The FY17 Budget provides \$96 million in FY17 growing to \$186 million in FY20 to support schools with implementing these initiatives.

Universal 2nd Grade Literacy

This initiative places a literacy specialist in the 473 highest-need elementary schools. These specialists will ensure that all students are reading at grade level by the end of 2nd grade. By 2022, at least two-thirds of students will be able to read with fluency by the end of second grade, with the target of 100 percent literacy by 2026.

Algebra for All

Algebra for All will ensure that all students have the opportunity to take Algebra no later than ninth grade by 2022, which will prepare them for more advanced math classes in high school. Includes intensive training for 5th grade math teachers in the basic numeracy tools needed for students to succeed in algebra, focusing particularly on the content that is critical to student success in this grade. Teachers in grades 6-9 will receive intensive professional development over the summer and throughout the school year to improve their math instruction, develop new strategies for teaching Algebra, and strengthen their understanding of Common Core math standards and how to implement them with fidelity.

Advanced Placement (AP) Courses for All

AP for All guarantees that all NYC high school students will have access to at least five AP classes by the fall of 2021. Almost 40,000 high school students are enrolled in schools that do not offer any AP classes.

In those schools that do offer AP courses, many are not achieving passing scores, and there are disparities in participation and performance for minority students, ELLs and students with disabilities. This initiative provides professional development for existing teachers and promotes 125 teachers to Master Teachers. Master Teachers will have a proven record of success with implementing AP courses and will work alongside AP teachers to create curriculums and encourage students of all backgrounds to take AP classes and achieve high scores on exams. Funding also supports a strong central division dedicated to supporting school leaders and teachers.

College Access for All

This initiative supports college visits for all middle school students and cultivates a college ready environment at all high schools with an individual plan tailored for every student. By the 2018-2019 school year, every middle school student will have the opportunity to visit a college campus at least once and high school students will have the resources and supports to create a true college-ready culture. Funding for high schools include ongoing support for an expert college advisor, capacity building, trainings in college advising, test preparation and parent and student facing post-secondary planning tools.

Single Shepherd

Single Shepherd pairs a guidance counselor or social worker with every student in grades 6-12 in Districts 7 and 23. Shepherds will receive training to support students academically, socially, and emotionally through graduation and college enrollment.

District-Charter Collaboration

The District-Charter Collaboration funds grants to create partnerships between district and charter schools to share best practices and foster stronger relationships. District and charter schools will be formally paired for collaborative learning around key themes for improvement including areas such as restorative discipline practices, innovative math instruction, professional development, and English Language Learner (ELL) instruction.

Other Initiatives

In addition to Equity & Excellence and Fair Student Funding several other initiatives will be funded or expanded in the Executive Budget. These include:

- **Career and Technical Education (CTE) expansion:** 40 new CTE programs, including 5 new “High School to Associates Degree” programs. Enhanced central support to ensure effectiveness of new and existing CTE programs and increased funding for schools to run high-quality programs.
- **Physical Education Compliance:** Increased funding for 419 new Physical Education teachers and Move to Improve (MTI) training programs, to bring all Elementary schools in compliance with State Phys Ed standards by FY19.
- **SEGIS:** Support application improvements and fixes within the SESIS system, which manages several reporting requirements for students with IEPs. Improvements will address short-term needs that will allow increased Medicaid claiming and production of required reports.
- **Students in Shelters:** Funds a series of initiatives to support schools and shelters with the highest concentration of students in shelters. Targets chronic absenteeism by placing attendance teachers in certain shelters and provides literacy support through after-school tutoring at shelters. Schools with the highest population of students in shelters will also receive social-emotional, health and mental health support services.
- **Specialized High Schools Diversity Initiative:** Outreach, test prep and after school academic supports to increase diversity in all NYC Specialized High Schools.

- **Universal Pre-Kindergarten:** Continues unprecedented expansion of the Pre-K program, ensuring the availability a high-quality full day slot to the family of every four-year-old in the City.

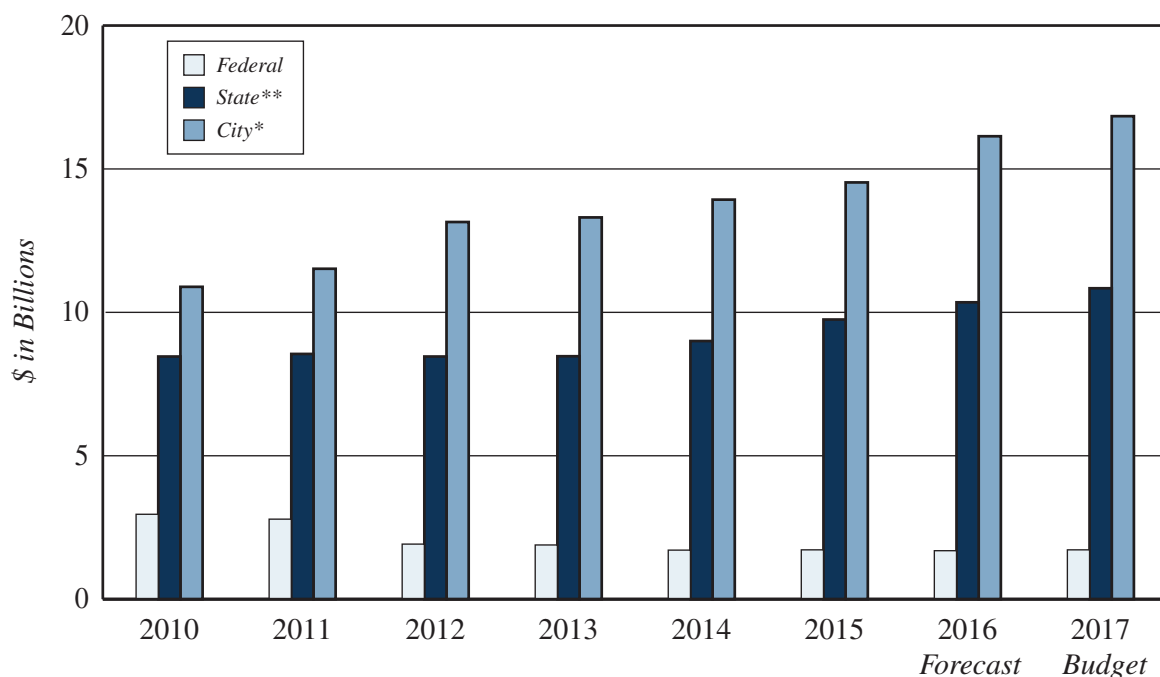
Summary of Agency Financial Data

The following table compares the 2017 Executive Budget with the 2017 Preliminary Budget, the 2016 forecast and actual expenditures for 2015, including costs budgeted centrally for fringe benefits, pensions and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$10,152,643	\$10,937,487	\$11,102,700	\$11,230,199	\$292,712	\$127,499
Fringe Benefits.....	3,239,964	3,503,863	3,710,146	3,709,552	205,689	(594)
OTPS.....	7,606,760	7,931,093	8,068,337	8,133,011	201,918	64,674
Total.....	\$20,999,367	\$22,372,443	\$22,881,183	\$23,072,762	\$700,319	\$191,579
Funding						
City.....	\$9,739,990	\$10,718,623	\$10,808,826	\$10,948,707	\$230,084	\$139,881
Other Categorical Grants.....	309,270	169,331	133,132	155,460	(13,871)	22,328
IFA.....	—	—	—	—	—	—
State.....	9,189,172	9,741,904	10,167,931	10,241,600	499,696	73,669
Federal CD.....	4,500	19,177	14,723	14,723	(4,454)	—
Federal Other.....	1,711,129	1,668,439	1,747,287	1,702,046	33,607	(45,241)
Intra-City Other.....	45,306	54,969	9,284	10,226	(44,743)	942
Total.....	\$20,999,367	\$22,372,443	\$22,881,183	\$23,072,762	\$700,319	\$191,579
Additional Costs Centrally Funded						
Personal Services (PS).....						
Fringe Benefits.....	\$146,356	\$164,394	\$179,872	\$182,476	\$18,082	\$2,604
Pensions.....	3,273,103	3,699,812	3,762,395	3,928,705	228,893	166,310
Other Than Personal Service (OTPS)						
Debt Service (incl. BARBs).....	1,929,702	2,170,657	2,374,605	2,385,525	214,868	10,920
Total Additional Costs.....	\$5,349,161	\$6,034,863	\$6,316,872	\$6,496,706	\$461,843	\$179,834
Funding						
City.....	4,785,391	5,427,322	5,665,512	5,895,665	468,343	230,153
Non-City.....	563,770	607,541	651,360	601,041	(6,500)	(50,319)
Full Agency Costs (including Central Accounts)						
Salary and Wages.....	\$10,152,643	\$10,937,487	\$11,102,700	\$11,230,199	\$292,712	\$127,499
Fringe Benefits.....	3,386,320	3,668,257	3,890,018	3,892,028	223,771	2,010
Pensions.....	3,273,103	3,699,812	3,762,395	3,928,705	228,893	166,310
Total PS.....	\$16,812,066	\$18,305,556	\$18,755,113	\$19,050,932	\$745,376	\$295,819
OTPS.....	\$7,606,760	\$7,931,093	\$8,068,337	\$8,133,011	\$201,918	\$64,674
Debt Service (incl. BARBs).....	1,929,702	2,170,657	2,374,605	2,385,525	214,868	10,920
Total OTPS.....	\$9,536,462	\$10,101,750	\$10,442,942	\$10,518,536	\$416,786	\$75,594
Total Agency Costs.....	\$26,348,528	\$28,407,306	\$29,198,055	\$29,569,468	\$1,162,162	\$371,413
Less Intra-City.....	\$45,306	\$54,969	\$9,284	\$10,226	(\$44,743)	\$942
Net Agency Cost.....	\$26,303,222	\$28,352,337	\$29,188,771	\$29,559,242	\$1,206,905	\$370,471
Funding						
City.....	14,525,381	16,145,945	16,474,338	16,844,372	698,427	370,034
Non-City.....	11,777,841	12,206,392	12,714,433	12,714,870	508,478	437
Personnel (includes FTEs at fiscal year-end)						
City.....	116,293	113,121	113,159	113,543	422	384
Non-City.....	20,785	26,691	26,015	27,246	555	1,231
Total.....	137,078	139,812	139,174	140,789	977	1,615

FUNDING SOURCES 2010-2017



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

** State funds include debt service and pensions.

New York City Public School Enrollment School Year 2013-2017

	2013 Actual	2014 Actual	2015 Actual	2016 Projections	2017 Projections
DOE Facilities Enrollment					
General Education*	849,321	845,086	832,516	819,055	804,901
Special Education**	122,030	123,272	131,472	140,120	149,692
Full Day Pre-K***	14,856	16,204	20,913	28,963	28,910
Half Day Pre-K***	7,259	6,831	4,999	0	0
Subtotal	993,466	991,393	989,900	988,138	983,503
Non-DOE Facilities Enrollment					
Charter Schools	58,187	70,882	83,545	93,308	104,721
Contract Schools	7,236	7,343	7,181	7,087	7,085
Full Day Pre-K at NYCEECs***	1,061	3,083	32,207	39,684	42,590
Half Day Pre-K at NYCEECs***	31,596	29,394	8,444	2,945	2,648
Special Ed Pre-K	37,500	37,642	38,164	35,500	35,500
Subtotal	135,580	148,344	169,541	178,524	192,544
TOTAL	1,129,046	1,139,737	1,159,441	1,166,662	1,176,047

* 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.

Programmatic Review and Service Impact

The Student Population

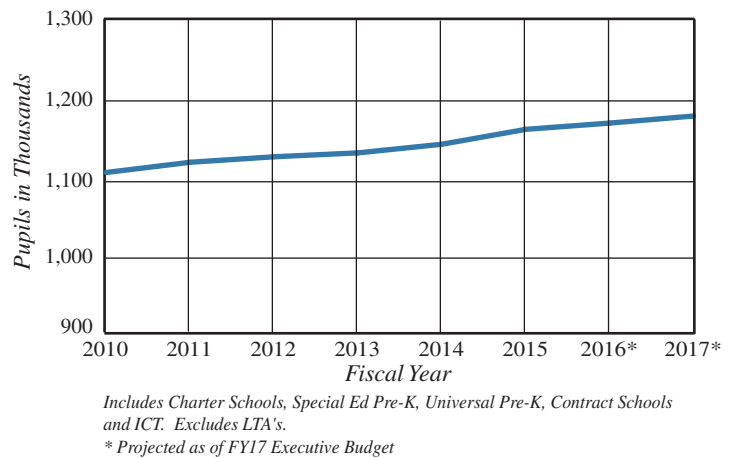
Total enrollment supported by the Department’s budget, including Pre-Kindergarten, charter school and contract school students, will increase by 9,385 from 1,166,662 in 2016 to a projected 1,176,047 in 2017. Of this total, the City projects that general education public school enrollment for Kindergarten through grade 12 will be 892,849 (an 84% share of total K-12 enrollment) or a decrease of 5,287 from 2016. Of these students, 804,901 (a 90% share of GE K-12 enrollment) are expected to attend schools run by the Department of Education and 87,948 (a 10% share of GE K-12 enrollment) are expected to attend charter schools.

In 2017, the City projects that 173,550 school-age students will be enrolled in special education programs (a 16% share of total K-12 enrollment). This projected enrollment level is 12,116 students higher than the 2016 special education population of 161,434. Of these students, 149,692 (an 86% share of total SE K-12 enrollment) are expected to attend Department of Education facilities, 16,773 (a 10% share of total SE K-12 enrollment) are expected to attend charter schools, and 7,085 (a 4% share of total SE K-12 enrollment) are expected to attend specialized private facilities (“contract schools”) paid for through the Department’s budget.

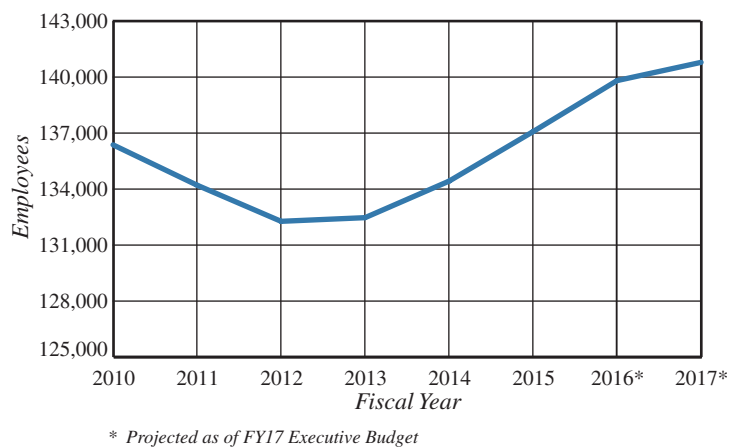
Staffing Levels

In 2017 the City’s financial plan supports a staffing level of 140,789. Of this count, 127,335 are full-time and 13,454 are Full Time Equivalents (FTEs). Pedagogical employees (which include teachers, superintendents, principals, assistant principals, guidance counselors, school secretaries, educational paraprofessionals and other school support staff) make up 116,140 of the full-time employees and 857 of the FTEs. Civilian employees represent 11,195 of the full-time employees and 12,597 of the FTEs.

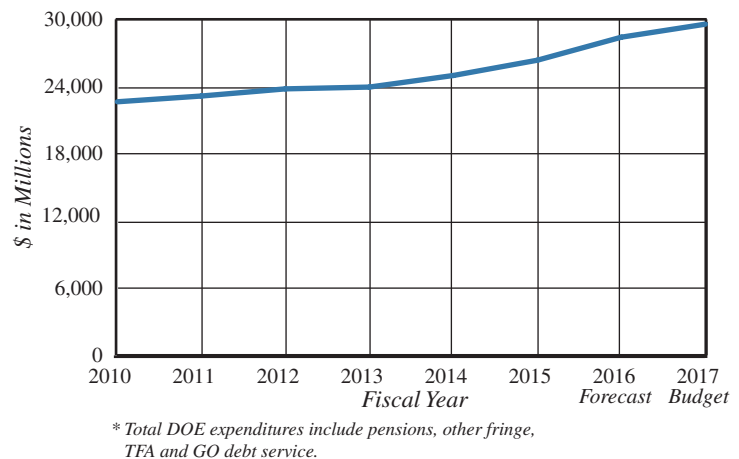
NYC PUBLIC SCHOOL ENROLLMENT 2010-2017



FULL TIME AND FULL TIME EQUIVALENT DEPARTMENT OF EDUCATION EMPLOYEES 2010-2017



TOTAL DEPARTMENT OF EDUCATION EXPENDITURES 2010-2017*



Capital Review

The City's Four-Year Plan for 2017-2020 anticipates spending \$11,028.3 million on school construction projects and is consistent with final four years of the Department of Education's (DOE's) \$14,857.3 million Five-Year Plan for 2015-2019.

The table below shows planned capital commitments by program area over the 2017-2020 period.

Capital Commitments (\$ in 000's)

	2017 Plan		2018 Plan		2019 Plan		2020 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
System Expansion New Schools	\$415,377	\$415,377	\$504,772	\$548,811	\$1,190,000	\$1,190,000	\$745,577	\$745,577
System Expansion Other.....	758,378	758,378	570,165	713,154	218,527	218,527	211,672	211,672
Rehabilitation of School Components	913,803	913,803	829,921	1,024,306	815,474	815,474	696,410	696,410
Educational Enhancements	210,313	210,313	118,164	152,072	156,342	156,342	146,325	146,325
Emergency, Unspecified and Miscellaneous	469,987	568,807	207,283	256,723	249,949	249,949	213,455	213,455
Safety and Security	59,636	59,636	50,601	62,670	62,328	62,328	53,228	53,228
Smart Schools Bond Act.....	0	195,000	0	195,000	0	195,000	0	0
Total	<u>\$2,827,494</u>	<u>\$3,121,314</u>	<u>\$2,280,906</u>	<u>\$2,952,736</u>	<u>\$2,692,620</u>	<u>\$2,887,620</u>	<u>\$2,066,667</u>	<u>\$2,066,667</u>

Capital Highlights – The Sixth Five-Year Amended Plan

The Department of Education's Capital Plan is modeled after the School Construction Authority's 2015 – 2019 proposal. This \$14.9 billion program will provide:

- funding of \$5.7 billion for capacity, adding more than 56,000 new seats. This includes 44,348 planned seats for K-12 classrooms in an estimated 81 buildings (14,661 in Brooklyn; 5,480 in the Bronx; 3,882 in Manhattan; 18,244 in Queens; and 2,081 in Staten Island), an increase of about 11,800 K-12 seats from the 2016 Executive Budget. In addition, a further 4,900 seats will be built in areas yet to be identified around the City. Finally, more than 7,600 seats will be added to support the historic expansion of Pre-Kindergarten.
- funding of \$450 million to continue the removal of Transportable Classroom Units (TCUs).
- funding of \$3.6 billion for the Capital Improvement Program, allowing for exterior and interior building upgrades and other necessary capital repairs to school buildings
- funding of \$1.4 billion for School Enhancement Projects. This category contains funding to support technology projects, realignment of existing facilities, bathroom upgrades, physical fitness projects, science labs, accessibility and other necessary improvements. Approximately \$4.4 million will be added to support system enhancements and improvements to SESIS that are necessary to meet reporting requirements and maximize Medicaid claiming. In addition, \$19.5 million will be added for the construction of 13 school-based health centers at schools with significant populations of students in shelters.
- funding of \$3.7 billion for mandated programs such as remediation and building code compliance projects, insurance, and emergencies.

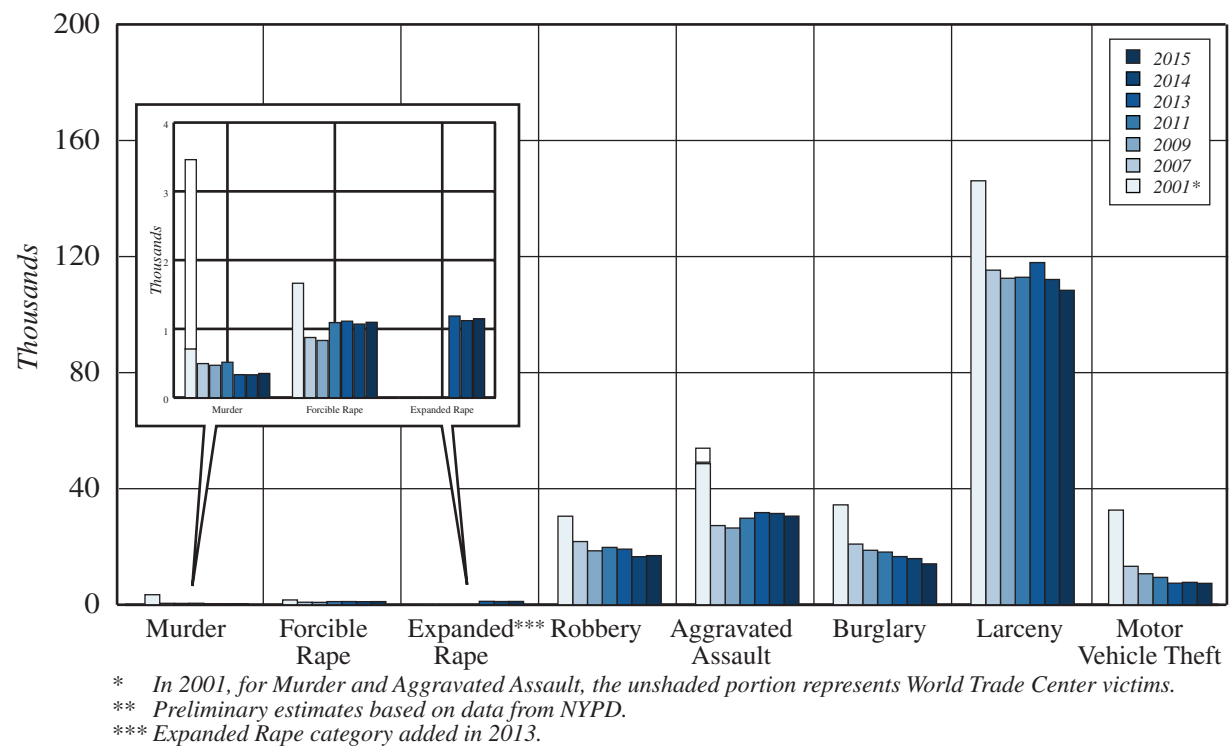
ADMINISTRATION OF JUSTICE

Overview

As measured by the FBI total index crime statistics for cities that have reported data for calendar year 2014 (as per the latest full FBI Unified Crime Report), New York City remains the safest large city with the lowest rate of crime per capita among the 10 largest U.S. cities. NYPD preliminary index crime data for 2015 shows overall major felony crime decreased by 3.4 percent compared to calendar year 2014. In 2015, murder increased to 352 from 333, but burglary decreased 11.4 percent in calendar year 2015 as compared to calendar year 2014. Furthermore, there was a decrease in motor vehicle theft, which decreased by 4.4 percent.

NEW YORK CITY FBI INDEX CRIMES

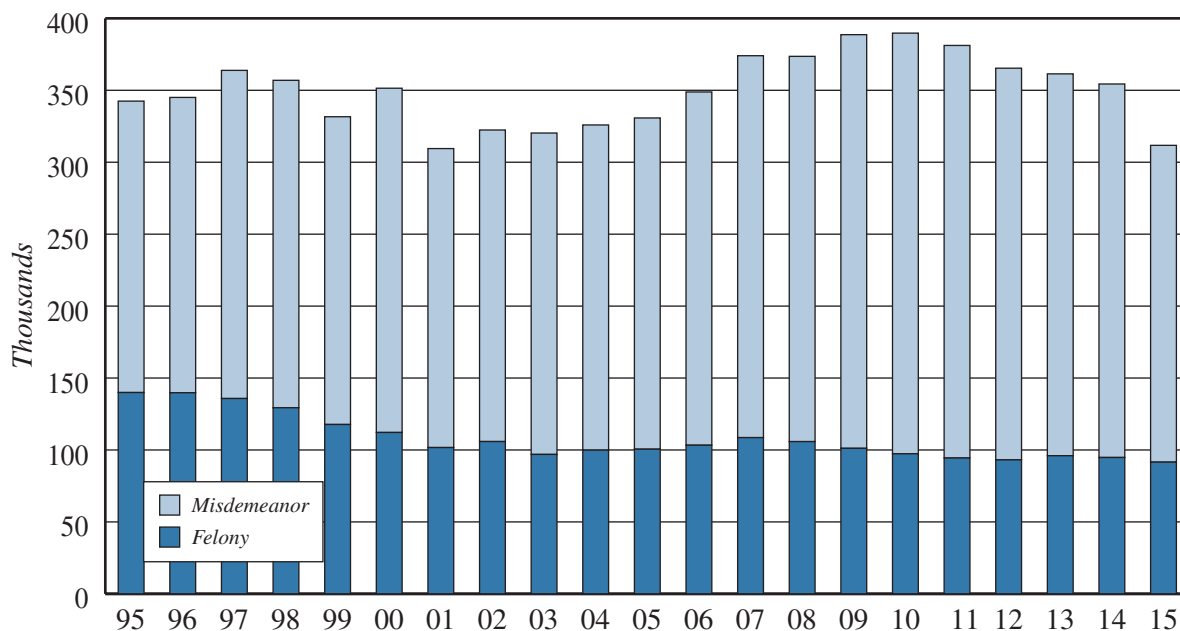
Calendar Years 2001*-2015**



Arrests totaled 336,485 in calendar year 2015, decreasing by 47,989 from 2014. In 2015, the distribution of arrests was 27.2 percent felonies, 65.4 percent misdemeanors and 7.4 percent violations.

NEW YORK CITY FELONY & MISDEMEANOR ARRESTS

Calendar Years 1995-2015



In calendar year 2015, overall arrest levels decreased by 12.5 percent from 2014; felony arrests decreased by 3.4 percent; misdemeanor arrests decreased by 15.2 percent and violation arrests decreased by 17.8 percent.

POLICE DEPARTMENT

Under the continued leadership of Police Commissioner William J. Bratton, the NYPD continues to work toward its goal of keeping major crime at historically low levels, while also transforming itself into a more open, collaborative Department, committed to building strong community relations through mutual respect and understanding.

The major re-engineering process of the Department which began in 2014 is nearing completion. This process, which involved a comprehensive review to identify potential areas to improve upon, new areas to move into, and areas where the NYPD could further enhance what it was already achieving, resulted in noticeable operational change to the agency. The initiative led to 1,373 recommendations, of which 1,107 were approved for some type of action moving forward: implementation, implementation with modification, or review and analysis.

Today’s NYPD is undergoing transformative technological change. NYPD is building a high-bandwidth, redundant network that will provide high-speed data access to every NYPD facility and will be the third largest network in New York City. NYPD has also digitized the CompStat report used to help guide the CompStat strategy sessions. This allows personnel throughout the Department to apply analytic tools to the underlying data to chart, map, and graph crime patterns. In the spirit of even greater transparency, NYPD has taken this system, which NYPD calls CompStat 2.0, and made it publicly available on the nyc.gov/nypd website. Additionally, by April 2016, every officer will be equipped with a smartphone, and more than 2,000 police vehicles will be equipped with tablets. These smartphones put tremendous data capabilities in the field, where officers can use them immediately

to serve citizens and keep people safe. It allows officers to respond more quickly, more intelligently, and more strategically.

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. Underlying these reforms, DOC continues to maximize the available labor force and invest in infrastructure to ensure all facilities and building systems function properly and safely. In support of that goal, the Department has enhanced its recruitment process which will result in approximately 1,900 recruits entering the training academy in 2016 and an anticipated additional 2,000 in 2017. The DOC will strive to integrate the new personnel with experienced staff to create a balanced workforce that helps move the Department forward while maintaining its institutional knowledge.

OTHER CRIMINAL JUSTICE PROGRAMS

The Mayor's Office of Criminal Justice (MOCJ) works with law enforcement and City agencies, non-profits, foundations, and others to design, deploy, and evaluate citywide strategies to drive down crime, reduce unnecessary arrests and incarceration, and improve the system's fairness. To ensure effective results, the office draws on various disciplines, such as behavioral economics to "nudge" conduct and machine learning to develop reliable predictive analytics. Examples of MOCJ's work include:

- Justice Reboot, making the system fairer and more efficient by safely driving down the jail population. These reforms include reducing case processing times in the courts and making the summons process easier and more transparent.
- the Mayor's Action Plan on Behavioral Health and the Criminal Justice System, a set of interlocking public health and public safety strategies that aim to reduce the number of people with behavioral health needs cycling through the criminal justice system.
- 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 account for 20 percent of all violent crime in the City's public housing.
- the Mayor's Citywide Initiative to Reduce Gun Violence, a comprehensive, neighborhood-based strategy to prevent gun violence in 14 precincts that account for 51 percent of shootings in New York City.

Understanding the need for a system-wide view, the Mayor's Office is partnering with City agencies and service providers across the criminal justice system to: develop strategies that reduce unnecessary jail time for defendants, improve a broad range of public safety strategies in neighborhoods struggling with violence, and concentrate law enforcement resources on drivers of violent crime. At multiple intervention points throughout the criminal justice system, these initiatives use 21st century evidence-based practices and technology to increase fairness while also driving gains in public safety and crime reduction.

In 2016, the Mayor's Office is expanding supervised release citywide — 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 — rather than go to jail — 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. Citywide supervised release is funded through \$4 million from the City and \$13.8 million from asset forfeiture money pledged by Manhattan District Attorney Cyrus Vance Jr.'s office.

The Mayor's Office has also enhanced its investment in infrastructural upgrades for public safety in 2016, in partnership with residents. The City launched a rigorous evaluation at 40 public housing developments to determine the effect of different lighting strategies on outdoor criminal activity, on resident fears of crime, and on neighborhood cohesion. As part of the study, the City worked with residents to identify exterior locations within their developments that they felt were in most need of lighting at night. The results of this study will inform how the City makes future investments in permanent lighting, advancing the de Blasio administration's commitment to promote safe and strong neighborhoods through comprehensive and innovative strategies that extend beyond traditional law enforcement. The study and lighting towers are funded with \$5.6 million in City asset forfeiture money, and are part of the Mayor's Action Plan for Neighborhood Safety.

To ensure the fair and efficient functioning of criminal investigations in the City, the Mayor's Office and the State Courts are rolling out "Project Fast Track" in 2016. Project Fast Track is a strategy to drive down the remaining gun violence in New York City through a targeted, system-wide focus on the limited number of individuals driving gun violence. Key features of this strategy include a new Gun Violence Suppression Division to intensify the NYPD's capacity to investigate shootings, gangs and illegal guns, and dedicated judges who will rapidly resolve illegal gun cases within six months. As part of that strategy, the Administration is funding an additional \$2 million a year for the Office of the Chief Medical Examiner — including 21 new staff — dedicated to quickly testing DNA from all guns swabbed for DNA by the NYPD.

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 Police Department's 2017 Executive Budget provides for an operating budget of \$5.2 billion, a decrease of \$370 million from the \$5.5 billion forecast for 2016. This decrease is primarily attributed to annual State, Federal, and private grant funding not yet recognized for 2017. Capital commitments of \$529.6 million are also provided in 2017.

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 collects an E-911 surcharge 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 2017, the revenue estimate for the Police Department is \$100.5 million.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- in 2017, the Department will maintain an average uniformed headcount of approximately 36,300.
- the Department expects to receive up to \$25.6 million for the protection of Foreign Missions as part of the Federal Fiscal Year 2016 Appropriations Act.

Streamlining and Restructuring

- the Department received \$12.1 million in City funds to hire an additional 327 Traffic Enforcement Agents to provide coverage at high-traffic and priority posts.
- the Department received \$9.3 million in City funds to provide furniture replacement, flooring, painting and other cosmetic upgrades to police facilities citywide.
- the Department received \$4.1 million in City funds to hire an additional 100 Police Communications Technicians for the Public Safety Answering Center II, which is expected to receive 911 calls starting in June 2016.
- the Department received \$3 million in City funds for the expansion of the gunshot detection system.
- the Department received \$2.5 million in City funds to hire an additional 52 Traffic Enforcement Agents for Block the Box enforcement in Manhattan.
- the Department received \$1.1 million in City funds to baseline the additional 80 School Crossing Guards previously funded for 2016 only.

Summary of Agency Financial Data

The following table compares the 2017 Executive Budget with the 2017 Preliminary Budget, the 2016 forecast and actual expenditures for 2015, including costs budgeted centrally for fringe benefits, pensions, and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$4,579,194	\$4,681,172	\$4,667,002	\$4,688,722	\$7,550	\$21,720
Fringe Benefits.....	71,110	81,008	75,585	75,702	(5,306)	117
OTPS.....	501,255	758,553	367,734	386,514	(372,039)	18,780
Total.....	\$5,151,559	\$5,520,733	\$5,110,321	\$5,150,938	(\$369,795)	\$40,617
Funding						
City.....	\$4,618,154	\$4,870,042	\$4,832,311	\$4,862,524	(\$7,518)	\$30,213
Other Categorical Grants.....	28,959	15,862	—	—	(15,862)	—
IFA.....	—	—	—	—	—	—
State.....	12,018	84,537	732	732	(83,805)	—
Federal CD.....	2	—	—	—	—	—
Federal Other.....	241,399	303,846	27,526	28,762	(275,084)	1,236
Intra-City Other.....	251,027	246,446	249,752	258,920	12,474	9,168
Total.....	\$5,151,559	\$5,520,733	\$5,110,321	\$5,150,938	(\$369,795)	\$40,617
Additional Costs Centrally Funded						
Personal Services (PS).....						
Fringe Benefits.....	\$1,776,567	\$1,889,725	\$2,024,963	\$2,023,835	\$134,110	(\$1,128)
Pensions.....	2,530,315	2,635,262	2,638,966	2,549,528	(85,734)	(89,438)
Other Than Personal Service (OTPS)						
Debt Service.....	130,159	134,895	150,143	162,358	27,463	12,215
Total Additional Costs.....	\$4,437,041	\$4,659,882	\$4,814,072	\$4,735,721	\$75,839	(\$78,351)
Funding						
City.....	4,374,057	4,597,215	4,748,556	4,661,381	64,166	(87,175)
Non-City.....	62,984	62,667	65,516	74,340	11,673	8,824
Full Agency Costs (including Central Accounts)						
Salary and Wages.....	\$4,579,194	\$4,681,172	\$4,667,002	\$4,688,722	\$7,550	\$21,720
Fringe Benefits.....	1,847,677	1,970,733	2,100,548	2,099,537	128,804	(1,011)
Pensions.....	2,530,315	2,635,262	2,638,966	2,549,528	(85,734)	(89,438)
Total PS.....	\$8,957,186	\$9,287,167	\$9,406,516	\$9,337,787	\$50,620	(\$68,729)
OTPS.....	\$501,255	\$758,553	\$367,734	\$386,514	(\$372,039)	\$18,780
Debt Service.....	130,159	134,895	150,143	162,358	27,463	12,215
Total OTPS.....	\$631,414	\$893,448	\$517,877	\$548,872	(\$344,576)	\$30,995
Total Agency Costs.....	\$9,588,600	\$10,180,615	\$9,924,393	\$9,886,659	(\$293,956)	(\$37,734)
Less Intra-City.....	\$251,027	\$246,446	\$249,752	\$258,920	\$12,474	\$9,168
Net Agency Cost.....	\$9,337,573	\$9,934,169	\$9,674,641	\$9,627,739	(\$306,430)	(\$46,902)
Funding						
City.....	8,992,211	9,467,257	9,580,867	9,523,905	56,648	(56,962)
Non-City.....	345,362	466,912	93,774	103,834	(363,078)	10,060
Personnel (includes FTEs at fiscal year-end)						
City.....	50,740	53,305	53,289	53,629	324	340
Non-City.....	111	101	20	20	(81)	—
Total.....	50,851	53,406	53,309	53,649	243	340

Programmatic Review and Service Impact

As measured by the FBI total index crime statistics for cities that have reported data for calendar year 2014, New York City remains the safest large city with the lowest rate of crime per capita among the ten largest U.S. cities. NYPD preliminary index crime data for 2015 shows overall major felony crime decreased by 3.4 percent compared to calendar year 2014. In 2015, murder increased to 352 from 333, but burglary decreased 11.4 percent in calendar year 2015 as compared to calendar year 2014. Furthermore, there was a decrease in motor vehicle theft, which decreased by 4.4 percent.

Guns and gun violence remain a key concern for the Department. An array of enforcement and outreach initiatives are utilized in efforts to reduce violent crime and the number of firearms on city streets. Operation “Crew Cut,” combines personnel from precincts, the Detective Bureau (including Gangs and Narcotics Divisions), and other commands, to take down existing “crews” and proactively intervene in the formation of new ones. The initiative uses focused enforcement and the gathering of intelligence to target the most disruptive groups.

NYC “Cease-Fire” is a comprehensive violence prevention strategy to address group violence in New York City. It is a partnership of community members, social service providers, and law enforcement that directly engages with groups (e.g. gangs and street crews) and communicates a clear message against violence, the consequences of further violence, and a genuine offer of help for those who want it.

Beginning in March 2015, the Office of the Chief of Department and the Office of the Deputy Commissioner, Information Technology began a pilot program utilizing the ShotSpotter gunshot detection system in five “zones.” Two zones are in the Bronx and three zones are in Brooklyn. The system formerly covered fifteen square miles of the City, but beginning in April 2016 the NYPD will be expanding the pilot program to cover an additional three zones – one in the Bronx, one in upper Manhattan and one in Brooklyn, for a total of nine additional square miles. Furthermore, the NYPD is negotiating a contract and seeking approval to further expand the system to an additional twelve zones, which would bring the citywide total coverage area to sixty square miles.

The Police Department has played a leading role during the first two years of the Vision Zero initiative, a collaborative and comprehensive approach aimed at reducing the number of traffic fatalities. Aggressive traffic enforcement efforts have focused on dangerous moving violations, including speeding, failing to yield to pedestrians, signal violations and phoning/texting while driving. Over one million moving summonses were issued in calendar year 2015, with 134,426 summonses issued for speeding and 125,835 summonses issued for texting or using a cell phone while driving. Traffic fatalities decreased nine percent in calendar year 2015, as compared to calendar year 2014.

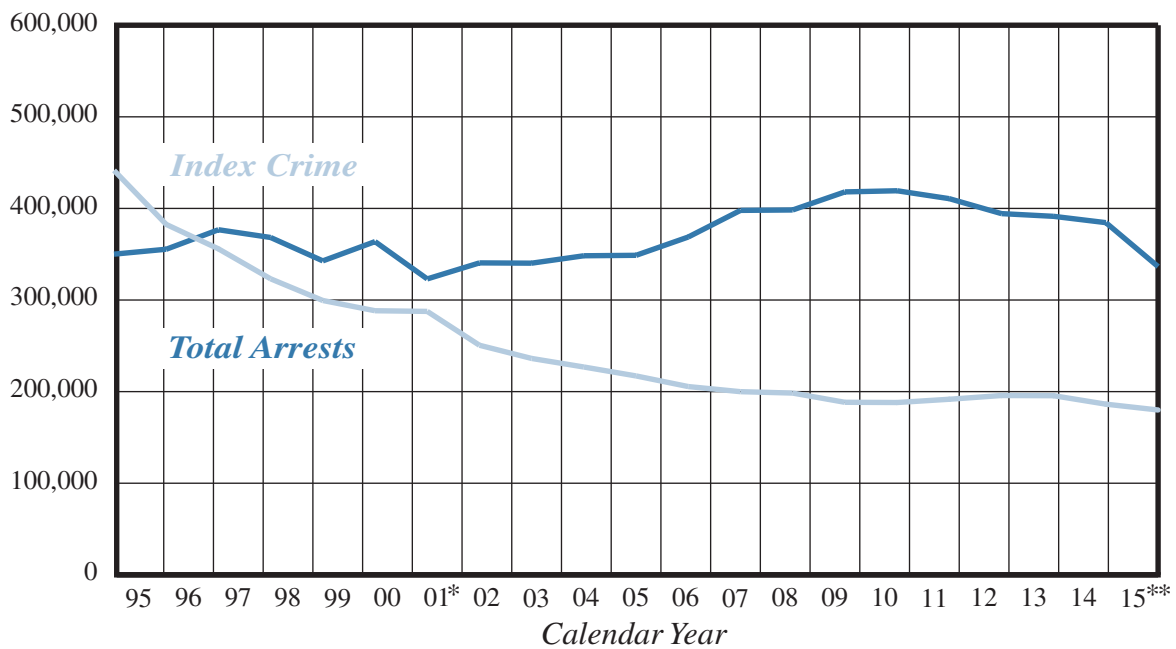
In addition to crime-fighting programs, protecting the City from future acts of terrorism remains a top priority of the Department. The Critical Response Command (CRC) became operational in October 2015. This command operates 24/7 and deploys assets citywide to prevent and deter terrorist planning and attacks on the City of New York. The CRC has the ability to saturate sensitive areas with a uniformed presence in order to protect critical infrastructure, transportation, and iconic locations. Operations conducted by the CRC include Hostile Surveillance Detection and CBRNE (Chemical, Biological, Radiological, Nuclear, and Explosive) detection. All uniformed members of the service assigned to CRC undergo significant counterterrorism training in topics such as hostile surveillance detection, active shooter response, explosive trace detection, hazardous material awareness, technician training, heavy weapons and tactical training. This comprehensive training enables the Counterterrorism Bureau to deploy CRC officers to a variety of assignments, including responding to an active shooter incident.

In May 2015, the NYPD also established the Strategic Response Group (SRG), consolidating eight separate patrol borough task forces into a single unified command. It is now part of NYPD’s new Citywide Operations Bureau, which also includes the Emergency Service Unit (ESU), and it comprises some 800 personnel operating in five individual SRG commands in each of the five boroughs. SRG’s multiple missions include disorder response, crime suppression, and mobilizations. Mobilizations are called whenever there is a shooting, a bank robbery, a

missing person, a demonstration, or other significant incident. Trained in safe, effective crowd control, SRG has proven to be a critical asset during high-profile events such as Pope Francis’ visit in September 2015, the U.S. Tennis Open, the United Nations General Assembly, and the Thanksgiving Day Parade.

Addressing crime through precision policing remains a top priority for the Department and the new Citywide Unified Investigations Model allows the Chief of Detectives access to all of the Department’s investigative resources, including several additional units that formerly reported to the Chief of Patrol, and thus the ability to quickly identify patterns and reassign resources as needed. The new model will also allow the Chief of Detectives to unilaterally implement new training standards for all Department personnel assigned to investigative functions.

ARRESTS VERSUS CRIME



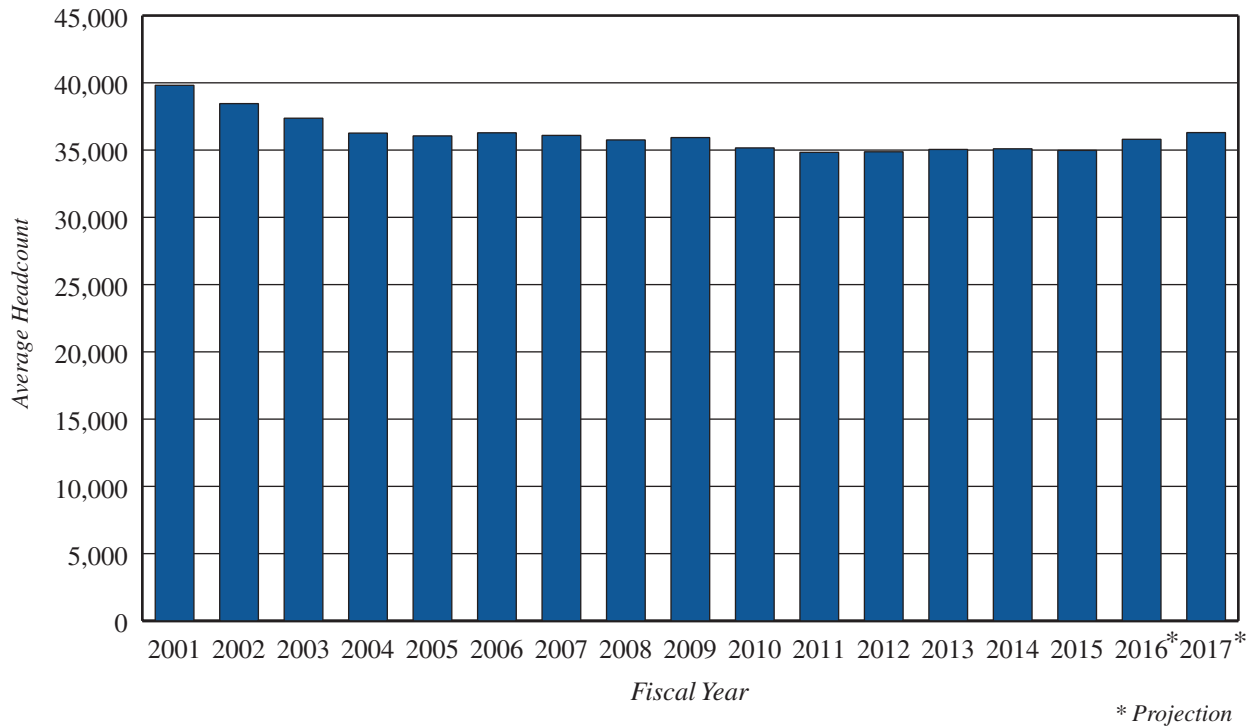
* In 2001, Index Crime data excludes World Trade Center victims.

** Preliminary estimates based on data from NYPD.

Uniformed Headcount

The July 2015 Police Officer class size was 1,217 recruits; of these, 1,123 graduated in December. The October 2015 Police Officer class size was 678 recruits and 634 graduated. In addition, the NYPD hired 1,369 recruits in January 2016 and 99 in April 2016. In 2017, the Department will hire four classes and maintain an average headcount of approximately 36,300.

TOTAL CITY, TRANSIT AND HOUSING POLICE FORCE



Capital Review

The Four Year Capital Strategy for the Police Department in total provides the Department with \$1.3 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 2015-2020 time period.

Capital Commitments (\$ in 000's)

	2015 Actual		2016 Plan		2017 Plan		2018 Plan		2019 Plan		2020 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
Police Facilities.....	\$68,844	\$69,010	\$191,932	\$217,663	\$311,620	\$337,442	\$48,308	\$48,308	\$154,445	\$154,445	\$290,631	\$290,631
Computer Equipment.....	50,666	50,666	131,422	131,422	108,278	108,278	19,323	19,323	18,302	18,302	4,272	4,272
Communications	4,181	4,181	64,978	64,978	44,343	44,343	74,850	74,850	32,798	32,798	26,900	26,900
Equipment.....	3,537	3,537	11,139	11,139	22,091	22,091	18,528	18,528	1,869	1,869	3,859	3,859
Vehicles.....	13,045	13,487	25,971	26,134	17,448	17,448	19,319	19,319	17,013	17,013	24,905	24,905
Total	\$140,273	\$140,881	\$425,442	\$451,336	\$503,780	\$529,602	\$180,328	\$180,328	\$224,427	\$224,427	\$350,567	\$350,567

Highlights of the 2017-2020 Four Year Capital Commitment Plan

Police Facilities (total commitment, \$830.8 million)

- construction of a new consolidated Property Clerk warehouse facility (\$366 million).
- construction of a new 116th precinct in Southeast Queens (\$70 million).
- renovation of precinct locker rooms Department-wide (\$59.7 million).
- construction of a new 40th precinct in the South Bronx (\$59.5 million).
- replacement of the Uninterrupted Power Supply system at One Police Plaza (\$23 million).
- renovation of precinct bathrooms Department-wide (\$22 million).
- replacement of precinct Heating, Ventilating, and Air Conditioning (HVAC) systems Department-wide (\$20.8 million).
- facility maintenance and reconstruction Department-wide (\$209.9 million).

Communications and Computer Equipment (total commitment, \$329.1 million)

- replacement of core radio infrastructure (\$68 million) and radio repeater sites (\$25 million).
- purchase and upgrade of miscellaneous computer equipment as a part of Phase One of the Sustainable Technology Initiative (\$41.6 million).
- lifecycle replacement of portable radios (\$35.3 million) and mobile radios (\$12.7 million).
- replacement and upgrade of various Department technologies and equipment (\$146.4 million).

Miscellaneous Equipment (total commitment, \$46.3 million)

- purchase and upgrade of miscellaneous equipment such as facility security camera upgrades, forensic lab equipment and diesel marine engines (\$46.3 million).

Vehicles (total commitment, \$78.7 million)

- purchase of Bell 412EP helicopters (\$18.5 million).
- lifecycle replacement of all other vehicles (\$60.2 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 2017 Executive Budget provides for operating expenses of \$1.4 billion, an increase of \$24.7 million from the amount forecast in 2016. Capital commitments of \$316.5 million are also planned in 2017.

Revenue Forecast

The Department of Correction collects revenue from jail commissary operations, vending machines and surcharges on inmate telephone calls. In 2017, 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. Three recruit classes will enter the Department's training academy in 2016, resulting in approximately 1,900 new officers on duty.
- the Department is reforming its use of force policy, expanding officer training and enhancing its Investigation Division to create a safe environment for officers and inmates at all facilities. In 2017, \$58.3 million and 429 personnel will be directed toward these goals.
- the Department will make five hours of programming per day available to all inmates in order to reduce violent incidents resulting from idle time. In 2017, \$22 million and 152 personnel will aid in delivering these new programming opportunities.

Summary of Agency Financial Data

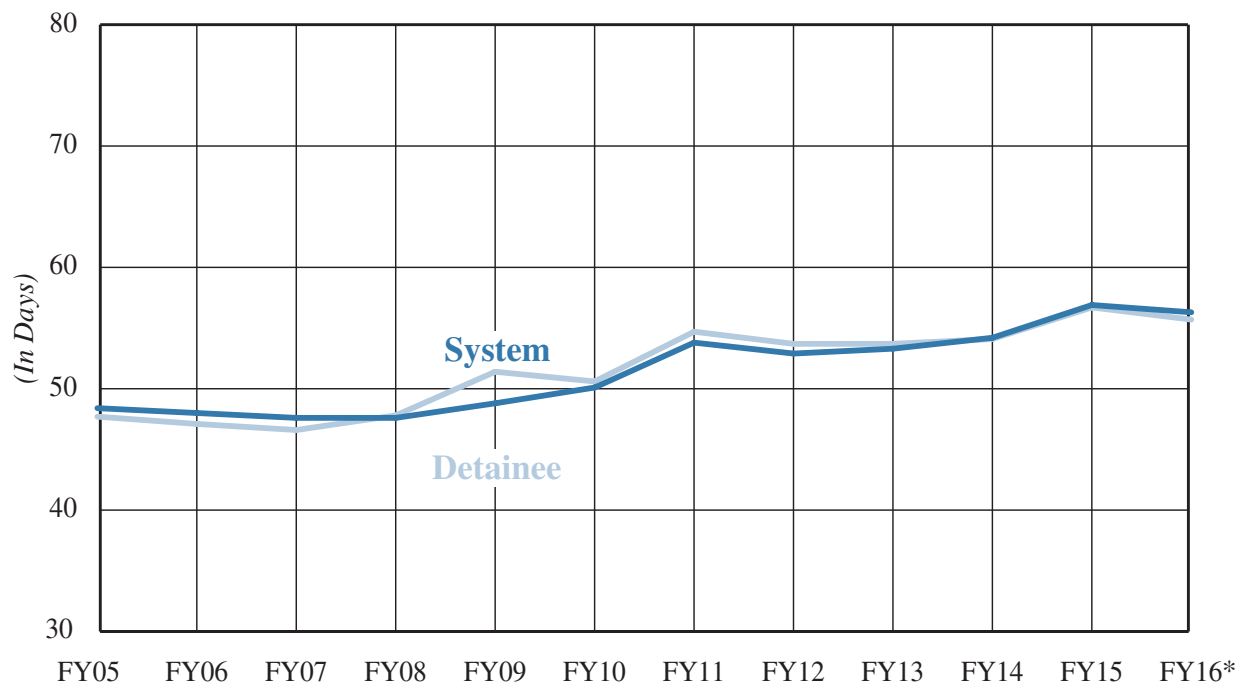
The following table compares the 2017 Executive Budget with the 2017 Preliminary Budget, the 2016 forecast and actual expenditures for 2015, including costs budgeted centrally for fringe benefits, pensions, and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$1,001,638	\$1,123,767	\$1,113,701	\$1,176,410	\$52,643	\$62,709
Fringe Benefits.....	21,975	24,095	24,088	24,088	(7)	—
OTPS.....	138,506	196,263	169,901	168,330	(27,933)	(1,571)
Total.....	\$1,162,119	\$1,344,125	\$1,307,690	\$1,368,828	\$24,703	\$61,138
Funding						
City.....	\$1,148,368	\$1,329,453	\$1,297,478	\$1,358,169	\$28,716	\$60,691
Other Categorical Grants.....	2,548	302	—	—	(302)	—
IFA.....	678	759	724	776	17	52
State.....	918	1,417	1,109	1,109	(308)	—
Federal CD.....	—	—	—	—	—	—
Federal Other.....	7,776	11,259	8,286	8,681	(2,578)	395
Intra-City Other.....	1,831	935	93	93	(842)	—
Total.....	\$1,162,119	\$1,344,125	\$1,307,690	\$1,368,828	\$24,703	\$61,138
Additional Costs Centrally Funded						
Personal Services (PS).....						
Fringe Benefits.....	\$434,185	\$479,258	\$517,812	\$526,070	\$46,812	\$8,258
Pensions.....	419,263	414,539	410,325	403,041	(11,498)	(7,284)
Other Than Personal Service (OTPS)						
Debt Service.....	159,805	185,318	206,266	202,250	16,932	(4,016)
Total Additional Costs.....	\$1,013,253	\$1,079,115	\$1,134,403	\$1,131,361	\$52,246	(\$3,042)
Funding						
City.....	997,362	1,061,844	1,115,106	1,109,493	47,649	(5,613)
Non-City.....	15,891	17,271	19,297	21,868	4,597	2,571
Full Agency Costs (including Central Accounts)						
Salary and Wages.....	\$1,001,638	\$1,123,767	\$1,113,701	\$1,176,410	\$52,643	\$62,709
Fringe Benefits.....	456,160	503,353	541,900	550,158	46,805	8,258
Pensions.....	419,263	414,539	410,325	403,041	(11,498)	(7,284)
Total PS.....	\$1,877,061	\$2,041,659	\$2,065,926	\$2,129,609	\$87,950	\$63,683
OTPS.....	\$138,506	\$196,263	\$169,901	\$168,330	(\$27,933)	(\$1,571)
Debt Service.....	159,805	185,318	206,266	202,250	16,932	(4,016)
Total OTPS.....	\$298,311	\$381,581	\$376,167	\$370,580	(\$11,001)	(\$5,587)
Total Agency Costs.....	\$2,175,372	\$2,423,240	\$2,442,093	\$2,500,189	\$76,949	\$58,096
Less Intra-City.....	\$1,831	\$935	\$93	\$93	(\$842)	\$—
Net Agency Cost.....	\$2,173,541	\$2,422,305	\$2,442,000	\$2,500,096	\$77,791	\$58,096
Funding						
City.....	2,145,730	2,391,297	2,412,584	2,467,662	76,365	55,078
Non-City.....	27,811	31,008	29,416	32,434	1,426	3,018
Personnel (includes FTEs at fiscal year-end)						
City.....	10,239	12,450	12,403	12,550	100	147
Non-City.....	8	8	8	8	—	—
Total.....	10,247	12,458	12,411	12,558	100	147

Programmatic Review

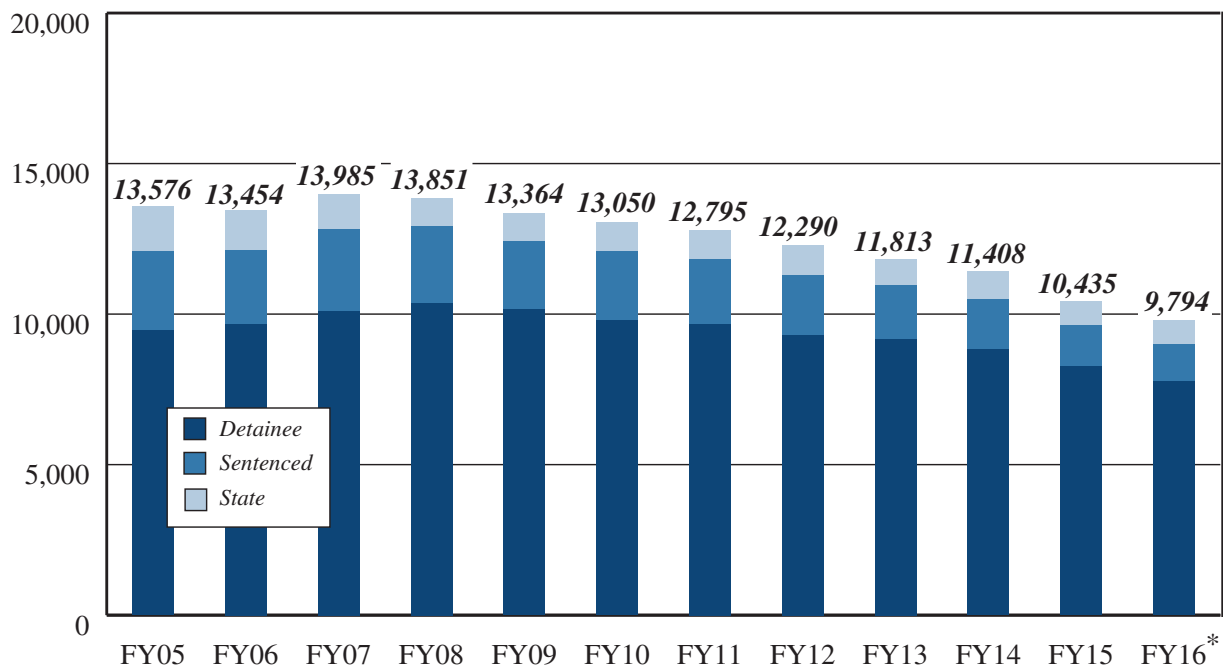
AVERAGE LENGTH OF STAY (By Fiscal Year)



* YTD through March 31, 2016

AVERAGE DAILY INMATE POPULATION

By Fiscal Year



* YTD through March 31, 2016

The average daily population through the first nine months of 2016 was 9,794, which is 6.1 percent lower than the same period in 2015. System admissions are down 5.5 percent and overall system length of stay decreased from 56.9 to 56.3 days.

Capital Review

The Four-Year Plan totals \$1.7 billion, including \$838.8 million for capacity replacement, \$816.5 million for support space and building systems and infrastructure, and \$36.6 million for the lifecycle replacement of equipment.

The table below shows capital plan commitments by program area over the 2015-2020 period:

Capital Commitments (\$ in 000's)

	2015 Actual		2016 Plan		2017 Plan		2018 Plan		2019 Plan		2020 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
Capacity Replacement	\$57,064	\$57,064	\$144	\$144	\$135,493	\$135,493	\$551,354	\$551,354	\$152,000	\$152,000	\$0	\$0
Support Space	528	528	22,306	22,306	27,522	27,522	9,574	9,574	84,700	84,700	3,000	3,000
Building Systems and Infrastructure.....	80,663	80,876	260,398	331,428	140,139	144,884	362,739	362,739	140,494	140,494	43,541	43,541
Equipment.....	15,169	15,169	104,571	104,571	8,629	8,629	6,062	6,062	14,998	14,998	6,899	6,899
Total	\$153,424	\$153,638	\$387,419	\$458,449	\$311,783	\$316,528	\$929,729	\$929,729	\$392,192	\$392,192	\$53,440	\$53,440

Highlights of the 2017-2020 Four Year Capital Commitment Plan

Capacity Replacement (total commitment, \$838.8 million)

The Department's capacity replacement plan includes building a new jail facility, which will allow the Department to permanently replace aging structures. Scheduled commitments include:

- design and construction of a new detention center (\$500.8 million).
- cell additions to replace beds in modular structures (\$168 million).

Building Systems, Infrastructure and Support Space (total commitment, \$816.5 million)

The Department will undertake \$816.5 million in improvements to building systems, infrastructure and support space during the Four-Year Plan. Projects include:

- continuation of fire life safety upgrades (\$245.3 million).
- roof, façade, window and courtyard reconstruction and repair (\$166.8 million).
- heating, cooling, ductwork and ventilation upgrades (\$125.2 million).
- construction of programming and classroom space (\$114.1 million).
- modification of facility entrances to prevent the introduction of contraband (\$36 million).

Information Technology, Equipment, and Vehicles (total commitment, \$36.6 million)

The Four-Year Plan provides \$37 million for vehicles, computers, security equipment and communication systems. Priorities include:

- vehicle replacement (\$16 million).
- generator replacement (\$4.8 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. The Department administers benefit programs including Cash Assistance (CA), Emergency Assistance, Supplemental Nutrition Assistance (SNAP) and Medical Assistance to support low-income New Yorkers. The Department assists individuals in returning to or entering the workforce by providing a variety of employment-related services, including access to education and job training, and help with job search and placement. The Department 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 legal services to prevent harassment and eviction, obtain federal disability benefits and address immigration problems. The Department’s programs for survivors of domestic violence, people with symptomatic HIV or AIDS, the frail and elderly, and individuals with disabilities provide a safety net for those permanently or temporarily unable to work.

In 2016, a 90-day review of homeless services was conducted, culminating in a comprehensive plan to improve the delivery of effective and efficient homeless services, which was unveiled in April 2016. The plan focuses on preventing homelessness, improving conditions and safety in shelters, rehousing homeless individuals and families, and addressing street homelessness through enhanced outreach.

As a result of the review, an integrated management structure will be implemented with both the HRA and the Department of Homeless Services (DHS) reporting to a single Commissioner for Social Services. Administrative support services will be streamlined through the creation of a shared services model where the administrative functions for the two agencies will be integrated. Homeless Prevention and Rehousing services will also be consolidated in HRA.

Financial Review

The Department’s 2017 Executive Budget provides for operating expenses of \$9.7 billion, of which \$7.4 billion are City funds. Capital commitments of \$126 million are also provided, of which \$83 million are City funds.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

Economic Security

- in 2017, an additional \$39 million will support benefits for a monthly average of 386,600 Cash Assistance (CA) recipients. While the annual unduplicated number of recipients receiving recurring and one-time CA over a 12 month period is projected to remain consistent at approximately 600,000, the monthly caseload is projected to increase modestly as the Department increases the payment of rent arrears to prevent evictions and homelessness, and reduces the counter-productive cycling of children and adults on and off the caseload.
- \$26 million in 2017 increasing to \$44 million by 2020 will expand case management, rental assistance, and nutrition and transportation benefits in an effort to end the HIV/AIDS epidemic.
- in 2017, \$3.3 million will support systemic reforms to provide reasonable accommodations for CA recipients with disabilities. These funds are in addition to \$3.8 million previously provided for 2017 in the 2016 Executive Budget for reasonable accommodations, including expanded fair hearing and contract services.

Homelessness Prevention and Rehousing Services

- in 2017, \$117 million will support the Department's rental assistance programs, including Living in Communities (LINC), the City Family Eviction Prevention Supplement Program (CFEPS), and the Special Exit and Prevention Supplement (SEPS). Federal funding is also provided for the Tenant Based Rental Assistance Program (TBRA). An additional \$8 million in 2017 will support new housing models, including the use of master leases to convert appropriate shelter sites to permanent housing or mixed used programs.
- in 2017, the Department will work with DHS to implement new community-based initiatives for families to seek crisis intervention services at Homebase sites and will test the effectiveness of the new approach at designated sites before system-wide implementation.
- \$13 million in 2017 growing to \$108 million by 2020 will support 15,000 new units of supportive housing to be developed over the next 15 years. Supportive housing is affordable housing coupled with support services to provide a stable and permanent environment to individuals such as those with a history of homelessness, and mental and/or substance use disorders.
- \$4.5 million in 2017 will support the City's commitment to end the use of "three-quarter housing," inappropriate and often illegal private sites housing single adults. Since the creation of an interagency task force to end the use of three-quarter housing in June 2015, more than 100 individuals have been relocated from three-quarter housing into permanent, affordable housing with rental assistance.

Partnerships and Civic Engagement

- \$7.6 million in 2017 will support the IDNYC program, which issues Municipal Identification cards to all City residents, including members of the most vulnerable communities, such as homeless persons, youth, senior citizens, undocumented immigrants, and formerly incarcerated persons. The Municipal ID provides numerous benefits, particularly for those without a current government-issued ID, by enabling card holders to open bank accounts, sign leases, receive a library card, and gain access to all New York City government offices. Through March 2016, over 850,000 individuals have applied for and 814,000 individuals have received IDNYC cards.

*Budgetary Priorities:**Restructuring and Streamlining*

- as a result of the 90-day review of homeless services, the Department of Homeless Services' (DHS) administrative functions will be integrated within HRA to streamline the management structure and improve the delivery of services to the most vulnerable New Yorkers. The Departments will also eliminate duplicative programming by consolidating homeless prevention and rehousing services in HRA. The integration and reorganization will generate savings of \$38 million annually that will partially offset the cost of reforms to improve the shelter system and enhance homelessness prevention and rehousing activities. An additional \$66 million is provided across both agencies for the implementation of the reforms.

Summary of Agency Financial Data

The following table compares the 2017 Executive Budget with the 2017 Preliminary Budget, the 2016 forecast and actual expenditures for 2015, including costs budgeted centrally for fringe benefits, pensions, judgments and claims, legal services and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$783,658	\$810,607	\$803,061	\$861,487	\$50,880	\$58,426
Fringe Benefits.....	698	913	913	913	—	—
Medical Assistance.....	6,349,378	5,817,200	6,220,042	5,914,753	97,553	(305,289)
Public Assistance.....	1,493,269	1,480,852	1,502,457	1,584,062	103,210	81,605
Other OTPS.....	1,144,188	1,267,509	1,281,863	1,371,938	104,429	90,075
Total.....	\$9,771,191	\$9,377,081	\$9,808,336	\$9,733,153	\$356,072	(\$75,183)
Funding						
City.....	\$7,681,477	\$7,133,637	\$7,608,302	\$7,446,520	\$312,883	(\$161,782)
Other Categorical Grants.....	276	150	—	—	(150)	—
IFA.....	—	—	—	—	—	—
State.....	557,256	669,762	683,284	701,683	31,921	18,399
Federal CD.....	72,794	26,274	—	—	(26,274)	—
Federal Other.....	1,449,160	1,536,527	1,505,920	1,574,120	37,593	68,200
Intra-City Other.....	10,228	10,731	10,830	10,830	99	—
Total.....	\$9,771,191	\$9,377,081	\$9,808,336	\$9,733,153	\$356,072	(\$75,183)
Additional Costs Centrally Funded						
Personal Services (PS).....						
Fringe Benefits.....	\$327,966	\$343,695	\$374,973	\$369,086	\$25,391	(\$5,887)
Pensions.....	137,434	146,392	152,313	147,693	1,301	(4,620)
Other Than Personal Service (OTPS).....						
Debt Service.....	107,109	75,634	84,184	79,142	3,508	(5,042)
Total Additional Costs.....	\$572,509	\$565,721	\$611,470	\$595,921	\$30,200	(\$15,549)
Funding						
City.....	381,629	383,176	501,312	483,509	100,333	(17,803)
Non-City.....	190,880	182,545	110,158	112,412	(70,133)	2,254
Full Agency Costs (including Central Accounts)						
Salary and Wages.....	\$783,658	\$810,607	\$803,061	\$861,487	\$50,880	\$58,426
Fringe Benefits.....	328,664	344,608	375,886	369,999	25,391	(5,887)
Pensions.....	137,434	146,392	152,313	147,693	1,301	(4,620)
Total PS.....	\$1,249,756	\$1,301,607	\$1,331,260	\$1,379,179	\$77,572	\$47,919
Medical Assistance.....	\$6,349,378	\$5,817,200	\$6,220,042	\$5,914,753	\$97,553	(\$305,289)
Public Assistance.....	1,493,269	1,480,852	1,502,457	1,584,062	103,210	81,605
Other OTPS.....	1,144,188	1,267,509	1,281,863	1,371,938	104,429	90,075
Debt Service.....	107,109	75,634	84,184	79,142	3,508	(5,042)
Total OTPS.....	\$9,093,944	\$8,641,195	\$9,088,546	\$8,949,895	\$308,700	(\$138,651)
Total Agency Costs.....	\$10,343,700	\$9,942,802	\$10,419,806	\$10,329,074	\$386,272	(\$90,732)
Less Intra-City.....	\$10,228	\$10,731	\$10,830	\$10,830	\$99	\$—
Net Agency Cost.....	\$10,333,472	\$9,932,071	\$10,408,976	\$10,318,244	\$386,173	(\$90,732)
Funding						
City.....	8,063,106	7,516,813	8,109,614	7,930,029	413,216	(179,585)
Non-City.....	2,270,366	2,415,258	2,299,362	2,388,215	(27,043)	88,853
Personnel (includes FTEs at fiscal year-end)						
City.....	10,388	11,017	10,591	11,609	592	1,018
Non-City.....	3,302	3,753	3,717	3,407	(346)	(310)
Total.....	13,690	14,770	14,308	15,016	246	708

Programmatic Review and Service Impact

Family Independence Administration (FIA)

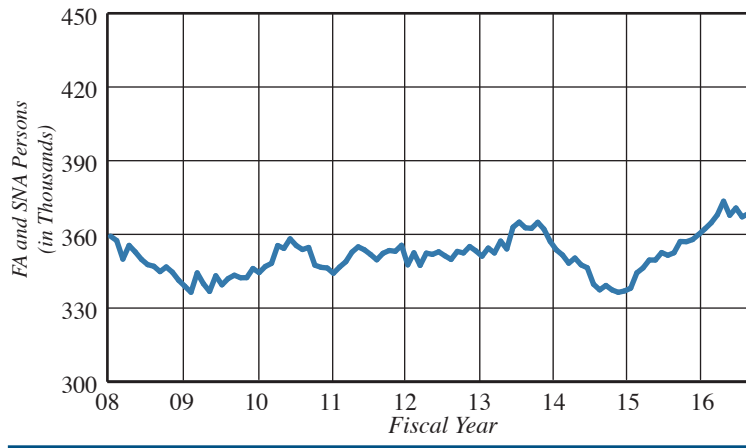
The Family Independence Administration (FIA) administers Cash Assistance (CA) and the Supplemental Nutrition Assistance Program (SNAP). FIA assists individuals to obtain employment, provides access to education and training and provides support services including childcare and carfare for working families;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

Cash Assistance (CA)

The Department projects expenditures of \$1.6 billion on Cash Assistance (CA) benefits in 2017, of which \$703 million will be City funds.

While the number of CA recipients fluctuates slightly month-to-month, the annual unduplicated caseload of New Yorkers receiving CA remained steady at the 600,000 level during the past year as it has for a number of years. The annual number receiving non-recurring benefits to prevent evictions and utility shutoffs was approximately 108,000, an increase of nearly 5,000, or 5 percent, since January 2014.

CASH ASSISTANCE CASELOAD 2008-2016



In March 2016, 361,848 individuals were in receipt of recurring CA benefits and 8,384 received one-time assistance, primarily emergency funds to prevent eviction and homelessness. In any given month in 2017, there are projected to be an average of approximately 386,600 New Yorkers receiving CA benefits. 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 142,822 adults and children in March 2016. Projected FA expenditures in 2017 are \$559 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 time limit for TANF-funded benefits or who do not otherwise meet federal eligibility rules; single adults; and childless couples. In March 2016, 227,410 individuals received SNA, of whom 87,719 were adults and children who had reached the TANF time limit. In 2017, the Department projects spending \$1 billion on SNA.

Supplemental Nutrition Assistance Program (SNAP)

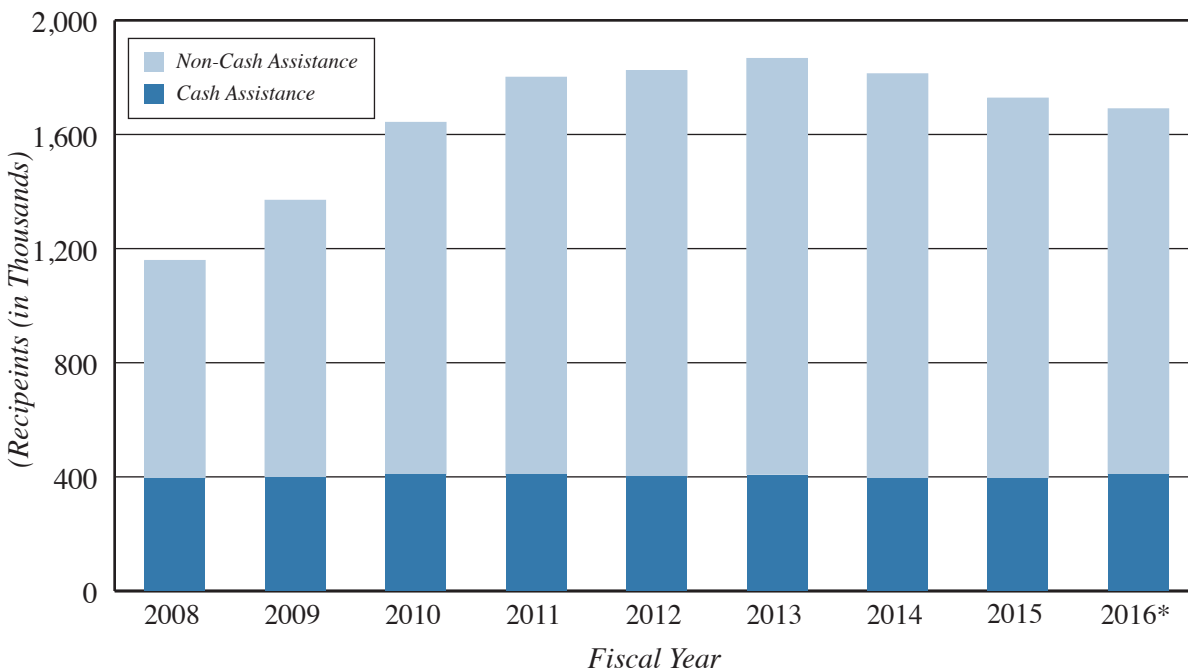
The Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps, is a federally-funded benefit intended to supplement food costs for low-income families and individuals. The Department administers the SNAP program on behalf of New York State. The City is responsible for 50 percent of the administrative cost of the program, with the federal government paying the other half. In 2017, approximately \$3.0 billion will provide benefits to an average of 1.7 million individuals per month.

Between September 2012 and February 2016, the SNAP caseload declined by 9 percent, commensurate with declines nationally. To ensure that all eligible New Yorkers are able to access these benefits, the Department has enhanced 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 2016, the Department has outfitted the majority of its SNAP Centers with PC banks, self-service scanners and other technology to allow clients to complete SNAP applications and re-certifications online and to directly submit their supporting documentation via a smartphone or other technologies in order to expedite the process. In addition, the Department initiated an On-Demand call center in Staten Island in January 2016 and another in Washington Heights in March 2016, eliminating pre-scheduled telephone interviews for participants in these areas. This initiative will expand citywide and will be made available for new applicant interviews during the remainder of calendar year 2016 and 2017. New self-service options for CA recipients will also be phased-in beginning in calendar year 2017.

AVERAGE FOOD STAMP RECIPIENTS 2008-2016



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 2016, 33,000 cases were engaged in employment, training or other related activities and 27,000 were working full or part time but still making so little that they remain eligible for CA.

Comprehensive employment services reform is embodied in the Department's biennial Employment Plan, which was approved by New York State in December 2014. By the end of calendar year 2016, the Department intends to replace and revamp all of its current employment programs and contracts to fully implement the new program during a two-year State-approved phase-in.

As part of the revamping of employment services, HRA released three requests for proposals in 2016. New targeted programming includes 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 will provide assessment, training, education and job placement services to clients ages 18–24, with a particular focus on the needs and potential of young people.

In accordance with New York State law, the Department accommodates school, homework and work study hours in the employment plans for students, and has replaced Work Experience Program (WEP) assignments for college students with work-study and internships.

By December 2016, HRA plans to phase out WEP, as the program has not led to sustained work and movement off of the HRA caseload, and replace it with other work activities specific in HRA's State-approved Employment Plan. The number of clients enrolled in WEP assignments at City agencies as of the end of February 2016 was less than 2,000, a reduction of almost 50 percent since April 2014.

Homelessness Prevention and Rehousing Services

In 2014, the Department established the Homeless Prevention Administration (HPA), a new division which brings together and coordinates existing programs and new homelessness prevention initiatives. 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. HPA continues to expand its legal assistance programming to protect more people from displacement and improve housing conditions. In 2017, an additional \$9.2 million, growing to \$12 million in 2018, will support the expansion of anti-eviction legal services in 10 neighborhoods that comprise approximately 15% of the eviction-related entrants to homeless shelter annually. This will build upon previous investments and, at full implementation, will result in a ten-fold increase in anti-eviction and anti-harassment legal services with a total budget of over \$60 million in contracts to serve more than 33,000 households and more than 113,000 people annually.

In 2017, as a result of the 90-day review of homeless services HRA's HPA will integrate homeless prevention programming, currently spread across both HRA and DHS, in order to improve client experiences and outcomes through consolidation and improved targeting. This will include the implementation of new community-based initiatives for families to seek crisis intervention services at Homebase sites instead of at DHS's shelter intake facility, PATH, and will test the effectiveness of the new approach at designated sites before system-wide implementation. Enhancing current prevention efforts and reorienting the system toward a "prevention first" model will help families avoid the trauma of homelessness.

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 2017, \$117 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 March 2016, 11,038 households comprised of 32,352 individuals averted entry into or have exited shelter through one of these programs or through Section 8 and NYCHA. In 2017, also as a result of the 90-day review of homeless services, HRA will establish a unified management structure to promote overall shelter move outs. The current rental assistance programs will be streamlined through consolidation and process improvements. In order to ensure effective usage of the programs, HRA will also increase enforcement of the source of income discrimination local law.

In addition to rental assistance, the Department offers aftercare and support services to families and individuals who have been placed in permanent housing. HPA also interfaces with landlords and management companies to address their needs and concerns related to households receiving rental assistance.

Office of Child Support Enforcement (OCSE)

The Office of Child Support Enforcement (OCSE) puts children first by helping both parents provide for the economic and social well-being of their children. OCSE 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 OCSE pursuant to federal and New York State statutes. All other custodial parents may apply for OCSE services on a voluntary basis.

In calendar year 2015, there were 283,606 cases with support orders, including 33,269 CA cases and 250,337 non-Cash Assistance (NCA) cases. Of the NCA cases, 127,097 were former CA recipients. Child support collections in calendar year 2015 totaled \$757 million, benefitting a quarter of a million children. In 2015, over 92 percent of support collections went directly to families, and more than \$391 million was collected on behalf of families who formerly received CA.

Medical Assistance Program (MAP)

The Medicaid public health insurance program provides 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. Over 2.1 million New York City residents received Medicaid through HRA as of February 2016, with the Medical Assistance Program (MAP) responsible for more than 1.4 million Medicaid-Only (non-CA) enrollees. Another approximately 1.3 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), a new category of Medicaid, the Modified Adjusted Gross Income (MAGI) group, was created. These clients no longer apply through the Department, resulting in the decline in the HRA-administered Medicaid caseload of 29 percent since December of 2013.

Under the ACA, 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 non-MAGI clients through 2018, and will provide Certified Application Counselor (CAC) services to assist individuals who fit MAGI criteria 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 2016, HCSP delivered personal care services to 4,623 personal care cases and provided Medicaid financial

eligibility review to approximately 124,634 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 628 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. In 2016, through February, 2,198 WeCARE clients obtained jobs and 1,882 were approved for federal disability benefits.

The Substance Use Policy Planning and Monitoring (SUPPM) Program provides substance use assessments, referrals and monitoring of substance use treatment and case management services to more than 9,300 clients at any given time. Three Comprehensive Service Model contracts provide case management to better support retention in substance use treatment and assist with housing, medical/mental health care, employment or obtaining federal disability benefits.

The Placement Assessment and Client Tracking (PACT) unit reviews applications for supportive housing for homeless or at risk clients with serious mental illnesses, substance use disorders and/or other special needs. In calendar year 2015, PACT reviewed 22,965 supportive housing applications to determine eligibility for placement into a continuum of housing alternatives.

CAS also contains 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. As of February 2016, HASA served over 31,000 individuals.

Over 26,000 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 2016, HASA supported over 2,500 units in its emergency housing portfolio and over 5,300 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 2016, APS received 16,373 referrals. Forty-six percent of the referrals involved eviction, 12 percent included allegations of abuse, 15 percent included allegations of neglect and 13 percent included allegations of financial exploitation. During this period, APS assessed 13,910 individuals and maintained an average monthly undercare caseload of 6,844.

Since July 2014, the monthly APS caseload has increased by 17 percent. The average monthly undercare caseload grew from 5,762 in 2015 to 6,440 in February 2016, while the average monthly Community Guardian caseload increased from 1,446 to 1,618 during the same period. To address the increasing caseload, in 2017 an additional \$3.2 million will support 81 new case management staff and other APS 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 2,282 beds for survivors of domestic violence and their children, which will increase to 3,182 by the end of 2017 with funding provided in the Executive Budget. ODV also administers seven Tier II shelters with 243 family units for clients who require additional services before transitioning back to the community. HRA's Tier II capacity will increase to 643 units with funding also provided in the Executive Budget.

Approximately 1,000 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 teen-agers in 62 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. Through February 2016, the program has issued 691,711 benefits totaling approximately \$34 million for the 2015-2016 season, which runs from November to March. 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 home owners 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 500 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 response to emergencies and works with Office of Emergency Management (OEM) to implement the citywide human services response to emergencies.

Office of Citywide Health Insurance Access (OCHIA)

The Office of Citywide Health Insurance Access (OCHIA) connects New York City residents and small businesses with health insurance. In collaboration with a network of public and private sector partners, and through online portals and social media, OCHIA delivers outreach, education, and enrollment assistance for consumers and provides training for organizations about public and private health insurance.

Capital Review

The Department's Four-Year Capital Strategy for 2017-2020 totals \$125.5 million, of which \$82.6 million are City funds. The Four-Year Capital Strategy includes \$80.5 million for technology to streamline Department operations, including key investments related to Client Services Re-engineering. This will feature the continued development of a virtual client service center which leverages ACCESS NYC, the City's on-line benefits portal, to provide expanded client accounts. These accounts will include automated functionality, such as online client notices and benefits information. On-line applications and re-certifications will be enhanced and On-Demand telephone interviews for SNAP will be expanded Citywide.

Additional Capital investments include \$21.2 million for facilities maintenance, equipment and improvements; \$12.8 million for the installation of telecommunications equipment; and \$1.2 million for vehicles.

Capital Commitments

(\$ in 000's)

	2015 Actual		2016 Plan		2017 Plan		2018 Plan		2019 Plan		2020 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.....	\$21,502	\$32,963	\$27,281	\$33,026	\$24,903	\$33,226	\$20,814	\$34,055	\$2,707	\$5,526	\$3,759	\$7,672
Telecommunications.....	3,297	6,874	5,985	12,158	1,258	2,569	2,369	4,836	1,309	2,674	1,334	2,725
Automotive.....	75	112	1,611	1,611	326	561	50	102	190	388	98	200
Equipment.....	25,244	41,118	5,633	8,564	2,498	2,498	0	0	0	0	0	0
Buildings.....	5,087	4,401	13,482	19,724	13,835	19,467	2,442	3,360	4,107	4,474	577	1,178
Total.....	\$55,204	\$85,468	\$53,992	\$75,083	\$42,820	\$58,321	\$25,675	\$42,353	\$8,313	\$13,062	\$5,768	\$11,775

Highlights of the Four Year Capital Strategy

- Upgrades to ACCESS NYC, creation of new on-line benefit application tools, virtual client accounts, e-notices, mobile connectivity and telephone enhancements as part of the Benefits Re-engineering initiative (\$36.8 million); \$28.2 million was expended through end of 2015 on this initiative.
- Design and construction improvements for domestic violence shelters (\$6.5 million).
- Design and construction improvements at other HRA facilities (\$7.2 million).

DEPARTMENTS OF SOCIAL AND HOMELESS SERVICES

DEPARTMENT OF HOMELESS SERVICES

The Department of Homeless Services (DHS) aims to alleviate 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 services to street homeless individuals.

In 2016, a 90-day review of homeless services was conducted, culminating in a comprehensive plan to improve the delivery of effective and efficient homeless services, which was unveiled in April 2016. The plan focuses on preventing homelessness, improving conditions and safety in shelters, rehousing homeless individuals and families, and addressing street homelessness through enhanced outreach.

As a result of the review, an integrated management structure will be implemented with both the Human Resources Administration (HRA) and the Department reporting to a single Commissioner for Social Services. Administrative support services will be streamlined through the creation of a shared services model where the administrative functions for the two agencies will be integrated. Homeless prevention and rehousing services will also be consolidated in HRA.

Financial Review

The Department's 2017 Executive Budget provides for operating expenses of \$1.3 billion, of which \$747 million are City funds. Capital commitments of \$236 million are also provided.

Expense Budget Highlights

Budgetary Priorities: Restructuring and Streamlining

- the 90-day review led to several programmatic reforms to improve the quality of services to vulnerable New Yorkers through efficient use of City resources. Included in the Executive Budget is \$66 million for these reforms, which will be offset by savings of \$38 million achieved through the integration of administrative operations and elimination of ineffective and duplicative programming.
- DHS and HRA will leverage shared administrative operations including budget and finance, procurement, legal and communications to generate efficiencies and improve service delivery.
- Homelessness prevention and rehousing services will be consolidated in HRA, enabling the elimination of duplicative programming and improving client experiences and outcomes through streamlined services and improved targeting.
- DHS will focus on improving the quality of shelters and services, ensuring client safety and security, and addressing the specialized needs of street homeless individuals.

Budgetary Priorities: Shelter Services

- an additional \$160 million will support shelter capacity in 2017. In March 2016 there was an average of 57,800 individuals in DHS shelters.
- in 2017, \$15 million will support shelter rate reform and the conversion of non-contracted facilities to contract. This is expected to rationalize reimbursement rates across programs and providers to improve the quality of shelters and services, as well as increase accountability.

- in 2017, an additional \$8 million will support new housing models, including the conversion of appropriate shelter sites to permanent housing or mixed used programs.
- \$17 million will support enhanced shelter programming for single adults at 40 directly-operated and provider-run shelters. Services will include literacy, job training, counseling, recreation and other supports for clients who remain in shelter during the day.
- \$3.5 million will support enhanced clinical services at single adult mental health shelters. This is one component of the NYC SAFE initiative, which added funding across multiple agencies to provide services to individuals with serious untreated mental illness.

Budgetary Priorities: Safety and Security

- \$45 million in 2017 will support enhanced security and related services at select high needs shelters, mental health shelters, and commercial hotels. This includes the deployment of Peace Officers at all 27 mental health shelters to provide added security at the shelters and in the surrounding communities. The New York Police Department (NYPD) will also deploy a management team to develop an action plan to upgrade security at all shelters, as well as retrain all DHS Peace Officers.
- \$7.7 million in 2017 will support the Shelter Repair Squad, a multi-agency effort to improve physical conditions in DHS shelters. Participating agencies, including DHS, the Mayor's Office of Operations, HRA, the Department of Buildings, the Department of Housing Preservation and Development, the Department of Design and Construction, the Department of Parks and Recreation, the Department of Citywide Administrative Services, and the New York City Fire Department, will jointly inspect over 600 buildings that shelter homeless families and individuals and remedy those issues. In the first quarter of 2016, agencies completed 3,987 inspections and, along with shelter providers, have cut outstanding building code violations at non-cluster shelters by 44 percent since January. Through February, 12,026 repairs were completed, almost as many as the 12,934 violations cleared in all of 2015. Funding is also provided to improve maintenance of directly run shelters through on-staff painters, facility managers, and fire safety directors.

Budgetary Priorities: Street Homeless Programming

- \$22 million will support HomeSTAT (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. This includes daily canvassing of every block in Manhattan and hot spots in other boroughs, doubling the number of drop-in centers and an expansion of homeless outreach contracts to reduce response times and enhance services.

Summary of Agency Financial Data

The following table compares the 2017 Executive Budget with the 2017 Preliminary Budget, the 2016 forecast and actual expenditures for 2015, including costs budgeted centrally for fringe benefits, pensions, and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$123,959	\$162,961	\$164,373	\$143,088	(\$19,873)	(\$21,285)
Fringe Benefits.....	1,217	1,566	1,566	1,566	—	—
OTPS.....	1,044,650	1,160,718	942,701	1,151,308	(9,410)	208,607
Total.....	\$1,169,826	\$1,325,245	\$1,108,640	\$1,295,962	(\$29,283)	\$187,322
Funding						
City.....	\$680,835	\$717,121	\$577,913	\$747,271	\$30,150	\$169,358
Other Categorical Grants.....	3,025	3,000	3,000	3,000	—	—
IFA.....	—	—	—	—	—	—
State.....	162,660	149,769	125,937	134,919	(14,850)	8,982
Federal CD.....	4,098	4,098	4,098	4,098	—	—
Federal Other.....	317,509	448,131	396,841	405,823	(42,308)	8,982
Intra-City Other.....	1,699	3,126	851	851	(2,275)	—
Total.....	\$1,169,826	\$1,325,245	\$1,108,640	\$1,295,962	(\$29,283)	\$187,322
Additional Costs Centrally Funded						
Personal Services (PS).....						
Fringe Benefits.....	\$44,479	\$51,054	\$52,154	\$55,056	\$4,002	\$2,902
Pensions.....	20,272	21,782	22,540	21,423	(359)	(1,117)
Other Than Personal Service (OTPS)						
Debt Service.....	—	—	—	—	—	—
Total Additional Costs.....	\$64,751	\$72,836	\$74,694	\$76,479	\$3,643	\$1,785
Funding						
City.....	60,840	68,840	70,646	71,836	2,996	1,190
Non-City.....	3,911	3,996	4,048	4,643	647	595
Full Agency Costs (including Central Accounts)						
Salary and Wages.....	\$123,959	\$162,961	\$164,373	\$143,088	(\$19,873)	(\$21,285)
Fringe Benefits.....	45,696	52,620	53,720	56,622	4,002	2,902
Pensions.....	20,272	21,782	22,540	21,423	(359)	(1,117)
Total PS.....	\$189,927	\$237,363	\$240,633	\$221,133	(\$16,230)	(\$19,500)
OTPS.....	\$1,044,650	\$1,160,718	\$942,701	\$1,151,308	(\$9,410)	\$208,607
Debt Service.....	—	—	—	—	—	—
Total OTPS.....	\$1,044,650	\$1,160,718	\$942,701	\$1,151,308	(\$9,410)	\$208,607
Total Agency Costs.....	\$1,234,577	\$1,398,081	\$1,183,334	\$1,372,441	(\$25,640)	\$189,107
Less Intra-City.....	\$1,699	\$3,126	\$851	\$851	(\$2,275)	\$—
Net Agency Cost.....	\$1,232,878	\$1,394,955	\$1,182,483	\$1,371,590	(\$23,365)	\$189,107
Funding						
City.....	741,675	785,961	648,559	819,107	33,146	170,548
Non-City.....	491,203	608,994	533,924	552,483	(56,511)	18,559
Personnel (includes FTEs at fiscal year-end)						
City.....	1,933	2,393	2,428	2,238	(155)	(190)
Non-City.....	44	59	—	—	(59)	—
Total.....	1,977	2,452	2,428	2,238	(214)	(190)

Programmatic Review and Service Impact

Adult Services

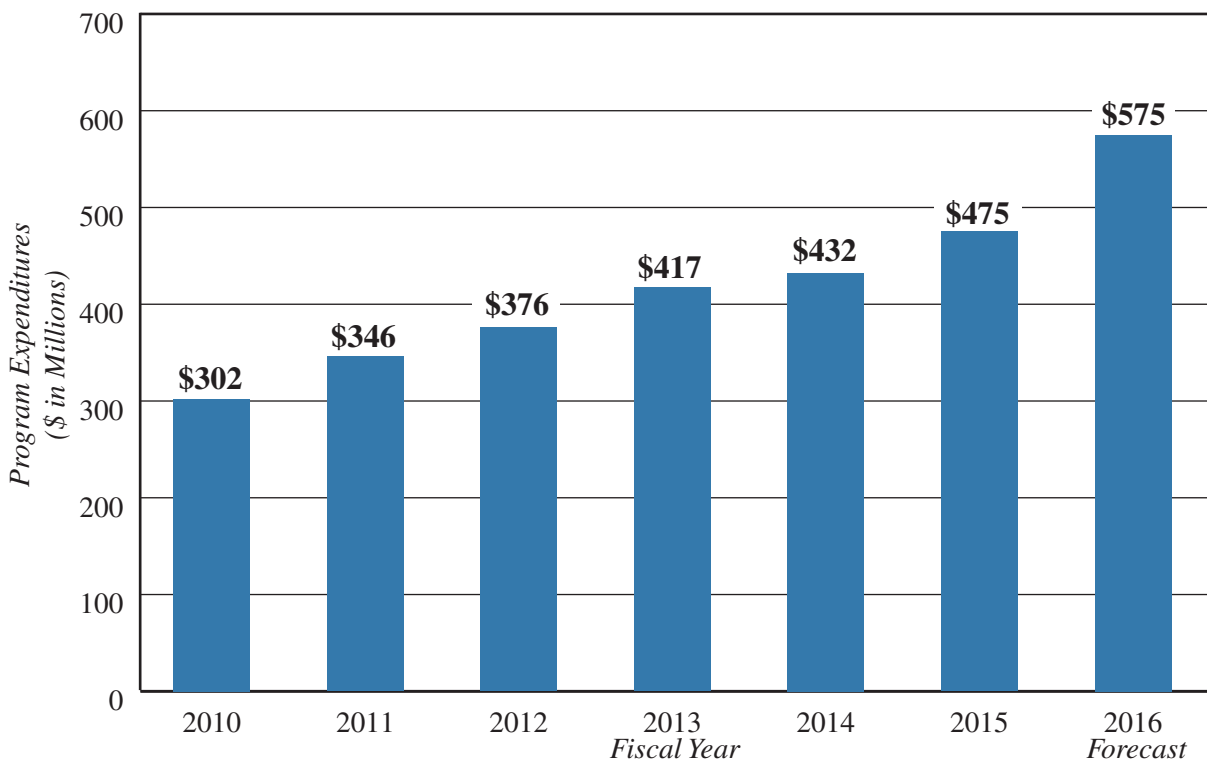
The Department provides a variety of directly operated and contracted services for homeless adults, including general and specialized transitional shelter, housing assistance and placement into subsidized and supportive housing. DHS operates 56 specialized shelters, providing mental health, substance use, employment and other services as well as 18 general shelters and 6 assessment shelters for single adults. There are an additional 24 shelters for families without children.

In 2017, the Department will continue to implement literacy, job training and programming during the day at both directly operated and contracted shelters and will partner with HRA to connect adults in shelter to employment opportunities, including public and private market subsidized employment programs, so that they can transition to permanent housing.

In 2017, \$10 million in investments in clinical mental health services will enable DHS to continue to provide enhanced clinical services at its 27 mental health shelters as well as improve clinical assessments at shelter intake. The expansion of clinical services at adult shelters began in 2016, and additional funding in 2017 will build upon these enhancements with the addition of over 90 new clinical staff members at shelters across the City.

The Department will also continue to help shelter clients transition into permanent housing. In 2016, over 1,300 seniors, adults with disabilities, and employed single adults and adult households were placed into permanent housing utilizing the City’s rental assistance programs including LINC and SEPS. An additional 1,290 adult clients with ongoing support needs were placed into supportive housing.

HOMELESS INDIVIDUALS - PROGRAM EXPENDITURES: 2010-2016*



* Excludes Advantage expenditures

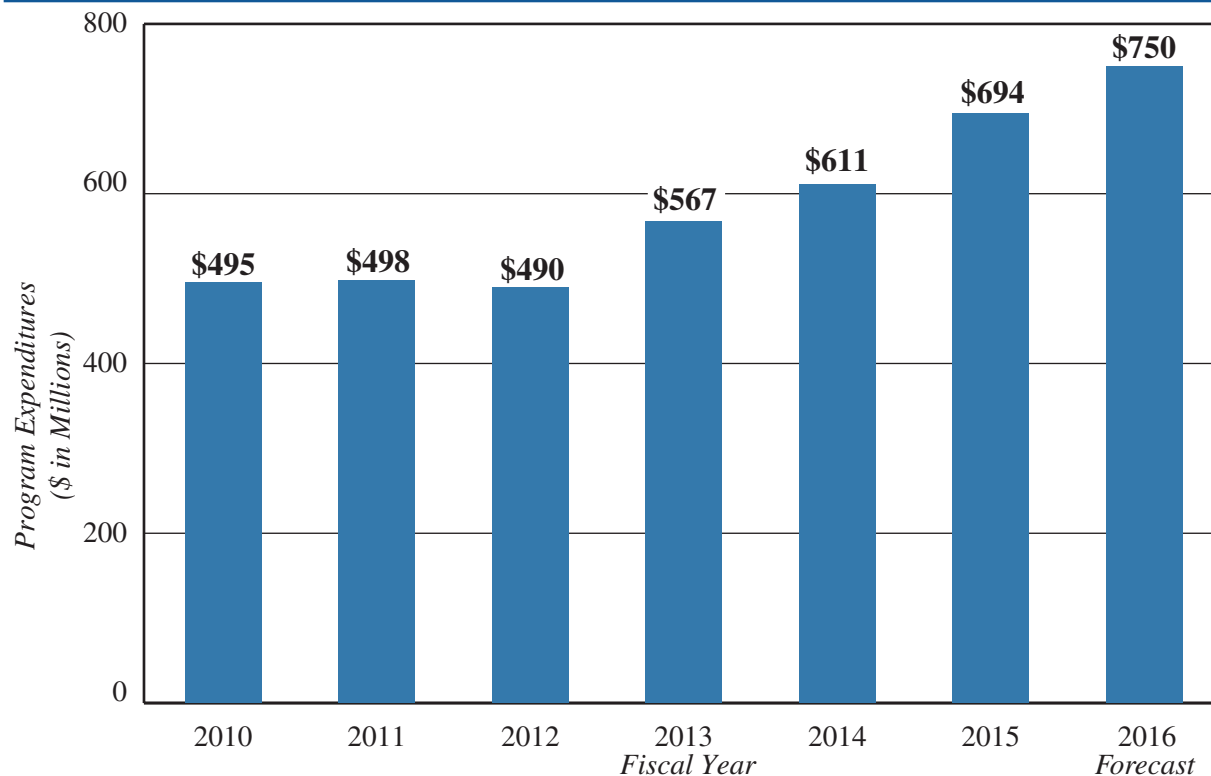
Family Services

The Department serves homeless families with children through a network of shelters run by over 70 providers and in 2 directly operated shelters across over 500 total facilities. Families are provided with social services, access to child 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 rehabilitative 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 child care.

Family Services employs social work staff as part of the Safety First Team (SFT) to assess and engage families with child welfare involvement and monitor family and child safety and well-being while in shelter. In addition, the Clinical Services Unit supports assessments, short-term counseling, and clinical referrals as needed. As part of ThriveNYC, beginning in 2016 DHS is adding Licensed Social Workers in all contracted family shelters to serve as Client Care Coordinators. These Coordinators will 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 2017, DHS will also continue its focus on child well-being, including monitoring school attendance, promoting infant safe sleeping habits, and linking families with children in shelter to early childhood education programs including Universal Pre-Kindergarten. DHS also continues to partner with the Department of Health and Mental Hygiene to refer all families in shelter with a new infant to the Newborn Home Visiting Program, which is anticipated to serve about 1,800 newborns in shelter annually.

HOMELESS FAMILIES - PROGRAM EXPENDITURES: 2010-2016*

* Excludes Advantage expenditures

Street Homelessness Programming

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

The Department operates 11 safe havens, 4 Drop-in centers and about 322 stabilization beds. In April 2016, an average of about 1,600 clients were served each day in drop in centers, safe havens and stabilization beds.

In 2016, the Department launched HomeSTAT (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.

HomeSTAT created new street canvassing teams and resources to reduce 311 response times for reports of street homeless individuals. It also enhanced tools for outreach teams to bring people in from the streets, including additional outreach staff, an increase in safe haven capacity and drop in centers, and the implementation of case conferencing across multiple City agencies in support of helping street homeless individuals. The City's development of 15,000 new units of supportive housing will serve as yet another resource to relocate chronically homeless individuals from the street to permanent housing.

The Department also released the first HomeSTAT daily dashboard, an on-line reporting system that maps requests for homeless outreach assistance from the public and HomeSTAT canvassers and other related data. A monthly dashboard that reports on aggregate outcomes, conditions and performance will be launched shortly. Together, these dashboards will offer an unprecedented consistent, transparent and broad set of data to track the City's efforts in reducing street homelessness and improving lives for New Yorkers.

Capital Review

The Department's Four-Year Capital Plan for 2017-2020 totals \$236 million in City and total funds. \$78.2 million is provided for homeless family facilities, \$128.6 million for single adult facilities, \$21.8 million is allocated for computer systems and equipment purchases, and \$7.4 million is provided for City Council and Borough President items. The table below reflects capital commitments by program area over the 2016-2020 period.

Capital Commitments

(\$ in 000's)

	2015 Actual		2016 Plan		2017 Plan		2018 Plan		2019 Plan		2020 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 ...	\$5,768	\$5,768	\$5,143	\$5,143	\$24,590	\$24,590	\$20,408	\$20,408	\$18,936	\$18,936	\$14,254	\$14,254
Single Adult Facilities.....	9,315	9,315	15,411	15,500	27,103	27,103	31,285	31,285	32,757	32,757	37,439	37,439
Information Technology and Equipment.....	4,964	4,964	13,389	13,389	10,000	10,000	7,417	7,417	1,244	1,244	3,172	3,172
City Council and Borough President	239	239	2,405	2,405	4,227	4,227	1,500	1,500	1,650	1,650	0	0
Total	\$20,286	\$20,286	\$36,348	\$36,437	\$65,920	\$65,920	\$60,610	\$60,610	\$54,587	\$54,587	\$54,865	\$54,865

Highlights of the Four-Year Capital Strategy

- \$89.5 million in new funding to address critical needs at shelter facilities, including over 60 new projects at shelter facilities for homeless adults and families.
- Exterior and interior building upgrades at Bellevue Men's Shelter (\$26.8 million).
- Exterior and interior building upgrades at other shelter facilities for homeless adults, including the bathroom upgrade at Auburn Residence (\$9.8 million).
- Exterior and interior building upgrades at shelter facilities for homeless families, including \$5 million for the façade and \$212,000 for the exterior upgrade at the Regent Family Residence.

ADMINISTRATION FOR CHILDREN'S SERVICES

The Administration for Children's Services (ACS) provides a broad range of programs that protect and promote children, young people and families. 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 Early Care and Education.

Financial Review

ACS's 2017 Executive Budget provides for operating expenses of \$3.0 billion, \$901 million of which are City funds. Capital commitments of \$280.3 million are provided, of which \$261.8 million are City funds.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- in 2017, the Department will expand evidence-based family support services to address the needs of children and families at multiple intervention points, avoid the unnecessary removal of children from their homes and support foster youth being reunified with their families. \$7.6 million in 2017, growing to \$21.2 million in 2019, will support this effort.
- in 2017, the Department will increase stipends paid to about 28,000 foster and adoptive parents by 5 percent to reflect increases in the cost of care.
- in 2017, \$0.7 million will enable a collaboration between the Department and the City University of New York (CUNY) to reduce the financial burden and other barriers for foster youth to attend college.
- in 2017, an additional \$1.6 million will support increased monitoring of the Close To Home program via increased site visits, enhanced program support, and a more coordinated response to critical incidents.
- in 2017, as part of ThriveNYC, \$3.0 million will provide training and ongoing support, including assigned social workers, to Early Learn providers to address the high incidence of traumatic stressors for the approximately 39,000 children and families they serve.

Budgetary Priorities: Restructuring and Streamlining

- in 2017, the Department will save \$1.3 million by consolidating Juvenile Detention facilities and eliminating underutilized capacity.
- in 2017, the Department will recognize \$4.2 million in savings from a 6 percent decline in the foster care census to 10,060 by June 2016. These savings will be reinvested to fund an expansion of family support services.

Summary of Agency Financial Data

The following table compares the 2017 Executive Budget with the 2017 Preliminary Budget, the 2016 forecast and actual expenditures for 2015, including costs budgeted centrally for fringe benefits, pensions and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$421,898	\$434,591	\$496,325	\$473,540	\$38,949	(\$22,785)
Fringe Benefits.....	148	1	1	1	—	—
OTPS.....	2,404,648	2,527,234	2,472,478	2,508,487	(18,747)	36,009
Total.....	\$2,826,694	\$2,961,826	\$2,968,804	\$2,982,028	\$20,202	\$13,224
Funding						
City.....	\$930,147	\$889,945	\$883,838	\$901,127	\$11,182	\$17,289
Other Categorical Grants.....	—	—	—	—	—	—
IFA.....	—	—	—	—	—	—
State.....	594,155	693,230	715,257	718,162	24,932	2,905
Federal CD.....	2,963	2,963	2,963	2,963	—	—
Federal Other.....	1,218,094	1,292,840	1,284,649	1,283,174	(9,666)	(1,475)
Intra-City Other.....	81,335	82,848	82,097	76,602	(6,246)	(5,495)
Total.....	\$2,826,694	\$2,961,826	\$2,968,804	\$2,982,028	\$20,202	\$13,224
Additional Costs Centrally Funded						
Personal Services (PS).....						
Fringe Benefits.....	\$136,957	\$144,570	\$161,893	\$157,656	\$13,086	(\$4,237)
Pensions.....	67,687	70,952	75,996	72,231	1,279	(3,765)
Other Than Personal Service (OTPS)						
Debt Service.....	—	—	—	—	—	—
Total Additional Costs.....	\$204,644	\$215,522	\$237,889	\$229,887	\$14,365	(\$8,002)
Funding						
City.....	78,782	112,338	204,528	195,414	83,076	(9,114)
Non-City.....	125,862	103,184	33,361	34,473	(68,711)	1,112
Full Agency Costs (including Central Accounts)						
Salary and Wages.....	\$421,898	\$434,591	\$496,325	\$473,540	\$38,949	(\$22,785)
Fringe Benefits.....	137,105	144,571	161,894	157,657	13,086	(4,237)
Pensions.....	67,687	70,952	75,996	72,231	1,279	(3,765)
Total PS.....	\$626,690	\$650,114	\$734,215	\$703,428	\$53,314	(\$30,787)
OTPS.....	\$2,404,648	\$2,527,234	\$2,472,478	\$2,508,487	(\$18,747)	\$36,009
Debt Service.....	—	—	—	—	—	—
Total OTPS.....	\$2,404,648	\$2,527,234	\$2,472,478	\$2,508,487	(\$18,747)	\$36,009
Total Agency Costs.....	\$3,031,338	\$3,177,348	\$3,206,693	\$3,211,915	\$34,567	\$5,222
Less Intra-City.....	\$81,335	\$82,848	\$82,097	\$76,602	(\$6,246)	(\$5,495)
Net Agency Cost.....	\$2,950,003	\$3,094,500	\$3,124,596	\$3,135,313	\$40,813	\$10,717
Funding						
City.....	1,008,929	1,002,283	1,088,366	1,096,541	94,258	8,175
Non-City.....	1,941,074	2,092,217	2,036,230	2,038,772	(53,445)	2,542
Personnel (includes FTEs at fiscal year-end)						
City.....	5,859	7,123	7,186	7,013	(110)	(173)
Non-City.....	113	168	169	168	—	(1)
Total.....	5,972	7,291	7,355	7,181	(110)	(174)

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 oversee more than 10,000 active cases each month on average.

In 2016, the Department undertook a number of reforms of its child welfare programs including supporting more data-driven risk assessments and an expansion of preventive services. These also included a new specialized risk assessment tool for families in the shelter system, targeting early care and education services for these families, and carrying out a campaign to promote infant safe sleep methods.

Another major component was the 2016 launch of the Workforce Institute, a collaboration with the CUNY School of Professional Studies, to provide 3,600 front-line ACS staff and 2,000 provider agency staff the skills and support that they need to best serve vulnerable families. The Workforce Institute focuses on building core competencies of the field, such as analytic thinking, interviewing and investigation skills, risk and safety assessment, and critical interpersonal skills of empathy, adaptability and advocacy through the latest in adult learning strategies, including simulations and role playing, to strengthen core skills, and build stronger teams in child protection.

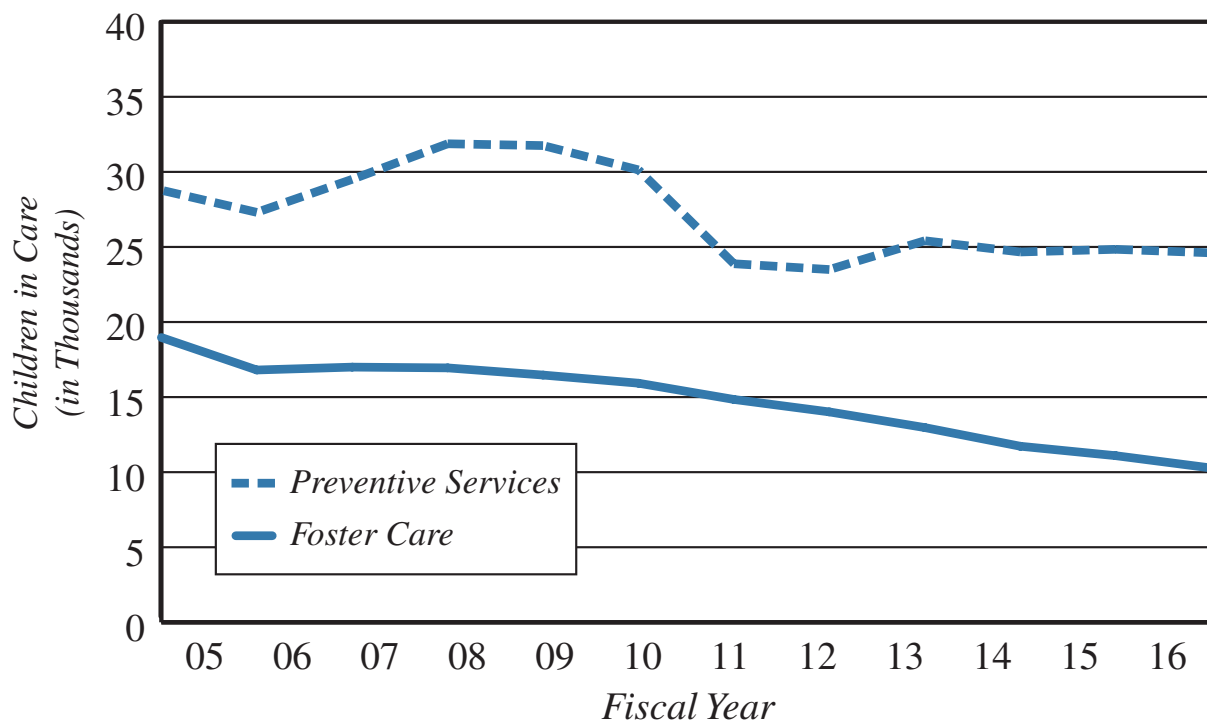
Preventive Services for Children and Families

ACS provides contracted preventive services designed to prevent foster care placement and reduce the time that children spend in foster care. Preventive services include general preventive services, specialized programs for adolescents, 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. ACS' contract portfolio of preventive services includes 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. In 2015, an average of 1,056 preventive cases opened monthly; 12,703 preventive service cases were opened in 2015.

In 2016, the Department added new investments in the preventive services continuum in order to improve families' access to the most appropriate services to fit their needs. Examples of these investments include new evidence-based models which support mothers and fathers who have themselves experienced extensive trauma and who now have infants and toddlers of their own, enhancement of the home-based SafeCare and Child Parent Psychotherapy programs in Brooklyn and the Bronx, and trauma-informed early childhood clinical services.

In 2017, the Department will further reform its child welfare efforts including the launch of new community-based primary preventive services to provide on-demand supports and referrals to families before they find themselves in crisis. This will be supported by the expansion of preventive slots by 3,000 to a total of 15,000 slots serving 31,000 families annually, and the continued conversion of existing general preventive slots to more

CHILDREN IN FOSTER CARE AND PREVENTIVE SERVICES 2005-2016

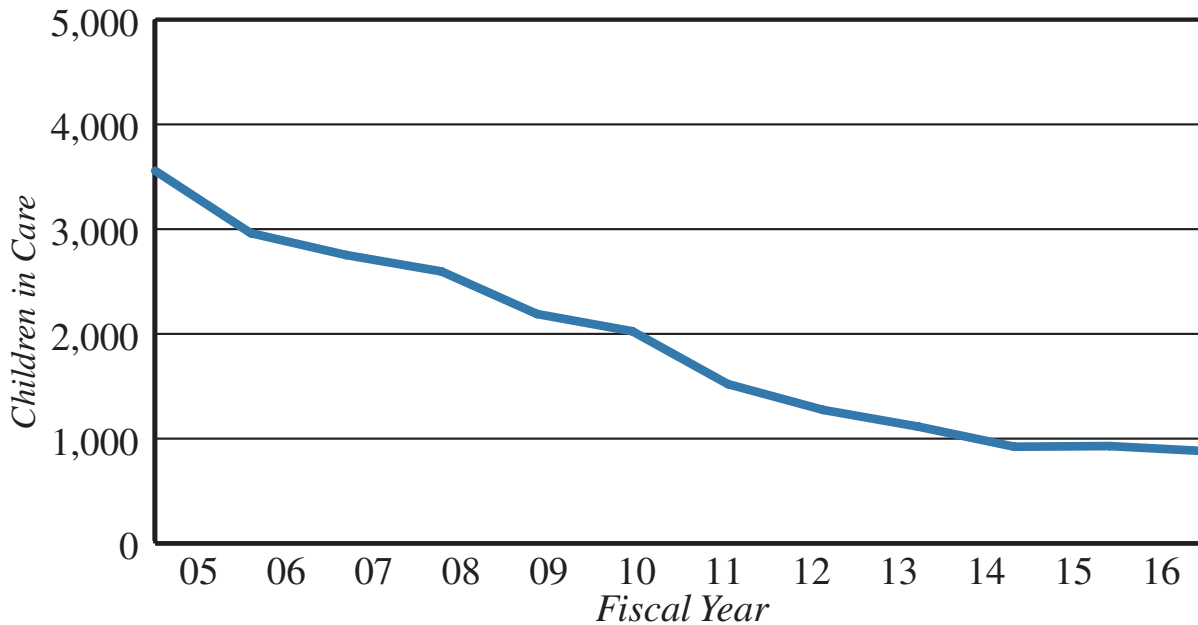


effective evidence-based models. The Department will also provide new aftercare services for families of all 1,500 foster youth returning home on trial discharge, to support family reunification, and expand clinical consulting services to enable assessments and referrals to appropriate substance abuse, behavioral health and other clinical services to preventive and foster care providers. 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.

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 10,278, a 7 percent decline since 2015. The Nicholas Scoppetta Children’s Center serves as the foster care pre-placement intake facility for approximately 4,100 children entering foster care. These children are assessed and provided with necessary medical, mental health and any other required services during their stay at the Children’s Center.

RESIDENTIAL CASELOAD 2005-2016



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

In 2017, 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. In 2015, more than 19,000 children were 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 800 New York City children through January 2016. 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

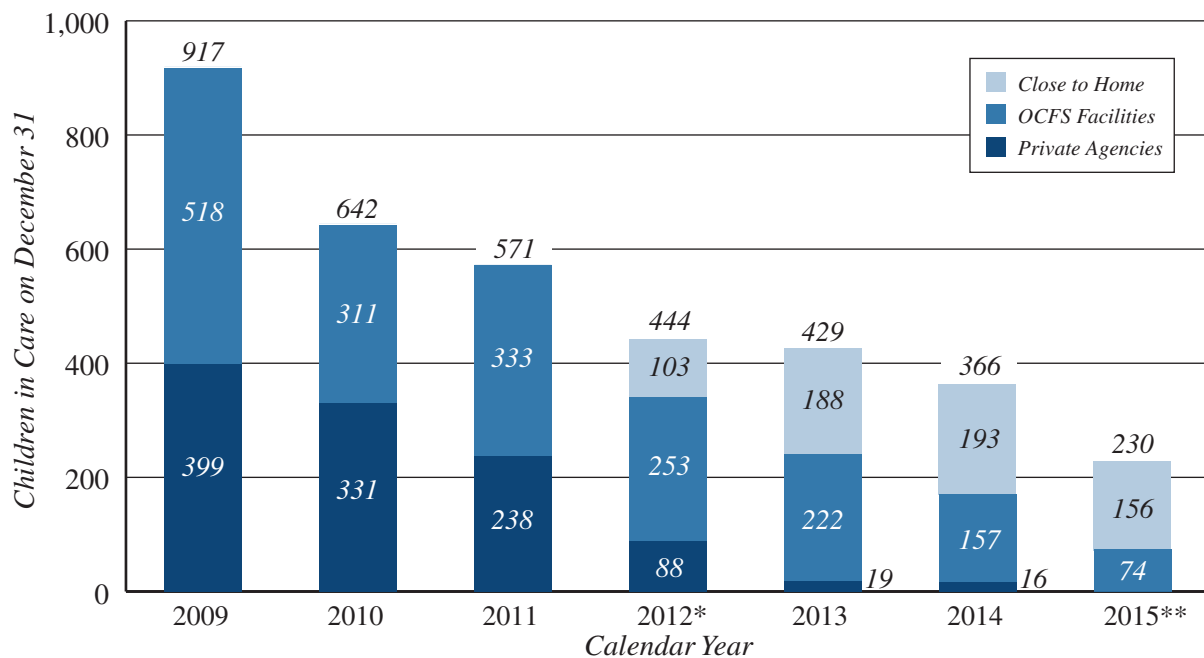
The Division of Youth and Family Justice (DYFJ) provides Secure (SD) and Non-Secure Detention (NSD) services for alleged juvenile delinquents and offenders whose cases are pending in Family or Criminal Court. ACS operates two secure detention facilities and oversees a network of non-secure detention group homes across the City. 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.

To implement Close to Home, ACS started with the transfer of Non-Secure Placement (NSP) youth, currently at 235 NSP beds in the City. In the second phase, which began in 2015, DYFJ has assumed legal responsibility for the placement of juvenile delinquents placed in limited-secure placement settings. Approximately 66 Limited-Secure Placement (LSP) beds became operational in December 2015, and ultimately 74 LSP beds are anticipated to become operational when the program is fully rolled out. Juvenile Offenders, or those convicted of the most serious crimes, will remain in OCFS-operated secure facilities.

JUVENILES IN RESIDENTIAL PLACEMENT 2009-2015



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

** Projection

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.

In 2016, the Department implemented a number of reforms to the contracted child care system based on recommendations of the New York City Early Care and Education Task Force. The goal of these reforms is to improve the financial stability of providers, make services more affordable to families, better compensate the workforce, and increase funds for repairs and technical assistance in order to ensure safe and healthy learning environments. Specifically, the Department is implementing a more flexible funding structure to better meet actual costs of providing high quality programs. Providers will be reimbursed on actual expenses, easing the financial burden brought on by fixed costs and the provider contribution requirement. In addition, the Department reduced the fee paid by low-income parents whose children receive part-time care in EarlyLearn settings, and added oversight and trade staff positions to provide better support to programs.

Capital Review

The Department's 2017-2020 Four-Year Capital Strategy totals \$280.3 million, of which \$261.8 million are City funds. The Four-Year Capital Plan includes \$207.7 million for child care and child welfare facilities, \$25.7 million for administrative offices, and \$46.9 million for equipment and information systems. The table below reflects capital commitments by program area over the 2015-2020 period.

Capital Commitments

(\$ in 000's)

	2015 Actual		2016 Plan		2017 Plan		2018 Plan		2019 Plan		2020 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.....	\$1,723	\$1,723	\$4,562	\$4,562	\$51,365	\$52,379	\$51,875	\$52,839	\$48,377	\$48,377	\$0	\$0
Child Care.....	1,022	1,698	6,775	6,775	24,087	26,260	18,039	21,684	1,267	3,089	1,267	3,089
Buildings.....	738	1,158	8,068	8,068	3,983	4,827	6,628	7,470	9,448	10,357	3,000	3,000
MIS.....	813	1,171	12,552	14,072	15,638	18,129	11,058	12,159	9,509	10,425	6,236	6,236
Total.....	\$4,296	\$5,751	\$31,957	\$33,477	\$95,073	\$101,595	\$87,600	\$94,152	\$68,601	\$72,248	\$10,503	\$12,325

Highlights of the Four-Year Capital Plan

- \$40.2 million will support telecommunications and data infrastructure upgrades and improvements.
- \$51.5 million will support the renovation of child care centers City wide including correction of code violations and providing for handicapped accessibility.

- \$18.7 million will support the renovation of administrative and field offices.
- \$161.9 million will support the Department's juvenile justice operations including the renovation of the Department's two secure detention facilities – Crossroads and Horizon.

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), 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 2017 Executive Budget provides for operating expenses of \$562.4 million, of which \$328.7 million are City funds.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- in 2017, the Department will continue the Mayor's signature Universal Afterschool for Middle School initiative, School's Out New York City (SONYC). \$163 million in 2017 will fund robust afterschool programming for 107,000 middle school students in public schools as well as other settings.
- \$5.6 million in 2017, growing to \$16.8 million in 2018, will support an increase in the reimbursement per school for 80 Beacon programs that provide community programming, afterschool and other services to about 70,000 youth and 65,000 adults annually. Funding will be phased in over two years to address shortfalls in the current rates and to provide additional services.
- in 2017, \$4.7 million will support the addition of the first 100 of 300 new Runaway and Homeless Youth (RHY) shelter beds to be added over the next three years. By 2019, DYCD will have added 500 beds since 2014, for a total RHY capacity of 753 beds.
- in 2017, \$1.9 million will support enhanced mental health services across the RHY shelter system through the addition of a variety of clinical and non-clinical services, including psychiatric evaluations and therapy, wellness programming, and counseling as part of ThriveNYC.

Budgetary Priorities: Restructuring and Streamlining

- in 2017, the Department will deploy new IT systems which will facilitate procurement, budgeting, invoicing, payment and program management efficiencies, saving \$0.4 million.

Summary of Agency Financial Data

The following table compares the 2017 Executive Budget with the 2017 Preliminary Budget, the 2016 forecast and actual expenditures for 2015, including costs budgeted centrally for fringe benefits, pensions, and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$32,837	\$36,000	\$38,401	\$38,350	\$2,350	(\$51)
Fringe Benefits.....	—	—	—	—	—	—
OTPS.....	549,049	656,614	504,248	524,088	(132,526)	19,840
Total.....	\$581,886	\$692,614	\$542,649	\$562,438	(\$130,176)	\$19,789
Funding						
City.....	\$345,319	\$432,447	\$307,921	\$328,735	(\$103,712)	\$20,814
Other Categorical Grants.....	1,814	2,181	—	—	(2,181)	—
IFA.....	—	—	—	—	—	—
State.....	5,950	6,971	5,275	5,275	(1,696)	—
Federal CD.....	7,709	7,518	7,138	7,144	(374)	6
Federal Other.....	67,552	74,888	51,437	53,081	(21,807)	1,644
Intra-City Other.....	153,542	168,609	170,878	168,203	(406)	(2,675)
Total.....	\$581,886	\$692,614	\$542,649	\$562,438	(\$130,176)	\$19,789
Additional Costs Centrally Funded						
Personal Services (PS).....						
Fringe Benefits.....	\$9,901	\$10,988	\$11,504	\$12,051	\$1,063	\$547
Pensions.....	4,399	4,856	5,913	5,620	764	(293)
Other Than Personal Service (OTPS)						
Debt Service.....	—	—	—	—	—	—
Total Additional Costs.....	\$14,300	\$15,844	\$17,417	\$17,671	\$1,827	\$254
Funding						
City.....	13,886	15,375	16,907	17,077	1,702	170
Non-City.....	414	469	510	594	125	84
Full Agency Costs (including Central Accounts)						
Salary and Wages.....	\$32,837	\$36,000	\$38,401	\$38,350	\$2,350	(\$51)
Fringe Benefits.....	9,901	10,988	11,504	12,051	1,063	547
Pensions.....	4,399	4,856	5,913	5,620	764	(293)
Total PS.....	\$47,137	\$51,844	\$55,818	\$56,021	\$4,177	\$203
OTPS.....	\$549,049	\$656,614	\$504,248	\$524,088	(\$132,526)	\$19,840
Debt Service.....	—	—	—	—	—	—
Total OTPS.....	\$549,049	\$656,614	\$504,248	\$524,088	(\$132,526)	\$19,840
Total Agency Costs.....	\$596,186	\$708,458	\$560,066	\$580,109	(\$128,349)	\$20,043
Less Intra-City.....	\$153,542	\$168,609	\$170,878	\$168,203	(\$406)	(\$2,675)
Net Agency Cost.....	\$442,644	\$539,849	\$389,188	\$411,906	(\$127,943)	\$22,718
Funding						
City.....	359,205	447,822	324,828	345,812	(102,010)	20,984
Non-City.....	83,439	92,027	64,360	66,094	(25,933)	1,734
Personnel (includes FTEs at fiscal year-end)						
City.....	438	483	452	448	(35)	(4)
Non-City.....	65	74	74	74	—	—
Total.....	503	557	526	522	(35)	(4)

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 915 total programs serving more than 100,000 young people in grades K-12, including more than 48,000 in elementary schools and more than 2,000 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 2016, SONYC's 526 programs in public and non-public schools and other settings, including homeless shelters, provide more than 49,000 seats serving more than 60,000 middle school youth. Including other DYCD programs and programs funded by the Department of Education, the City provides a total of more than 107,000 middle school youth with afterschool programming.

Beacon Community Centers

In 2016, DYCD recognizes the 25th anniversary of the Beacon Community Centers (Beacons) model by celebrating the creators, participants, staff and alumni of Beacons. DYCD launched a year of events starting in the fall of 2015, including an invitation to "Share Your Beacon Story" on the DYCD website, where every Tuesday DYCD features a highlight on social media.

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. In 2016, Beacons will serve over 133,000 participants of all ages, in 80 programs across the City.

Beginning in 2017, additional funding will support an increase in reimbursement from the current average of \$330,000 to \$550,000 per program. The additional funding, which will be phased in over two years, will address shortfalls in the current rates, which have declined by almost 20 percent since the program was created in 1991, and will enable providers to enhance services including providing extended summer hours at some locations.

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. 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.

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 2017, DYCD will further expand residential services, and will provide funding for 250 crisis shelter beds and 303 TIL beds. By 2019, DYCD will have added \$14.1 million to bring the total RHY shelter capacity to 753 beds, an increase of 500 beds over the 2014 level.

Additionally, in 2017, 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 minimum wage of \$9 per hour. This past summer over 54,263 youth and young adults worked in SYEP across 9,100 worksites, representing the largest number of participants served in DYCD's history. In total, \$52.6 million will support approximately 35,000 participants in summer 2016.

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 2016, DYCD received a total of \$11.8 million from CEO to serve 1,795 participants.

In 2016, DYCD received approximately \$24.7 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 2016, DYCD projects that ISY and OSY will serve 1,848 and 1,533, 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 2016, \$6 million will enable DYCD to provide these services to 6,481 individuals.

The Young Adult Literacy Program is funded through CEO 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 2016, the Department received \$15.6 million in CSBG funding for these programs, which provided immigrant services, family support services, youth development, senior support, and housing assistance to 14,542 participants.

Fatherhood Programs

By promoting positive involvement of fathers in the lives of their children, DYCD's 10 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 2016, the Department received \$2.9 million in CSBG funding to provide services to over 1,200 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 2017 Executive Budget provides for operating expenses of \$295 million, of which \$181 million are City funds. Capital commitments of \$33.2 million are also provided.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- in 2017, the Department will begin to phase-in a wage increase for employees of the agency's Case Management vendors. This will support an increase in the average salary for licensed social workers from its current \$35,000 to \$50,000 over two years.
- in 2017, an additional \$3.5 million will support elder abuse prevention services, increasing the City's annual commitment from \$800,000 to \$4.3 million. This unprecedented investment will support a robust network of Citywide services as well as the deployment of new multidisciplinary teams, including staff from multiple City agencies and other partners, to develop a multi-pronged approach to address the most complex elder abuse cases.
- in 2017, DFTA will broaden transportation efforts for seniors by providing on-demand transportation services for seniors and people with disabilities. These membership based services will use mobile technology to facilitate point-to-point trips in real time, similar to e-hail, through a smart phone application or through a 24/7 dispatcher service.
- in 2017, an additional \$800,000 will support increased rent and utility costs at about 50 senior centers.

Budgetary Priorities: Restructuring and Streamlining

- in 2018, the Department will begin to expand and make more efficient several programs through a partnership with Medicaid-funded Managed Long Term Care (MLTC) plans. DFTA will provide support to its senior services providers to help them develop a relationship with MLTCs and other healthcare entities in an effort to draw down federal reimbursement for eligible clients. DFTA's senior services programs provide valuable services that improve long term health outcomes for clients. Additional reimbursement will be used to expand DFTA's programs to reach more of the 1.5 million and growing City residents who are senior citizens, almost 20 percent of whom have incomes below the federal poverty line.

Summary of Agency Financial Data

The following table compares the 2017 Executive Budget with the 2016 Preliminary Budget, the 2016 forecast and actual expenditures for 2015, including costs budgeted centrally for fringe benefits, pensions, judgments and claims, legal services and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$23,423	\$25,978	\$26,923	\$30,171	\$4,193	\$3,248
Fringe Benefits.....	—	—	—	—	—	—
OTPS.....	261,812	297,341	252,755	264,870	(32,471)	12,115
Total.....	\$285,235	\$323,319	\$279,678	\$295,041	(\$28,278)	\$15,363
Funding						
City.....	\$178,473	\$198,960	\$168,180	\$180,629	(\$18,331)	\$12,449
Other Categorical Grants.....	—	—	—	—	—	—
IFA.....	—	—	—	—	—	—
State.....	39,657	40,163	37,302	40,167	4	2,865
Federal CD.....	1,325	3,345	2,241	2,241	(1,104)	—
Federal Other.....	63,574	78,488	71,635	71,634	(6,854)	(1)
Intra-City Other.....	2,206	2,363	320	370	(1,993)	50
Total.....	\$285,235	\$323,319	\$279,678	\$295,041	(\$28,278)	\$15,363
Additional Costs Centrally Funded						
Personal Services (PS).....						
Fringe Benefits.....	\$6,983	\$7,394	\$8,061	\$7,989	\$595	(\$72)
Pensions.....	3,929	4,067	4,218	4,009	(58)	(209)
Other Than Personal Service (OTPS)						
Debt Service.....	—	—	—	—	—	—
Total Additional Costs.....	\$10,912	\$11,461	\$12,279	\$11,998	\$537	(\$281)
Funding						
City.....	10,356	10,778	11,568	11,239	461	(329)
Non-City.....	556	683	711	759	76	48
Full Agency Costs (including Central Accounts)						
Salary and Wages.....	\$23,423	\$25,978	\$26,923	\$30,171	\$4,193	\$3,248
Fringe Benefits.....	6,983	7,394	8,061	7,989	595	(72)
Pensions.....	3,929	4,067	4,218	4,009	(58)	(209)
Total PS.....	\$34,335	\$37,439	\$39,202	\$42,169	\$4,730	\$2,967
OTPS.....	\$261,812	\$297,341	\$252,755	\$264,870	(32,471)	\$12,115
Debt Service.....	—	—	—	—	—	—
Total OTPS.....	\$261,812	\$297,341	\$252,755	\$264,870	(\$32,471)	\$12,115
Total Agency Costs.....	\$296,147	\$334,780	\$291,957	\$307,039	(\$27,741)	\$15,082
Less Intra-City.....	\$2,206	\$2,363	\$320	\$370	(\$1,993)	\$50
Net Agency Cost.....	\$293,941	\$332,417	\$291,637	\$306,669	(\$25,748)	\$15,032
Funding						
City.....	188,829	209,738	179,748	191,868	(17,870)	12,120
Non-City.....	105,112	122,679	111,889	114,801	(7,878)	2,912
Personnel (includes FTEs at fiscal year-end)						
City.....	188	158	150	181	23	31
Non-City.....	539	532	515	509	(23)	(6)
Total.....	727	690	665	690	—	25

Programmatic Review and Service Impact

Senior Centers

The core of DFTA's service portfolio is a citywide network of 251 senior centers, which offer about 28,000 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 251 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. Approximately 19,000 clients are touched by DFTA-funded case management services annually.

In 2017, DFTA will begin to phase-in a wage increase for employees of case management providers. This will support an increase in the average salary for licensed social workers from its current \$35,000 to \$50,000 over two years. This will better align salaries with those of licensed social workers employed in other contracted social services programs, and is expected to reduce the number of vacancies and staff turnover in the case management program, improving service provision to vulnerable seniors.

In 2017, \$24 million will support case management services for approximately 19,000 clients. Over 18,000 of the 19,000 case management clients benefit from home-delivered meals services five days a week each year, and about 2,900 clients benefit from Homecare services annually.

DFTA has 46 contracts Citywide for home delivered meals, which offer seniors the option of frozen or hot meal deliveries. In 2017, \$31.6 million will support 4.6 million home delivered meals for about 18,400 seniors. An additional \$18.4 million will support Homecare services for 2,900 clients.

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 \$4.4 million 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 2017, \$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 2017, \$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 also offers group transportation to enhance community engagement for seniors by offering recreational, social and educational trips. Each year, DFTA's transportation program provides over 250,000 one-way trips per person citywide and is funded at \$4.3 million.

Caregiver Services

DFTA funds caregiver programs Citywide that offer support and respite for caregivers. Services include group and individual respite, case assistance, counseling, outreach and information, supplemental services. Caregiver services total \$4.0 million annually.

Capital Review

The Department's Four-Year Capital Strategy for 2017-2020 totals \$33.2 million. The Four-Year Capital Strategy includes rehabilitation of senior centers throughout the City and information technology projects to improve operations. The Capital plan for 2017 includes interior upgrades for the kitchen and dining room at Carter Burden Innovative Senior Center, the relocation of the SNAP Innovative Senior Center and renovations at the Nan Shan Neighborhood Center.

Capital Commitments

(\$ in 000's)

	2015 Actual		2016 Plan		2017 Plan		2018 Plan		2019 Plan		2020 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	\$794	\$794	\$1,186	\$1,186	\$3,009	\$3,009	\$4,270	\$4,270	\$1,500	\$1,500	\$794	\$794
Building Renovations and Vehicles	2,922	2,922	10,131	10,131	7,395	7,395	5,381	5,381	7,585	7,585	2,878	2,878
Equipment	0	0	115	115	140	140	0	0	257	257	0	0
Total	<u>\$3,716</u>	<u>\$3,716</u>	<u>\$11,432</u>	<u>\$11,432</u>	<u>\$10,544</u>	<u>\$10,544</u>	<u>\$9,651</u>	<u>\$9,651</u>	<u>\$9,342</u>	<u>\$9,342</u>	<u>\$3,672</u>	<u>\$3,672</u>

Highlights of the Four Year Capital Plan

- infrastructure improvements to the City's senior center network and repairs to existing facilities (\$18.8 million).
- technology upgrades and equipment and vehicle purchases (\$14.4 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. New initiatives in 2017 include increasing surveillance and testing activities to mitigate public health risks; expanding outreach and services to combat opioid addiction; and increasing the Department's capacity to provide a coordinated approach to address health disparities.

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.

Financial Review

The Department's 2017 Executive Budget provides for operating expenses of \$1.5 billion, of which \$662 million are City funds. The Department will add additional funding of approximately \$60 million to the budget during the fiscal year when Federal and State award notifications are received. Capital commitments of \$72.4 million are also provided to fund agency initiatives.

Revenue Forecast

The Department generates revenue from licenses, permits, inspection and service fees. In 2017, the Department will generate \$31.5 million in revenue from these sources.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- \$13.5 million to reduce the risk of local Zika transmission
- \$5.9 million will expand prevention, outreach and treatment services to combat opioid addiction
- \$3.5 million will enhance community services at three Neighborhood Health Action Centers to reduce health disparities
- \$2.4 million to minimize illegal childcare program operations and improve health and safety at underperforming sites

Summary of Agency Financial Data

The following table compares the 2017 Executive Budget with the 2017 Preliminary Budget, the 2016 forecast and actual expenditures for 2015, including costs budgeted centrally for fringe benefits, pensions and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$389,002	\$404,096	\$437,792	\$450,402	\$46,306	\$12,610
Fringe Benefits.....	961	739	269	294	(445)	25
Medical Assistance.....	2	—	—	—	—	—
Other OTPS.....	1,105,581	1,101,419	972,075	1,038,239	(63,180)	66,164
Total.....	\$1,495,546	\$1,506,254	\$1,410,136	\$1,488,935	(\$17,319)	\$78,799
Funding						
City.....	\$781,595	\$547,342	\$624,632	\$661,886	\$114,544	\$37,254
Other Categorical Grants.....	1,283	3,448	1,242	1,260	(2,188)	18
IFA.....	—	—	—	—	—	—
State.....	396,174	584,744	495,692	534,594	(50,150)	38,902
Federal CD.....	—	—	—	—	—	—
Federal Other.....	293,837	353,898	286,360	288,498	(65,400)	2,138
Intra-City Other.....	22,657	16,822	2,210	2,697	(14,125)	487
Total.....	\$1,495,546	\$1,506,254	\$1,410,136	\$1,488,935	(\$17,319)	\$78,799
Additional Costs Centrally Funded						
Personal Services (PS).....						
Fringe Benefits.....	\$121,831	\$130,456	\$141,612	\$142,511	\$12,055	\$899
Pensions.....	64,637	\$67,007	70,219	66,740	(267)	(3,479)
Other Than Personal Service (OTPS)						
Debt Service.....	51,229	50,137	55,804	58,646	8,509	2,842
Total Additional Costs.....	\$237,697	\$247,600	\$267,635	\$267,897	\$20,297	\$262
Funding						
City.....	207,769	217,382	236,779	235,753	18,371	(1,026)
Non-City.....	\$29,928	30,218	30,856	32,144	1,926	1,288
Full Agency Costs (including Central Accounts)						
Salary and Wages.....	\$389,002	\$404,096	\$437,792	\$450,402	\$46,306	\$12,610
Fringe Benefits.....	122,792	131,195	141,881	142,805	11,610	924
Pensions.....	64,637	67,007	70,219	66,740	(267)	(3,479)
Total PS.....	\$576,431	\$602,298	\$649,892	\$659,947	\$57,649	\$10,055
Medical Assistance.....	\$2	\$—	\$—	\$—	\$—	\$—
Other OTPS.....	1,105,581	1,101,419	972,075	1,038,239	(63,180)	66,164
Debt Service.....	51,229	50,137	55,804	58,646	8,509	2,842
Total OTPS.....	\$1,156,812	\$1,151,556	\$1,027,879	\$1,096,885	(\$54,671)	\$69,006
Total Agency Costs.....	\$1,733,243	\$1,753,854	\$1,677,771	\$1,756,832	\$2,978	\$79,061
Less Intra-City.....	\$22,657	\$16,822	\$2,210	\$2,697	(\$14,125)	\$487
Net Agency Cost.....	\$1,710,586	\$1,737,032	\$1,675,561	\$1,754,135	\$17,103	\$78,574
Funding						
City.....	989,364	764,724	861,411	897,639	132,915	36,228
Non-City.....	721,222	972,308	814,150	856,496	(115,812)	42,346
Personnel (includes FTEs at fiscal year-end)						
City.....	4,349	4,870	5,267	5,392	522	125
Non-City.....	1,342	1,692	1,378	1,327	(365)	(51)
Total.....	5,691	6,562	6,645	6,719	157	74

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. By 2008, the City had achieved significant improvements in health, and had surpassed goals in four of the TCNY priority areas. In 2009, the Department launched TCNY 2012 to build on those successes. The Department made progress or surpassed goals in all 10 of its priority areas.

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 is involved in planning, and 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 through the New York-New York III initiative, improved care coordination for individuals with serious mental illness and children with serious emotional challenges, addressing the epidemic of opioid overdoses due to prescription opioids and heroin, and planning for 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, including the Department of Health and Mental Hygiene.

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 2017 budget reflects continued commitment to prevent the problems of opioid addiction and overdose through its 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 (addiction) 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.

Public Health Services

Center for Healthy Equity

To strengthen and expand the Department's efforts to ensure all New York City residents have equitable access to opportunities to achieve their full health potential, the Center for Health Equity (CHE) will work in collaboration with community-based partners to build on work the District Public Health Offices and others have pursued over the years. CHE will focus on four distinct approaches: 1) Support the Health Department's internal reform in becoming a racial justice organization, 2) Invest in key neighborhoods whose health inequities are a result of the historical, political, social and physical forces that affect it. 3) Build partnerships that advance racial and social justice. 4) Make injustice visible through data and storytelling.

The Center for Health Equity is the division that will continue to support Department's District Public Health Offices (DPHOs). Since 2002, DPHOs have worked to promote health equity and reduce health disparities across New York City by targeting resources, programs, and attention to high-need neighborhoods in the South Bronx, East and Central Harlem, and North and Central Brooklyn, focusing on public health priorities, such as obesity, asthma and teen pregnancy.

CHE's Neighborhood Health Action Center initiative is revitalizing underutilized DOHMH buildings by co-locating federal qualified health centers, public hospital clinical services, community-based organizations and service providers who will move beyond current models of collaboration to ensure improved coordination and cross-sectorial work while fostering collective action among organizations that operate out of the building. The Action Centers will identify existing neighborhood assets and resource gaps to improve population health via community health planning.

CHE's Office of Faith Based Initiatives (OFBIs) leads the Department's City-wide effort to incorporate Faith-Based Organizations (FBOs) into its programming, planning and advocacy efforts. As one of CHE's neighborhood-based approaches, 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.

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 HIV testing among New Yorkers, linking and retaining HIV/AIDS patients in care, and providing combination prevention methods through condom distribution and access to biomedical prevention options remain priorities of the Department and are in alignment with plans to end the epidemic in New York by 2020. As part of the citywide New York Knows initiative, the Department works to provide a voluntary HIV test to every New York City resident that has not been tested, make HIV testing a routine part of health care, identify the undiagnosed and link them to care, and connect those that test negative to prevention services.

The Department is focusing on a combination of prevention services, continuing to provide condoms Citywide with emphasis placed on communities that carry the heaviest burden of HIV while also promoting biomedical prevention methods, including pre- and post-exposure prophylaxis. For New York City residents living with HIV, the Health Department works to link and retain them in care, with the ultimate goal of viral suppression. Finally, the Department continues to focus on populations with disproportionate rates of HIV infection through a wide range of education, outreach, and prevention strategies. New initiatives in 2017 include enhanced work to improve the quality of HIV care in the City, focus on opportunities to improve HIV related mortality, and the establishment of networks of preventive services that weave together clinic care and community based mobilization.

Sexually Transmitted Disease Control provides testing and treatment services to curtail the spread of infections, conducts partner notification to assure timely treatment of sex partners, supports outreach activities and targeted screening through community-based organizations, and conducts provider training. The Department's clinics also screen for alcohol and substance abuse and provide a brief intervention that has been shown to reduce the incidence of subsequent sexually transmitted infections. STD clinics now offer HIV post-exposure prophylaxis starter packs to people who have had a sexual exposure that carries a high risk of HIV; these patients are then linked to established, high-performing providers to complete their course of medications and to be evaluated for HIV pre-exposure prophylaxis.

The Bureau of Tuberculosis Control provides direct patient care in four TB clinics throughout the City and case manages all TB patients through the duration of treatment – generally six to nine months – regardless of where they seek care. The Bureau also identifies and evaluates persons at high risk for TB and offers preventive treatment, if appropriate. Other core activities of the Bureau include surveillance, medical consultation, outbreak detection, education and training, and outreach. While the number of TB cases in the City continues to decline, the rate of decline has slowed and the City continues to have one of the highest rates of TB in the US. The majority of TB cases emerge from the reservoir of infected individuals in the community who may be unaware of their risk for developing disease including persons from or who visits countries with high rates of TB and those with certain immune suppressed conditions. In 2017, the Bureau is increasing its collaborative efforts with medical providers and communities to raise awareness, maintain vigilance, and reduce disparity. Further, the Bureau is expanding the use of latest technology in TB testing and diagnosis, providing more effective treatment options, and offering more efficient and patient-centered methods for delivering services.

The Department's Public Health Laboratory (PHL) supports day-to-day public health needs of the City and responds to emergency events that may endanger the public health more broadly. PHL is applying for federal grants and is working with academic partners to modernize its technology and staff skills to perform advanced detection of infectious diseases.

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, and outbreak response to prevent or control the spread of disease, and maintaining the Citywide

Immunization Registry (CIR). In 2017, the Bureau will continue to conduct vaccine accountability activities, promote influenza vaccination, work to increase coverage with HPV vaccine, which remains underutilized, promote CIR online tools to help achieve on-time vaccination of children and adolescents, and implement new meningococcal vaccine school requirements. As a new initiative, the Bureau will deploy a secure internet-based portal, allowing parents/guardians access to official reports of their children's immunization records.

The Bureau of Communicable Diseases (BCD) monitors and investigates more than 70 infectious diseases 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. Key activities include:

- Case, contact and outbreak investigations to determine source of exposures and prevent spread to others
- Routine, systematic analyses of notifiable disease data to 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, as appropriate
- Provide consultation to the medical and animal health communities and the public on the recognition, prevention and control of communicable diseases.
- Maintain timely and informative syndromic surveillance systems to routinely monitor illness patterns and to provide situational awareness during public health emergencies.

In 2017, a major priority is hepatitis C, which infects an estimated 146,000 New Yorkers. The Bureau is working to improve tracking of the hepatitis C epidemic, promote testing, educate providers and patients, and promote new models of linking newly diagnosed patients to medical care and treatment.

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 safety and health 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 2016, 92 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 86%, and the City continues to make improvements in outdoor air quality by helping private building owners convert to cleaner heating fuels. The Department also created the first in a series of new easy-to-read guides in multiple languages to help small businesses comply with agency regulations.

The 2017 budget reflects continued commitment to these and other initiatives. As part of the Mayor's expansion of child care center oversight, the Department will increase inspection of poor performing child care providers and investigation of illegal child care centers. The Department will also continue to work with building owners and operators to promote proper maintenance of cooling towers. Additionally, the City will ramp up mosquito control and surveillance to help control mosquito-borne diseases.

Emergency Preparedness and Response

The Department seeks to promote the City's ability to prevent, prepare for, respond to, and recover from health emergencies. Funded primarily by Federal grants, the Department's Office of Emergency Preparedness and

Response (OEPR) recently activated its Incident Command System (ICS) in response to Legionella and Ebola, and is currently activated for Zika. To increase the City's capacity to address infectious disease threats, DOHMH is further developing the City healthcare systems' 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 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 enhance the use of an electronic health record-based surveillance system for chronic diseases (NYC MacroScope); finalize and analyze data from the Wave 4 follow-up survey of the World Trade Center Health Registry enrollees; develop infrastructure for child health surveillance through two approaches - linkage of administrative data and a routine child health survey; and advance 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, the Office of School Health, a Bureau of Administration, and the Bureau of Early Intervention.

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

As part of its focus on improving maternal, infant and reproductive health, the Department continues to work with City hospitals to implement evidence-based practices to increase breastfeeding initiation, duration and exclusivity. In 2016, the Department will complete the expansion of its Newborn Home Visiting Program to include all families residing in homeless shelters with a child 0-2 months of age.

The Department maintains its multifaceted approach to reduce unintended pregnancy, including working with hospitals to increase access to contraception in post-partum, post-abortion and primary care settings, and working with health care facilities to increase the number of adolescents receiving high quality reproductive health services via the School-Based Health Center Reproductive Health Project and the Connecting Adolescents to Comprehensive Healthcare (CATCH) program, which provide critical reproductive health services to high school students. The Office of School Health Community Schools initiative, which increases vital school-located services in 130 schools serving high-need students, also provides on-site expanded vision, asthma case management, and mental health services.

The Early Intervention (EI) program identifies and serves children from birth to age three with developmental delays or disabilities and supports families to manage their children's needs and support their development. The Department 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 electronic health record implementation and clinical quality care improvement in medically underserved communities, Medicaid enrollment assistance and advocacy for overcoming barriers to health care access, and innovative nutrition and tobacco control policy development and implementation.

The Bureau of the Primary Care Information Project (PCIP) is committed to improving population health in underserved neighborhoods through health information technology. PCIP is the largest project of its kind nationwide and focuses on assisting health care providers to obtain and use prevention-oriented electronic health records (EHRs), sharing information about health care quality back to providers, and using EHR data to identify areas for further action. PCIP also operates the New York City Regional Electronic Adoption Center for Health (NYC REACH), a ground-breaking project with over 18,000 provider members that offers assistance with practice transformation, quality improvement initiatives, Meaningful Use achievement, revenue cycle management, and data security.

The Bureau of Primary Care Access and Planning (PCAP) sets and implements policy, program and research initiatives aimed at maximizing the impact of primary care on population health, including increasing health insurance coverage and reducing access barriers experienced by the City's underserved populations. PCAP has

two offices: the Office of Health Planning (HP) and the Office of Health Insurance Services (OHIS). PCAP has a dedicated staff working to improve access to quality, culturally appropriate primary care for New Yorkers, particularly those who are at risk for poor health outcomes. PCAP also works to improve access to care for immigrants, including through the new “AccessHealthNYC” health care program, which it co-leads with the Mayor’s Office of Immigrant Affairs.

The Bureau of Chronic Disease Prevention and Tobacco Control develops and implements public health interventions and policies to increase healthy eating, provide opportunities for active living, and reduce tobacco use. Bureau programs and initiatives reduce the burden of chronic diseases in New York City by addressing the underlying risk factors that lead to obesity, heart disease, cancer, diabetes and stroke. Tobacco control activities include developing and disseminating campaigns to educate New Yorkers; working to include cessation support in health care systems; and protecting City residents from second-hand smoke. The Department will continue to support increased access to fruits and vegetables and healthy beverages while educating New Yorkers on the risks of consuming high-sodium menu items. At the same time, the Department will increase physical activity by promoting evidence-based design approaches, policies and practices in support of active living environments.

Office of Chief Medical Examiner

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 1,000 to 2,000 unclaimed or unidentified bodies of adults and children each year.

The OCME is on the forefront of identifying trends in the patterns of death and provides the data needed to monitor potential public health outbreaks and the spread of infectious diseases. More routinely Medical Examiners discover undiagnosed tuberculosis and meningitis at autopsy and provide vital statistics on deaths related to HIV and AIDS, Sudden Infant Death Syndrome (SIDS), and drug and alcohol-related deaths.

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 OCME’s laboratory. The 2017 budget includes \$2 million for increased staffing and associated expenses to quickly test DNA from all guns swabbed for DNA by the NYPD.

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 2017-2020 Four-Year Plan totals \$239.5 million. The plan includes allocations for renovating facilities, new construction, information technology improvements, and the purchase of equipment. The focus of the Department's 2017-2020 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 2015 - 2020 period.

Capital Commitments (\$ in 000's)

	2015 Actual		2016 Plan		2017 Plan		2018 Plan		2019 Plan		2020 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	\$0	\$0	\$(66)	\$(66)	\$66	\$66	\$0	\$0	\$0	\$0	\$0	\$0
Animal Care	91	91	1,542	1,542	2,970	2,970	11,000	11,000	0	0	0	0
Information Technology	7,305	9,653	11,640	15,611	5,418	7,154	1,365	1,665	2,329	3,042	1,033	1,333
Laboratories	0	0	(75)	(75)	75	75	0	0	0	0	0	0
OCME	(384)	(384)	9,385	9,721	10,128	10,128	16,614	16,614	16,099	16,099	5,518	5,518
Equipment	25,983	26,544	64,075	64,303	23,993	26,637	500	500	700	1,000	0	0
Renovation	14,001	14,001	8,958	8,958	25,357	25,357	100,474	100,474	29,442	29,442	19,300	19,300
Total	<u>\$46,996</u>	<u>\$49,905</u>	<u>\$95,459</u>	<u>\$99,994</u>	<u>\$68,007</u>	<u>\$72,387</u>	<u>\$129,953</u>	<u>\$130,253</u>	<u>\$48,570</u>	<u>\$49,583</u>	<u>\$25,851</u>	<u>\$26,151</u>

Highlights of the 2017-2020 Four-Year Plan

The Department's 2017-2020 Four-Year Plan features several important projects, including:

- the renovation of the Public Health Laboratory (\$126.9 million).
- the renovation of various City-owned public health facilities (\$31.3 million).
- two new full-service animal shelters in the Bronx and Queens, and other animal welfare investments (\$14 million).
- information technology improvements, which include upgrades to the Department's network and security systems, and the purchase of critical technologies needed to maintain and improve services (\$11.9 million).
- purchases of equipment and vehicles, and upgrades of facilities and IT infrastructure within the Office of Chief Medical Examiner (\$22.7 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 2017 Executive Budget provides for operating expenses of \$1.9 billion, a decrease of \$122 million from the amount forecasted for 2016. This variance is driven largely by Federal grant funding that has not been reflected in 2017.

Capital commitments of \$292 million are also provided in 2017. This represents an increase of \$77 million from the amount forecasted for 2016. The 2017 forecast is greater because it includes funding for the reconstruction of communications infrastructure damaged by Hurricane Sandy and the anticipated completion of a number of facility projects in 2017.

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 out-of-state fire insurers that issue policies in New York City and to private fire alarm companies. In 2017, the revenue estimate for the Fire Department is \$91.7 million.

The Department also collects revenue from Emergency Medical Services (EMS) ambulance transports. In 2017, total EMS revenue is projected at \$171.6 million, consistent with 2016 projected revenue.

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 2017, in partnership with NYC Service.
- add 56 new tours to achieve ambulance response time reductions, and 9 replacement tours previously run by New York Presbyterian Queens and North Shore – LIJ Hospital, at a cost of \$9 million.
- provide funding to pilot two new EMS initiatives: Advanced Life Support (ALS) Fly Cars to respond to life-threatening emergencies and reduce response times and Tactical Response Ambulances which will be deployed in neighborhoods experiencing heavy call volume, at a cost of \$1.4 million.

- provide funding for resources to support growing EMS operations including instructors and training materials for the EMS Academy, trailers, additional mechanics, and leased ambulances, at a cost of \$3.7 million.
- provide 17 additional positions associated with the Bureau of Fire Prevention, at a cost of \$2 million.
- provide 4 positions for EEO and the Bureau of Health Services, along with OTPS funding for recruitment, an enhanced IT security system, and a court mandated candidate tracking system, at a cost of \$1.2 million.
- provide funding to hire 36 Fire Marshals for arson investigations, at a cost of \$3 million.

Summary of Agency Financial Data

The following table compares the 2017 Executive Budget with the 2017 Preliminary Budget, the 2016 forecast and actual expenditures for 2015, including costs budgeted centrally for fringe benefits, pensions and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$1,659,774	\$1,747,339	\$1,701,742	\$1,730,226	(\$17,113)	\$28,484
Fringe Benefits.....	16,222	51,588	22,818	22,818	(28,770)	—
OTPS.....	217,657	260,052	174,987	183,888	(76,164)	8,901
Total.....	\$1,893,653	\$2,058,979	\$1,899,547	\$1,936,932	(\$122,047)	\$37,385
Funding						
City.....	\$1,644,394	\$1,730,728	\$1,677,210	\$1,741,076	\$10,348	\$63,866
Other Categorical Grants.....	160,980	176,402	200,304	173,663	(2,739)	(26,641)
IFA.....	443	499	542	702	203	160
State.....	2,077	2,127	1,800	1,800	(327)	—
Federal CD.....	952	—	—	—	—	—
Federal Other.....	81,701	148,858	17,662	17,662	(131,196)	—
Intra-City Other.....	3,106	365	2,029	2,029	1,664	—
Total.....	\$1,893,653	\$2,058,979	\$1,899,547	\$1,936,932	(\$122,047)	\$37,385
Additional Costs Centrally Funded						
Personal Services (PS).....						
Fringe Benefits.....	\$605,869	\$649,996	\$688,376	\$693,949	\$43,953	\$5,573
Pensions.....	1,094,703	1,166,923	1,178,958	1,181,249	14,326	2,291
Other Than Personal Service (OTPS)						
Debt Service.....	131,792	129,877	144,428	151,036	21,159	6,608
Total Additional Costs.....	\$1,832,364	\$1,946,796	\$2,011,762	\$2,026,234	\$79,438	\$14,472
Funding						
City.....	1,779,006	1,906,040	1,969,500	1,980,909	74,869	11,409
Non-City.....	53,358	40,756	42,262	45,325	4,569	3,063
Full Agency Costs (including Central Accounts)						
Salary and Wages.....	\$1,659,774	\$1,747,339	\$1,701,742	\$1,730,226	(\$17,113)	\$28,484
Fringe Benefits.....	622,091	701,584	711,194	716,767	15,183	5,573
Pensions.....	1,094,703	1,166,923	1,178,958	1,181,249	14,326	2,291
Total PS.....	\$3,376,568	\$3,615,846	\$3,591,894	\$3,628,242	\$12,396	\$36,348
OTPS.....	\$217,657	\$260,052	\$174,987	\$183,888	(\$76,164)	\$8,901
Debt Service.....	131,792	129,877	144,428	151,036	21,159	6,608
Total OTPS.....	\$349,449	\$389,929	\$319,415	\$334,924	(\$55,005)	\$15,509
Total Agency Costs.....	\$3,726,017	\$4,005,775	\$3,911,309	\$3,963,166	(\$42,609)	\$51,857
Less Intra-City.....	\$3,106	\$365	\$2,029	\$2,029	\$1,664	\$—
Net Agency Cost.....	\$3,722,911	\$4,005,410	\$3,909,280	\$3,961,137	(\$44,273)	\$51,857
Funding						
City.....	3,423,400	3,636,768	3,646,710	3,721,985	85,217	75,275
Non-City.....	299,511	368,642	262,570	239,152	(129,490)	(23,418)
Personnel (includes FTEs at fiscal year-end)						
City.....	16,237	16,497	16,588	16,879	382	291
Non-City.....	64	27	23	25	(2)	2
Total.....	16,301	16,524	16,611	16,904	380	293

Programmatic Review and Service Impact

In 2017 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 10 seconds in 2017. The Department anticipates that its ambulances will respond to over 1.4 million medical incidents in 2017.

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 776 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 2017.

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 (PSAC 2) in the Bronx. As previously committed, PSAC2 will go live in June 2016 with NYPD call taking operations followed by continued implementation of major public safety systems.

Capital Review

The 2017-2020 Four-Year Capital Strategy totals \$701.8 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 2017-2020 period.

Capital Commitments
(\$ in 000's)

	2015 Actual		2016 Plan		2017 Plan		2018 Plan		2019 Plan		2020 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
Communications	\$2,914	\$2,913	\$1,985	\$3,784	\$22,403	\$117,049	\$1,475	\$64,959	\$700	\$700	\$15,906	\$15,906
Electronic Data Processing ...	2,243	2,243	39,752	39,752	56,383	56,383	25,836	25,836	13,000	13,000	13,000	13,000
Reconstruction/Modernization of Facilities	42,696	43,158	122,152	124,135	79,907	80,017	48,250	48,250	30,250	30,250	30,250	30,250
Vehicles and Equipment	21,898	22,263	46,369	47,452	38,527	38,527	74,757	74,757	49,985	49,985	42,980	42,980
Total	\$69,751	\$70,577	\$210,258	\$215,123	\$197,220	\$291,976	\$150,318	\$213,802	\$93,935	\$93,935	\$102,136	\$102,136

Highlights of the 2017-2020 Four-Year Plan

- the replacement of front-line fire-fighting apparatus according to mandated replacement cycles as well as support vehicles and equipment (\$206.2 million).
- the renovation of firehouse components such as boilers, electrical systems, kitchens, roofs, bathrooms, waterproofing, apparatus doors, floors, and windows; EMS Station acquisition, construction, and renovation; and support facility reconstruction (\$168.8 million).
- the construction of a new firehouse for Engine Company 268, which is located in Queens (\$20 million).
- the replacement of the building information and billing system used by Fire Prevention (\$13.1 million).
- the replacement of conduit and wiring in inundation zones for the Department's outside cable plant that was damaged during Hurricane Sandy (\$153.5 million).
- the upgrade of 9-1-1 communications system infrastructure as it approaches the end of its useful life (\$61 million).
- the replacement of end of life information technology and communications equipment (\$79.2 million).

The 2017 Plan for the Department totals \$292 million and highlights include:

- the replacement of front-line fire-fighting apparatus according to mandated replacement cycles as well as support vehicles and equipment (\$38.5 million).
- the renovation of firehouse components such as boilers, electrical systems, kitchens, roofs, bathrooms, waterproofing, apparatus doors, floors, and windows; EMS Station acquisition, construction, and renovation; and support facility reconstruction (\$78 million).
- the design of a new firehouse for Engine Company 268, which is located in Queens (\$2 million).
- the replacement of the building information and billing system used by Fire Prevention (\$5.4 million).
- the replacement of conduit and wiring in inundation zones for the Department's outside cable plant that was damaged during Hurricane Sandy (\$90 million).
- the upgrade of 9-1-1 communications system infrastructure as it approaches the end of its useful life (\$32.5 million).
- the replacement of end of life information technology and communications equipment (\$45.6 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 2017 Executive Budget provides for operating expenses of \$1.66 billion, an increase of \$100 million from the 2016 forecast, primarily due to the phase in of collective bargaining agreements, implementation of long-term waste export contracts and additional funding for landfill closure construction work at Fresh Kills.

Capital commitments of \$396.6 million are also provided in 2017, an increase of \$144 million from the 2016 Plan amount, primarily due to higher planned commitments for facility reconstruction.

Revenue Forecast

The Department of Sanitation generates revenue from contracts for the removal of abandoned vehicles from City streets and property, from concession fees on 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 2017 revenue estimate is \$17.3 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 2016 snow budget has been increased to \$106 million. The Department's 2017 snow removal budget is \$88 million, based on the previous five-year spending average, as required by the City Charter.

Budgetary Priorities: CleaNYC

- operate 20 additional basket trucks and one additional mechanical broom every Sunday and on 12 holidays annually. This will increase the number of Sunday and holiday basket trucks by 39%. The 2017 budget includes \$1.7 million for this program.
- sweep on and off ramps of selected highways, cleaning approximately 100 miles per week of litter, dirt, leaves, and other debris. The 2017 budget includes \$0.8 million for this program.

Summary of Agency Financial Data

The following table compares the 2017 Executive Budget with the 2017 Preliminary Budget, the 2016 forecast and actual expenditures for 2015, including costs budgeted centrally for fringe benefits, pensions and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$853,642	\$875,443	\$916,192	\$922,636	\$47,193	\$6,444
Fringe Benefits.....	33,126	35,136	35,178	35,225	89	47
OTPS.....	590,643	651,759	686,487	704,755	52,996	18,268
Total.....	\$1,477,411	\$1,562,338	\$1,637,857	\$1,662,616	\$100,278	\$24,759
Funding						
City.....	\$1,448,991	\$1,535,858	\$1,612,948	\$1,630,551	\$94,693	\$17,603
Other Categorical Grants.....	2,753	1,471	750	750	(721)	—
IFA.....	4,521	4,423	5,219	5,294	871	75
State.....	852	25	25	25	—	—
Federal CD.....	15,751	15,407	15,717	15,727	320	10
Federal Other.....	1,760	678	—	—	(678)	—
Intra-City Other.....	2,783	4,476	3,198	10,269	5,793	7,071
Total.....	\$1,477,411	\$1,562,338	\$1,637,857	\$1,662,616	\$100,278	\$24,759
Additional Costs Centrally Funded						
Personal Services (PS).....						
Fringe Benefits.....	\$343,023	\$366,307	\$399,239	\$395,351	\$29,044	(\$3,888)
Pensions.....	297,893	309,745	310,649	306,289	(3,456)	(4,360)
Other Than Personal Service (OTPS)						
Debt Service.....	357,582	373,291	415,487	397,655	24,364	(17,832)
Total Additional Costs.....	\$998,498	\$1,049,343	\$1,125,375	\$1,099,295	\$49,952	(\$26,080)
Funding						
City.....	972,605	1,023,317	1,095,945	1,068,928	45,611	(27,017)
Non-City.....	25,893	26,026	29,430	30,367	4,341	937
Full Agency Costs (including Central Accounts)						
Salary and Wages.....	\$853,642	\$875,443	\$916,192	\$922,636	\$47,193	\$6,444
Fringe Benefits.....	376,149	401,443	434,417	430,576	29,133	(3,841)
Pensions.....	297,893	309,745	310,649	306,289	(3,456)	(4,360)
Total PS.....	\$1,527,684	\$1,586,631	\$1,661,258	\$1,659,501	\$72,870	(\$1,757)
OTPS.....	\$590,643	\$651,759	\$686,487	\$704,755	\$52,996	\$18,268
Debt Service.....	357,582	373,291	415,487	397,655	24,364	(17,832)
Total OTPS.....	\$948,225	\$1,025,050	\$1,101,974	\$1,102,410	\$77,360	\$436
Total Agency Costs.....	\$2,475,909	\$2,611,681	\$2,763,232	\$2,761,911	\$150,230	(\$1,321)
Less Intra-City.....	\$2,783	\$4,476	\$3,198	\$10,269	\$5,793	\$7,071
Net Agency Cost.....	\$2,473,126	\$2,607,205	\$2,760,034	\$2,751,642	\$144,437	(\$8,392)
Funding						
City.....	2,421,596	2,559,175	2,708,893	2,699,479	140,304	(9,414)
Non-City.....	51,530	48,030	51,141	52,163	4,133	1,022
Personnel (includes FTEs at fiscal year-end)						
City.....	9,335	9,588	9,637	9,918	330	281
Non-City.....	196	239	238	239	—	1
Total.....	9,531	9,827	9,875	10,157	330	282

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 the first of four converted Marine Transfer Stations at North Shore in College Point, Queens, and the other three stations will open in the next three years. The Department is currently procuring long-term waste transport and disposal services for the two Brooklyn Marine Transfer stations, the last long-term contract 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.

The 2017-2020 Four-Year Plan provides \$103.4 million for the implementation of the City's Solid Waste Management Plan.

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. To further support the City's recycling goals, the Department is placing additional recycling baskets at street corners and public spaces throughout the City and engaging agency partners, including the New York City Housing Authority and Department of Education, to expand recycling in New York City schools, public housing developments, and institutions.

In 2017, the paper recycling program is anticipated to generate an average of \$11.40 of revenue per ton from various vendors, or \$4.0 million. The City is paying \$75.35 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 will conduct a pilot to collect electronic waste from residential buildings on Staten Island.

In 2017, the Department will continue its school organics collection program and will expand its curbside organics collection program. The organics collection programs will divert additional 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 three times a week depending on the population density of the community. Through March 2016, the Department's curbside refuse collection program has averaged 9.7 tons per truck.

Bureau of Solid Waste Management

The Bureau of Solid Waste Management (BSWM) is responsible for the receipt, transfer, transportation, and final disposal of approximately 11,000 daily tons of waste through its waste export contracts.

BSWM 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 over 200 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. In 2015, the Department moved into the new Spring Street garage, vacating a set of aging garages located on the west side of Manhattan. Over the next four years, the Department will initiate designs 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. In addition, the Department will pursue construction of a new garage in Manhattan to house Districts 6, 6A, and 8 and the Manhattan Borough Office. The Department will also begin construction of a new garage for Brooklyn Community District 3 on a site located within that district, which will improve service for Community District 3 and alleviate truck traffic for Community District 1, where the garage is currently located.

Capital Review

The Department's 2017-2020 Capital Plan totals \$1.7 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; marine transfer station renovation and construction; garage 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. These containerized facilities will enable the City to export its refuse via barge or rail. The Department continues to replenish its fleet, including collection trucks, dual-bin trucks, mechanical brooms, and salt spreaders in order to support operations.

The 2017-2020 Capital Plan totals \$1.7 billion. The table below shows capital commitments by program area over the 2017-2020 period.

Capital Commitments

(\$ in 000's)

	2015 Actual		2016 Plan		2017 Plan		2018 Plan		2019 Plan		2020 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
Solid Waste Management	\$90,446	\$104,914	\$69,836	\$69,889	\$30,165	\$30,165	\$18,040	\$18,040	\$0	\$0	\$55,222	\$55,222
Solid Waste Infrastructure.....	(23)	(23)	0	0	0	0	0	0	0	0	0	0
Garages and Facilities	25,841	3,274	28,986	31,341	147,770	161,518	61,360	61,360	206,375	206,375	492,123	492,123
Equipment.....	131,869	135,440	126,770	126,770	181,951	182,384	168,739	168,739	151,653	151,653	153,992	153,992
Information Technology and Telecommunications	7,172	7,172	24,552	24,552	22,504	22,504	5,281	5,281	4,091	4,091	3,215	3,215
Total	\$255,305	\$250,777	\$250,144	\$252,552	\$382,390	\$396,571	\$253,420	\$253,420	\$362,119	\$362,119	\$704,552	\$704,552

Highlights of the 2017-2020 Four-Year Capital Plan

- construction of a new garage for Bronx Community Districts 9, 10, and 11 (\$206.9 million).
- construction of a new garage for Manhattan Community Districts 6 and 8 (\$199.1 million).
- construction of a new garage for Brooklyn Community District 3 (\$144.1 million).
- construction of a new garage for Staten Island Community District 1 (\$111 million).
- component rehabilitation at garages and other facilities Citywide (\$260.3 million).
- construction and renovation of transfer stations and other facilities in accordance with the City's Long Term Solid Waste Management Plan (\$103.4 million).
- replacement of vehicles and other equipment (\$656.8 million).
- information technology and telecommunications (\$35.1 million).

The 2017 Capital Plan provides \$396.6 million in 2017 including:

- component rehabilitation and construction of garages and other facilities Citywide (\$161.5 million).
- construction and renovation of transfer stations and other facilities in accordance with the City's Long Term Solid Waste Management Plan (\$30.2 million).
- replacement of mechanical brooms, collection trucks, salt spreaders and other vehicles (\$182.4 million).
- information technology and telecommunications projects (\$22.5 million).

DEPARTMENT OF PARKS AND RECREATION

The Department of Parks and Recreation (DPR) is the steward of more than 29,000 acres of land, including nearly 5,000 individual properties ranging from Coney Island and Central Park to community gardens and greenstreets. The Department maintains and operates approximately 800 athletic fields, 1,000 playgrounds, and 700 tennis courts. It also maintains and operates 67 public pools, 52 recreational facilities, 17 nature centers, 14 miles of beaches, 156 miles of waterfront parkland, and 14 golf courses. The Department is also responsible for over 800 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 2017 Executive Budget for the Department provides for operating expenses of \$480 million. This represents a net decrease of \$15 million from the amount forecasted for 2016. The 2016 forecast is greater because it includes Federal, State and Private funding not reflected in 2017. Capital commitments of \$1.4 billion are also provided in 2017.

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 \$70.1 million from these sources in 2017.

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. The 2017 budget includes an additional \$12.0 million for seasonal maintenance and operations staffing and \$5.3 million for Parks enforcement and security staffing.
- 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. The 2017 budget also includes an additional \$0.8 million to complete the Department's decennial tree census which allows Parks to map the City's approximately 131,500 street block edges and inventory of over 530,000 street trees.
- designing and supervising park construction. The 2017 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. The 2017 budget includes an additional \$4.3 million in baseline funding for 63 previously hired capital staff and a total of \$5.7 million in new funding to hire 67 additional staff members in order to support the Department's growing capital portfolio and ensure timely completion of capital projects.

Summary of Agency Financial Data

The following table compares the 2017 Executive Budget with the 2017 Preliminary Budget, the 2016 forecast and actual expenditures for 2015, including costs budgeted centrally for fringe benefits, pensions and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$340,299	\$360,371	\$355,003	\$366,785	\$6,414	\$11,782
Fringe Benefits.....	2,013	6,964	2,224	2,224	(4,740)	—
OTPS.....	153,956	127,642	102,059	111,000	(16,642)	8,941
Total.....	\$496,268	\$494,977	\$459,286	\$480,009	(\$14,968)	\$20,723
Funding						
City.....	\$332,280	\$365,724	\$356,945	\$368,005	\$2,281	\$11,060
Other Categorical Grants.....	62,398	18,937	670	971	(17,966)	301
IFA.....	41,595	45,752	49,137	50,699	4,947	1,562
State.....	2,340	2,640	—	—	(2,640)	—
Federal CD.....	2,735	2,472	2,513	10,313	7,841	7,800
Federal Other.....	1,943	6,608	—	—	(6,608)	—
Intra-City Other.....	52,977	52,844	50,021	50,021	(2,823)	—
Total.....	\$496,268	\$494,977	\$459,286	\$480,009	(\$14,968)	\$20,723
Additional Costs Centrally Funded						
Personal Services (PS).....						
Fringe Benefits.....	\$111,610	\$124,395	\$130,507	\$133,212	\$8,817	\$2,705
Pensions.....	53,413	57,065	61,639	58,585	1,520	(3,054)
Other Than Personal Service (OTPS)						
Debt Service.....	345,179	367,479	409,019	424,444	56,965	15,425
Total Additional Costs.....	\$510,202	\$548,939	\$601,165	\$616,241	\$67,302	\$15,076
Funding						
City.....	483,273	521,171	571,199	584,496	63,325	13,297
Non-City.....	26,929	27,768	29,966	31,745	3,977	1,779
Full Agency Costs (including Central Accounts)						
Salary and Wages.....	\$340,299	\$360,371	\$355,003	\$366,785	\$6,414	\$11,782
Fringe Benefits.....	113,623	131,359	132,731	135,436	4,077	2,705
Pensions.....	53,413	57,065	61,639	58,585	1,520	(3,054)
Total PS.....	\$507,335	\$548,795	\$549,373	\$560,806	\$12,011	\$11,433
OTPS.....	\$153,956	\$127,642	\$102,059	\$111,000	(\$16,642)	\$8,941
Debt Service.....	345,179	367,479	409,019	424,444	56,965	15,425
Total OTPS.....	\$499,135	\$495,121	\$511,078	\$535,444	\$40,323	\$24,366
Total Agency Costs.....	\$1,006,470	\$1,043,916	\$1,060,451	\$1,096,250	\$52,334	\$35,799
Less Intra-City.....	\$52,977	\$52,844	\$50,021	\$50,021	(\$2,823)	\$—
Net Agency Cost.....	\$953,493	\$991,072	\$1,010,430	\$1,046,229	\$55,157	\$35,799
Funding						
City.....	815,553	886,895	928,144	952,501	65,606	24,357
Non-City.....	137,940	104,177	82,286	93,728	(10,449)	11,442
Personnel (includes FTEs at fiscal year-end)						
City.....	7,178	6,923	6,504	6,742	(181)	238
Non-City.....	596	716	681	685	(31)	4
Total.....	7,774	7,639	7,185	7,427	(212)	242

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

Parks' mission is not simply maintaining the city's parks and green spaces, but caring for them as well. Through the Parks Inspection Program, the 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. For example, after observing last year that high-destination parks were receiving increased usage on weekends, resulting in increased trash, the Department instituted new weekend cleaning schedules for maintenance crews, which will continue this year, to target these hot spots for picnicking, sports and other activities. The Parks Department monitors the condition and cleanliness of park sites through the Park Inspection Program (PIP), with the goal of improving the efficiency and effectiveness of daily operations. As measured by PIP, park and playground conditions were rated at 86 percent acceptable for overall condition and 92 percent acceptable for cleanliness in 2015, 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. Parks' signature effort and the centerpiece of this strategic blueprint is the Community Parks Initiative (or CPI), with more than \$285 million dollars dedicated to delivering capital funding, enhanced programming, maintenance and community partnership building to the neighborhood parks that need it the most, in a way that is inclusive and equitable. The initial phase of CPI is on schedule, and the first 35 capital projects, all located in high-need neighborhoods, have completed the design phase and are now in procurement or out to bid. Recent expansion of CPI funding will allow the Parks Department to reimagine and recreate an additional 32 neighborhood parks in the coming years, and this spring, the Department has been hosting community scoping sessions for the first 12 of these projects. Targeted improvements for an additional 25 sites are also underway and will be completed before this summer is over.

As the Parks Department looks for our city's outdoor spaces to be part of the fabric of the community, a new planning effort to make parks more welcoming is underway in the form of "Parks Without Borders," an exciting new design initiative which was unveiled in the "One NYC" strategic plan in 2015. This program focuses on the edges, entrances and adjacent spaces of city parks, where they most directly interact with the surrounding community. The Department is focused on creating more access to parks and creating more parkland by opening up entrances and edges and reclaiming unused park space. In May, Parks will announce eight signature projects where this design approach will have a transformative impact on communities throughout New York City.

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. These services are complemented by other signature programs, including Shape Up NYC and Kids in Motion, which enable New Yorkers to lead active, healthier lifestyles. As of February 2016, there are 161,639 active members enrolled at Parks Department recreation centers, representing an increase of over 5,600 members over the past twelve months. Additionally, there are 90,727 youth under the age of 18 with active recreation center memberships and 18,890 Young Adult Members (ages 18-24, \$25 annually). In 2015, Parks also added a new fee structure, which reduced the rate of membership for military veterans and people with disabilities to \$25 for an annual recreation membership.

Shape Up NYC offers more than 350 classes per week at 194 locations. Class offerings are varied and include Yoga, Pilates, Zumba, Kickboxing and Cardio Sculpt. The program receives an average of 3,600 weekly visits to its free classes such as Pilates, Zumba and Kickboxing. In January, the Parks Department and First Lady Chirlane

McCray announced a focus on ensuring that more than 50% of classes take place in CPI zones/communities that exhibit high rates of obesity and limited access to free or low-cost fitness programs.

Playground Associates lead free activities for children at designated playground sites, including organized sports, games, fitness demos, guided walks and special events. In calendar year 2015, Kids in Motion received 550,000 visits to 55 CPI sites alone. Kids in Motion also works with the Department of Education's Free Summer Food Program to offer healthy and delicious lunches to all participants at select sites.

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 in part to the efforts of Partnerships for Parks and nearly 2,000 community groups, organizations, and corporations 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 green spaces. Each year, tens of thousands of individuals volunteer to beautify parks, plant trees and flowers and support other park improvement projects.

Capital Review

The 2017-2020 Four-Year Plan totals \$2.91 billion. The table below reflects capital commitments by program area over the 2016-2020 period.

Capital Commitments

(\$ in 000's)

	2015 Actual		2016 Plan		2017 Plan		2018 Plan		2019 Plan		2020 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	\$716	\$796	\$121	\$2,998	\$20,825	\$22,605	\$1,000	\$1,000	\$1,000	\$1,000	\$815	\$1,000
Land Acquisition and Tree Planting	44,811	51,690	40,621	45,724	42,647	49,133	40,151	40,151	32,924	32,924	28,255	32,924
Major Recreation Facilities and Facility Reconstruction	9,580	19,469	52,268	63,736	120,920	153,351	96,151	141,956	210,170	210,170	8,770	210,170
Neighborhood Parks and Playgrounds	126,550	267,568	226,478	404,699	492,472	706,661	90,119	92,071	68,278	68,278	36,517	68,278
Vehicles and Equipment	9,801	9,802	12,657	12,802	26,465	26,743	9,700	9,700	5,450	5,450	4,239	5,450
Large, Major and Regional Park Reconstruction	268,908	282,394	241,587	288,762	379,763	460,269	215,759	223,654	62,465	62,465	480,685	62,465
Zoos	4,328	4,328	865	865	23,431	23,431	3,500	3,500	9,000	9,000	2,758	9,000
Total	\$464,694	\$636,048	\$574,597	\$819,586	\$1,106,523	\$1,442,193	\$456,380	\$512,032	\$389,287	\$389,287	\$562,039	\$389,287

Highlights of the 2017-2020 Four-Year Plan

- continued implementation of Phases 1 and 2 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 (\$176.1 million). This funding is in addition to \$9.5 million committed in FY 15, \$94.6 million in planned commitments in FY 2016, \$36.2 million in DEP funding for green infrastructure improvements, and \$36 million in funding for CPI Phase 2 outside of the plan window.
- 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 6 acres (\$150 million).

- 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 (\$42.1 million).
- rehabilitation of Parks-owned pedestrian bridges Citywide (\$689.9 million), including \$313.0 million for the reconstruction of the Promenade over the FDR Drive, \$167.4 million for the reconstruction of the Brooklyn Promenade, \$106.2 million for the reconstruction of the Passerelle Pedestrian Bridge and \$56.7 million for the reconstruction of the Porpoise Bridge and its tidal gate system.
- planting of new street trees, park trees, and greenstreets Citywide (\$78.9 million).
- reconstruction of recreation centers Citywide (\$59.6 million), including \$16.6 million for the reconstruction of Brownsville Recreation Center in Brooklyn, \$3.5 million for the reconstruction of the Lost Battalion Recreation Center in Queens, \$3.5 million for the reconstruction of Hansborough Recreation Center in Manhattan, and \$3.4 million for the reconstruction of St. Mary's Recreation Center in the Bronx.
- construction of an indoor pool in Staten Island (\$50 million).

The 2017 Plan for the Department totals \$1.4 billion and highlights include:

- implementation of the Community Parks Initiative (\$74.2 million).
- planting of new street trees and park trees and the construction of greenstreets Citywide (\$30.5 million).
- construction of Andrew Haswell Green Park in Manhattan (\$22.4 million).
- reconstruction of the Brownsville Recreation Center in Brooklyn (\$16.6 million).
- reconstruction of Fairview Park in Staten Island (\$10.8 million).
- reconstruction of the Porpoise Bridge and Tide Gate System in Queens (\$7.5 million).
- reconstruction of ballfields at Crotona Park in the Bronx (\$3.4 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 one billion gallons of water per day, and seven upstate water pollution control plants. The New York City sewer system comprises a comprehensive network of 7,400 miles of sewers, 14 in-City Wastewater Treatment Plants (WWTPs), and 96 pump stations to convey and treat approximately 1.3 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 2017 Executive Budget provides for operating expenses of \$1.4 billion. It also provides capital commitments of \$9.6 billion to be financed by Water Finance Authority funds and \$316.0 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, 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 2017 is \$24.8 million.

In addition, DEP also gathers the data used to generate bills for customers of, and collects water and sewer fees for, the New York City Water Board. DEP projects approximately \$3.7 billion in water and sewer revenue for 2017.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- DEP supplies approximately 1.0 billion gallons of drinking water per day to eight million City residents and one million upstate residents, and maintains the City's water main and sewer infrastructure. Approximately 2,186 personnel and \$596.6 million are dedicated to this function. In addition, there are 297 police and security force personnel (\$36.0 million), including 224 environmental police officers, who protect the upstate watershed and respond to hazardous materials emergencies.
- DEP treats an average of 1.3 billion gallons of dry-weather sewage per day at the City's 14 WWTPs. Approximately 1,858 personnel and \$389.1 million are dedicated to this function.
- 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 (\$35.6 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 Department will continue to fund contracts for biosolids removal, transport, and disposal (\$50.6 million).
- the Croton Water Filtration Plant is operational, as of May 2015. The budget for operational, managerial, and functional expenses is \$24.7 million, and 56 positions are dedicated to this function.

- the Department will continue implementation of the City's Green Infrastructure Plan with 182 positions and \$15.7 million dedicated to the purchase, installation, and maintenance of green infrastructure components. Overall, this plan will result in a cost avoidance of approximately \$3.4 billion over 20 years.
- the Department enforces the City's air and noise codes in addition to asbestos regulations with 179 positions and \$13.0 million dedicated to this function.
- the Department will inspect and clean the interceptor sewers, the largest sewers which connect to the WWTPs, to maximize flow and capacity (\$9.1 million).
- the Department will dredge Flushing Bay to remove accumulated sediment mounds and to reduce nuisance odors (\$28.7 million).
- 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 develop a plan to manage stormwater discharges in order to reduce untreated pollutants discharged into local waterbodies (\$2.1 million).
- the Department will prepare and amend the Citywide drainage plan to support the proposed neighborhood rezoning initiatives and form the basis for future sewer projects (\$2.7 million).
- the Department will fund Mayor de Blasio's OneNYC sustainability initiative to repair or install 500 water fountains and water bottle refilling stations across the five boroughs (\$0.5 million).
- the Department continues to use chemicals to treat the City's drinking water and wastewater for the health and safety of its residents and the surrounding waterways (\$65.1 million).
- the Department will maintain and repair the thickening and dewatering centrifuges at wastewater treatment plants in order to ensure the smooth operation of the dewatering process (\$4.3 million).

Restructuring and Streamlining

- the Department expects to achieve a savings of \$18.9 million identified from the refinement of agency contractual needs, contract details, procurement efficiencies, and evaluation of program budgetary needs.
- the Department has received \$4.2 million from participating in the Demand Response Program to accommodate power grid strains by temporarily lowering electricity usage during peak usage periods.
- the Department expects to save \$1.5 million annually by replacing diesel oil with natural gas at two of its wastewater treatment plants.

Summary of Agency Financial Data

The following table compares the 2017 Executive Budget with the 2017 Preliminary Budget, the 2016 forecast and actual expenditures for 2015, including costs budgeted centrally for fringe benefits, pensions, and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$474,175	\$494,234	\$495,485	\$516,444	\$22,210	\$20,959
Fringe Benefits.....	3,042	4,755	3,295	3,295	(1,460)	—
OTPS.....	738,838	976,428	731,950	923,781	(52,647)	191,831
Total.....	\$1,216,055	\$1,475,417	\$1,230,730	\$1,443,520	(\$31,897)	\$212,790
Funding						
City.....	\$1,014,353	\$1,158,254	\$1,125,621	\$1,200,702	\$42,448	\$75,081
Other Categorical Grants.....	17,285	6,237	—	—	(6,237)	—
IFA.....	69,820	60,277	65,971	65,971	5,694	—
State.....	25	3,904	—	—	(3,904)	—
Federal CD.....	107,871	221,104	37,831	175,369	(45,735)	137,538
Federal Other.....	5,233	19,345	123	123	(19,222)	—
Intra-City Other.....	1,468	6,296	1,184	1,355	(4,941)	171
Total.....	\$1,216,055	\$1,475,417	\$1,230,730	\$1,443,520	(\$31,897)	\$212,790
Additional Costs Centrally Funded						
Personal Services (PS).....						
Fringe Benefits.....	\$163,827	\$175,304	\$188,528	\$187,070	\$11,766	(\$1,458)
Pensions.....	80,790	92,022	85,931	81,673	(10,349)	(4,258)
Other Than Personal Service (OTPS)						
Debt Service.....	62,127	73,960	82,320	61,642	(12,318)	(20,678)
Total Additional Costs.....	\$306,744	\$341,286	\$356,779	\$330,385	(\$10,901)	(\$26,394)
Funding						
City.....	290,726	326,191	339,683	313,115	(13,076)	(26,568)
Non-City.....	16,018	15,095	17,096	17,270	2,175	174
Full Agency Costs (including Central Accounts)						
Salary and Wages.....	\$474,175	\$494,234	\$495,485	\$516,444	\$22,210	\$20,959
Fringe Benefits.....	166,869	180,059	191,823	190,365	10,306	(1,458)
Pensions.....	80,790	92,022	85,931	81,673	(10,349)	(4,258)
Total PS.....	\$721,834	\$766,315	\$773,239	\$788,482	\$22,167	\$15,243
OTPS.....	\$738,838	\$976,428	\$731,950	\$923,781	(\$52,647)	\$191,831
Debt Service.....	62,127	73,960	82,320	61,642	(12,318)	(20,678)
Total OTPS.....	\$800,965	\$1,050,388	\$814,270	\$985,423	(\$64,965)	\$171,153
Total Agency Costs.....	\$1,522,799	\$1,816,703	\$1,587,509	\$1,773,905	(\$42,798)	\$186,396
Less Intra-City.....	\$1,468	\$6,296	\$1,184	\$1,355	(\$4,941)	\$171
Net Agency Cost.....	\$1,521,331	\$1,810,407	\$1,586,325	\$1,772,550	(\$37,857)	\$186,225
Funding						
City.....	1,305,079	1,484,445	1,465,304	1,513,817	29,372	48,513
Non-City.....	216,252	325,962	121,021	258,733	(67,229)	137,712
Personnel (includes FTEs at fiscal year-end)						
City.....	202	245	244	249	4	5
Non-City.....	5,525	6,131	6,133	6,153	22	20
Total.....	5,727	6,376	6,377	6,402	26	25

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 2007, the Environmental Protection Agency issued an administrative determination providing the City with a waiver from filtering the Catskill and Delaware water supplies through 2017. The ten-year FAD calls for a midterm assessment and revision of the City's programs and commitments, which was issued in May 2014. The current FAD is based on DEP's ongoing long-term watershed protection program. As part of the FAD, and in compliance with revised Federal regulations, DEP commenced full operation of an ultraviolet light disinfection facility to further purify water from the Catskill and Delaware watersheds and will continue its upstate land acquisition program to protect the water entering the City's reservoirs.

The Department will 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 more than 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, which will be completed in 2022. During the connection of this Bypass Tunnel to the Delaware Aqueduct, the RWBT will need to be shut down for a single six to 10 month period. In order to compensate for this shutdown, the Department will continue to pursue several water supply conservation and augmentation projects.

The Department will 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 Tunnel No.1, and providing critical water delivery redundancy in Brooklyn, Queens, and Staten Island. As part of the work on the Brooklyn/Queens section of City Tunnel No. 3, the Department will disinfect and pressurize the existing tunnel, as well as install flow control and chemical dosing instrumentation so that the tunnel is prepared to be activated if an emergency occurs before the two shafts are complete.

Wastewater Treatment Initiatives

According to recent harbor surveys issued by the Department, 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 continue building 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, modification, and cleaning of tanks and tunnels) that will more cost-effectively reduce CSO from entering into 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 a new CSO Long Term Control Plan phase which will further improve water quality in City water bodies. This is still in the planning stage, but will encompass a number of strategies including disinfection of CSO before being released into receiving water bodies.

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 City-wide Stormwater Management Plan that outlines measures to meet the permit requirements.

The Department is amending the City's drainage plan to show the location, course, size, and elevation of the existing and proposed sewers for each of the drainage districts. This will allow the Department to provide an adequate water and sewer system as new developments take place throughout the City.

Since 2015, the Department began constructing a comprehensive 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 flood relief while construction is underway, including public education on grease management, installation of green infrastructure, utilization of bluebelts, 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 834,300 water and sewer customer accounts, of which 36,550 are billed on a flat-rate system. Currently, more than 826,400 accounts are metered, while just over 7,900 remain un-metered.

Starting in 2013, frontage billing expired for multi-family dwellings. Impacted customers were automatically enrolled in the Multiple-Family Conservation Program (MCP) with the option of switching to metered charges.

DEP continues to conduct lien sales of delinquent water and sewer charges independent of other delinquencies, provided that the water and sewer charges have been delinquent for at least one year and equal or exceed \$1,000 for Tax Class 2 properties and over \$2,000 for Tax Class 1 two- and three-family properties.

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 2016, 210,900 customers have taken advantage of this offering by enrolling in the program and entering into service contracts with AWR. AWR was selected by the Water Board to offer the program, following a competitive Request of Proposal (RFP) process.

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; 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 \$736.7 million in capital projects with energy 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 224 officers dedicated to this function.

Capital Review*Overview*

The Four-Year Capital Plan for 2017 through 2020 provides a total of \$9.9 billion from the following sources: \$9.6 billion financed by Water Finance Authority funds and \$316.0 million in non-City funds.

The table below shows capital commitments by program area over the 2017-2020 period.

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

	2015 Actual		2016 Plan		2017 Plan		2018 Plan		2019 Plan		2020 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
Water Pollution	\$366,468	\$367,035	\$925,858	\$947,209	\$964,713	\$1,027,421	\$1,129,729	\$1,367,519	\$1,044,977	\$1,044,977	\$608,968	\$608,968
Water Mains.....	552,538	551,811	679,702	681,373	1,010,746	1,013,849	585,069	585,069	349,460	349,460	362,791	362,791
Sewers	344,117	326,775	472,031	491,527	971,648	984,063	517,012	517,012	534,537	534,537	425,878	425,878
Water Supply.....	736,805	736,805	102,171	102,171	122,773	122,773	20,000	20,000	423,500	423,500	205,000	205,000
Equipment.....	90,777	90,371	130,764	131,214	85,735	85,735	107,207	107,207	63,869	63,869	68,625	68,625
Total	\$2,090,705	\$2,072,797	\$2,310,526	\$2,353,494	\$3,155,615	\$3,233,841	\$2,359,017	\$2,596,807	\$2,416,343	\$2,416,343	\$1,671,262	\$1,671,262

The major elements of the Four-Year Capital Plan include:

- extending and reconstructing storm, sanitary, and combined sewers (\$2.5 billion).
- investments to maintain the operational integrity of existing wastewater treatment facilities (\$2.6 billion). The total includes the hardening of infrastructure based on findings of the New York City Wastewater Resiliency Plan assessment (\$267.0 million).
- replacing and extending trunk and distribution water mains and ancillary work (\$1.3 billion).
- construction of a comprehensive sewer system in Southeast Queens including strategically selected projects to deliver some near term flooding relief (\$717.0 million).
- disinfection and mitigation of combined sewer overflow (CSO) to achieve waterbody-specific water quality standards through the construction of grey infrastructure and the creation of long term plans to combat CSOs (\$656.4 million). This includes the construction of combined sewer overflow holding tanks to improve water quality in the Gowanus Canal (\$480.0 million).
- implementation of the NYC Green Infrastructure Plan, a strategy for CSO reduction through the use of green infrastructure (\$475.4 million), such as right-of-way bioswales and stormwater greenstreets, porous pavement, constructed wetlands, onsite stormwater management practices, and green roofs.
- 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 (\$132.0 million).
- continuation of land acquisition for and construction of the award-winning Staten Island Bluebelt program (\$310.9 million).
- replacement and rehabilitation of below ground infrastructure specifically related to the accelerated replacement schedule for aging water mains and sewers (\$200.3 million).
- ongoing stabilization and upgrade of in-City WWTPs and systems to ensure compliance with State and Federal mandates for: operating permit requirements (\$193.3 million) which includes construction of a new cogeneration facility at the North River WWTP (\$174.6 million); the mandated studies and facility upgrades to reduce nitrogen levels in treated wastewater (\$87.6 million); and the enhancement of the existing chlorination system at various WWTPs in order to meet stricter chlorine discharge limits (\$11.0 million).
- continuing numerous small projects to keep the wastewater system in a state of good repair (\$237.3 million).
- reconstruction of the Hillview Reservoir chambers (\$101.5 million).
- continuation of various filtration avoidance measures and land acquisition in the upstate watershed (\$127.6 million).
- completing projects related to the construction of the Croton Water Filtration Plant (\$118.3 million).
- reconstruction of the Lower Catskill Aqueduct connecting the Cat/Del Ultraviolet Facility with Hillview Reservoir (\$116.0 million).

- construction related to the activation of the Brooklyn/Queens section of City Tunnel No. 3, including the excavation of the remaining two shafts necessary for full operation of the tunnel (\$357.0 million). In addition, there is \$21.0 million in 2016 for the disinfection and pressurization of the Brooklyn/Queens section in order to allow for activation in the case of an unexpected failure to City Tunnel No.2, and there is \$7.0 million for the construction of an interconnection to the Richmond Tunnel in Staten Island.
- construction of a storage tank or deep shaft associated with the East Side Resiliency project in order to capture stormwater and sanitary waste when outfalls are closed (\$170.0 million).
- reconstruction of upstate and in-City dams in order to ensure long-term reliability under probable maximum flood conditions (\$317.7 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 2017 Executive Budget provides for operating expenses of \$947.1 million. Capital commitments of approximately \$8.4 billion are also provided from 2017-2020, 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 2017, the Department will collect \$362.8 million in revenue.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- funding of \$195.7 million for the in-house costs associated with resurfacing 1,300 lane miles of streets and the repair of approximately 314,000 street defects (potholes).
- funding of \$355.1 million for the traffic program, including \$56.4 million for energy costs associated with all streetlights and traffic signals throughout the City, and \$106.9 million for the maintenance of approximately 12,931 traffic signalized intersections and over 333,670 streetlights Citywide.
- funding of \$91.8 million for the operation of the Staten Island Ferry and overseeing private ferry service.
- funding of \$30.1 million for preventive maintenance, cleaning, and spot and splash zone painting of City bridges including Federal funding for the maintenance of East River Bridges.
- funding of \$18.1 million for the in-house bridge flag/corrective repair program.
- funding of \$1.2 million for the operation of the Gowanus Expressway Bus/High Occupancy Vehicle lane, which operates from the Verrazano Narrows Bridge to the Hugh Carey Brooklyn Battery Tunnel (5.3 miles).
- funding of \$3.4 million to upgrade credit card readers to accept chip-based credit cards at parking meters and at the City's eight municipal garages.

Restructuring and Streamlining

- the Department expects to save \$2.3 million by replacing high pressure sodium luminaires with LED luminaires in Manhattan, Queens, the Bronx, and Staten Island.
- the Department expects to save \$2.5 million by replacing red paint with red asphalt on Select Bus Service lanes.

- the Department expects to reduce long-term contract costs through the conversion of 13 contracted positions to fulltime employees.
- the Department expects to experience savings associated with the purchasing of vehicles currently rented.

Summary of Agency Financial Data

The following table compares the 2017 Executive Budget with the 2017 Preliminary Budget, the 2016 forecast and actual expenditures for 2015, including costs budgeted centrally for fringe benefits, pensions, and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$409,195	\$439,759	\$453,062	\$460,290	\$20,531	\$7,228
Fringe Benefits.....	3,621	4,230	4,230	4,230	—	—
OTPS.....	472,180	518,840	473,430	482,561	(36,279)	9,131
Total.....	\$884,996	\$962,829	\$930,722	\$947,081	(\$15,748)	\$16,359
Funding						
City.....	\$516,157	\$537,856	\$547,861	\$557,294	\$19,438	\$9,433
Other Categorical Grants.....	9,106	3,502	1,371	1,371	(2,131)	—
IFA.....	177,158	193,329	217,190	218,666	25,337	1,476
State.....	93,047	105,775	94,168	96,081	(9,694)	1,913
Federal CD.....	235	—	—	—	—	—
Federal Other.....	84,569	118,249	67,256	70,793	(47,456)	3,537
Intra-City Other.....	4,724	4,118	2,876	2,876	(1,242)	—
Total.....	\$884,996	\$962,829	\$930,722	\$947,081	(\$15,748)	\$16,359
Additional Costs Centrally Funded						
Personal Services (PS).....						
Fringe Benefits.....	\$138,605	\$150,743	\$162,078	\$164,464	\$13,721	\$2,386
Pensions.....	66,786	71,800	74,334	70,651	(1,149)	(3,683)
Other Than Personal Service (OTPS)						
Debt Service.....	742,165	736,805	820,092	793,861	57,056	(26,231)
Total Additional Costs.....	\$947,556	\$959,348	\$1,056,504	\$1,028,976	\$69,628	(\$27,528)
Funding						
City.....	874,755	874,364	959,634	931,836	57,472	(27,798)
Non-City.....	72,801	84,984	96,870	97,140	12,156	270
Full Agency Costs (including Central Accounts)						
Salary and Wages.....	\$409,195	\$439,759	\$453,062	\$460,290	\$20,531	\$7,228
Fringe Benefits.....	142,226	154,973	166,308	168,694	13,721	2,386
Pensions.....	66,786	71,800	74,334	70,651	(1,149)	(3,683)
Total PS.....	\$618,207	\$666,532	\$693,704	\$699,635	\$33,103	\$5,931
OTPS.....	\$472,180	\$518,840	\$473,430	\$482,561	(36,279)	\$9,131
Debt Service.....	742,165	736,805	820,092	793,861	57,056	(26,231)
Total OTPS.....	\$1,214,345	\$1,255,645	\$1,293,522	\$1,276,422	\$20,777	(\$17,100)
Total Agency Costs.....	\$1,832,552	\$1,922,177	\$1,987,226	\$1,976,057	\$53,880	(\$11,169)
Less Intra-City.....	\$4,724	\$4,118	\$2,876	\$2,876	(\$1,242)	\$—
Net Agency Cost.....	\$1,827,828	\$1,918,059	\$1,984,350	\$1,973,181	\$55,122	(\$11,169)
Funding						
City.....	1,390,912	1,412,220	1,507,495	1,489,130	76,910	(18,365)
Non-City.....	436,916	505,839	476,855	484,051	(21,788)	7,196
Personnel (includes FTEs at fiscal year-end)						
City.....	2,032	2,590	2,615	2,623	33	8
Non-City.....	2,829	2,783	2,621	2,715	(68)	94
Total.....	4,861	5,373	5,236	5,338	(35)	102

Programmatic Review and Service Impact

Bridges

The Bureau of Bridges is responsible for the reconstruction, repair, maintenance and operation of approximately 789 City-owned bridge and tunnel structures. In 2017, the Bureau of Bridges will be staffed with 858 positions and have an operating budget of \$106.9 million.

The Bridge program in the 2017 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 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 is responsible for maintaining approximately 19,324 lane miles of streets of which 1,175 lane miles of arterial highways are within the five boroughs, 70 percent of which are in good condition as of 2015. The Permits Management and Construction Control programs are responsible for regulating the excavation and various other uses of City streets and sidewalks. In 2017, Highway Operations will be staffed by approximately 1,492 full-time and approximately 407 seasonal positions with a budget totaling \$279.3 million.

The Department also manages the New York City Plaza program, a community-based program to improve the public realm by creating pedestrians plazas. In total, the Department oversees 73 plazas that are now in various phases of planning, design, construction, or complete. Fifty-three permanent and temporary plazas have been completed to date.

Traffic Operations

The Division of Traffic Operations maintains and collects revenue from approximately 84,969 metered spaces and operates 39 municipal parking facilities. It also installs and maintains an estimated one million traffic signs, approximately 12,931 signalized intersections and over 333,670 streetlights. The 2017 Executive Budget for the Division of Traffic Operations provides for 1,418 positions and \$355.1 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 under 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, improve safety for all street users. 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. The Midtown in Motion project reduces congestion and greenhouse gas emissions in Manhattan. 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 2017 Executive Budget for Ferries provides for 694 positions and an operating budget of \$91.8 million.

The Staten Island Ferry is expected to carry approximately 22 million passengers and the Department anticipates that the Ferry program will achieve an on-time performance rate of 90 percent in 2017. The Department currently estimates annual ridership on privately operated commuter ferries to be approximately 10 million passengers.

Capital Review

The Department of Transportation's 2017-2020 Capital Commitment Plan totals \$8.4 billion for the reconstruction of transportation infrastructure, of which approximately 81 percent is City-funded. The table below shows commitments by program area between 2017-2020.

Capital Commitments (\$ in 000's)

	2015 Actual		2016 Plan		2017 Plan		2018 Plan		2019 Plan		2020 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
Highways and Streets	\$329,461	\$420,447	\$546,423	\$710,786	\$869,298	\$1,111,264	\$831,729	\$996,065	\$634,436	\$759,910	\$292,374	\$313,159
Highway Bridges	225,432	623,075	216,225	333,630	905,958	1,267,835	289,820	326,289	347,122	389,078	1,377,353	1,472,606
Waterway Bridges	74,340	65,036	134,173	172,086	361,895	370,599	66,999	134,999	250,931	250,931	0	0
Traffic	84,949	139,970	104,077	152,763	106,795	161,188	45,493	83,410	17,087	53,776	20,112	43,161
Vehicles/Equipment	20,356	26,511	17,275	23,757	54,512	55,280	28,935	32,144	17,875	17,875	3,029	3,029
Ferries	27,368	25,199	13,754	27,721	170,135	397,488	40,355	96,347	26,994	32,826	3,000	9,750
Total	<u>\$761,906</u>	<u>\$1,300,238</u>	<u>\$1,031,927</u>	<u>\$1,420,743</u>	<u>\$2,468,593</u>	<u>\$3,363,654</u>	<u>\$1,303,331</u>	<u>\$1,669,254</u>	<u>\$1,294,445</u>	<u>\$1,504,396</u>	<u>\$1,695,868</u>	<u>\$1,841,705</u>

The Highlights of the 2017-2020 Capital Plan include:

- complete reconstruction or rehabilitation of approximately 64 bridge projects rated “fair” or “good” (\$2.3 billion), including \$917.2 million for the Brooklyn-Queens Expressway Triple Cantilever Bridge and \$213.2 million for Bruckner Expressway Bridge over Westchester Creek.
- complete rehabilitative work of approximately 35 bridge projects scheduled for life extension (\$1.1 billion), including \$156.4 million for Broadway Bridge over Harlem River and \$86.1 million for FDR Northbound from East 42nd to 49th Street.
- continued reconstruction and rehabilitation for the East River Bridges (\$743.0 million), including \$335.8 million for Brooklyn Bridge and \$291.5 million for the Ed Koch Queensboro Bridge.
- street and arterial resurfacing of 3,856 lane miles (\$856.3 million).
- street reconstruction of approximately 389 lane miles (\$1.6 billion); including Woodhaven Boulevard Select Bus Service (\$171.4 million), reconstruction of Queens Boulevard (\$104.7 million) and various projects to address the needs of Southeast Queens (\$89.5 million).
- installation and reconstruction of pedestrian ramps at approximately 37,535 corners (\$300.2 million) and replacement of approximately 24 million square feet of sidewalk (\$255.0 million).
- signal installation and maintenance, as well as the computerization and modernization of signalized intersections (\$131.2 million).
- upgrade and replacement of lampposts, luminaires, and associated infrastructure (\$102.8 million).
- signal and streetlight installation and lane markings associated with the Highway Reconstruction and Bridge Programs (\$46.3 million).

- installation of approximately 26 million linear feet of thermoplastic markings for traffic control (\$15.6 million).
- replacement of approximately 269 thousand linear feet of electrical distribution systems along the City's streets (\$26.7 million).
- reconstruction of parking garages and parking lots (\$18.9 million).
- reconstruction and replacement of ferry boats (\$401.5 million), including the construction of new ferry boats (\$327.7 million).
- ferry terminal and facility improvements (\$134.9 million).
- purchase of 155 vehicles and pieces of equipment (\$26.9 million) currently rented, resulting in long-term savings.

The Highlights of the 2017 Capital Plan include:

- rehabilitation of bridges rated "fair", including Bruckner Expressway over Westchester Creek (\$213.2 million) and Atlantic Avenue over Long Island Rail Road (\$90.9 million).
- rehabilitation of the Ed Koch Queensboro Bridge (\$291.5 million).
- rehabilitative work on bridges scheduled for life extension, including Broadway Bridge over Harlem River (\$156.4 million).
- street reconstruction of approximately 139 lane miles (\$585.3 million), which includes Trench Restoration (\$60 million), various projects to address the needs in Southeast Queens (\$44.6 million) and Reconstruction of West 33rd Street-Hudson Yards Vicinity (\$35.7 million).
- street and arterial resurfacing of 1,300 lane miles of streets (\$282.3 million).
- reconstruction of sidewalks and pedestrian ramps (\$164.4 million).
- replacement of lampposts, luminaires, and associated infrastructure with LED (\$22.6 million).
- installation of bus lane enforcement cameras (\$11.4 million)
- upgrading Central Park street lighting infrastructure (\$14.0 million).
- construction of three new ferry boats (\$327.7 million).
- floodproofing of Staten Island Ferry terminals (\$24.9 million).
- purchase of 48 pieces of asphalt heating equipment used to fill potholes (\$1.8 million).
- replacement of vehicles and equipment that are past their useful life (\$20.0 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: A Five-Borough, Ten-Year Plan, which is a citywide initiative to build or preserve 200,000 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 4,600 buildings containing more than 103,000 units in its Asset Management portfolio.
- providing more than 39,000 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 2017 Executive Budget provides for operating expenses of \$1.2 billion, of which nearly \$163 million is City funds. The budgeted headcount of 2,451 full-time positions is funded at \$170 million while other than personal services are projected at \$1.1 billion. Nearly \$1.1 billion, or 85 percent of the agency's expense budget, is supported by Federal and State assistance programs. In addition, HPD has planned City capital commitments of \$657 million in 2017.

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 \$28.1 million in 2017.

Expense Budget Highlights

Providing Core Services

In 2017, 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.

- HPD will expand its Code Enforcement team 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 while working with responsible owners and community partners, and with support from Federal Community Development Block Grant (CDBG) funds. The agency will bring enforcement proceedings against non-compliant owners and will remove hazardous conditions in private distressed buildings.

- HPD will administer a portion of New York City's allotment of Federal housing choice vouchers to eligible New Yorkers through the nation's fifth largest Section 8 program. In 2016, the agency supported over 39,000 households. Another \$424 million in subsidy payments are planned for 2017.
- HPD will engage in planning and project development activities to create new affordable units, preserve existing housing stock, leverage private investments, and promote balanced growth, fair housing opportunity, and diverse neighborhoods. With a targeted approach, the agency is working to protect the ability of low-income households to remain in their current neighborhoods while simultaneously seeking to open up new housing opportunities.
- HPD will continue to focus on the financial and physical health of a portfolio of over 4,600 rental and co-op buildings in which the City has previously invested.

Summary of Agency Financial Data

The following table compares the 2017 Executive Budget with the 2017 Preliminary Budget, the 2017 forecast, and actual expenditures for 2016, including costs budgeted centrally for fringe benefits, pensions, and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$141,595	\$161,978	\$165,162	\$169,812	\$7,834	\$4,650
Fringe Benefits.....	45	—	—	—	—	—
OTPS.....	576,763	908,758	711,009	1,077,122	168,364	366,113
Total.....	\$718,403	\$1,070,736	\$876,171	\$1,246,934	\$176,198	\$370,763
Funding						
City.....	\$70,622	\$127,457	\$92,198	\$162,982	\$35,525	\$70,784
Other Categorical Grants.....	8,522	18,267	1,614	1,710	(16,557)	96
IFA.....	15,756	18,273	18,666	23,356	5,083	4,690
State.....	699	21,993	1,075	1,075	(20,918)	—
Federal CD.....	149,660	372,650	269,704	563,857	191,207	294,153
Federal Other.....	470,753	507,415	490,847	491,887	(15,528)	1,040
Intra-City Other.....	2,391	4,681	2,067	2,067	(2,614)	—
Total.....	\$718,403	\$1,070,736	\$876,171	\$1,246,934	\$176,198	\$370,763
Additional Costs Centrally Funded						
Personal Services (PS).....						
Fringe Benefits.....	\$55,847	\$59,965	\$62,870	\$64,251	\$4,286	\$1,381
Pensions.....	22,537	23,422	25,505	24,241	819	(1,264)
Other Than Personal Service (OTPS)						
Debt Service.....	698,493	597,555	665,101	641,616	44,061	(23,485)
Total Additional Costs.....	\$776,877	\$680,942	\$753,476	\$730,108	\$49,166	(\$23,368)
Funding						
City.....	719,152	625,419	693,744	668,926	43,507	(24,818)
Non-City.....	57,725	55,523	59,732	61,182	5,659	1,450
Full Agency Costs (including Central Accounts)						
Salary and Wages.....	\$141,595	\$161,978	\$165,162	\$169,812	\$7,834	\$4,650
Fringe Benefits.....	55,892	59,965	62,870	64,251	4,286	1,381
Pensions.....	22,537	23,422	25,505	24,241	819	(1,264)
Total PS.....	\$220,024	\$245,365	\$253,537	\$258,304	\$12,939	\$4,767
OTPS.....	\$576,763	\$908,758	\$711,009	\$1,077,122	\$168,364	\$366,113
Debt Service.....	698,493	597,555	665,101	641,616	44,061	(23,485)
Total OTPS.....	\$1,275,256	\$1,506,313	\$1,376,110	\$1,718,738	\$212,425	\$342,628
Total Agency Costs.....	\$1,495,280	\$1,751,678	\$1,629,647	\$1,977,042	\$225,364	\$347,395
Less Intra-City.....	\$2,391	\$4,681	\$2,067	\$2,067	(\$2,614)	\$—
Net Agency Cost.....	\$1,492,889	\$1,746,997	\$1,627,580	\$1,974,975	\$222,978	\$347,395
Funding						
City.....	789,774	752,876	785,942	831,908	79,032	45,966
Non-City.....	703,115	994,121	841,638	1,143,067	148,946	301,429
Personnel (includes FTEs at fiscal year-end)						
City.....	519	768	763	765	(3)	2
Non-City.....	1,611	1,721	1,699	1,720	(1)	21
Total.....	2,130	2,489	2,462	2,485	(4)	23

Programmatic Review and Service Impact

HPD administers the above-described core services through the following offices: Enforcement and Neighborhood Services; Financial Management and Tenant Resources; Development; Neighborhood Strategies; and Asset and Property Management. The Offices of the Commissioner and First Deputy Commissioner, Strategy, Research and Communications, and Legal Affairs also provide planning, leadership, technical, and skilled supporting 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 both private and public buildings – conditions that 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 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. The Tenant Resources Division administers rental assistance programs.

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. Some of these programs have a special focus to provide permanent housing for households with special needs, for the formerly homeless, and for the low-income elderly. The agency also facilitates the disposition of tax-foreclosed buildings back into private ownership.

Additionally, under the Division of Housing Incentives, Development manages the inclusionary housing pipeline and associated transactions—intended to promote economic integration as areas undergo substantial new development—and 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 Office's Planning division identifies future sites, coordinates neighborhood zoning efforts, and collaborates with other City agencies to develop public properties. The Division of Community Partnerships works to preserve existing naturally-occurring affordable housing in the marketplace and to create new units of assisted affordable housing in existing buildings.

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) and the Homeless Rental Unit 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.

Capital Review

The 2016-2020 Capital Plan for HPD totals \$3.8 billion, including \$3.7 billion in City funding and \$122.1 million in Federal funds. The agency will use its City capital resources to leverage State and Federal funds as well as substantial private equity (that does not flow through the City's capital budget) as part of the agency's plan to create or preserve 200,000 units of affordable housing. The table below reflects the five-year Capital Commitment Plan by program area over the 2016 - 2020 period.

Capital Commitments (\$ in 000's)

	FY16 Plan		FY17 Plan		FY18 Plan		FY19 Plan		FY20 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
New Construction	\$384,518	\$384,518	\$175,628	\$175,628	\$183,660	\$183,660	\$187,333	\$187,333	\$191,080	\$191,080
Other Housing Support	46,234	46,234	45,046	45,046	14,629	14,629	16,395	16,395	18,197	18,197
Disposition	27,149	27,149	22,507	22,507	33,417	33,417	34,085	34,085	34,767	34,767
Preservation	363,084	363,084	245,003	245,003	257,251	257,251	262,397	262,397	267,644	267,644
Special Needs	243,018	249,324	169,100	195,016	168,208	194,124	171,212	203,212	174,276	206,276
Total	\$1,064,003	\$1,070,309	\$657,284	\$683,200	\$657,165	\$683,081	\$671,422	\$703,422	\$685,964	\$717,964

Ongoing Programs

Under the 2017-2020 Capital Plan, the City will invest in more than 67,500 units of affordable housing via preservation, new construction, supportive housing, and the disposition of in rem housing stock.

- funding of \$1.0 billion will support activities to preserve existing affordable housing stock while creating long-term affordability. Utilizing a variety of preservation financing programs, HPD will preserve approximately 30,000 units. Programs provide moderate to substantial rehabilitation for households earning up to 130 percent of Area Median Income (AMI), or \$117,780 in annual income for a household of four according to the United States Department of Housing and Urban Development's (HUD's) 2016 AMI report for New York City.
- funding of \$738 million will support construction of new units serving various income levels throughout the five boroughs. Using various new construction initiatives, HPD will produce approximately 26,800 units. Initiatives include large-scale developments, as well as funding for various rental and homeownership programs. This will provide new housing opportunities for households earning up to 165 percent of AMI, or \$149,490 for a household of four according to HUD's 2016 AMI report for New York City.
- funding of \$799 million (inclusive of \$116 million of Federal HOME funds) for supportive housing initiatives. Utilizing various Special Needs Housing loan programs, HPD will create or preserve approximately 8,800 housing units. This will provide housing for special needs populations earning at or below 60 percent of AMI, or \$54,360 for a household of four according to HUD's 2016 AMI report for New York City.

- funding of \$125 million will rehabilitate approximately 1,950 City-owned housing units and return them to responsible private ownership. Disposition programs provide housing opportunities for households earning at or below 150 percent of AMI, or \$135,900 for a household of four according to HUD's 2016 AMI report for New York City.
- funding of \$94 million will be used in support of other ancillary housing investments. This primarily encompasses acquisition/demolition, infrastructure for large-scale developments, and Technology and Strategic Development (TSD) projects that will facilitate housing production and 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 services provide this support: Human Capital, Citywide Diversity and Equal Employment Opportunity, Asset Management, Communications, Energy Management, Office of Citywide Purchasing, and Office of NYC Fleet.

Financial Review

The 2017 Executive Budget for the Department of Citywide Administrative Services provides \$1.2 billion, an increase of \$36.5 million over the amount forecasted for 2016. This increase is predominantly attributable to *One City, Built to Last* projects planned for 2017, and the Private Security at Non-Public Schools Initiative. The \$2.5 billion DCAS Four-Year Capital Plan includes \$801.5 million for the renovation, reconstruction, and outfitting of Public Buildings, \$1.1 billion for energy efficiency initiatives, \$118.5 million for Real Property, and \$535.7 million 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, mortgage payments, and proceeds from property sales. It also holds auctions for vehicles from the City's Fleet and collects civil service exam fees. In 2017, the Department of Citywide Administrative Services anticipates collecting \$62.4 million in revenue.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- the 2017 Executive Budget provides total funds of \$1.18 billion for the Department, of which \$715.8 million is for goods and services that agencies purchase from DCAS through intra-City agreements, including the following: utilities (\$604.3 million), leases (\$75.0 million), storehouse supplies (\$19.2 million), maintenance and repair of facilities and vehicles (\$9.4 million), personnel training (\$0.7 million), and other services (\$7.2 million).
- the 2017 Executive Budget provides a total of \$241.1 million for DCAS Asset Management. Included in this total is \$106.7 million for leases and \$52.4 million for building maintenance.
- the 2017 Executive Budget provides a total of \$123.6 million for DCAS Asset Management – Public Facilities (excluding \$106.7 million for leases). Included in the \$123.6 million total is \$52.1 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 2017 Executive Budget provides a total of \$10.8 million for DCAS Asset Management – Real Estate Services. Real Estate Services purchases, sells, and leases real property; and locates space for City agencies.
- the 2017 Executive Budget provides a total of \$21.5 million for security services in DCAS-managed buildings.

Restructuring and Streamlining

- DCAS will continue to oversee the City's Provisional Reduction Plan as mandated by the New York Civil Service Commission. Under the Plan Extension, DCAS will work to address up to 8,600 provisional appointments through the administration of exams and the broad banding, consolidation, or reclassification of existing titles. Over the course of the extension, DCAS has administered 290 exams, which represents a record high for this agency. In an effort to reach more communities directly, DCAS will expand its Computerized Exam Testing and Application Centers (CTACs) beyond the current locations in Brooklyn and Manhattan and open a new CTAC in Queens in 2017. DCAS will also continue to finalize locations in Staten Island and the Bronx.
- DCAS is expanding its community outreach through the Office of Citywide Recruitment (OCR). The Office of Citywide Recruitment collaborates with community-based organizations, elected officials, and academic institutions to provide information sessions to current and prospective employees covering the history of civil service, eligibility, and application requirements for City employment and upcoming civil service exams. OCR targets its outreach to historically underserved and underrepresented populations in New York City using workforce data including, but not limited to, gender and ethnic distribution across job categories, retirement eligibility, and attrition.
- DCAS will continue to work closely with the Mayor's Office of Sustainability, and play a central role in One City, Built to Last, the initiative to reduce greenhouse gas emissions by 80 percent below 2005 levels by 2050. DCAS will expand its Solar Program in response to legislation that mandates the installation of solar power systems on all municipal buildings. DCAS has committed to installing 100 megawatts of solar power by 2025.
- DCAS will continue to play a critical role in the implementation of the Vision Zero Initiative. DCAS will continue to oversee the installation of truck side guards on 500 City trucks, protecting pedestrians, bicyclists, and motorcyclists. DCAS will also purchase 100 electric vehicles and 50 dual port chargers in 2017 to support the NYC Clean Fleet initiative, which plans to add 2,000 electric vehicles to the City's Fleet by 2025.

Summary of Agency Financial Data

The following table compares the 2017 Executive Budget with the 2017 Preliminary Budget, the 2016 forecast and actual expenditures for 2015, including costs budgeted centrally for fringe benefits, pensions and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$150,641	\$162,300	\$170,652	\$171,815	\$9,515	\$1,163
Fringe Benefits.....	1,825	1,931	1,931	1,931	—	—
OTPS.....	1,005,318	974,413	1,016,243	1,001,434	27,021	(14,809)
Total.....	\$1,157,784	\$1,138,644	\$1,188,826	\$1,175,180	\$36,536	(\$13,646)
Funding						
City.....	\$327,181	\$286,314	\$296,761	\$321,898	\$35,584	\$25,137
Other Categorical Grants.....	16,327	79,490	85,278	79,313	(177)	(5,965)
IFA.....	695	1,034	1,607	1,607	573	—
State.....	51,628	55,258	51,943	52,784	(2,474)	841
Federal CD.....	804	1,696	82	1,681	(15)	1,599
Federal Other.....	6,343	3,646	2,109	2,109	(1,537)	—
Intra-City Other.....	754,806	711,206	751,046	715,788	4,582	(35,258)
Total.....	\$1,157,784	\$1,138,644	\$1,188,826	\$1,175,180	\$36,536	(\$13,646)
Additional Costs Centrally Funded						
Personal Services (PS).....						
Fringe Benefits.....	\$49,237	\$52,135	\$55,875	\$56,452	\$4,317	\$577
Pensions.....	24,572	26,302	27,454	26,094	(208)	(1,360)
Other Than Personal Service (OTPS)						
Debt Service.....	625,835	611,947	721,371	708,954	97,007	(12,417)
Total Additional Costs.....	\$699,644	\$690,384	\$804,700	\$791,500	\$101,116	(\$13,200)
Funding						
City.....	664,691	655,098	764,523	751,001	95,903	(13,522)
Non-City.....	34,953	35,286	40,177	40,499	5,213	322
Full Agency Costs (including Central Accounts)						
Salary and Wages.....	\$150,641	\$162,300	\$170,652	\$171,815	\$9,515	\$1,163
Fringe Benefits.....	51,062	54,066	57,806	58,383	4,317	577
Pensions.....	24,572	26,302	27,454	26,094	(208)	(1,360)
Total PS.....	\$226,275	\$242,668	\$255,912	\$256,292	\$13,624	\$380
OTPS.....	\$1,005,318	\$974,413	\$1,016,243	\$1,001,434	\$27,021	(\$14,809)
Debt Service.....	625,835	611,947	721,371	708,954	97,007	(12,417)
Total OTPS.....	\$1,631,153	\$1,586,360	\$1,737,614	\$1,710,388	\$124,028	(\$27,226)
Total Agency Costs.....	\$1,857,428	\$1,829,028	\$1,993,526	\$1,966,680	\$137,652	(\$26,846)
Less Intra-City.....	\$754,806	\$711,206	\$751,046	\$715,788	\$4,582	(\$35,258)
Net Agency Cost.....	\$1,102,622	\$1,117,822	\$1,242,480	\$1,250,892	\$133,070	\$8,412
Funding						
City.....	991,872	941,412	1,061,284	1,072,899	131,487	11,615
Non-City.....	110,750	176,410	181,196	177,993	1,583	(3,203)
Personnel (includes FTEs at fiscal year-end)						
City.....	1,466	1,735	1,748	1,779	44	31
Non-City.....	639	718	667	718	—	51
Total.....	2,105	2,453	2,415	2,497	44	82

Programmatic Review and Service Impact

DCAS provides support services through the seven lines of services 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 replace provisionals. 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 administers examinations for City agencies and other organizations such as the New York City Housing Authority. Human Capital will continue to provide sufficient exams to help meet the City's hiring needs as well as continuing to reduce the number of provisional employees Citywide.

Diversity and Equal Employment Opportunity

Citywide Diversity and EEO (CDEEO) oversees the equal employment opportunity policy and practices of the City, assisting City agencies in developing strategies to achieve compliance with the City's EEO obligations. This office provides training to agency EEO Officers in implementing the EEO-related provisions of the City Charter, the City's EEO Policy, and other Federal, State and local laws. The group 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.

Asset Management

Asset Management is the real estate arm of the City of New York, which oversees City-owned office buildings, court buildings and commercial rental properties, keeping these buildings fully functional and operational. In addition, Asset Management negotiates and administers City leases of private property. Acting as the real estate advisor for City agencies, Asset Management assists agencies with finding suitable and cost effective space for their operations, through purchase or lease of acquired or existing space.

Asset 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, Manhattan and Brooklyn Municipal Buildings, and each of the five Borough Halls. In addition, Asset Management is responsible for the City's 21 million square foot leased portfolio.

Communications

The Communications line of service produces the City Record, the official journal of the City of New York mandated by Section 1066 of the New York City Charter. The City Record includes notices about public hearings and meetings, property disposition, procurement (solicitations and awards), agency public hearings, agency rules, and special material, which include changes in personnel.

The City Record is published each weekday except legal holidays along with a searchable version called The City Record Online (CROL). CROL offers vendors the opportunity to view notices and bid documents online at any time. Vendors who register with the site receive notification by e-mail when new solicitations are posted.

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 Purchasing

The Office of Citywide Purchasing (OCP) purchases, inspects and distributes supplies and equipment at the lowest net cost, and assists in the disposal of surplus heavy equipment and goods. Each year DCAS purchases \$1.2 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 over 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 2017-2020 Four-Year Capital Strategy totals \$2.5 billion. The table below reflects capital commitments by program area over the FY 2015-2020 period.

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

	2015 Actual		2016 Plan		2017 Plan		2018 Plan		2019 Plan		2020 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	\$35,831	\$35,831	\$60,983	\$60,983	\$124,847	\$124,847	\$92,696	\$92,696	\$46,058	\$46,058	\$36,852	\$36,852
Renovation of Other City-Owned Facilities	71	71	9,382	9,382	9,987	9,987	33,000	33,000	0	0	0	0
Rehabilitation of Court Buildings	0	0	0	0	310	310	0	0	0	0	0	0
Legal Mandates and Correction of Unsafe Conditions	14,416	14,416	23,450	23,450	74,517	74,976	102,414	102,414	70,875	70,875	13,127	13,127
Renovation of Leased Space	15,337	14,959	12,296	12,326	62,550	62,550	15,084	15,084	3,485	3,485	2,644	2,644
Equipment and Interagency Services	6,410	6,410	42,843	42,843	20,497	20,497	26,197	26,197	4,465	4,465	3,746	3,746
Communications Equipment	279	279	160	160	461	461	161	161	161	161	0	0
Board of Elections	3,737	3,737	1,197	1,197	0	0	0	0	0	0	0	0
Miscellaneous Construction	18,243	18,243	29,447	29,447	50,081	50,081	936	936	3,387	3,387	1,348	1,348
Acquisition of Real Property	0	0	500	500	1,195	1,195	0	0	0	0	0	0
Energy Efficiency and Sustainability	61,537	61,528	140,183	136,019	276,151	277,388	227,335	227,335	229,909	229,909	340,337	340,337
Resiliency and Protective Measures	512	512	175,435	175,435	4,800	461,315	42,500	42,500	31,840	31,840	0	0
Rehabilitation of Waterfront & Non-Waterfront Properties ..	4,137	3,835	8,168	8,240	31,741	31,741	29,904	29,904	29,761	29,761	27,115	27,115
Total	\$160,510	\$159,821	\$504,044	\$499,982	\$657,137	\$1,115,348	\$570,227	\$570,227	\$419,941	\$419,941	\$425,169	\$425,169

Highlights of the Four-Year Plan include:

- reconstruction and rehabilitation of public buildings and City-owned facilities (\$300.5 million), including projects at 345 Adams in Brooklyn (\$47.6 million), the Brooklyn Municipal Building (\$40.9 million), 253 Broadway (\$20.2 million), a Computerized Testing and Applications Center in the Bronx (\$23.6 million), 137 Centre in Manhattan (\$15.5 million), 100 Gold in Manhattan (\$14.9 million), and Queens Borough Hall (\$8.3 million). 21st Century Civic Center Plan projects (\$5.5 million) are also included.
- renovation of leased space (\$83.8 million), including space for the Department of Finance (\$36.2 million), space for the Department of City Planning (\$4.9 million), the establishment of a Computerized Testing and Applications Center in Staten Island (\$1.3 million), and an infrastructure equipment upgrade at 11 MetroTech (\$27.1 million).
- energy efficiency measures and building retrofits, Citywide (\$1.1 billion), including funding for the Accelerated Conservation and Efficiency (ACE) Program (\$104.3 million), cogeneration systems at local hospitals (\$19.8 million), Local Law 87 deep retrofits (\$82.6 million), Solar panels at Citywide facilities (\$21.1 million), and other energy efficiency upgrades for various projects (\$847.2 million). The One City, Built to Last plan will achieve an 80 percent reduction in GHG emissions from 2005 levels by 2050.
- legal mandates (\$261.4 million), including fire/life safety upgrades to ensure Local Law 5 compliance (\$141.9 million), fuel tank replacement and remediation (\$49.9 million), surveys and abatement of unsafe conditions (\$19.7 million), and façade upgrades to ensure Local Law 11 compliance (\$35.5 million).

- equipment and interagency services (\$54.9 million), including security cameras in public buildings (\$6.1 million), equipment upgrades for New York City Emergency Management at Cadman Plaza (\$3.3 million), and the development of a municipal supplies Inventory Management System (\$13.4 million).
- miscellaneous construction in other facilities (\$55.8 million).
- renovation of other City-owned facilities (\$43.0 million), including space for the Taxi and Limousine Commission at its Woodside, Queens facility (\$37.7 million).
- communications equipment (\$0.8 million).
- acquisition of real property (\$1.2 million).
- rehabilitation of court buildings (\$0.3 million).
- rehabilitation of waterfront property (\$118.3 million).
- rehabilitation of non-waterfront property (\$0.3 million).
- Citywide agency resiliency and agency facility and operational protective measures (\$535.7 million).

DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS

The Department of Information Technology and Telecommunications (DoITT) provides Citywide coordination and technical expertise in the development and use of data, voice, and video technologies in City services and operations. DoITT's Commissioner directs the development of information technology (IT) strategies and deployment. DoITT also provides infrastructure support for data processing and communications services to numerous City agencies, researches and manages IT projects, and administers the City's cable television and mobile and high capacity telecommunications franchises. DoITT also administers NYC311 and the City's broadcast/cable television and radio stations, and maintains NYC.gov, the City's official website.

Financial Review

DoITT's 2017 Executive Budget provides for an operating budget of \$635.2 million, a decrease of \$41.6 million over the amount forecasted for 2016. 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 use of the City's NYC TV cable television network. The Department will generate \$175.8 million in revenue for 2017.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- The Department's 2017 Executive Budget includes \$128.4 million for services that DoITT purchases on behalf of client agencies, including telecommunications, data, and consultant services.
- The Department's 2017 Executive Budget provides \$77.3 million for the Information Utility Technology Services 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 2017 Executive Budget provides \$44.3 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 2017 Executive Budget provides \$29.2 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 the 2017 Executive Budget with the 2017 Preliminary Budget, the 2016 forecast and actual expenditures for 2015, including costs budgeted centrally for fringe benefits, pensions and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$98,850	\$117,167	\$143,937	\$148,997	\$31,830	\$5,060
Fringe Benefits.....	—	91	91	91	—	—
OTPS.....	392,865	559,578	445,838	486,140	(73,438)	40,302
Total.....	\$491,715	\$676,836	\$589,866	\$635,228	(\$41,608)	\$45,362
Funding						
City.....	\$334,976	\$439,962	\$443,346	\$479,828	\$39,866	\$36,482
Other Categorical Grants.....	6,152	16,919	3,142	3,142	(13,777)	—
IFA.....	3,057	3,083	—	2,842	(241)	2,842
State.....	29	34,703	11,250	11,250	(23,453)	—
Federal CD.....	5,651	11,830	5,523	9,557	(2,273)	4,034
Federal Other.....	906	10,143	250	250	(9,893)	—
Intra-City Other.....	140,944	160,196	126,355	128,359	(31,837)	2,004
Total.....	\$491,715	\$676,836	\$589,866	\$635,228	(\$41,608)	\$45,362
Additional Costs Centrally Funded						
Personal Services (PS).....						
Fringe Benefits.....	\$27,586	\$32,334	\$34,228	\$36,088	\$3,754	\$1,860
Pensions.....	14,800	16,186	17,800	16,918	732	(882)
Other Than Personal Service (OTPS)						
Debt Service.....	—	—	—	—	—	—
Total Additional Costs.....	\$42,386	\$48,520	\$52,028	\$53,006	\$4,486	\$978
Funding						
City.....	37,637	44,041	48,979	47,994	3,953	(985)
Non-City.....	4,749	4,479	3,049	5,012	533	1,963
Full Agency Costs (including Central Accounts)						
Salary and Wages.....	\$98,850	\$117,167	\$143,937	\$148,997	\$31,830	\$5,060
Fringe Benefits.....	27,586	32,425	34,319	36,179	3,754	1,860
Pensions.....	14,800	16,186	17,800	16,918	732	(882)
Total PS.....	\$141,236	\$165,778	\$196,056	\$202,094	\$36,316	\$6,038
OTPS.....	\$392,865	\$559,578	\$445,838	\$486,140	(73,438)	\$40,302
Debt Service.....	—	—	—	—	—	—
Total OTPS.....	\$392,865	\$559,578	\$445,838	\$486,140	(\$73,438)	\$40,302
Total Agency Costs.....	\$534,101	\$725,356	\$641,894	\$688,234	(\$37,122)	\$46,340
Less Intra-City.....	\$140,944	\$160,196	\$126,355	\$128,359	(\$31,837)	\$2,004
Net Agency Cost.....	\$393,157	\$565,160	\$515,539	\$559,875	(\$5,285)	\$44,336
Funding						
City.....	372,613	484,003	492,325	527,822	43,819	35,497
Non-City.....	20,544	81,157	23,214	32,053	(49,104)	8,839
Personnel (includes FTEs at fiscal year-end)						
City.....	1,193	1,695	1,717	1,740	45	23
Non-City.....	64	72	34	66	(6)	32
Total.....	1,257	1,767	1,751	1,806	39	55

Programmatic Review and Service Impact

DoITT is committed to leading the 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 our 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 to provide every resident and business access to affordable, reliable, high-speed broadband service by 2025. To support this, DoITT continues to support the implementation of WiFi at parks sites and the launch of LinkNYC, a free, high-speed, citywide Wi-Fi and communications network of up to 10,000 "Link" kiosks to replace 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 the Mayor's Office of Media and Entertainment (MOME), the Mayor's Office of Data Analytics (MoDA), the Mayor's Office of Technology and Innovation, NYC311, and various other initiatives to help streamline agency operations and provide services to New Yorkers.

Sustainable Broadband Adoption

DoITT is working to expand broadband access citywide through initiatives like LinkNYC, an effort to provide free, up to gigabit-fast Wi-Fi access for New Yorkers in neighborhoods across each of the five boroughs. The first Link structures were installed on Monday, December 28, 2015, with more than 100 installed and active by Spring of 2016. The project is on track to have 510 kiosks installed across the 5 boroughs by July 2016. 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.

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 (PSAC 2) in the Bronx. As previously committed, PSAC2 will go live in June 2016 with NYPD call taking operations followed by continued implementation of major 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 125 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 NYC Digital, DoITT is now working 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 to its back-end technology infrastructure. The site design is more user-centric than before and easily navigated via an intuitive, data-informed interface. 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 and NYC.gov

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 2017-2020 includes \$286.8 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, while NYCEDC's mission is to encourage inclusive economic growth throughout the five boroughs of New York City by facilitating investments that create good 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 works to foster a thriving, equitable New York City by connecting people to good jobs, creating stronger businesses, and building a fairer economy. 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 economic development organizations throughout the City; and administers the Minority and Women-owned Business Enterprise (MWBE) 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.

The Workforce Development Division (WDD) partners with industry stakeholders to train New Yorkers for careers and connect jobseekers to jobs. The Business Development (BDD) and Business Acceleration (DBA) Divisions provide services primarily to small and medium sized businesses. BDD helps businesses start, operate and grow while DBA helps businesses interact with other City agencies and streamlines the regulatory system. The Neighborhood Development Division (NDD) works to strengthen commercial corridors and neighborhoods, including overseeing the City's Business Improvement Districts. The Division of Economic and Financial Opportunity (DEFO) works to increase opportunities for minority- and women-owned businesses through MWBE certification, technical assistance in procurement, and connections to local commercial development opportunities.

New York City Economic Development Corporation (NYCEDC)

NYCEDC is a not for profit organization that is 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, in order to create quality jobs.

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, shifting from a reliance on heavy maritime manufacturers to green and light manufacturers. Currently, over 330 businesses employ over 7,000 people at the Navy Yard's 300-acre campus.

In 2011, the City of New York assumed responsibility for the development and operations of Governors Island, located in Upper New York Harbor. Since assuming control of the Island, the City has made major investments

at the Island to prepare it for future development activities. With these investments, TGI has fortified the Island against natural disasters, rehabilitated the Island's electrical and water infrastructure, and created new parkland.

Financial Review

The 2017 Executive Budget provides \$214.9 million in operating expenses at SBS, with Federal funds of \$80.4 million, including Workforce Innovation and Opportunity Act (WIOA) and Community Development Block Grant (CDBG) funds, and City funds totaling \$118.6 million. The SBS operating budget includes allocations for NYCEDC, NYC & Company and the TGI. NYCEDC funds the majority of its operating budget through income earned from its management of the City's real estate portfolio.

City-funded capital commitments of \$3.55 billion are forecast in the 2016-2025 capital plan. Of this amount, \$3.4 billion reflect Mayoral commitments. The remaining \$148 million reflect Elected Officials 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 \$51.8 million in 2017, including \$2 million for HireNYC.
- the Business Development Division helps businesses to start, operate and grow. The 2017 Executive Budget provides \$94.2 million in City and Federal funds, including \$2.2 million to support small businesses.
- the Division of Business Acceleration helps businesses navigate government and cut red tape. The 2017 Executive Budget provides \$3.9 million in City funds.
- the Neighborhood Development Division strengthens commercial neighborhoods and supports the City's network of 72 Business Improvement Districts. The 2017 Executive Budget provides \$918 thousand in City and Federal funds.
- the Division of Economic and Financial Opportunity certifies minority- and women-owned businesses (MWBs) for government contracts, provides technical assistance to MWBEs, and works to ensure parity in the City's hiring practices. The 2017 Executive Budget provides \$5.8 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.
- NYCEDC will receive \$2.5 million dollars in City funds to expand the Graffiti-Free Clean NYC program in the five boroughs' business corridors in 2017.

NYC and Co.

- through a contract with SBS, NYC & Company will receive \$21.2 million in City funding in 2017 for its work to promote the City as the country's premier tourist destination, to 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 \$17.5 million in City funding towards the management and operations of the Island in 2017, as well as capital funds for investments in infrastructure and the construction of public open space and recreational facilities.

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 the 2017 Executive Budget with the 2017 Preliminary Budget, the 2016 forecast and actual expenditures for 2015, including costs budgeted centrally for fringe benefits, pensions and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$19,626	\$23,796	\$23,806	\$24,918	\$1,122	\$1,112
Fringe Benefits.....	—	—	—	—	—	—
OTPS.....	253,833	287,820	148,340	192,796	(95,024)	44,456
Total.....	\$273,459	\$311,616	\$172,146	\$217,714	(\$93,902)	\$45,568
Funding						
City.....	\$85,491	\$133,638	\$102,722	\$121,467	(\$12,171)	\$18,745
Other Categorical Grants.....	23,366	—	56	—	—	(56)
IFA.....	—	—	—	—	—	—
State.....	863	2,280	28	28	(2,252)	—
Federal CD.....	68,268	99,053	17,838	39,101	(59,952)	21,263
Federal Other.....	55,174	57,374	38,889	41,255	(16,119)	2,366
Intra-City Other.....	40,297	19,271	12,613	15,863	(3,408)	3,250
Total.....	\$273,459	\$311,616	\$172,146	\$217,714	(\$93,902)	\$45,568
Additional Costs Centrally Funded						
Personal Services (PS).....						
Fringe Benefits.....	\$6,643	\$9,065	\$7,300	\$7,163	(\$1,902)	(\$137)
Pensions.....	3,124	3,392	3,534	3,359	(33)	(175)
Other Than Personal Service (OTPS)						
Debt Service.....	268,427	174,232	188,881	175,735	1,503	(13,146)
Total Additional Costs.....	\$278,194	\$186,689	\$199,715	\$186,257	(\$432)	(\$13,458)
Funding						
City.....	268,421	175,675	190,260	177,184	1,509	(13,076)
Non-City.....	9,773	11,014	9,455	9,073	(1,941)	(382)
Full Agency Costs (including Central Accounts)						
Salary and Wages.....	\$19,626	\$23,796	\$23,806	\$24,918	\$1,122	\$1,112
Fringe Benefits.....	6,643	9,065	7,300	7,163	(1,902)	(137)
Pensions.....	3,124	3,392	3,534	3,359	(33)	(175)
Total PS.....	\$29,393	\$36,253	\$34,640	\$35,440	(\$813)	\$800
OTPS.....	\$253,833	\$287,820	\$148,340	\$192,796	(\$95,024)	\$44,456
Debt Service.....	268,427	174,232	188,881	175,735	1,503	(13,146)
Total OTPS.....	\$522,260	\$462,052	\$337,221	\$368,531	(\$93,521)	\$31,310
Total Agency Costs.....	\$551,653	\$498,305	\$371,861	\$403,971	(\$94,334)	\$32,110
Less Intra-City.....	\$40,297	\$19,271	\$12,613	\$15,863	(\$3,408)	\$3,250
Net Agency Cost.....	\$511,356	\$479,034	\$359,248	\$388,108	(\$90,926)	\$28,860
Funding						
City.....	353,912	309,313	292,982	298,651	(10,662)	5,669
Non-City.....	157,444	169,721	66,266	89,457	(80,264)	23,191
Personnel (includes FTEs at fiscal year-end)						
City.....	130	210	207	217	7	10
Non-City.....	127	130	123	125	(5)	2
Total.....	257	340	330	342	2	12

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 delivers training and employment services to the City's workforce. Since 2014, SBS continues to increase job quality standards across the Workforce1 system to target better paying jobs and full time employment. In 2015, Workforce1 Career Centers served 102,228 jobseekers, providing workshops, pre-vocational skills training, on-site recruitments and job referral services. Additionally, the Workforce1 system helped to connect New Yorkers to 26,355 jobs, for which they were hired.

Supporting the Mayor's Career Pathways strategic plan, SBS trains New Yorkers for good-paying jobs and connects jobseekers to employment opportunities in fast-growing industries with real opportunities for advancement. To this end, SBS formed five Industry Partnerships in Healthcare, Technology, Construction, Industrial and Food Service to build a pipeline of local talent to fill jobs in New York City's growing sectors. A sixth will be formed in the Retail sector later in 2016. In 2015, the Industry partnerships enrolled 1,226 individuals in these trainings.

In partnership with private employers, SBS provides training funds to upgrade the skill sets of employees in growth industries. In 2015, SBS served 28 companies and trained 633 employees through this program, in sectors such as professional services, manufacturing, food service and retail and accommodations. Since the program's inception, SBS has awarded more than \$13 million in training funds to 226 companies to train 8,051 workers.

Business Development and Business Acceleration Divisions (BDD/DBA)

The Business Development Division helps small businesses start, operate, and thrive by providing free business services through NYC Business Solutions Centers in all five boroughs, as well as innovative programs and initiatives specifically focused on reaching underserved communities.

NYC Business Solutions Centers meet the needs of start-up and operating businesses by providing assistance in accessing financing, fulfilling business staffing needs, and providing access to services not provided directly by the Centers through partnerships. Centers are open in the South Bronx, Upper Manhattan, Queens, Downtown Brooklyn, Washington Heights, and Lower Manhattan. In 2015, NYC Business Solutions Centers, in partnership with Industrial Business Providers, which serve the industrial sector, facilitated over \$64.7 million in financing awards for 735 unique clients.

BDD facilitates the provision of business education courses at all of the City's NYC Business Solutions Centers. Courses are offered in different languages across the Centers and cover topics such as business basics, computer applications, financing, and marketing. In 2015, NYC Business Solutions provided 6,733 free business education courses to entrepreneurs.

The Division of Business Acceleration client managers help new and existing businesses obtain the City licenses, permits, and certifications they need to open and operate in New York City.

The division assists customers by navigating many City agency processes on their behalf, accelerating plan reviews, and coordinating plan review appointments and inspections with City agencies. In 2015, DBA enabled

854 establishments to open and served 5,899 customers. Scope was expanded from assisting only new restaurants to assisting new and existing businesses within all retail and industrial sectors.

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 2015, staff provided assistance to 200 businesses.

Neighborhood Development Division (NDD)

NDD supports community-based economic development organizations throughout New York City in order to build neighborhood commercial corridors and to create the conditions under which local businesses thrive and residents enjoy access to a vibrant mix of goods and services. In 2015, through a network of 72 Business Improvement Districts (BIDs), NDD oversaw contracts that led to the provision of more than \$127 million in supplemental services across 3,935 City blocks.

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. In April of 2015, Mayor de Blasio set an ambitious goal of awarding a minimum of \$16 billion over the next ten years to MWBEs certified with the City of New York. During FY 2015, the City awarded over \$1.6 billion to MWBEs.

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. This work led to over \$26.6 billion in private investment in various projects in all five boroughs. Additionally, to support industrial and commercial development, promote tourism, 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.

Asset Management

NYCEDC manages the City's industrial properties, which include the Brooklyn Army Terminal (BAT). BAT is currently 99 percent occupied, with nearly 100 tenants, who employ over 3,600 workers. NYCEDC is currently utilizing \$100 million in City capital funds to rehabilitate Building A at the BAT campus to open up 500,000 square feet of new industrial space, as well as bring online 55,000 square feet of industrial space focused on advanced manufacturing facilities at the BAT Annex Building.

Real Estate

NYCEDC helps the City manage and sell its real estate assets. The asset management portfolio includes over 200 City-owned properties, which includes approximately 60 million square feet of largely industrial real estate. NYCEDC also conducts real estate planning and development, disposing of City-owned property, releasing RFPs to develop City assets, and conducting neighborhood-wide planning, throughout the five boroughs.

HireNYC

HireNYC is a free program that connects City economic development projects to local hiring opportunities for New Yorkers. HireNYC staff members collaborate with real estate developers, NYCEDC, the City's workforce development system, and communities to assess business opportunities and the need for jobs. Staff can identify

the City-wide resources that best meet a company's recruitment needs and connect New Yorkers to employment opportunities in their local area, helping to connect approximately 500 New Yorkers a year with employment opportunities. In 2015, Mayor de Blasio expanded HireNYC to include projects in agencies across the City.

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 East River Ferry. In 2015, Mayor de Blasio announced the expansion of a Citywide Ferry Service that will connect Soundview in the Bronx and Rockaway in Queens with job destinations along the Brooklyn-Queens-Manhattan waterfront. Operations on phase 1 of the expanded system will begin in 2017, with a complete rollout in 2018.

Industry Support and Small Business Assistance

NYCEDC also 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 offered at market or below market rates as well as 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, which have collectively raised more than \$175 million in venture funding.

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, in order to create and retain jobs in the industrial and manufacturing sector, while the Build NYC Resource Corporation facilitates the ability of not-for-profit institutions to access the private credit market in order to finance their capital projects. These institutions will be able to use triple tax-exempt bonds to finance their capital needs.

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 2016-2025 Ten Year Capital Plan totals \$3.55 billion.

The following chart shows Capital plan commitments by major function over the 2016-2020 period. Actual commitments are provided for 2015.

Capital Commitments
(\$ in 000's)

	2015 Actual		2016 Plan		2017 Plan		2018 Plan		2019 Plan		2020 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	\$8,688	\$9,190	\$39,584	\$45,657	\$68,749	\$73,095	\$12,282	\$12,282	\$36,528	\$36,528	\$27,758	\$27,758
Industrial Development.....	60,569	60,569	118,606	118,926	120,540	120,540	44,684	44,684	37,140	37,140	25,500	25,500
Market Development.....	171	171	7,923	7,923	98,600	98,600	26,155	26,155	0	0	0	0
Neighborhood Revitaliz'n.....	14,603	14,967	121,412	163,106	415,969	466,966	424,985	442,985	171,483	189,483	309,315	327,315
Port Development	(617)	(2,979)	9,507	11,196	3,919	5,155	170	170	0	0	0	0
Rail Development	0	(128)	0	0	0	0	193	193	0	0	0	0
Waterfront Development.....	5,722	5,964	88,237	102,877	66,770	80,084	7,100	7,100	14,353	14,353	20,874	20,874
Cultural Development.....	1,480	1,480	6,524	6,524	5,918	5,918	0	0	1,929	1,929	513	513
Community Development.....	2,858	4,147	888	3,165	4,992	5,007	0	0	0	0	3,500	3,500
Miscellaneous	58,616	61,285	139,811	197,795	156,517	205,754	20,446	35,446	10,000	70,000	13,349	79,193
Total	\$152,090	\$154,666	\$532,492	\$657,169	\$941,974	\$1,061,119	\$536,015	\$569,015	\$271,433	\$349,433	\$400,809	\$484,653

Highlights of the 2016-2020 Five Year Capital Plan (including uncommitted 2016 funds):

- a total of \$321 billion over 5 years for infrastructure work related to planned housing development projects throughout the five boroughs.
- over \$269 million, over five years, for a Neighborhood Development Fund to help provide for critical infrastructure work for re-zonings proposed in neighborhood plans developed by the Department of City Planning.
- a total of \$174 million to support development and infrastructure improvements at the Brooklyn Navy Yard, including the rehabilitation of Building 77 to create new spaces for manufacturing and industrial tenants.
- a total of \$135 million, over five years, for the development, management and rehabilitation of City-owned waterfront, industrial and other properties, Citywide .
- a total of \$71 million for the rehabilitation of existing structures, public access improvements, and infrastructure upgrades to support public open space and future redevelopment at Governors Island.
- a total of \$43 million to construct a homeporting pier at the Brooklyn Navy Yard and to purchase four ferries for the new Citywide Ferry System.

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, a Business Library, and a Central Library. The New York Public Library (NYPL) manages a three-borough library system with 35 branches in the Bronx, 40 branches in Manhattan, and 13 branches in Staten Island. NYPL also oversees four research libraries: the Stephen A. Schwarzman Building at 5th Avenue and 42nd Street, the Library for the Performing Arts at Lincoln Center, the Schomburg Center for Research in Black Culture, and the Science, Industry, and Business Library. The Queens Borough Public Library (QBPL) consists of 65 library locations, including a Central Library, 62 community libraries of which seven serve as Adult Learning Centers, and two Family Literacy Centers.

Financial Review

The 2017 Executive Budget for the Libraries provides total operating funds of \$341.0 million. The Executive Budget also provides for City funded capital commitments of \$243.1 million in 2017.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- in 2017, the operating subsidy for the Brooklyn Public Library will be \$94.1 million.
- in 2017, the operating subsidy for the New York Public Library will be \$125.6 million.
- in 2017, the operating subsidy for the New York Public Library's research libraries will be \$25.6 million.
- in 2017, the operating subsidy for the Queens Borough Public Library will be \$95.7 million.

Summary of Agency Financial Data

The following table compares the 2017 Executive Budget with the 2017 Preliminary Budget, the 2016 forecast and actual expenditures for 2015, including costs budgeted centrally for fringe benefits, pensions and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$—	\$—	\$—	\$—	\$—	\$—
Fringe Benefits.....	—	—	—	—	—	—
OTPS.....	326,332	361,843	342,534	340,991	(20,852)	(1,543)
Total.....	\$326,332	\$361,843	\$342,534	\$340,991	(\$20,852)	(\$1,543)
Funding						
City.....	\$322,090	\$357,160	\$342,534	\$340,991	(\$16,169)	(\$1,543)
Other Categorical Grants.....	251	—	—	—	—	—
IFA.....	—	—	—	—	—	—
State.....	—	—	—	—	—	—
Federal CD.....	—	—	—	—	—	—
Federal Other.....	51	—	—	—	—	—
Intra-City Other.....	3,940	4,683	—	—	(4,683)	—
Total.....	\$326,332	\$361,843	\$342,534	\$340,991	(\$20,852)	(\$1,543)
Additional Costs Centrally Funded						
Other Than Personal Services (OTPS)						
Fringe Benefits.....	\$1,808	\$2,081	\$2,306	\$2,306	\$225	\$—
Pensions.....	26,743	29,975	31,576	31,576	1,601	—
Debt Service.....	56,683	69,695	77,572	78,600	8,905	1,028
Total Additional Costs.....	\$85,234	\$101,751	\$111,454	\$112,482	\$10,731	\$1,028
Funding						
City.....	83,161	99,264	108,407	109,350	10,086	943
Non-City.....	2,073	2,487	3,047	3,132	645	85
Full Agency Costs (including Central Accounts)						
Fringe Benefits.....	\$1,808	\$2,081	\$2,306	\$2,306	\$225	\$—
OTPS.....	326,332	361,843	342,534	340,991	(20,852)	(1,543)
Pensions.....	26,743	29,975	31,576	31,576	1,601	—
Debt Service.....	56,683	69,695	77,572	78,600	8,905	1,028
Total OTPS.....	\$411,566	\$463,594	\$453,988	\$453,473	(\$10,121)	(\$515)
Total Agency Costs.....	\$411,566	\$463,594	\$453,988	\$453,473	(\$10,121)	(\$515)
Less Intra-City.....	\$3,940	\$4,683	\$—	\$—	(\$4,683)	\$—
Net Agency Cost.....	\$407,626	\$458,911	\$453,988	\$453,473	(\$5,438)	(\$515)
Funding						
City.....	405,251	456,424	450,941	450,341	(6,083)	(600)
Non-City.....	2,375	2,487	3,047	3,132	645	85
Personnel (includes FTEs at fiscal year-end)						
City.....	—	—	—	—	—	—
Non-City.....	—	—	—	—	—	—
Total.....	—	—	—	—	—	—

* The 2017 Executive Budget provides an estimated 4,211 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 including:

- the forthcoming (summer of 2016) opening of the completely renovated 53rd Street branch in Manhattan. Upon opening, the 53rd Street location will be one of the largest library branches in the NYPL system offering brand new programming space as well as community and children's rooms.
- a new Elmhurst branch in Queens is scheduled to open in late 2016, featuring a full Adult Learning Center.
- a new Hunters Point branch in Queens is under construction and is expected to open in 2018.
- an expansion of the Kew Gardens Hills branch in Queens is in construction and expected to open in 2017.
- the recently reopened Eastern Parkway branch in Brooklyn, as well as the Ulmer Park and Brighton Beach branches, which are currently closed for renovations and scheduled to reopen later this year.

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 60 branches, which tallied 8.7 million total visits in 2015. Overall attendance to all programs – including afterschool, financial and health literacy, workforce development, small business, technology training, and others – exceeded 928,000. With increased investment from the City, BPL was able to offer at least six days of service in every branch for the first time in nearly a decade, adding 217 hours of service per week systemwide. BPL also hired 95 new staff members with the increased operating support, including 67 librarians. BPL also increased its services to children aged five and younger, expanding early literacy programs like Ready, Set, Kindergarten! to serve new neighborhoods and more families. BPL joined the New York Public Library (NYPL) and the Queens Borough Public Library (QBPL) in launching the Library HotSpot program to reduce the City's digital divide by lending free 4G Wi-Fi devices to patrons who do not have home internet access. BPL opened "New Americans Corners" in every branch, providing immigrant communities with centralized, one-stop access to information about United States citizenship, English for Speakers of Other Languages programs, multilingual collections, and various civic resources. BPL's outreach team also expanded the Telestory program, which hosts virtual story times and other bonding activities for incarcerated parents and their children, to four more branches and opened 21 new reading rooms for incarcerated adolescents at Rikers Island.
- the New York Public Library (NYPL) continued to expand its essential services and programs to all New Yorkers, especially in high-need communities – from helping to bridge the digital divide to offering new immigrants a chance to learn English or providing families with literacy support to close the achievement gap. NYPL welcomed 17.7 million visits across its 92 locations, offering 80,000 programs and classes and attendance of approximately 1.5 million, the most in the system's history. Adding to the successful series of educational afterschool programs serving over 3,000 kids and teens, NYPL placed a strong focus on increasing early literacy in support of the City's educational goals – expanding attendance by nearly 20 percent to 327,000 attendees, hiring children's librarians, purchasing collections, and training staff. To support the City's schools, NYPL expanded outreach by increasing the number of teacher sets circulated through the MyLibraryNYC program by 161 percent. To promote digital equity, NYPL continued to expand its free computer training programs for patrons of all ages – reaching over 100,000 attendees – adding courses in computer programming and piloting an innovative program to lend 10,000 Wi-Fi hotspots Citywide. Long a trusted resource for immigrants, NYPL served as one of the largest sites for IDNYC enrollment, offered English classes for Speakers of Other Languages for 10,000 attendees, increased citizenship courses, and partnered with the Mayor's Office of Immigrant Affairs to create "New

Americans Corners” in all of NYPL’s library branches and host the NYCitizenship initiative. The 2016 increase in funding allowed NYPL to increase hours system-wide, from 46 to 50 hours on average per week and also to extend hours at the Library for the Performing Arts and the Schomburg Center for Research in Black Culture. To implement added hours and programs, NYPL hired 142 new staff positions, including 93 new branch librarians, 15 facilities and security staff, and 34 other employees focused on NYPL’s research centers, school outreach, and educational programming.

- the Queens Borough Public Library (QBPL) continued to expand its diverse offering of programs. Around one million people are expected to attend free library programs in 2017, a projected increase of more than 13 percent in just two years. Every library in Queens provided six-day service beginning in November 2015 with enhanced programming and a renewed investment in materials for use by the public. Program priorities included early childhood and literacy programs and universal pre-kindergarten, job skills training and job readiness workshops, computer literacy training, afterschool/homework help programs, high school equivalency preparation classes, and English for Speakers of Other Languages programs. Lending mobile technology including tablets, e-readers and mobile hotspots for customers to use in their own homes has become increasingly important in helping to bridge the digital divide. QBPL effectively partners with the City to facilitate and promote its initiatives, including enrolling customers in the IDNYC program and providing “New Americans Corners” in every branch.

Days and hours of library branch service remain a priority for all three library systems. In 2016, on average, each branch provides at least 6.1 days of service per week (approximately 48.4 hours per week).

Capital Review

The Four-Year Plan for the Libraries totals \$438.4 million. The table below reflects capital commitments by system over the 2016-2020 period.

Capital Commitments (\$ in 000’s)

	2015 Actual		2016 Plan		2017 Plan		2018 Plan		2019 Plan		2020 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	\$4,978	\$4,978	\$49,109	\$55,367	\$66,926	\$66,926	\$25,164	\$25,164	\$20,658	\$20,658	\$20,671	\$20,671
New York Public Library	503	503	192,455	194,369	121,715	121,715	20,846	20,846	20,862	20,862	20,878	20,878
NYPL Research Libraries	708	708	18,735	21,735	215	215	214	214	221	221	221	221
Queens Borough Public Library.	15,761	33,694	131,402	135,566	54,215	54,215	24,186	24,186	20,690	20,690	20,704	20,704
Total	<u>\$21,950</u>	<u>\$39,883</u>	<u>\$391,701</u>	<u>\$407,037</u>	<u>\$243,071</u>	<u>\$243,071</u>	<u>\$70,410</u>	<u>\$70,410</u>	<u>\$62,431</u>	<u>\$62,431</u>	<u>\$62,474</u>	<u>\$62,474</u>

Highlights of the Four-Year Plan include:

Brooklyn Public Library (BPL):

The Four-Year Plan allocates \$70.0 million for comprehensive renovations of branches designated by BPL as most critical. Other projects include:

- reconstruction of the Greenpoint branch, including the opening of an environmental education center and a boiler replacement (\$0.9 million, in addition to \$5 million in 2016).
- interior and exterior rehabilitation of the Borough Park branch (\$2.9 million, in addition to \$0.1 million in 2016).

- various upgrades at the Arlington branch (\$1.8 million, in addition to \$0.2 million in 2016).
- roof replacement at the Washington Irving branch (\$1.8 million, in addition to \$0.2 million in 2016).

New York Public Library (NYPL), which includes projects in the Bronx, Manhattan, and Staten Island:

The Four-Year Plan allocates \$70.0 million for comprehensive renovations of branches designated by NYPL as most critical. Other projects include:

- renovation of the Midtown Campus in Manhattan (\$107.7 million, in addition to \$43.0 million in 2016).
- phase two renovations of the Schomburg Center for Research in Black Culture (\$13.5 million in 2016).
- upgrades at the West New Brighton branch in Staten Island (\$0.5 million, in addition to \$0.2 million in 2016).
- expansion and renovation of the Woodlawn Heights branch in the Bronx (\$4.4 million in 2016).
- various improvements at the Muhlenberg branch in Manhattan (\$0.6 million, in addition to \$2.1 million in 2016).

Queens Borough Public Library (QBPL):

The Four-Year Plan allocates \$70.0 million for comprehensive renovations, new construction, and expansion of branches designated by QBPL as most critical. Other projects include:

- various improvements at the Bay Terrace branch (\$1.4 million, in addition to \$2.0 million in 2016).
- expansion and furnishing of the Baisley Park branch (\$6.6 million, in addition to \$0.8 million in 2016).
- renovation of the Richmond Hill branch (\$6.1 million).
- various improvements at the St. Albans branch (\$1.9 million, in addition to \$1.1 million in 2016).

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 such diverse organizations 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 approximately 200 cultural organizations throughout the five boroughs. Funding is provided for infrastructure, renovation, expansion, equipment, and public art projects. In 2016, DCLA also provided program grants and support services for more than 900 cultural organizations Citywide, including groups such as the New York Historical Society, Staten Island's Universal Temple of the Arts, the South Asian Women's Creative Collective, FiveMyles in Brooklyn, Flying Carpet Theatre in Queens, the Museum of Chinese in America, UpBeat NYC in the Bronx, and Cool Culture.

Financial Review

The Department of Cultural Affairs' 2017 Executive Budget provides for operating expenses of \$144.8 million. It also provides for City funded capital commitments of \$210.7 million in 2017.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- the City's 33 CIG institutions will receive operating support of \$108.0 million, including \$42.7 million in energy subsidies.
- in the 2017 Executive Budget, various cultural organizations Citywide will receive program grants totaling \$29.5 million.
- the 2017 Executive Budget contains \$7.3 million in operating funds for the Department of Cultural Affairs' staff, rent, supplies, and equipment.

Summary of Agency Financial Data

The following table compares the 2017 Executive Budget with the 2017 Preliminary Budget, the 2016 forecast and actual expenditures for 2015, including costs budgeted centrally for fringe benefits, pensions and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$4,405	\$5,103	\$5,078	\$5,278	\$175	\$200
Fringe Benefits.....	—	—	—	—	—	—
OTPS.....	159,283	161,991	140,796	139,479	(22,512)	(1,317)
Total.....	\$163,688	\$167,094	\$145,874	\$144,757	(\$22,337)	(\$1,117)
Funding						
City.....	\$156,952	\$158,863	\$145,198	\$144,081	(\$14,782)	(\$1,117)
Other Categorical Grants.....	841	82	—	—	(82)	—
IFA.....	233	241	243	243	2	—
State.....	78	9	3	3	(6)	—
Federal CD.....	336	353	250	250	(103)	—
Federal Other.....	8	1,352	—	—	(1,352)	—
Intra-City Other.....	5,240	6,194	180	180	(6,014)	—
Total.....	\$163,688	\$167,094	\$145,874	\$144,757	(\$22,337)	(\$1,117)
Additional Costs Centrally Funded						
Personal Services (PS).....						
Fringe Benefits.....	\$1,191	\$1,368	\$1,355	\$1,459	\$91	\$104
Pensions.....	6,955	8,698	7,360	8,943	245	1,583
Other Than Personal Service (OTPS).....						
Debt Service.....	143,948	180,468	200,867	172,647	(7,821)	(28,220)
Total Additional Costs.....	\$152,094	\$190,534	\$209,582	\$183,049	(\$7,485)	(\$26,533)
Funding						
City.....	146,751	184,003	201,597	176,064	(7,939)	(25,533)
Non-City.....	5,343	6,531	7,985	6,985	454	(1,000)
Full Agency Costs (including Central Accounts)						
Salary and Wages.....	\$4,405	\$5,103	\$5,078	\$5,278	\$175	\$200
Fringe Benefits.....	1,191	1,368	1,355	1,459	91	104
Pensions.....	6,955	8,698	7,360	8,943	245	1,583
Total PS.....	\$12,551	\$15,169	\$13,793	\$15,680	\$511	\$1,887
OTPS.....	\$159,283	\$161,991	\$140,796	\$139,479	(22,512)	(1,317)
Debt Service.....	143,948	180,468	200,867	172,647	(7,821)	(28,220)
Total OTPS.....	\$303,231	\$342,459	\$341,663	\$312,126	(\$30,333)	(\$29,537)
Total Agency Costs.....	\$315,782	\$357,628	\$355,456	\$327,806	(\$29,822)	(\$27,650)
Less Intra-City.....	\$5,240	\$6,194	\$180	\$180	(\$6,014)	\$—
Net Agency Cost.....	\$310,542	\$351,434	\$355,276	\$327,626	(\$23,808)	(\$27,650)
Funding						
City.....	303,703	342,866	346,795	320,145	(22,721)	(26,650)
Non-City.....	6,839	8,568	8,481	7,481	(1,087)	(1,000)
Personnel (includes FTEs at fiscal year-end)						
City.....	56	82	65	68	(14)	3
Non-City.....	6	5	5	5	—	—
Total.....	62	87	70	73	(14)	3

* The 2017 Executive Budget provides an estimated 1,344 full-time and full-time equivalent positions, which are funded with City subsidies.

Programmatic Review and Service Impact

- in 2016, DCLA introduced Building Community Capacity (BCC), an initiative that takes a collaborative and comprehensive approach to building cultural capacity in targeted low-income neighborhoods. The program brings together local stakeholders for visioning and goal setting, intensive training sessions, workshops, coaching, public programs, and other activities designed to enhance the role that arts and culture play in developing a healthy, thriving community. Through the BCC program, DCLA seeks to strengthen the cultural ecosystem in four communities – Southeast Queens (Greater Jamaica); the South Bronx (Hunts Point, Melrose, Mott Haven); East Brooklyn (East New York, Cypress Hills, Brownsville); and Upper Manhattan (Washington Heights, Inwood) that have been targeted by this Mayoral administration for cross-agency support, while also integrating cultural assets and activities into overall community development. BCC was designed to ensure that community development efforts include the voices and active participation of New York City’s cultural community in a way that strengthens the neighborhood’s capacities beyond the length of City’s formal interventions, allowing for positive social change that can be sustained over the long term.
- in 2016, DCLA also launched the Public Artists In Residence (PAIR) program, which creates more avenues for artists to work with government agencies. The residencies aim to facilitate the reevaluation of City functions, the proposition of solutions through creative tools, as well as the creation of new and meaningful links between the government and the public it serves. In its inaugural year, DCLA partnered with the Mayor’s Office of Immigrant Affairs, the Mayor’s Office of Veterans’ Affairs, the New York City Housing Authority, and the Administration for Children’s Services.
- in 2016, 15 commissions for Percent for Art are slated for installation, including Lina Viste Gronli’s *Peace Clock* for Trygve Lie Plaza in Manhattan, and Mary Miss’s *The Passage: A Moving Memorial* for the Staten Island Courthouse Memorial Green in Staten Island. In 2016, Percent for Art also selected four artists for new commissions, and by the end of June expects to select three more artists for new City construction projects, including PS 101 in Bensonhurst, Brooklyn and Roberto Clemente Plaza in the South Bronx.
- since launching new online promotional tools, including a mobile website and Tumblr, the Percent for Art program published 101 blog posts that highlighted recently completed commissions as well as accomplishments by artists involved in the Percent for Art program past and present. So far in 2016, Percent for Art’s posts have attracted over 348 followers, with features of projects in recognition of Black History Month, Women’s History Month, and National Poetry Month.
- Materials for the Arts (MFTA) continues to provide free materials through its Long Island City warehouse and online donations system to over 4,700 recipients throughout the five boroughs. To date in 2016, MFTA diverted 1.5 million pounds of materials from the landfill valued at more than \$9.0 million. These items supported the work of 2,093 nonprofit organizations, government agencies, and public schools.
- with the financial support and guidance of Friends of Materials for the Arts, MFTA’s Education Center provided 120 free field trips to the New York City Department of Education’s Title 1 schools, professional development classes for educators, in-school residences, and more than 50 volunteer nights for team building and corporate volunteering opportunities.
- *Blonde Ambition*, an exhibition by MFTA’s Fall Artist-in-Residence, Juan Hinojosa, ran from December 2015 to April 2016 to considerable publicity and acclaim, including ‘*Untapped Cities*’ “16 Art Installations in NYC Not to Miss in January 2016.”

Capital Review

The Four-Year Plan for the Department of Cultural Affairs totals \$268.5 million for over 200 cultural organizations in the five boroughs. The table below reflects capital commitments by program area over the 2016-2020 period.

Capital Commitments
(\$ in 000's)

	2015 Actual		2016 Plan		2017 Plan		2018 Plan		2019 Plan		2020 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	\$150,510	\$152,826	\$510,667	\$643,804	\$210,710	\$214,876	\$49,616	\$49,616	\$3,639	\$3,639	\$375	\$375
Total.....	\$150,510	\$152,826	\$510,667	\$643,804	\$210,710	\$214,876	\$49,616	\$49,616	\$3,639	\$3,639	\$375	\$375

Highlights of the Four-Year Plan include:

- various upgrades and improvements at the Snug Harbor Cultural Center (\$4.0 million, in addition to \$26.8 million in 2016).
- construction of the new Gilder Center for Science, Education, and Innovation at the American Museum of Natural History (\$44.6 million).
- construction of the Kids' Powerhouse Discovery Center at the Bronx Children's Museum (\$5.4 million).
- initiation of the South Site Cultural Project in Downtown Brooklyn, accommodating the Museum of Contemporary African Diasporan Arts (MoCADA), 651 Arts, Brooklyn Academy of Music (BAM), and Brooklyn Public Library (\$31.8 million, in addition to \$4.3 million in 2016).
- various improvements at the Clemente Soto Velez Cultural Center (\$4.3 million, in addition to \$5.1 million in 2016).
- various upgrades and improvements at the Staten Island Zoo (\$6.8 million, in addition to \$8.4 million in 2016).
- various upgrades and expansion of the Queens Museum of Art (\$13.5 million, in addition to \$2.3 million in 2016).
- improvements to the South Wing Atrium at the Bronx Museum of the Arts (\$5.7 million, in addition to \$1.0 million in 2016).
- construction of the Brooklyn Center for Sustainable Gardening at the Brooklyn Botanic Garden (\$0.5 million, in addition to \$1.5 million in 2016).
- various renovations at the St. George Theatre (\$3.0 million, in addition to \$2.3 million in 2016).
- various improvements at the Poppenhusen Institute (\$3.7 million, in addition to \$2.7 million in 2016).
- construction of artist workspaces as part of the Affordable Real Estate for Artists (AREA) initiative (\$7.5 million, in addition to \$2.5 million in 2016).

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 Medicine. 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 the number of students among the public university systems in the nation. CUNY's enrollment in 2016 has held relatively flat over the last academic year. In 2016, CUNY will serve nearly 274,000 students in degree programs with approximately 175,000 in the senior colleges and 99,000 in the community colleges. In addition, CUNY will serve approximately 275,000 non-degree students. Sustained levels of enrollment are anticipated in 2017.

Financial Review

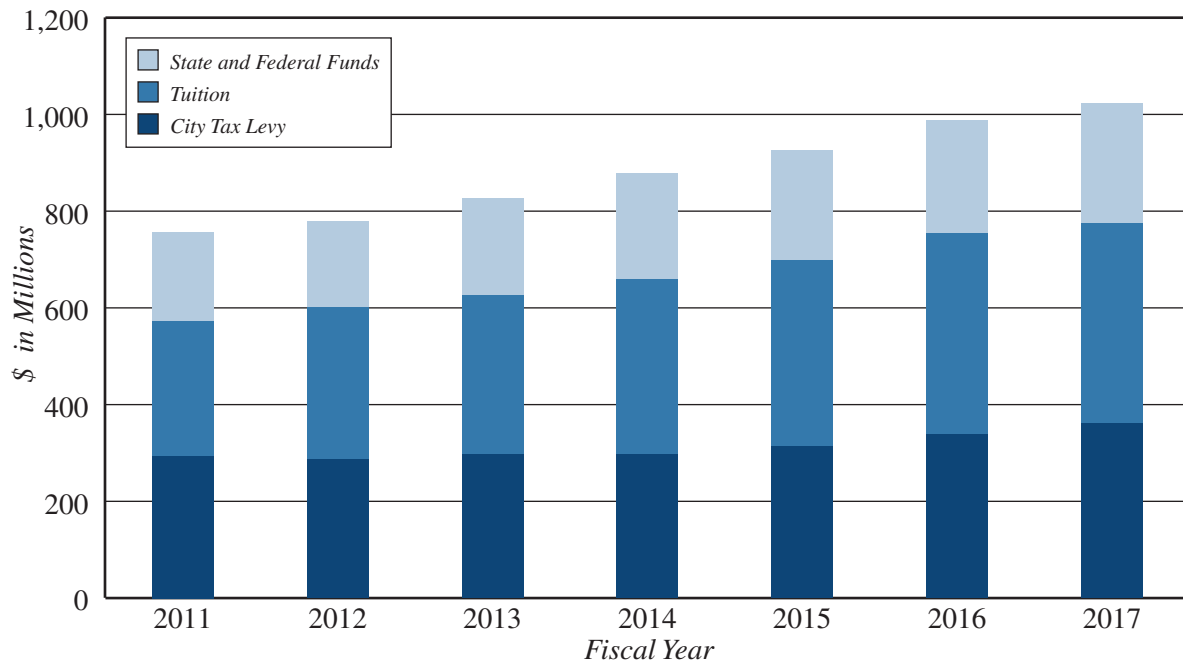
The City University of New York's 2017 Executive Budget totals \$1,030.1 million, a net decrease of \$39.4 million from the 2016 forecast of \$1,069.5 million.

This decrease reflects a decline in two funding sources: a decline in Intra-city funds of \$55.7 million (from \$69.3 million in 2016 to \$13.6 million in 2017) and a decline in Federal funds of \$1.4 million (from \$1.4 million to \$0 in 2017).

The budget also reflects an increase in City funds of \$2.0 million from \$715.1 million in 2016 to \$717.1 million in 2017. State aid is increased by \$14.6 million, from \$271.1 million in 2016 to \$285.7 million in 2017. Other Categorical funds increase by \$1.1 million, from \$12.7 million in 2016 to \$13.8 million in 2017.

The total budget decrease of \$39.4 million consists of a \$39.5 million decrease in the CUNY community college budget, from \$1,018.5 million in 2016 to \$979.0 million in 2017, and a slight increase in funding for Hunter Campus Schools of \$0.1 million, totaling \$16.1 million in 2017. The Senior College State appropriation of \$35.0 million remains unchanged from 2016.

COMMUNITY COLLEGE EXPENDITURES BY SOURCE 2011-2017



* 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.

Revenue Forecast

In 2017, State funds for two-year colleges increase by \$14.6 million, from \$234.3 million in 2016 to \$248.9 million. Also, in 2017, the tuition and fees budget is increased to reflect actual revenue collected, maintaining the tuition and fees budget at its 2016 total of \$414.1 million.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- Aligned with the Mayor’s commitment for expanding support to Higher Education, this budget funds \$5.0 million in FY17 for core programs that will support a pathway for college and career readiness. Funding will continue to focus on college retention and graduation rates. The budget continues to fund the expansion of ASAP along with initiatives that are aligned with the Equity and Excellence agenda. These programs include: 12th Grade Proficiency: Expansion of CUNY Lessons in Navigating College Transition (LINCT), Tutor Corps and application fee waivers for qualified high school seniors. Support for these initiatives grows to \$11.8 million by FY20.
- An increase of \$1.0 million in continued support for CUNY’s Accelerated Study in Associates Program (ASAP).
- An additional \$0.1 million is allocated for programs within the Young Men’s Initiative including: \$0.1 million to continue support for the advertising campaign for the recruitment and retention of young men of color to teach in NYC Department of Education (DOE) schools.

Technical Adjustments

- A decrease of \$3.6 million in funding for fuel, energy adjustments, and reallocation of prior programs.

Summary of Agency Financial Data

The following table compares the 2017 Executive Budget with the 2017 Preliminary Budget, the 2016 forecast and actual expenditures for 2015, including costs budgeted centrally for fringe benefits, pensions, and debt service.

Summary of Agency Financial Data
(\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	2017 Preliminary Budget
Expenditures						
Salary and Wages.....	\$530,723	\$548,374	\$541,382	\$545,854	(\$2,520)	\$4,472
Fringe Benefits.....	142,582	144,025	174,201	175,300	31,275	1,099
OTPS.....	281,821	377,122	270,120	308,985	(68,137)	38,865
Total.....	\$955,126	\$1,069,521	\$985,703	\$1,030,139	(\$39,382)	\$44,436
Funding						
City.....	\$665,084	\$715,106	\$698,753	\$717,051	\$1,945	\$18,298
Other Categorical Grants.....	10,021	12,712	3,358	13,840	1,128	10,482
IFA.....	—	—	—	—	—	—
State.....	226,761	271,068	271,068	285,655	14,587	14,587
Federal CD.....	—	1,357	—	—	(1,357)	—
Federal Other.....	2,519	—	—	—	—	—
Intra-City Other.....	50,741	69,278	12,524	13,593	(55,685)	1,069
Total.....	\$955,126	\$1,069,521	\$985,703	\$1,030,139	(\$39,382)	\$44,436
Additional Costs Centrally Funded						
Personal Services (PS).....						
Fringe Benefits.....	\$2,879	\$3,120	\$3,508	\$3,438	\$318	(\$70)
Pensions.....	68,682	80,749	82,789	76,340	(4,409)	(6,449)
Other Than Personal Service (OTPS)						
Debt Service.....	63,433	69,066	59,557	65,851	(3,215)	6,294
Total Additional Costs.....	\$134,994	\$152,935	\$145,854	\$145,629	(\$7,306)	(\$225)
Funding						
City.....	133,683	151,515	144,114	143,613	(7,902)	(501)
Non-City.....	1,311	1,420	1,740	2,016	596	276
Full Agency Costs (including Central Accounts)						
Salary and Wages.....	\$530,723	\$548,374	\$541,382	\$545,854	(\$2,520)	\$4,472
Fringe Benefits.....	145,461	147,145	177,709	178,738	31,593	1,029
Pensions.....	68,682	80,749	82,789	76,340	(4,409)	(6,449)
Total PS.....	\$744,866	\$776,268	\$801,880	\$800,932	\$24,664	(\$948)
OTPS.....	\$281,821	\$377,122	\$270,120	\$308,985	(\$68,137)	\$38,865
Debt Service.....	63,433	69,066	59,557	65,851	(3,215)	6,294
Total OTPS.....	\$345,254	\$446,188	\$329,677	\$374,836	(\$71,352)	\$45,159
Total Agency Costs.....	\$1,090,120	\$1,222,456	\$1,131,557	\$1,175,768	(\$46,688)	\$44,211
Less Intra-City.....	\$50,741	\$69,278	\$12,524	\$13,593	(\$55,685)	\$1,069
Net Agency Cost.....	\$1,039,379	\$1,153,178	\$1,119,033	\$1,162,175	\$8,997	\$43,142
Funding						
City.....	798,767	866,621	842,867	860,664	(5,957)	17,797
Non-City.....	240,612	286,557	276,166	301,511	14,954	25,345
Personnel (includes FTEs at fiscal year-end)						
City.....	8,749	9,581	9,537	9,741	160	204
Non-City.....	—	—	—	—	—	—
Total.....	8,749	9,581	9,537	9,741	160	204

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 for New York City. Assisted by revenues generated through enrollment, State aid, 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 receive City funding to expand various existing and new programs, such as 12th Grade Proficiency: Expansion of CUNY Lessons in Navigating College Transition (LINCT), Tutor Corps and application fee waivers.

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 Equity and Excellence agenda. These programs include:

12th Grade Proficiency: Expansion of CUNY Lessons in Navigating College Transition (LINCT)

This initiative is aligned with the College Access for All initiative.

- Funding supports the expansion of CUNY LINCT, a school-based program that provides college access and transition support for high school seniors who are on-track to graduate but not college ready. 12th grade students will receive remediation for Math and ELA and preparation for college placement exams. Participating teachers will receive professional development.
- Beginning in FY17, this initiative will impact 100 schools serving 5,000 students and increase to 491 schools serving 25,000 students by FY20.

Application Fee Waivers

This initiative is aligned with the College Access for All initiative.

- Funding to support CUNY application fee waivers for qualified NYC Department of Education (DOE) high school students. Each year there are over 37,000 students eligible for waivers.
- Currently, CUNY provides 6,000 fee waivers. This, along with funding in DOE, will address the total need.

Tutor Corps

This initiative is aligned with the Computer Science and Algebra for All initiatives.

- CUNY students will be placed in DOE classrooms as tutors or teaching assistants for Math and Computer Science. Support will be provided to classroom teachers throughout the city as they ramp up their content knowledge and skills in Algebra and Computer Science.
- Beginning in FY17, the initiative will start with 30 schools serving 1,500 students and increase to 180 schools serving 16,200 students by FY20.

Capital Review

The City University of New York's 2017-2020 Four-Year Capital Plan totals \$245.9 million (\$245.7 million in City funds and \$0.2 million in Non-City funds). Approximately half of CUNY's capital funds, \$235.8 million, reside in the current fiscal year (\$226.3 million in City funds and \$9.5 million in Non-City funds). CUNY expects a significant portion of these funds to roll into FY 2017.

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 FY17-20 Executive Budget:

- A CUNY-wide capital initiative to provide office and administrative space in support of the expansion of the Accelerated Study in Associated Programs (ASAP) (\$7.0 million).
- At LaGuardia Community College, construction of the Center 3 Building Façade Replacement is underway (\$125.0 million). Also, construction is nearly complete on the Library Expansion project (\$14.0 million).
- At Bronx Community College, construction of a new landscaping and site improvement project (\$4.5 million) is anticipated to complete this summer. Construction is underway on the fourth phase of a multi-phase major upgrade of the campus' outdated utilities (\$27.0 million) and construction is also underway on the Alumni Gym Pool renovation (\$4.8 million). Additionally, funding was provided for the construction of the new Student Success Center in Meister Hall (\$3.5 million).
- At the Borough of Manhattan Community College, construction of a green roof is ongoing (\$12.0 million).
- At Queensborough Community College, a major upgrade of the campus-wide electrical infrastructure is ongoing (\$43.0 million). Construction is nearly complete on phase I of the new cafeteria facility (\$12.0 million) and the second phase is in design.

Other major elements of the Four-Year Capital Plan include:

- Ongoing, phased renovations to Hostos Community College's 500 Grand Concourse Building (\$10.0 million) and initial funding for the college's new Allied Health & Sciences Complex (\$5.0 million).
- Renovation of additional space at LaGuardia Community College to alleviate overcrowding (\$41.0 million).
- At Kingsborough Community College: campus-wide roof replacement and façade repair program (\$10.0 million) and structural rehabilitation of the College's pool facilities (\$2.0 million).
- Upgrade of mechanical systems at Hunter College Campus schools (\$7.2 million).
- Critical Maintenance and state of good repair (\$20.0 million).

In addition to the Four-Year Capital Plan, CUNY's 2020-2025 capital strategy budget now includes a baseline of \$20 million annually for CUNY-wide critical maintenance and state of good repair projects (\$120.0 million).

It is anticipated that rolling resources from 2016 into 2017 will fund significant projects that will be accomplished during the next four-year plan period. Highlights of the 2017 commitments include:

- Renovation of the 500 Grand Concourse building at Hostos Community College (\$6.0 million).
- Roof replacements for four buildings at Bronx Community College (\$6.0 million).
- Cooling Tower improvements at Kingsborough community college (\$3.0 million).

The table below shows the capital commitments by program area over the 2015-2020 period.

Capital Commitments

(\$ in 000's)

	2015 Actual		2016 Plan		2017 Plan		2018 Plan		2019 Plan		2020 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	\$0	\$0	\$27,850	\$28,044	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Renovation/Rehabilitation of Roofs, Classrooms, etc	22,324	19,838	164,489	172,930	90,996	91,053	49,807	49,869	70,292	70,355	23,201	23,265
Purchase & Installation of EDP and Other Equipment...	12,288	10,851	26,998	27,907	9,697	9,697	92	92	0	0	0	0
Electrical, Mechanical & HVAC.....	19,749	19,741	4,292	4,292	0	0	0	0	0	0	0	0
Other Projects	613	447	2,623	2,623	1,597	1,597	0	0	0	0	0	0
Total	<u>\$54,974</u>	<u>\$50,877</u>	<u>\$226,252</u>	<u>\$235,796</u>	<u>\$102,290</u>	<u>\$102,347</u>	<u>\$49,899</u>	<u>\$49,961</u>	<u>\$70,292</u>	<u>\$70,355</u>	<u>\$23,201</u>	<u>\$23,265</u>

PENSIONS AND OTHER FRINGE BENEFITS

Pension Overview

The Executive Budget for 2017 includes \$9,422 million in expenditures for City pension contributions, an increase of \$134 million from the amount expected to be paid in 2016. The City's pension contribution reflects the Collective Bargaining pattern set in 2014, fiscal year 2015 asset losses, and updates in the mortality assumptions used by the Office of the Actuary for cost projections. Other adjustments include changes in the number of pension members and a proposal to revise accidental disability retirement benefits for Tier 3/6 uniform members. In the table below, \$9,267 million in expenditures are for contributions to the City's five major retirement systems (City Actuarial Systems) that cover City employees and retirees, \$85 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, lastly, \$70 million in expenditures (Non-Actuarial) are primarily for supplemental death benefit payments to widows and widowers of uniformed employees who were killed in the line of duty.

Pension Expenditures and Funding Sources (\$ in 000's)

	2015 Actual	2016 Forecast	2017		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2016 Forecast	Preliminary Budget
<i>Expenditures</i>						
<i>Personal Service</i>						
• City Actuarial Systems.....	\$8,485,577	\$9,141,243	\$9,248,434	\$9,267,195	\$125,952	\$18,761
• Non-City Systems	68,369	79,732	80,669	84,669	\$4,937	\$4,000
• Non-Actuarial.....	62,378	67,246	70,372	70,372	3,126	—
Total	\$8,616,324	\$9,288,221	\$9,399,475	\$9,422,236	\$134,015	\$22,761
<i>Funding</i>						
City	\$8,457,832	\$9,143,942	\$9,255,196	\$9,277,957	\$134,015	\$22,761
State	32,025	32,025	32,025	32,025	—	—
Federal	—	—	—	—	—	—
Intra-City Other	126,467	112,254	112,254	112,254	—	—
Total	\$8,616,324	\$9,288,221	\$9,399,475	\$9,422,236	\$134,015	\$22,761

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 666,000 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.

From the end of the Second World War until 1976, civilian and teacher pension members had retirement plans under Tier 1 and Tier 2 that allowed them to retire at age 55 if they rendered 25 years of service. In addition, uniformed police and fire members were able to retire with 20 years of service at half-pay under Tier 1 and Tier 2. In 1976, due to the fiscal crisis facing the State and the City, some pension reforms were achieved. Tier 3

was enacted for non-uniformed employees (later virtually replaced by Tier 4 in 1983). Tier 4 permitted retirees to collect their pensions at age 62, and did not provide for retirement at earlier ages. Uniformed police and fire employees remained under Tier 2.

However, many of these pension reforms were subsequently eroded as a result of benefit enhancements granted by the state legislature in periods of economic boom and when pension investment returns were strong. Enhancements were granted in the form of: relaxed pension-eligibility requirements; prior-service credit; early-retirement plans; expanded disability benefits; and, ad-hoc increases to the pensions of retirees. This culminated in the year 2000 when a series of pension enhancements were enacted which decreased employee contributions, gave additional service credit, and for police and fire employees restored the average salary calculation used for benefit calculation from three years to one. In addition, significant cost of living adjustments (COLAs) were granted to the pensions of existing retirees, and future annual COLAs would be permanent and automatic.

As a result of the severe market declines that occurred in both the early and late 2000s, and the benefit enhancements granted in 2000, the funded status of the plans plummeted, causing substantial increases in required City contributions. The City's pension contributions rose from approximately \$700 million in 2000 to approximately \$8.0 billion in 2012.

In 2009, in response to the rapid increase in pension contributions, some pension reforms were achieved. As a result of the veto of a bill extending Tier 2, going forward, new uniformed police officers and firefighters were covered under Tier 3. In addition, newly hired City teachers were subject to ten-year vesting and were required to make higher employee contributions. Also, the fixed interest rate in the tax-deferred annuity (TDA) program for teachers was lowered from 8.25 percent to 7.00 percent.

Finally, in 2012, landmark pension reforms were achieved with the enactment of the Tier 6 law. Tier 6 impacts all employees who become pension members on or after April 1, 2012.

- With respect to new non-uniformed employees, the reforms included: 1) employees will be required to work until age 63 to retire and receive a pension that is not reduced by the election of early retirement; 2) employees will be subject to ten year vesting; and 3) employees will pay member contributions for their entire careers and such member contributions will follow a progressive schedule based on salary level.
- With respect to new uniformed employees (and Investigator titles in the District Attorney offices), the reforms included: 1) employees will have a pension contribution of 3 percent for the first 25 years of service; 2) employees must work 22 years to receive a half-pay pension (25 years to be eligible for full cost of living adjustments); 3) employee pensions will be subject to a social security offset at age 62; and 4) employees can receive a half-pay Accidental Disability Retirement benefit if they become disabled..

Budget savings from Tier 6 began in fiscal year 2015 and will grow over time as a greater percentage of the workforce is covered by the law.

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. These amounts reflect expected savings in health insurance expenses due to the recent labor settlement. 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.

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 2015, the PAYGO amount paid out of the Trust was approximately \$2.0 billion. Assets in the Trust are used to offset the City's Other Postemployment Benefits Obligation (OPEB). OPEB benefits exclude pensions, and include retiree health insurance premium payments, contributions to retiree welfare funds, and Medicare Part B reimbursements. As of the end of 2015, the City's reported net OPEB obligation was \$85.5 billion. The City is not required to fund OPEB obligations on an actuarial basis, other than to meet its current year PAYGO payment. In 2016, the City is planning to deposit an additional \$250 million into the Trust beyond the 2016 PAYGO amount.

The following table sets forth the fringe benefit amounts carried in the Miscellaneous Budget for 2016 and 2017.

Fringe Benefits (\$ in 000's)

	2016 Forecast	2017 Executive	Increase/ (Decrease)
Workers' Compensation.....	\$232,696	\$275,796	\$43,100
Health Insurance Plans	3,786,278	3,821,710	35,432
Social Security Contributions.....	1,014,158	1,047,782	33,624
Unemployment Insurance Benefits.....	23,154	22,654	(500)
Supplementary Employee Welfare Benefits.....	539,367	586,622	47,255
Workers' Compensation - Other	40,300	43,300	3,000
Total	\$5,635,952	\$5,797,863	\$161,911
Funding			
City	\$4,956,026	\$5,185,036	\$229,010
Other Categorical.....	143,637	202,371	58,734
State.....	146,302	74,590	(71,712)
Interfund Agreements	72,242	86,544	14,302
Intra-City.....	90,300	98,718	8,418
Federal.....	227,445	150,604	(76,841)
• CD	36,941	28,879	(8,062)
• Other	190,504	121,725	(68,779)
Total	\$5,635,952	\$5,797,863	\$161,911

JUDGMENTS AND CLAIMS

The Executive Budget for 2017 includes an appropriation of \$676 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 \$725 million by 2020. 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 (OAISIS) 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.

Analysis of Agency Budgets: Covered Organizations

NEW YORK CITY HEALTH + HOSPITALS

NYC Health + Hospitals provides comprehensive medical, mental health and substance abuse services to New York City residents, regardless of their ability to pay. Health + Hospitals operates 11 acute care hospitals, four long-term care facilities, six diagnostic and treatment centers, a certified home health program, and community-based health clinics throughout the five boroughs. In addition, MetroPlus, the wholly-owned health maintenance organization, provides care now to more than 493,000 New Yorkers. Health + Hospitals provides health care services to New York City's correctional facilities' inmate population and conduct mental health evaluations for the family courts in the Bronx, Brooklyn, Queens, and Manhattan.

Health + Hospitals is the nation's largest public hospital system. Last year, they served nearly 1.2 million people, of which more than 410,000 lacked any form of health insurance. In FY 15, there were 4.6 million clinic visits, more than 1 million emergency room visits, approximately 200,000 patient discharges. In total, there are more than 4,700 inpatient beds and 2,000 long term care facility beds across their system.

Financial Review

The 2017 Executive Budget provides for operation expenses of \$7.6 billion. Capital commitments of \$712 million are also provided.

The 2015 ending cash balance was \$543 million as reported in the New York City Financial Plan; a \$116 million ending cash balance is projected for 2016. The ending cash balance includes receipt of over \$2 billion in City and Federally-funded supplemental Medicaid payments in 2016. Health + Hospitals is eligible to receive this funding as a public hospital system which provides care to a significant number of uninsured patients. The 2017 Executive Budget projects total revenue of \$7.0 billion. Revenue derived from third party payers is projected to be \$5.7 billion. City support for Health + Hospitals in 2017, excluding the City portion of Medicaid and prepayments, is anticipated to be over \$700 million. In 2017, the City will make payments of approximately \$1.1 billion for the local share of the Health + Hospitals' supplemental Medicaid payments including Disproportionate Share Hospital and Upper Payment Limit.

The City has a significant and long-standing financial commitment to a vibrant Health + Hospitals. Over the FY12–15 period, the City averaged \$1.3 billion in payments to subsidize the mission of Health + Hospitals. In January 2016, the City added \$337 million to bridge an immediate gap. Now the City is contributing an additional \$160 million in FY16 and \$180 million in an ongoing fashion, making an unprecedented long-term commitment to stabilize our public health care system.

Transformation Plan

Health + Hospitals is facing significant financial constraints as a result of changes to the health care landscape outside of its control. More than 70 percent of Health + Hospitals total hospital stays are Medicaid – which does not cover the cost of care- and uninsured patients, compared to 40 percent for other New York City hospitals. Federal and state safety-net funding for the uninsured is dramatically declining, and the challenges are further compounded by a decline in hospitals stays.

Over the past several years, Health + Hospitals has taken action to contain cost and maximize revenue. The City has also steadily increased its support in recognition that Health + Hospitals must continue to provide care to the millions of New York City residents that rely on the public hospital system. Despite the investments made, Health + Hospitals must transform the system to insure that it can provide high quality care and achieve financial stability.

The City and Health + Hospitals developed a three-point plan to transform New York City's public hospital system to a 21st Century health care model.

The City and Health + Hospitals will seek to work with the state and federal governments to launch a new program to commit new federal funding to provide coverage to uninsured New Yorkers. At the same time, the City will work with state leaders to ensure that Health + Hospitals does not bear the brunt of federal cuts. Finally, to make certain that all individuals eligible for health care coverage are enrolled, the City will launch an aggressive and targeted outreach campaign in communities throughout New York City. Combined, these actions will create more stable funding streams for Health + Hospitals.

Second, the Transformation Plan reflects the need to provide better health care outcomes for Health + Hospitals patients through a significant expansion in the number of ambulatory care sites in high-need communities and increasing the capacity of existing sites to offer more services. These sites will also have greater care coordination with community-based programs that offer an array of human services, which will strengthen the ability of the City to meet the continuum of needs individuals.

Finally, Health + Hospitals must realign the services offered to reflect the changing needs of communities, partnerships with community institutions that can be leveraged to provide higher quality care, and significantly scale up existing efforts on operational improvement. Leveraging its position as a largest provider of Medicaid services in the City, partnerships will enable Health + Hospitals to make informed decisions on level and types of sub-specialty services it offers, as well as develop vacant and under-utilized parcels of land for other community purposes.

Expense Budget Highlights

This fiscal year, Health + Hospitals began operating Correctional Health Services (CHS). In the last six months of 2015, Health + Hospitals successfully established and operationalized their new division of Correctional Health Services—a \$237 million program with 1,700 employees and 24/7 operations in twelve jails citywide. During this transition period, there were no lapses in coverage and no disruptions in patient care. Correctional Health Services is now working to leverage Health + Hospitals' services and expertise to improve the quality and continuity of care for inmates during and after incarceration. This work includes the new CHS initiatives referenced above and included in the City's Executive Budget.

Health + Hospitals is making significant new investments in Correctional Health Services (CHS) that will improve the quality of care among patients in the City's jail system. Due to the success of the recently-implemented enhanced clinical service model on Riker's Island, CHS will expand this type of program to an additional eight mental observation units. These units dramatically improve the level of clinical care and coordination between health and security staff for the patients with the most severe mental illness. Each unit corresponds with reduced violence, increased medication adherence, and improved ability to treat the unique medical and behavioral needs of individual patients.

Additionally, CHS will be expanding its pilot of enhanced pre-arraignment medical screening to now include all tours at Manhattan central booking. These screenings allow for early identification of patients' medical and behavioral conditions during the intake process, and conserve resources by addressing certain medical needs on-site rather than through avoidable hospital runs. They also offer a unique opportunity to link immediate health conditions with criminal justice cases to—with patient consent—promote alternatives to detention whenever possible and appropriate.

CHS will also be providing additional on-island hepatitis C treatment to inmates who have tested positive for the disease or are continuing treatment initiated in the community. Approximately 12% of the City's jail system population is hepatitis C positive (as compared to the community rate of less than 1%). Access to care will be improved and made more efficient through a telehealth program and an increase in the number of mini-clinics, both of which will decentralize care and bring providers closer to where patients are housed.

Programmatic Review

Last year, Health + Hospitals set out a vision to transform their system and move it forward in ways that will not only preserve their mission—but build upon it. Through multiple initiatives, they will improve the patient experience, expand access to services, transform the organization and position Health + Hospitals for the future. These initiatives will align around their mission to care equally for all New Yorkers, regardless of ability to pay, so that they can live their healthiest lives.

The changing health care landscape has affected health care systems across the country as well as in New York City. Health + Hospitals will take steps to adapt to these emerging market trends that have placed financial pressure on their budget. The changes they will make will be necessary to assure that their health care system of the future will be successful in promoting and protecting the health, welfare, and safety of the people of New York City.

Health + Hospitals is the ultimate safety net system for New Yorkers—caring for a more diverse range of patients who have more complex health and socio-economic needs. A healthy New York requires that all New Yorkers have access to health care. More than three-quarters of hospital-based ambulatory care to uninsured patients in New York City is provided by Health + Hospitals. Nearly half of the care to uninsured patients in New York City is provided in their Emergency Departments and more than one-third of inpatient discharges for uninsured patients in New York City come from Health + Hospitals facilities.

The new health care landscape also reflects changes in government policies that have moved away from a fee-for-service system to a managed care system that focuses on keeping people healthy and out of hospitals. This shift requires expanded ambulatory care capacity and developing innovative care management programs that work to keep patients healthier. As the largest provider of care for uninsured patients in New York City, these care management programs also need to help these vulnerable patients stay healthy.

More New Yorkers now have health insurance coverage thanks to the Affordable Care Act. This is a hugely beneficial change for the newly insured. Hundreds of thousands of New Yorkers have health insurance today, who didn't have it previously. However, there are many New Yorkers who still do not qualify for insurance coverage or who struggle to pay their premiums.

Health + Hospital's health plan, MetroPlus, is focused on substantially increasing its membership base to reach more New Yorkers. MetroPlus has taken many steps over the past several months to lay the groundwork that will result in growth beyond the 493,000 current members. These steps included initiatives that focus on marketing, advertising, member retention, increased member engagement and provider satisfaction. Importantly, MetroPlus is now back to being the most affordable option in New York's health care marketplace. Additionally, MetroPlus is now being offered to City employees and they are working to promote this option amongst the City's workforce. MetroPlus also received State approval last year and has expanded its service range to include Staten Island. Approximately 1,000 Staten Islanders have recently signed up for MetroPlus.

Health + Hospitals will be expanding services in underserved communities at six existing locations this year through the Caring Neighborhoods Initiatives program. Next year, they will go beyond expanding service at existing locations and will open new sites in underserved neighborhoods. Increasing access to primary and specialty care in neighborhoods that need it the most will help to decrease the burden of chronic diseases and allow more New Yorkers to live their healthiest lives. These expansions will contribute to another goal of increasing the number of New Yorkers that they serve each year.

Capital Review

The Four-Year Plan totals \$712 million, including \$120 million of additional funding for the expansion of primary care.

Health + Hospitals has been working to improve energy efficiency at their facilities. Initiatives underway now will reduce costs and lower greenhouse gas emissions by 50% by 2025 compared to 2007 levels. Projects are underway at Bellevue, Elmhurst Kings County, Metropolitan and Woodhull Hospitals. They are installing new boilers at Elmhurst and Metropolitan. New windows and lighting upgrades are underway at Kings County. At Woodhull, the existing boilers are being upgraded along with other changes to improve energy efficiency across the facility. At Bellevue, new chillers are being installed to cool the operating rooms. The Bellevue, Elmhurst and Metropolitan projects are expected to be completed by the end of this fiscal year. The projects at Kings and Woodhull will be finished by the end of FY 2017. When complete, they expect to save more than \$6 million annually.

In terms of recent updates, work has been completed or is underway on several major projects:

- Design work is proceeding on the expansion and renovation of Elmhurst Hospital's Emergency Department. Construction is scheduled to begin January 2017.
- The Roberto Clemente Center, which provides behavioral health services and is part of Gouverneur Health Care Services in lower Manhattan, is about to undertake extensive renovations that are expected to take three months.
- Design work is now underway for a new ambulatory care center on Staten Island at 155 Vanderbilt Avenue. Construction at this site is expected to be complete in late 2017.

Health +Hospitals is also making improvements to their digital infrastructure. A rollout began in April for a new Electronic Medical Record (EMR) system, Epic. Implementation will be phased in and be completed in 2018. The Epic EMR is used as the EMR of choice for many health care organizations within the region and across the country.

Highlights of the 2017 Capital Commitment Plan:

Health + Hospitals' 2017-2020 Plan features several important projects, including:

- funding of \$128 million for the purchase of EMS ambulances for the FDNY.
- funding of \$193 million for Electronic Health Records.
- funding of \$110 million for Primary Care Facility Expansion.
- funding of \$28 million for the design and construction of the Vanderbilt Avenue Health Center on Staten Island.
- funding of \$57 million for remediation of unsafe facades on various H+H buildings.

Hurricane Sandy

Health + Hospitals is working on projects to rectify the damage caused by Hurricane Sandy. The City secured more than \$1.8 billion in funding from the Federal Emergency Management Agency (FEMA) for projects designed to protect facilities from damage in the event of future storms and to cover the costs of post-storm repairs. The projects at Bellevue, Coler, Coney Island and Metropolitan are now on time and on budget.

NEW YORK CITY TRANSIT

New York City Transit (NYCT) operates the most extensive public transportation system in the nation, which served approximately 2.4 billion subway and bus passengers in calendar year 2015, with over 1.7 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 Railroad and the Metro North Railroad.

The NYCT's subway system operates 24 hours a day, seven days a week, on 637 miles of mainline track, serving 469 stations throughout the Bronx, Brooklyn, Manhattan, and Queens. The NYCT bus system consists of a fleet of 4,475 buses on 239 local, nine Select Bus Service, and 62 express routes servicing all five boroughs. The system expansion project currently underway by NYCT is the Second Avenue Subway.

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 4.5 million passengers per year.

The MTABC operates an extensive public bus transportation system throughout New York City, primarily in the Bronx, Brooklyn, and Queens. Over 125.7 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 1,215 buses owned by the City. Service on 45 local and 35 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 \$462.8 million for NYCT in fiscal year 2017. As NYCT operates on a calendar year (CY) basis, the financial plan below is presented in that format. The plan for CY 2016 incorporates the following key elements:

- CY 2016 fare revenue is projected to be \$4.5 billion, a 2.6 percent increase over the CY 2015 total.
- tax revenues dedicated for NYCT's use are projected to total \$3.7 billion; \$1.1 billion from the regional Metropolitan Mass Transportation Operating Assistance Account (MMTOA), \$508.1 million from the State "Lock Box" Petroleum Business Tax and \$888.1 million from the Urban Mass Transportation Operating Assistance Account (Urban Account). Additionally, \$1.2 billion comes from other State taxes and fees. This includes \$742.5 million from the Payroll Mobility Tax, \$222.7 million from license, vehicle registration, taxi, and vehicle rental fees, and \$238.1 million to replace forgone revenues from exempting school districts and small businesses from the Payroll Mobility Tax.
- the City's scheduled contribution to NYCT's operating budget for CY 2016 totals \$363.1 million, including \$158.1 million in operating assistance as part of the City match to State "18b" aid, \$45.0 million for student fare discounts, \$137.0 million for the Paratransit program, \$13.8 million for elderly and disabled fare discounts, and \$9.1 million for Transit Police. In addition, the City contributes \$102.9 million directly to the MTA to maintain Long Island Railroad 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. The City has also set aside \$30.0 million for liabilities related to the Staten Island Rapid Transit Operating Authority.

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 2016:

City Subsidies to NYCT, CY 2016	
(\$ in Millions)	
• Elderly and Disabled Subsidy.....	\$13.8
• School Fare Subsidy	\$45.0
• Operating Assistance	\$158.1
• Police Reimbursement	\$9.1
• Paratransit	\$137.0
TOTAL.....	<u><u>\$363.1</u></u>

Based on recent financial reports, NYCT closed CY 2015 with a cash surplus of \$202.2 million. NYCT has projected a budget surplus in CY 2016 of \$81.9 million. Future shortfalls are projected in CY 2017-2019, 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]				
	2015A	2016E	2017E	2018E	2019E
REVENUES					
Subway / Bus Fare Revenue.....	\$4,343.8	\$4,455.3	\$4,484.4	\$4,510.6	\$4,525.5
Other Operating Revenue.....	\$155.8	\$159.7	\$163.3	\$167.0	\$170.9
Transit Tax and Other Subsidies	\$4,045.4	\$3,719.9	\$3,887.2	\$3,932.1	\$4,069.5
City Subsidies	\$344.2	\$363.1	\$367.3	\$381.3	\$398.2
State Subsidies	\$183.3	\$183.3	\$183.3	\$183.3	\$183.3
TBTA Surplus Transfer.....	\$290.8	\$260.8	\$245.4	\$230.9	\$206.8
Capital and Other Reimbursements ...	\$1,148.7	\$1,151.9	\$1,129.4	\$1,103.4	\$1,113.5
TOTAL REVENUES	\$10,512.0	\$10,293.9	\$10,460.4	\$10,508.7	\$10,667.7
EXPENSES					
Salaries & Wages	\$3,529.4	\$3,622.2	\$3,712.4	\$3,777.8	\$3,848.1
Fringes.....	\$2,330.9	\$2,448.8	\$2,525.5	\$2,628.3	\$2,766.4
Reimbursable Overhead.....	(\$237.3)	(\$238.5)	(\$231.9)	(\$224.5)	(\$226.2)
OTPS [2]	\$2,022.5	\$1,703.2	\$1,726.8	\$1,482.8	\$1,697.2
Paratransit Expenses	\$383.0	\$406.6	\$426.2	\$463.3	\$501.9
Capital Reimbursable Expenses.....	\$1,148.7	\$1,151.9	\$1,129.4	\$1,103.4	\$1,113.5
Transit Police.....	\$4.1	\$9.1	\$4.5	\$4.3	\$4.4
Debt Service.....	\$1,207.6	\$1,358.6	\$1,487.4	\$1,574.0	\$1,630.5
Depreciation [3]	\$1,638.1	\$1,688.1	\$1,863.3	\$1,913.3	\$1,964.6
Other Post Employment Benefits [3].	\$1,616.3	\$1,680.9	\$1,748.1	\$1,818.1	\$1,890.8
Environmental Remediation [3].....	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL EXPENSES	\$13,643.2	\$13,831.0	\$14,391.7	\$14,540.9	\$15,191.3
OTHER ACTIONS					
Balance before Adjustments	(\$3,131.3)	(\$3,537.1)	(\$3,931.4)	(\$4,032.2)	(\$4,523.6)
Gap-Closing Actions [4]	\$0.0	\$50.8	\$257.0	\$328.6	\$527.4
Cash Flow Adjustments [5].....	\$3,249.5	\$3,365.9	\$3,591.9	\$3,702.1	\$3,817.9
Net Cash from Prior Year.....	\$84.1	\$202.2	\$81.9	(\$0.6)	(\$2.1)
SURPLUS/(DEFICIT).....	\$202.2	\$81.9	(\$0.6)	(\$2.1)	(\$180.4)

[1] All Financial Plan figures were provided by NYCT in February 2016; this table shows modified accrual-basis CY 2015 Actuals (A) and CY 2016-2019 estimates (E). Because 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, & Other Governmental Assistance.

[5] Cash flow adjustments include operating, depreciation, environmental remediation and OPEB cash flow adjustments.

Capital Review

The City's 2017-2020 Four-Year Capital Plan totals \$500.0 million, including \$494.9 million for NYCT and \$5.1 million for SIRTOA. Funding for the MTA's 2015-2019 Capital Program includes the \$500.0 million in the Four-Year Plan and an additional \$125.0 million in 2016, as well as \$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 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, \$354.9 million for 2017-2020.
- funds for NYCT track work, \$140.0 million for 2017-2020.
- funds for SIRTOA's track replacement and infrastructure programs, \$5.1 million for 2017-2020.

The table below outlines the City's Capital Commitments to NYCT, SIRTOA and MTABC for the 2015-2020 period:

Capital Commitments (\$ in 000's)

	2015 Actual		2016 Plan		2017 Plan		2018 Plan		2019 Plan		2020 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.....	\$59,100	\$59,100	\$261,025	\$261,025	\$83,725	\$83,725	\$83,725	\$83,725	\$83,725	\$83,725	\$83,725	\$83,725
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.....	20,000	20,000	15,000	15,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
SIRTOA.....	900	900	6,475	6,475	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275
Miscellaneous	10,276	10,276	15,740	15,740	—	—	—	—	—	—	—	—
MTABC.....	—	—	30,522	61,044	—	—	—	—	—	—	—	—
Total	\$125,276	\$125,276	\$363,762	\$394,285	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000

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)				
	2016	2017	2018	2019	2020
Salaries and Wages	\$25,024	\$25,716	\$26,406	\$26,940	\$27,074
Pensions	9,288	9,422	9,710	9,853	9,785
Other Fringe Benefits	9,250	9,862	10,411	11,088	11,874
Retiree Health Benefits Trust	250	—	—	—	—
Reserve for Collective Bargaining	340	437	1,149	2,146	2,516
Total	<u>\$44,152</u>	<u>\$45,437</u>	<u>\$47,676</u>	<u>\$50,027</u>	<u>\$51,249</u>

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 actuarial valuation estimates of the City's five major retirement systems prepared by the Office of the Actuary (OA). These estimates include the Collective Bargaining pattern set in 2014, the impact of asset performance in fiscal year 2015, and changes to mortality assumptions in fiscal year 2016.

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.

Mortality assumptions were updated in fiscal year 2016 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. The mortality assumption changes are expected to cost the City \$591 million, \$596 million, \$601 million, \$606 million, and \$611 million in fiscal years 2016 through 2020, respectively. In addition, an asset corridor was implemented to keep the Actuarial Value of Assets within 80% - 120% of the Market Value of Assets.

The financial plan reflects the estimated impact of fiscal year 2015 investment returns of 3.15% (net of investment fees). The investment returns – lower than the assumed actuarial rate of 7% – increased required pension contributions by \$73 million, \$146 million, \$219 million, and \$292 million in fiscal years 2017 through 2020, respectively.

Other adjustments stemming from changes in the number of pension members and a proposal to revise accidental disability retirement benefits for Tier 3/6 uniform members have also been reflected in the financial plan.

Total pension expenses for the financial plan are shown below:

Total Pension Expenses					
(\$ in Millions)					
	2016	2017	2018	2019	2020
City Actuarial Systems	\$9,141	\$9,267	\$9,544	\$9,681	\$9,609
Non-City Systems	80	85	91	92	92
Non-Actuarial	67	70	75	80	84
Total	\$9,288	\$9,422	\$9,710	\$9,853	\$9,785

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 2016, the combined tax rate is 7.65%. The OASDI tax portion of 6.2% is capped at \$118,500 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. The health insurance savings stemming from the recent labor settlement are also reflected in the health insurance expense estimates.

Reserve for Collective Bargaining

The labor reserve contains funding for the net cost of all of the elements of the United Federation of Teachers (UFT) and AFSCME District Council 37 (DC37) pattern as applied to the remaining unsettled unions. The reserve also contains funding for the restructured payments for those unions that were covered by the UFT nine-year pattern. In addition, the reserve includes the additional cost of the uniformed pattern for the remaining five years of the pattern for the PBA not covered by the recent arbitration award.

For the period beyond current round of bargaining, the reserve contains funding for wage increases assumed to be 1% per year following the expiration of the contracts in the 2010-2017 round of collective bargaining.

Other Than Personal Services

The following items are included in this category:

	(\$ in Millions)				
	2016	2017	2018	2019	2020
Administrative OTPS	\$21,955	\$21,720	\$20,980	\$21,151	\$21,361
Public Assistance	1,481	1,584	1,602	1,613	1,624
Medical Assistance	5,817	5,915	5,915	5,915	5,915
Health + Hospitals	894	735	806	827	930
Covered Agency Support & Other Subsidies	3,962	3,820	3,972	4,072	4,149
City Debt Service*	6,009	6,628	6,996	7,504	8,164
Debt Defeasance	(103)	—	—	—	—
Prepayments	(168)	(3,356)	—	—	—
Capital Stabilization Reserve	—	500	—	—	—
General Reserve	50	1,000	1,000	1,000	1,000
Total	\$39,897	\$38,546	\$41,271	\$42,082	\$43,143

* Numbers adjusted for prepayments and debt defeasance

Administrative OTPS

The estimates in this category include new needs and savings in the baseline. For 2018 through 2020, most expenditures have been increased to reflect the effect of inflation. The inflation adjustment, which is shown in a citywide account, represents an estimate annual 2.5 percent increase in 2018 through 2020. 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 2018 through 2020. Energy costs in each agency, with the exception of HPD, are held constant for 2017 through 2020. Price and usage changes for HPD's In-Rem / DAMP / AEP Programs are budgeted in HPD's four-year plan.

Energy costs are expected to increase by \$56 million from 2016 to 2017 due to weather normalization and increasing utility rates. Gasoline and fuel oil costs are expected to increase by an additional \$45 million from 2017 to 2020. Heat, light and power costs are also expected to increase by \$107 million between 2017 and 2020.

	Energy Costs (\$ in Millions)				
	2016	2017	2018	2019	2020
Gasoline	\$59	\$59	\$68	\$75	\$82
Fuel Oil	46	61	69	76	83
HPD-In Rem / DAMP / AEP	4	4	4	4	4
HPD-Emergency Repairs	5	5	3	3	3
Heat, Light and Power	675	716	759	802	823
Total	\$789	\$845	\$903	\$960	\$995

Leases

In each agency, the cost of leases is budgeted at a constant level from 2017 through 2020. A citywide adjustment for 2018 through 2020 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 \$1.07 billion for leases in 2017, \$1.10 billion in 2018, \$1.14 billion in 2019 and \$1.17 billion in 2020. Of these amounts, the citywide adjustment is \$32 million, \$65 million, and \$100 million respectively in 2018 through 2020.

Public Assistance

In 2017, 386,610 persons are projected to receive cash assistance on average each month, an increase of 16,667 from the projected 2016 average.

Medical Assistance

The financial plan for Medical Assistance assumes baselined funds consistent with the New York State enacted budget effective April 1, 2016, 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 2016 through 2020 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.

Capital Stabilization Reserve

The Mayor's Executive Budget includes \$500 million in Fiscal Year 2017 for a Capital Stabilization Reserve.

General Reserve

The General Reserve is projected at \$50 million for 2016 and \$1 billion for 2017 through 2020 to provide for uncontrollable increases in expenditures as well as shortfalls in revenue. The General Reserve for 2017 through 2020 has been increased above the required amount as per the City Charter to allow for any further uncertainties that may occur in the future.

Debt Service

Debt Service projections cover payments of debt service on currently outstanding City's, TFA, and Conduit debt as well as future issuances in accordance with the 2016 through 2020 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 \$3.356 billion in 2016 has been provided for this purpose.

Below are the detailed estimates for debt service for 2016 through 2020 after prepayments:

(\$ in Millions)

	Long Term	Short Term	Lease Purchase	Budget Stabilization*	Total City and Lease	TFA	Prepayment & Defeasance Adjustment	Total City, Lease and TFA
2016	\$2,013	\$—	\$169	\$3,356	\$5,538	\$200	\$271	\$6,009
2017	2,449	75	218	—	\$2,742	530	3,356	\$6,628
2018	4,215	75	211	—	\$4,501	2,495	—	\$6,996
2019	4,289	75	232	—	\$4,596	2,908	—	\$7,504
2020	4,611	75	297	—	\$4,983	3,181	—	\$8,164

* Amounts in the Budget Stabilization Account are used to prepay the succeeding year's debt service

EXHIBIT 2

**FISCAL YEAR 2017 EXECUTIVE BUDGET AND PROJECTIONS,
FISCAL YEAR 2018 THROUGH FISCAL YEAR 2020**

(\$ in thousands)

Dept. No.	Agency	FY 2015 Actual Expenditures	Fiscal Year 2016		FY 2017 Executive Budget	FY 2018 Estimate	FY 2019 Estimate	FY 2020 Estimate	
			Executive Budget	8 Month Actuals July - Feb. Forecast					
002	Mayoralty.....	\$101,721	\$121,787	\$70,332	\$125,676	\$137,879	\$129,334	\$134,353	\$130,773
003	Board of Elections.....	106,754	111,200	69,688	132,425	123,747	90,481	90,481	89,738
004	Campaign Finance Board.....	10,648	14,481	8,631	15,002	16,176	14,014	14,015	14,015
008	Office of the Actuary.....	6,247	7,316	4,016	7,224	7,401	7,428	7,428	7,428
010	President,Borough of Manhattan.....	4,426	4,713	2,782	4,717	4,834	4,583	4,583	4,583
011	President,Borough of the Bronx.....	5,286	5,650	3,242	5,663	5,781	5,450	5,450	5,450
012	President,Borough of Brooklyn.....	5,857	5,763	4,019	6,511	6,012	5,460	5,460	5,460
013	President,Borough of Queens.....	4,755	5,155	3,161	5,303	5,274	4,743	4,743	4,743
014	President,Borough of S.I.....	3,777	4,313	2,026	4,339	4,409	4,243	4,243	4,243
015	Office of the Comptroller.....	86,479	91,773	59,845	94,544	96,370	96,988	96,995	96,995
017	Dept. of Emergency Management.....	35,038	16,009	22,236	50,490	44,779	22,855	23,055	23,438
021	Office of Admin. Tax Appeals.....	4,261	4,608	2,721	4,669	5,077	5,112	5,112	5,112
025	Law Department.....	175,589	185,830	118,491	194,879	212,778	205,578	203,787	203,787
030	Department of City Planning.....	24,717	38,341	18,161	40,459	43,868	41,288	39,261	39,328
032	Department of Investigation.....	34,984	30,998	26,702	50,502	47,438	41,717	41,428	38,471
035	NY Public Library - Research.....	24,266	23,800	25,111	26,504	25,582	25,708	25,708	25,708
037	New York Public Library.....	120,179	116,241	129,208	132,469	125,593	126,029	126,029	126,029
038	Brooklyn Public Library.....	91,560	86,467	66,045	101,662	94,077	94,562	94,562	94,562
039	Queens Borough Public Library.....	90,327	87,351	82,379	101,208	95,739	96,100	96,101	96,101
040	Department of Education.....	20,999,367	21,756,792	13,576,516	22,372,443	23,072,762	24,196,641	25,043,295	25,583,517
042	City University.....	955,126	966,241	569,333	1,069,521	1,030,139	1,048,257	1,076,307	1,087,179
054	Civilian Complaint Review Bd.....	12,684	15,077	8,277	15,874	16,665	16,734	16,734	16,734
056	Police Department.....	5,151,559	4,890,129	3,698,871	5,520,733	5,150,938	5,201,316	5,256,243	5,267,034
057	Fire Department.....	1,893,653	1,821,252	1,409,576	2,058,979	1,936,932	1,904,048	1,909,329	1,911,627
063	Dept. of Veterans' Services.....	—	—	—	—	3,843	3,631	3,631	3,631
068	Admin. for Children Services.....	2,826,694	2,934,505	2,073,042	2,961,826	2,982,028	3,021,935	3,042,878	3,042,816
069	Department of Social Services.....	9,771,191	9,863,746	6,468,377	9,377,081	9,733,153	9,817,971	9,855,353	9,910,537
071	Dept. of Homeless Services.....	1,169,826	1,076,485	931,323	1,325,245	1,295,962	1,144,370	1,133,493	1,122,320
072	Department of Correction.....	1,162,119	1,216,489	816,552	1,344,125	1,368,828	1,383,554	1,405,202	1,409,159
073	Board of Correction.....	1,522	1,758	922	2,545	3,065	3,074	3,074	3,074
095	Citywide Pension Contributions.....	8,616,325	8,755,368	5,784,872	9,288,222	9,422,235	9,709,952	9,853,438	9,784,809
098	Miscellaneous.....	9,644,715	10,059,874	3,695,796	9,037,279	9,765,492	10,490,888	12,063,505	12,995,229
099	Debt Service.....	7,420,909	3,497,715	1,426,777	5,738,165	3,271,839	6,995,704	7,504,086	8,163,877
101	Public Advocate.....	2,746	3,275	2,150	3,403	3,350	3,369	3,369	3,369
102	City Council.....	56,912	61,024	38,886	61,024	64,077	54,200	54,200	54,200
103	City Clerk.....	5,587	5,381	3,501	5,593	5,545	5,578	5,578	5,578
125	Department for the Aging.....	285,235	269,222	244,602	323,319	295,041	296,016	296,778	296,778
126	Department of Cultural Affairs.....	163,688	150,682	136,986	167,094	144,757	143,203	143,203	143,203
127	Financial Info. Serv. Agency.....	83,122	101,327	58,922	95,912	106,524	112,017	112,662	113,306
131	Office of Payroll Admin.....	14,679	17,620	10,329	17,759	17,285	17,692	17,693	17,693
132	Independent Budget Office.....	3,945	5,856	2,744	5,035	6,871	6,020	6,565	6,565
133	Equal Employment Practices Com.....	700	1,071	475	1,015	1,091	1,101	1,101	1,101
134	Civil Service Commission.....	735	1,082	488	1,026	1,086	1,105	1,103	1,103
136	Landmarks Preservation Comm.....	4,782	5,743	3,330	5,702	6,314	6,148	6,159	6,158

EXHIBIT 2

**FISCAL YEAR 2017 EXECUTIVE BUDGET AND PROJECTIONS,
FISCAL YEAR 2018 THROUGH FISCAL YEAR 2020**

(\$ in thousands)

Dept. No.	Agency	FY 2015 Actual Expenditures	Fiscal Year 2016		FY 2017 Executive Budget	FY 2018 Estimate	FY 2019 Estimate	FY 2020 Estimate	
			Executive Budget	8 Month Actuals July - Feb. Forecast					
156	Taxi & Limousine Commission.....	52,446	68,294	31,730	66,861	72,524	51,457	51,458	51,458
226	Commission on Human Rights.....	5,794	8,813	4,790	10,979	12,122	10,852	10,853	10,853
260	Youth & Community Development....	581,886	536,809	472,715	692,614	562,438	564,298	569,452	569,452
312	Conflicts of Interest Board.....	2,193	2,237	1,325	2,429	2,325	2,344	2,345	2,345
313	Office of Collective Barg.....	1,754	2,516	1,442	2,520	2,311	2,325	2,325	2,325
499	Community Boards (All).....	15,093	16,961	10,199	17,661	17,419	17,331	17,331	17,331
781	Department of Probation.....	89,941	93,728	62,800	101,256	100,519	98,863	98,837	98,862
801	Dept. Small Business Services.....	273,459	242,056	187,254	311,616	217,714	212,685	172,822	125,068
806	Housing Preservation & Dev.....	718,403	726,077	599,310	1,070,736	1,246,934	862,386	734,833	734,631
810	Department of Buildings.....	108,673	148,738	80,307	146,989	172,059	155,363	151,767	150,480
816	Dept Health & Mental Hygiene.....	1,495,546	1,480,822	1,020,930	1,506,254	1,488,935	1,493,449	1,503,558	1,500,976
819	Health and Hospitals Corp.....	335,142	232,468	391,765	893,783	735,312	805,635	826,614	929,892
820	Office Admin Trials & Hearings.....	34,372	37,888	22,584	38,013	39,641	41,124	41,623	41,623
826	Dept of Environmental Prot.....	1,216,055	1,250,171	983,167	1,475,417	1,443,520	1,224,297	1,202,691	1,188,132
827	Department of Sanitation.....	1,477,411	1,543,476	1,132,446	1,562,338	1,662,616	1,680,254	1,685,373	1,688,185
829	Business Integrity Commission.....	8,065	7,446	5,748	8,714	8,684	8,218	8,218	8,218
836	Department of Finance.....	251,755	265,230	185,534	270,918	274,562	280,081	278,286	278,500
841	Department of Transportation.....	884,996	874,729	705,282	962,829	947,081	939,509	886,434	887,465
846	Dept of Parks and Recreation.....	496,268	442,933	316,862	494,977	480,009	473,913	473,805	473,805
850	Dept. of Design & Construction.....	160,277	564,163	537,157	620,355	478,782	135,007	142,364	130,694
856	Dept of Citywide Admin Srvces.....	1,157,784	1,180,668	976,985	1,138,644	1,175,180	1,123,500	1,112,015	1,112,554
858	D.O.I.T.T.....	491,715	550,493	459,152	676,836	635,228	607,573	601,734	599,634
860	Dept of Records & Info Serv.....	6,252	6,458	4,764	8,188	7,516	6,814	6,814	6,814
866	Department of Consumer Affairs.....	37,434	41,219	25,291	40,517	40,713	41,516	41,432	41,432
901	District Attorney - N.Y.....	107,621	98,351	81,556	118,833	101,787	102,878	103,193	103,197
902	District Attorney - Bronx.....	60,990	57,973	38,871	61,531	59,770	60,372	60,493	60,491
903	District Attorney - Kings.....	94,064	92,129	65,933	97,940	94,354	95,199	95,447	95,437
904	District Attorney - Queens.....	56,954	54,152	37,562	59,717	58,148	58,773	59,007	59,015
905	District Attorney - Richmond.....	10,302	9,720	6,071	10,828	10,015	10,113	10,148	10,149
906	Off. of Prosec. & Spec. Narc.....	19,207	19,381	12,481	21,628	22,121	22,353	22,453	22,458
941	Public Administrator - N.Y.....	1,503	1,656	1,204	1,827	1,751	1,756	1,756	1,756
942	Public Administrator - Bronx.....	603	640	371	666	655	660	660	660
943	Public Administrator- Brooklyn.....	641	701	422	793	788	791	791	791
944	Public Administrator - Queens.....	484	571	326	571	585	589	589	589
945	Public Administrator -Richmond.....	477	469	291	474	481	486	486	486
	Prior Payable Adjustment.....	(884,827)	—	—	(400,000)	—	—	—	—
	General Reserve.....	—	1,000,000	—	50,000	1,000,000	1,000,000	1,000,000	1,000,000
	Energy Adjustment.....	—	—	—	—	—	60,320	117,561	152,647
	Lease Adjustment.....	—	—	—	—	—	32,217	65,400	99,579
	OTPS Inflation Adjustment.....	—	—	—	—	—	55,519	111,038	166,557
	TOTAL EXPENDITURES.....	\$80,555,425	\$80,099,646	\$50,146,070	\$84,049,418	\$83,983,235	\$88,947,017	\$92,109,779	\$94,391,102
	LESS: INTRA-CITY EXPENDITURES.....	1,973,728	1,791,148	570,100	1,983,244	1,763,302	1,763,721	1,758,322	1,764,717
	NET TOTAL EXPENDITURES.....	\$78,581,697	\$78,308,498	\$49,575,970	\$82,066,174	\$82,219,933	\$87,183,296	\$90,351,457	\$92,626,385

EXHIBIT 3
ACTUAL REVENUE
(\$ in Millions)

	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015
Taxes:				
Real Property	\$18,158	\$18,970	\$20,202	\$21,518
Personal Income	8,531	9,778	10,152	11,264
General Corporation	2,447	2,692	2,766	2,873
Banking Corporation	1,278	1,357	1,227	1,214
Unincorporated Business	1,637	1,808	1,882	1,962
Sales and Use	5,812	6,132	6,494	6,742
Commercial Rent	629	664	710	735
Real Property Transfer	912	1,086	1,527	1,765
Mortgage Recording	537	742	961	1,155
Utility	371	385	405	384
Cigarette	67	61	54	50
Hotel	476	505	536	556
All Other	513	533	548	591
Tax Audit Revenue	743	1,009	911	1,132
Total Taxes	42,111	45,722	48,375	51,941
Miscellaneous Revenues:				
Licenses, Franchises, Etc.	583	593	648	703
Interest Income	16	16	16	30
Charges for Services	850	872	951	974
Water and Sewer Charges	1,373	1,361	1,491	1,439
Rental Income	291	297	311	284
Fines and Forfeitures	859	815	892	959
Miscellaneous	1,275	703	1,313	1,827
Intra-City Revenue	1,743	1,714	1,764	1,974
Total Miscellaneous	6,990	6,371	7,386	8,190
Unrestricted Intergovernmental Aid:				
Federal Revenue Sharing	—	—	—	—
N.Y. State Per Capita Aid	—	—	—	—
Other Federal and State Aid	25	—	1	1
Total Unrestricted Intergovernmental Aid	25	—	1	1
Provision for Disallowance of Categorical Grants	166	(59)	(18)	(110)
Less Intra-City Revenue	(1,743)	(1,714)	(1,764)	(1,974)
Sub Total City Funds	47,549	50,320	53,980	58,048
Other Categorical Grants	1,141	1,062	1,023	908
Transfers from Capital Fund:				
Inter Fund Agreements	551	538	535	551
Total City Funds & Capital Budget Transfers	49,241	51,920	55,538	59,507
Federal Categorical Grants:				
Community Development	225	566	337	537
Social Services	3,290	3,315	3,206	3,076
Education	1,861	1,873	1,672	1,677
Other	1,802	2,866	1,747	1,692
Total Federal Grants	7,178	8,620	6,962	6,982
State Categorical Grants:				
Social Services	1,533	1,509	1,415	1,410
Education	8,012	7,933	7,907	9,131
Higher Education	179	200	221	227
Department of Health and Mental Hygiene	536	495	454	364
Other	854	890	919	965
Total State Grants	11,114	11,027	10,916	12,097
Total Revenues	\$67,533	\$71,567	\$73,416	\$78,586

EXHIBIT 4
REVENUE ESTIMATES
(\$ in Millions)

	Fiscal Year 2016 8 Months Actuals	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Taxes:						
Real Property	\$21,249	\$22,815	\$23,981	\$25,397	\$26,900	\$28,165
Personal Income	7,031	10,894	10,990	11,301	11,720	12,185
General Corporation	1,523	3,587	3,949	4,194	4,196	4,242
Banking Corporation	303	317	—	—	—	—
Unincorporated Business...	1,098	2,027	2,060	2,150	2,246	2,354
Sale and Use	4,503	7,018	7,266	7,557	7,880	8,216
Commercial Rent.....	381	770	805	840	875	910
Real Property Transfer.....	1,160	1,716	1,602	1,603	1,656	1,705
Mortgage Recording.....	829	1,192	1,079	1,075	1,104	1,131
Utility.....	205	370	381	394	407	419
Cigarette.....	26	45	43	42	41	40
Hotel	309	565	541	563	587	613
All Other	302	610	585	586	585	585
Tax Audit Revenue	784	1,060	714	714	714	714
NYS Action -						
Sales Tax Intercept	—	(50)	(150)	—	—	—
State Tax Relief Program - STAR	394	812	797	800	804	808
Total Taxes.....	40,097	53,748	54,643	57,216	59,715	62,087
Miscellaneous Revenue:						
Licenses, Franchises, Etc.	482	690	656	640	637	642
Interest Income	32	46	61	105	138	142
Charges for Services.....	553	993	973	968	968	968
Water and Sewer Charges..	1,516	1,516	1,420	1,382	1,365	1,350
Rental Income.....	156	257	217	216	216	216
Fines and Forfeitures	661	937	905	894	882	872
Miscellaneous	345	648	505	463	613	822
Intra-City Revenue	570	1,983	1,763	1,764	1,758	1,765
Total Miscellaneous.....	4,315	7,070	6,500	6,432	6,577	6,777
Unrestricted Intergovernmental Aid:						
Federal Revenue Sharing...	—	—	—	—	—	—
Other Federal & State Aid.	6	6	—	—	—	—
Total Unrestricted Intergovernmental Aid	6	6	—	—	—	—
Reserve for Disallowance of Categorical Grants.....	—	(15)	(15)	(15)	(15)	(15)
Less: Intra-City Revenue	(570)	(1,983)	(1,763)	(1,764)	(1,758)	(1,765)
Sub Total City Funds....	43,848	58,826	59,365	61,869	64,519	67,084
Other Categorical Grants	267	705	851	834	832	828
Inter Fund Agreements	185	583	645	643	582	581
Total City Funds & Inter-Fund Revenues.	\$44,300	\$60,114	\$60,861	\$63,346	\$65,933	\$68,493

EXHIBIT 4
REVENUE ESTIMATES
(\$ in Millions)

	Fiscal Year 2016 8 Months Actuals	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Federal Categorical Grants:						
Community Development..	\$324	\$1,352	\$1,274	\$417	\$299	\$244
Social Services	1,418	3,418	3,335	3,324	3,316	3,316
Education	277	1,668	1,702	1,776	1,776	1,776
Other	762	2,029	1,366	1,294	1,289	1,282
Total Federal Grants	2,781	8,467	7,677	6,811	6,680	6,618
State Categorical Grants:						
Social Services	585	1,650	1,621	1,645	1,658	1,664
Education	2,485	9,744	10,244	10,742	11,174	11,606
Higher Education	125	271	286	286	286	286
Department of Health and Mental Hygiene	152	583	532	531	515	515
Other	113	1,237	999	1,087	1,128	1,176
Total State Grants	3,460	13,485	13,682	14,291	14,761	15,247
TOTAL REVENUE	\$50,541	\$82,066	\$82,220	\$84,448	\$87,374	\$90,358

EXHIBIT 5
FULL-TIME and PART-TIME POSITIONS (FTEs)

		6/30/2017		6/30/2018		6/30/2019		6/30/2020	
		Total	City	Total	City	Total	City	Total	City
MAYORAL AGENCIES AND ELECTED OFFICIALS:									
<i>Uniformed Forces:</i>									
Police	-Uniform	35,780	35,780	35,780	35,780	35,780	35,780	35,780	35,780
	-Civilian	17,869	17,849	17,896	17,876	17,896	17,876	17,896	17,876
Fire	-Uniform	10,885	10,877	10,911	10,903	10,939	10,931	10,939	10,931
	-Civilian	6,019	6,002	6,020	6,003	6,020	6,003	6,020	6,003
Correction	-Uniform	10,336	10,336	10,374	10,374	10,413	10,413	10,429	10,429
	-Civilian	2,222	2,214	2,226	2,218	2,239	2,231	2,239	2,231
Sanitation	-Uniform	7,490	7,373	7,569	7,452	7,569	7,452	7,569	7,452
	-Civilian	2,667	2,545	2,731	2,609	2,731	2,609	2,731	2,609
	<i>Subtotal</i>	<u>93,268</u>	<u>92,976</u>	<u>93,507</u>	<u>93,215</u>	<u>93,587</u>	<u>93,295</u>	<u>93,603</u>	<u>93,311</u>
<i>Health and Welfare:</i>									
	Admin. for Children's Services	7,181	7,013	7,177	7,009	7,177	7,009	7,176	7,009
	Social Services	15,016	11,609	14,645	11,238	14,650	11,243	14,654	11,247
	Homeless Services	2,238	2,238	2,237	2,237	2,237	2,237	2,237	2,237
	Health & Mental Hygiene	6,719	5,392	6,674	5,397	6,673	5,402	6,663	5,393
	<i>Subtotal</i>	<u>31,154</u>	<u>26,252</u>	<u>30,733</u>	<u>25,881</u>	<u>30,737</u>	<u>25,891</u>	<u>30,730</u>	<u>25,886</u>
<i>Other Agencies:</i>									
	Housing Preservation and Development	2,485	765	2,475	765	2,451	765	2,448	762
	Environmental Protection	6,402	249	6,440	249	6,405	249	6,378	249
	Finance	2,205	2,193	2,201	2,189	2,201	2,189	2,201	2,189
	Transportation	5,338	2,623	5,347	2,502	5,330	2,504	5,341	2,515
	Parks	7,427	6,742	7,400	6,715	7,400	6,715	7,400	6,715
	Citywide Administrative Services	2,497	1,779	2,492	1,774	2,492	1,774	2,492	1,774
	All Other	21,140	17,678	20,769	17,555	20,718	17,543	20,699	17,527
	<i>Subtotal</i>	<u>47,494</u>	<u>32,029</u>	<u>47,124</u>	<u>31,749</u>	<u>46,997</u>	<u>31,739</u>	<u>46,959</u>	<u>31,731</u>
<i>Education</i>									
	Dept. of Education -Pedagogical	116,997	92,346	117,672	92,377	118,267	92,625	118,149	92,628
	-Civilian	23,792	21,197	23,933	21,328	24,112	21,503	24,105	21,492
	City University -Pedagogical	6,533	6,533	6,533	6,533	6,533	6,533	6,533	6,533
	-Civilian	3,208	3,208	3,363	3,363	3,568	3,568	3,752	3,752
	<i>Subtotal</i>	<u>150,530</u>	<u>123,284</u>	<u>151,501</u>	<u>123,601</u>	<u>152,480</u>	<u>124,229</u>	<u>152,539</u>	<u>124,405</u>
Total - Mayoral Agencies and Elected Officials		<u>322,446</u>	<u>274,541</u>	<u>322,865</u>	<u>274,446</u>	<u>323,801</u>	<u>275,154</u>	<u>323,831</u>	<u>275,333</u>
COVERED ORGANIZATIONS¹:									
	Health and Hospital Corp.	38,379	38,379	38,379	38,379	38,379	38,379	38,379	38,379
	Housing Authority	11,186	—	10,943	—	10,911	—	10,882	—
	Libraries	4,211	4,211	4,211	4,211	4,211	4,211	4,211	4,211
	Cultural Institutions ²	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344
	School Construction Authority	800	800	800	800	800	800	800	800
	New York City Employees Retirement System	436	436	436	436	416	416	416	416
	Economic Development Corporation	474	474	474	474	474	474	474	474
	Teachers Retirement System	392	392	392	392	392	392	392	392
	Police Pension Fund	143	143	143	143	143	143	143	143
	All Other ³	268	264	269	265	270	266	271	267
	Total - Covered Organizations	<u>57,633</u>	<u>46,443</u>	<u>57,391</u>	<u>46,444</u>	<u>57,340</u>	<u>46,425</u>	<u>57,312</u>	<u>46,426</u>
Grand Total		<u>380,079</u>	<u>320,984</u>	<u>380,256</u>	<u>320,890</u>	<u>381,141</u>	<u>321,579</u>	<u>381,143</u>	<u>321,759</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 2017 EXECUTIVE BUDGET
CITYWIDE SAVINGS PROGRAM - 5 YEAR VALUE
(City \$ in 000's)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Uniformed Forces:					
Police.....	\$7,257	\$14,454	\$—	\$—	\$—
Fire.....	4,735	4,000	2,092	2,092	2,092
Sanitation.....	51,815	10,776	—	—	—
Health and Welfare:					
Administration for Children's Services....	107,942	47,563	41,699	41,699	41,699
Social Services.....	400,802	317,204	317,710	318,242	318,801
Homeless Services.....	11,625	62,229	71,675	82,086	93,032
Department for the Aging.....	5,000	50	181	181	181
Youth and Community Development.....	2,091	2,007	2,716	2,716	2,716
Health and Mental Hygiene.....	42,475	8,886	2,631	2,631	2,631
Other Agencies:					
Housing Preservation and Development...	1,196	300	—	—	—
Finance.....	2,695	1,910	437	437	437
Transportation.....	19,993	26,618	19,266	22,105	23,293
Parks and Recreation.....	1,500	4,500	—	—	—
Citywide Administrative Services.....	9,262	6,813	3,313	3,313	3,313
All Other Agencies.....	47,337	46,167	25,669	22,836	18,257
Education:					
Department of Education.....	53,852	109,000	59,000	59,000	59,000
City University.....	—	3,000	3,000	3,000	3,000
Other:					
Miscellaneous.....	108,157	179,000	211,000	243,000	275,000
Debt Service.....	448,303	97,468	199,982	200,893	83,870
Procurement Savings.....	—	55,519	55,519	55,519	55,519
Total Citywide Savings Program.....	\$1,326,037	\$997,464	\$1,015,890	\$1,059,750	\$982,841

Note: Includes initiatives from the April 26, 2016 Executive Budget and January 21, 2016 Preliminary Budget.

EXHIBIT 6A
FY 2017 EXECUTIVE BUDGET
CITYWIDE SAVINGS PROGRAM - 5 YEAR VALUE
(City \$ in 000's)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
All Other Agencies:					
Office of the Actuary	\$215	\$-	\$-	\$-	\$-
Emergency Management	700	300	-	-	-
Law Department	6,052	2,128	613	613	613
City Planning	986	375	-	-	-
Investigation	1,000	-	-	-	-
Cultural Affairs	300	-	-	-	-
FISA	5,275	1,575	-	-	-
Payroll Administration	762	837	587	587	587
Equal Employment Practices	56	15	-	-	-
Civil Service Commission	56	15	-	-	-
Landmarks Preservation	130	-	-	-	-
Taxi & Limousine Commission	2,423	-	-	-	-
Probation	929	47	-	-	-
Small Business Services	3,269	451	290	286	282
Department of Buildings	2,329	-	-	-	-
Administrative Trials and Hearings	1,555	1,082	-	-	-
Environmental Protection	-	25,113	19,079	18,250	15,675
Business Integrity Commission	76	100	100	100	100
DOITT	19,707	13,382	5,000	3,000	1,000
DORIS	70	100	-	-	-
Department of Consumer Affairs	1,447	647	-	-	-
Total All Other Agencies	\$47,337	\$46,167	\$25,669	\$22,836	\$18,257

Note: Includes initiatives from the April 26, 2016 Executive Budget and January 21, 2016 Preliminary Budget.

EXHIBIT 6B
FY 2017 EXECUTIVE BUDGET
CITYWIDE SAVINGS PROGRAM - BY EXPENSE AND REVENUE
(City \$ in 000's)

	Expense	Revenue	Total
Uniformed Forces:			
Police	\$10,854	\$3,600	\$14,454
Fire	1,908	2,092	4,000
Sanitation	10,776	—	10,776
Health & Welfare:			
Administration for Children's Services	47,563	—	47,563
Social Services	317,204	—	317,204
Homeless Services	62,229	—	62,229
Department for the Aging	50	—	50
Youth and Community Development	2,007	—	2,007
Health and Mental Hygiene	8,886	—	8,886
Other Agencies:			
Housing Preservation and Development	300	—	300
Finance	1,910	—	1,910
Transportation	16,189	10,429	26,618
Parks and Recreation	4,500	—	4,500
Citywide Administrative Services	6,813	—	6,813
All Other Agencies	35,265	10,902	46,167
Education:			
Department of Education	109,000	—	109,000
City University	3,000	—	3,000
Other:			
Miscellaneous	179,000	—	179,000
Debt Service	97,468	—	97,468
Procurement Savings	55,519	—	55,519
Total Citywide Savings Program	<u>\$970,441</u>	<u>\$27,023</u>	<u>\$997,464</u>

Note: Includes initiatives from the April 26, 2016 Executive Budget and January 21, 2016 Preliminary Budget.