

The City of New York
Executive Budget
Fiscal Year 2020

Bill de Blasio, Mayor

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

Message of the Mayor

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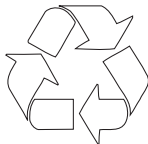
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Mayor's Office of Management and Budget
Melanie Hartzog, Director
April 25, 2019

Message of
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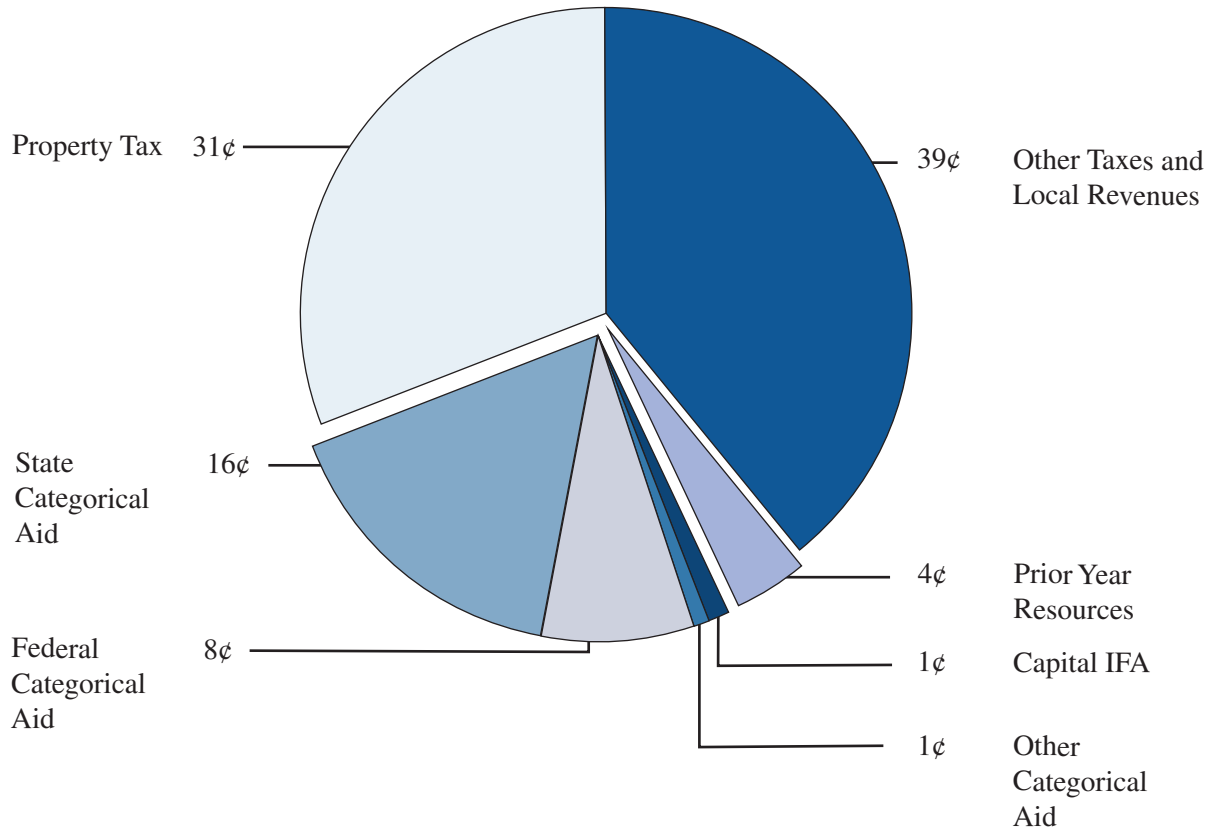


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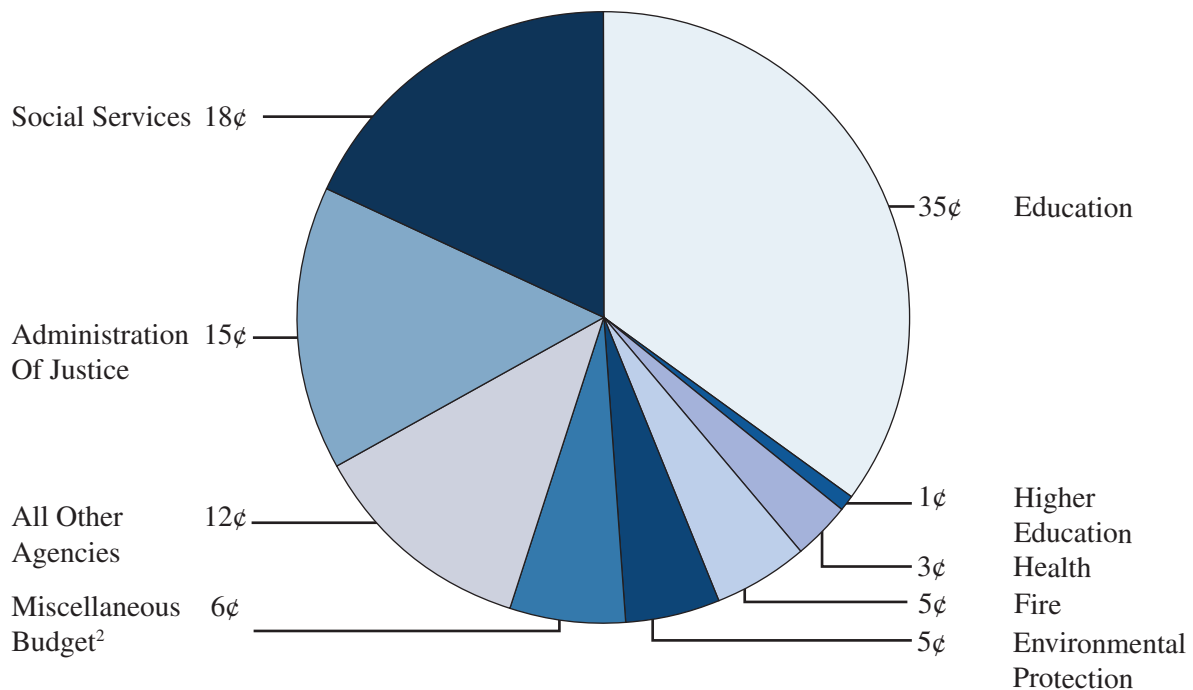


Budget and Financial Plan Summary

Where the 2020 Dollar Comes From



Where the 2020 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, General Reserve, Capital Stabilization Reserve, Judgments and Claims, MTA Subsidies and Other Contractual Services.

Source: NYC OMB

BUDGET AND FINANCIAL PLAN OVERVIEW

The Fiscal Year 2020 Executive Expense Budget is \$92.5 billion. This is the fortieth consecutive budget which is balanced under Generally Accepted Accounting Principles (GAAP), except for the application of Statement No. 49 of the Governmental 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 2019	FY 2020	FY 2021	FY 2022	FY 2023
<i>Revenues</i>					
<i>Taxes:</i>					
General Property Tax.....	\$27,795	\$29,529	\$30,909	\$32,150	\$33,110
Other Taxes.....	32,030	32,597	33,391	34,358	35,289
Tax Audit Revenue.....	1,058	999	721	721	721
Subtotal - Taxes.....	\$60,883	\$63,125	\$65,021	\$67,229	\$69,120
Miscellaneous Revenues.....	8,065	6,955	6,911	6,884	6,879
Unrestricted Intergovernmental Aid....	201	—	—	—	—
Less: Intra-City Revenues.....	(2,220)	(1,819)	(1,817)	(1,815)	(1,814)
Disallowances Against Categorical Grants.....	91	(15)	(15)	(15)	(15)
Subtotal - City Funds.....	\$67,020	\$68,246	\$70,100	\$72,283	\$74,170
Other Categorical Grants.....	1,207	928	870	863	863
Inter-Fund Revenues.....	657	735	672	672	672
Federal Categorical Grants.....	8,494	7,226	7,069	6,998	6,966
State Categorical Grants.....	15,473	15,333	15,719	16,186	16,693
Total Revenues.....	\$92,851	\$92,468	\$94,430	\$97,002	\$99,364
<i>Expenditures</i>					
<i>Personal Service:</i>					
Salaries and Wages.....	\$29,051	\$29,978	\$30,905	\$30,757	\$31,645
Pensions.....	9,936	9,951	10,118	10,564	10,620
Fringe Benefits ¹	10,642	11,394	11,853	12,527	13,228
Subtotal – Personal Service.....	\$49,629	\$51,323	\$52,876	\$53,848	\$55,493
<i>Other Than Personal Service:</i>					
Medical Assistance.....	5,915	5,915	5,915	5,915	5,915
Public Assistance.....	1,595	1,651	1,651	1,651	1,650
All Other ¹	32,312	30,426	30,411	30,718	30,958
Subtotal – Other Than Personal Service.....	\$39,822	\$37,992	\$37,977	\$38,284	\$38,523
Debt Service ^{1,2}	6,630	7,238	7,625	8,315	9,070
FY 2018 Budget Stabilization & Discretionary Transfers ¹	(4,576)	—	—	—	—
FY 2019 Budget Stabilization ²	3,516	(3,516)	—	—	—
Capital Stabilization Reserve.....	—	250	250	250	250
General Reserve.....	50	1,000	1,000	1,000	1,000
Less: Intra-City Expenses.....	(2,220)	(1,819)	(1,817)	(1,815)	(1,814)
Total Expenditures.....	\$92,851	\$92,468	\$97,911	\$99,882	\$102,522
Gap To Be Closed.....	\$—	\$—	\$(3,481)	\$(2,880)	\$(3,158)

¹ Fiscal Year 2018 Budget Stabilization and Discretionary Transfers total \$4.576 billion, including GO of \$1.902 billion, TFA-FTS of \$2.174 billion, Retiree Health Benefits of \$300 million, and subsidies of \$200 million.

² Fiscal Year 2019 Budget Stabilization totals \$3.516 billion, including GO of \$1.197 billion and TFA-FTS of \$2.319 billion.

STATE AND FEDERAL AGENDA

STATE

The State Fiscal Years 2019-20 enacted budget included over \$300 million in cuts, cost shifts and new funding mandates to the City.

In Education, School Aid was increased by \$373 million or 3.4 percent. This falls below anticipated growth levels and leaves a budget shortfall of \$25 million. For CUNY, the enacted budget increased the per capita operating rate by \$100 to \$2,947 per full-time student.

In Human Services, the Budget included a 10 percent reduction in the reimbursement rate for Temporary Assistance to Needy Families (TANF) resulting in a \$125 million cut to the City.

In Public Health, the State Budget imposed a 44 percent reduction in the State's share of support for essential public health services under Article 6, resulting in a \$59 million cut to the City.

To advance the State's election reform agenda, legislation was passed earlier in the 2019 Session that requires local election districts to allow early voting and to consolidate Federal, State and local primary elections into a single June election. Coupled with Enacted Budget legislation which authorized the use of electronic poll books, these reforms will have a combined cost of \$96 million in FY20. The State committed \$24.7 million to aid localities in implementing these reforms, a portion of which may offset the City's costs.

The State Budget also included congestion tolling for vehicles entering a designated congestion zone in Manhattan below 60th Street, with a start date no earlier than December 31, 2020. The revenues from this toll will be directed to the MTA for transit improvements. Details of the plan, including pricing and applicability will be determined at a future date.

Other Budget actions expanded the imposition of sales tax on internet transactions and dedicated a portion of these future revenues to the MTA for transit improvements. It also increased real estate transfer taxes on properties valued at more than \$2 million, the proceeds of which will also be directed to the MTA.

The Enacted Budget rejects the education cost shift, cuts to at risk youth and unfunded lead mandates initially proposed in the Governor's Budget.

FEDERAL

In March, the President released his proposed budget for Federal Fiscal Year 2020. The proposals contained significant cuts to major programs such as SNAP, Public Housing Operating funds and Homeland Security, and a complete elimination of the Community Development Block Grant, Public Housing Capital grants, Low Income Heat Energy Assistance Program, and the Community Services Block Grant. If adopted by Congress, these cuts would impact many programs serving children, seniors and economically disadvantaged people.

Though most of the proposed cuts and reductions included in the President's budget for the prior year were not enacted for FY19, we are mindful that these risks are still very real and we continue to monitor Washington's actions. Congress is currently considering the Federal Fiscal Year 2020 spending levels. After Congress has established spending levels, the House and Senate will take up their individual appropriations bills.

Separately, Disproportionate Share (DSH) payment cuts are scheduled to go into effect on October 1, 2019. Since 2013, Congress has delayed DSH payment cuts four times. If cuts are deferred this year, Health & Hospitals could lose \$400 million in federal fiscal year 2020.

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

SANDY RECOVERY AND RESILIENCY

Sandy's Impact on the City and its Communities

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

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

Emergency Response and Infrastructure Recovery

Much has been accomplished in the six-and-a-half years since Sandy. The overall cost of the City's FEMA-funded emergency response and infrastructure recovery is projected to be about \$10.7 billion. The cost for emergency response activities is projected to be about \$1.8 billion, and the cost for the long-term infrastructure repairs and resiliency investments is projected to be about \$8.9 billion. The City has secured \$10.5 billion in FEMA Public Assistance grants and other federal Sandy recovery grants, and is currently working with FEMA to develop grants for an additional estimated \$166 million in funding. The \$10.5 billion includes \$3.1 billion for NYCHA, \$1.9 billion for H+H, and \$276 million for other non-Mayoral entities. Of the \$10.5 billion in federal grants secured, the City has been reimbursed over \$3.1 billion to date.

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

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

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

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

- NYCHA: 33 housing developments at \$2.9 billion.
- H+H: four hospitals (Coney Island, Bellevue, Metropolitan and Coler) at \$1.7 billion.
- DPR: beaches, parks and recreational facilities estimated at \$1.05 billion.
- SCA: 43 public schools across the five boroughs estimated at \$826 million.
- DOT: transportation infrastructure (roads, ferries and lighting systems) estimated at \$769 million.
- DEP: wastewater treatment plants and pump stations citywide estimated at \$558 million.

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

	Expense	Capital - Repair	Capital - Mitigation	Total
Health + Hospitals (H+H) ¹	\$127	\$989	\$757	\$1,872
Parks	95	806	246	1,147
DEP	617	263	295	1,175
Education (DOE and SCA)	94	551	192	837
Transportation (DOT) ²	10	768	6	785
Police Department	197	85	11	294
Fire Department	25	205	4	234
Sanitation	177	31	9	217
All Other Agencies	\$171	\$642	\$116	\$929
<i>Subtotal</i>	<u>\$1,513</u>	<u>\$4,340</u>	<u>\$1,636</u>	<u>\$7,490</u>
New York City Housing Authority ³	259	1,460	1,458	3,177
Grand Total	<u>\$1,772</u>	<u>\$5,800</u>	<u>\$3,094</u>	<u>\$10,667</u>

1. Total estimates include \$1.73 billion for H+H 428 PAAP grants for four hospitals.

2. Transportation includes \$640 million of Federal Highway Administration and Federal Transit Administration funding.

3. NYCHA figures include damages to be covered by approximately \$400 million of insurance.

Funding for Community Recovery

The City was awarded \$4.2 billion of HUD funding to ensure all New York City communities impacted by Hurricane Sandy recover fully and recover quickly. This HUD funding comes in the form of Community Development Block Grant – Disaster Recovery (CDBG-DR) funding, which the City is using to support a wide variety of disaster recovery activities that are not covered by traditional disaster recovery funding. These initiatives include restoring private housing stock, assisting businesses, and investing in long-term resiliency improvements to infrastructure. The City has been reimbursed \$3.2 billion to date.

CDBG-DR Funding (\$ in millions)

Program Area	Total Funding
Housing	\$2,967
Build it Back Single Family	2,213
Build it Back Multifamily	426
NYCHA	317
Other	11
Business	\$91
Infrastructure and Other City Services	\$418
Coastal Resiliency	\$473
Rebuild by Design - East Side Coastal Resiliency	338
Rebuild by Design - Hunts Point	45
Other	90
Planning/Admin	\$264
Total	\$4,214

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

Build It Back: Entering Program Completion

Through the Build It Back program, the City has prioritized helping homeowners remain in their communities – ensuring that these New Yorkers have the resources necessary to recover and make their homes and communities more resilient. As of the first half of 2019, over 99 percent of all homeowners have been served through construction completions, reimbursement checks for repairs, or acquisition of their homes. The City has completed 99 percent of City-managed construction projects, and 98 percent of all construction projects, including homeowner-managed construction.

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

Protected City, Resilient Neighborhoods

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

- **East Side Coastal Resiliency:** runs along the east side of Manhattan from 25th Street to Montgomery Street. This \$1.45 billion project will provide a comprehensive coastal flood protection system and enhancements to East River Park, includes \$338 million in funding from HUD’s Rebuild by Design program and additional City funding commitments. This project will break ground in the Spring of 2020.
- **Lower Manhattan Coastal Resiliency:** connecting to ESCR at Montgomery Street, continues coastal protection in Lower Manhattan along the Two Bridges neighborhood, Seaport, Financial District, the Battery, and north into Battery Park City. On March 14, 2019, the City announced project details and strategic planning to advance resiliency work that addresses the needs of the Lower Manhattan community. The City has identified approximately \$500 million for these measures, including \$176 million of federal CDBG-National Disaster Resilience grant funds for the Two Bridges project, which is currently in design.
- **Hunts Point Resiliency:** focused on the City’s food distribution hub, \$45 million in federal funding and \$26 million in City funding is being invested in resiliency measures to ensure the long-term viability of the City’s food supply.
- **RISE:NYC and Business PREP:** are providing Sandy-impacted small businesses throughout the City with strategies and innovative technologies to better prepare for and respond to future disasters.

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

CITYWIDE SAVINGS PROGRAM

Stewardship of the City’s finances is an ongoing process that requires long-term planning and a search for innovation. At the same time, cyclical economic factors and a challenging external environment require that prudent, sometimes difficult choices, be made. For the first time under the current administration, OMB implemented a Program to Eliminate the Gap (PEG) as part of the Citywide Savings Program. All City agencies were given targets that took into account their unique circumstances.

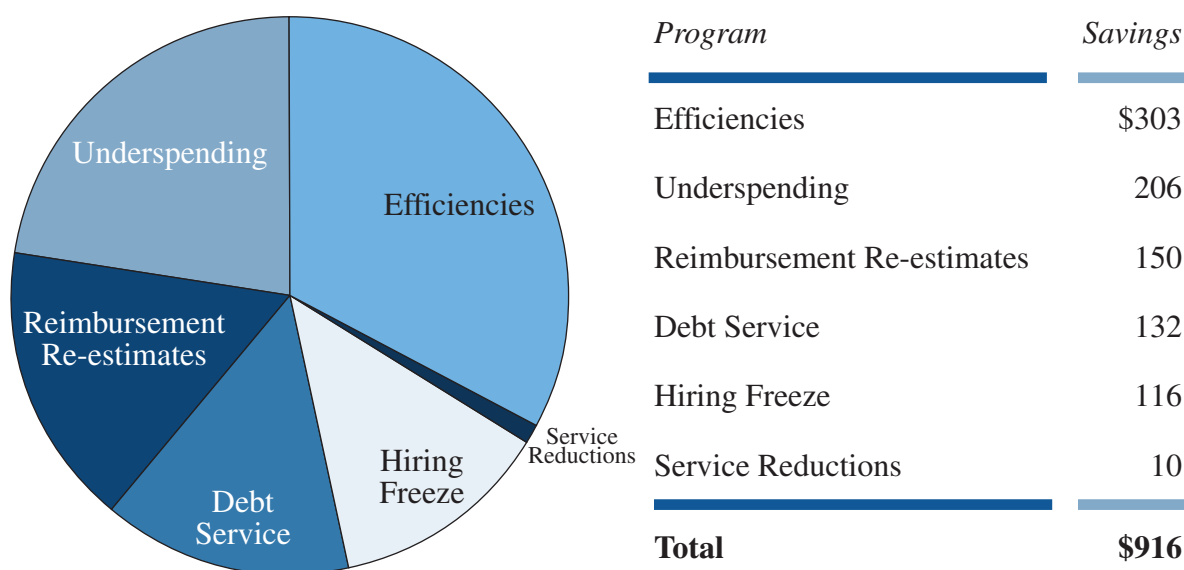
To meet their PEG targets, agencies deployed a variety of approaches. One was to develop efficiency initiatives aimed at reducing expenses or maximizing reimbursements. This was achieved by redesigning business practices, reducing and repurposing assets, implementing IT solutions, improving the use of City space and deployment of personnel, and maximizing Federal, State, and Private grants and Miscellaneous revenue. Alongside those efforts, the City implemented a hiring freeze for all non-critical staff, and OMB continued to develop Citywide initiatives that make use of shared resources, best practices, and economies of scale across all agencies.

In addition to those approaches, past cautious budgeting allowed us to recognize favorable re-estimates in agency and central budgets, including Debt Service. Finally, some agency programs were reduced or eliminated due to low demand or because they produced less impact per taxpayer dollar than other alternatives.

In total, the impact of these approaches resulted in a \$916 million Citywide Savings Program for the Executive Budget: \$420 million for Fiscal Year 2019 and \$496 million for 2020. This work builds on past programs in the November Plan and Preliminary Budget, for a total savings of \$2.5 billion: \$1.5 billion in FY19 and \$1.0 billion in FY20.

CITYWIDE SAVINGS PROGRAM – FY 2019 AND FY 2020

(\$ in Millions)



Executive Budget. Totals may not add due to rounding.

Source: NYC OMB

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

- The Department of Education (DOE) will achieve savings associated with further centralizing procurement practices.
- The City University of New York will identify savings associated with centralizing procurement practices, technological enhancements, and vacancy controls.
- The Department of Health and Mental Hygiene (DOHMH) will reduce temporary service contracts agency-wide.

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

- DOHMH will reduce consulting/professional services agency-wide.
- The Department of Citywide Administrative Services will identify savings from energy efficiency projects.

IT Solutions: using technology to improve efficiency

- DOE will identify savings associated with adding more employees to DOE's electronic timekeeping system.
- The Department of Information Technology and Telecommunications will achieve savings through decommissioning end-of-life systems and right-sizing software and hardware maintenance contracts.

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

- The Department of Environmental Protection will grow plants for green infrastructure maintenance in-house rather than purchase from commercial nurseries.
- The Office of Administrative Trials and Hearings (OATH) will realize savings from insourcing contracted services.

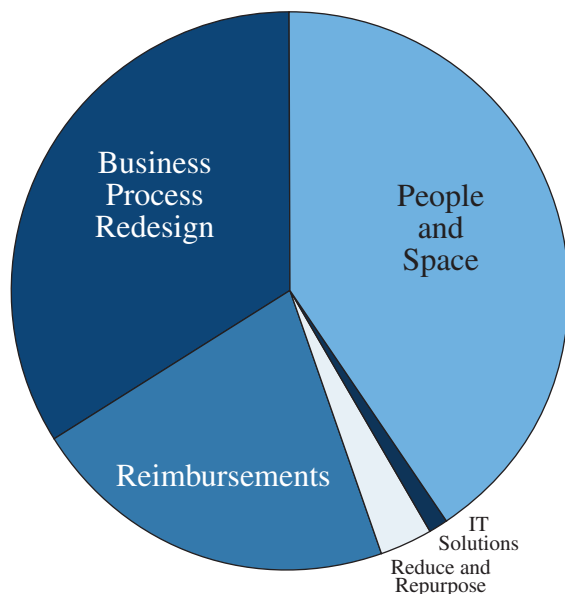
- The Department of Social Services (DSS) will right-size the outreach component of Healthy Relationship Training Academy.
- The Mayor's Office to End Domestic and Gender-Based Violence will streamline operations by shifting programming implementation and reorganizing outreach teams.
- DOHMH will realize savings from lesser reliance on administrative staff and improving efficiency of existing administrative supports.
- The Department of Youth and Community Development will realize savings from the consolidation of staff into two buildings instead of three.

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

- The Department of Records and Information Services will realize revenue from the sale of the Central Park Book, blueprints, and other efforts.
- The Administration of Children's Services will realize savings through claiming Federal and State reimbursement for lawyers representing parents of at-risk children.
- DOE will receive new Medicaid revenue both from claiming for Charter School students and claiming for eligible transportation expenses.
- The Police Department will increase parking summons revenue based on NYPD Traffic Enforcement Agent headcount, deployment, and productivity.

CITYWIDE SAVINGS PROGRAM – EFFICIENCIES BY TYPE – FY 2019 - FY 2023

(\$ in Millions)



<i>Program</i>	<i>Savings</i>
People and Space	\$915
Business Process Redesign	756
Reimbursements	486
Reduce and Repurpose	63
IT Solutions	27
Total	\$2,247

November Plan, Preliminary Budget, and Executive Budget

Source: NYC OMB

Citywide Savings Initiatives – Executive Budget

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

Fleet Size

DCAS and OMB will set fleet daily usage targets for all agencies using telematics, mapping, and analytics for all City on-road fleet units to ensure that the City achieves an optimal fleet size.

Commuting

DCAS and OMB will implement a review of vehicle usage patterns to ensure that all commuting vehicles are operationally necessary and used appropriately. Only those vehicles that are necessary for work purposes and used in accordance with the DCAS Fleet Manual will continue to function as commuter vehicles.

Vehicle Right-sizing

DCAS and OMB will conduct a review of current vehicles types in use to ensure that the most cost-effective and fuel-efficient vehicles are utilized based on operational necessity.

CONTRACT BUDGET

The Contract Budget is presented as part of the 2020 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 2020 Executive Contract Budget contains an estimated 17,648 contracts totaling over \$16.76 billion. Over 77 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 \$1.48 billion in contracts, approximately 66 percent of which represents contracts allocated for Children's Charitable Institutions (\$474 million) and Day Care (\$509 million). Of the over \$7.86 billion in Department of Education contracts, approximately 45 percent of the contracts are allocated for Transportation of Pupils (\$1.24 billion) and Charter Schools (\$2.29 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 2019 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.....	4,571	\$5,721	34.1%
• 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.....	3,086	5,654	33.7%
• (including Transportation of Pupils and Payments to Contract Schools)			
Other Services.....	3,111	1,814	10.8%
• Custodial, Security Services, Secretarial, Cultural Related, Employee Related, Economic Development, Transportation, Municipal Waste Exporting, etc.			
Professional Services/Consultant.....	3,535	1,884	11.3%
• Accounting, Auditing, Actuarial, Education, Investment Analysis, Legal Engineering & Architectural, System Development & Management Analysis, etc.			
Maintenance & Operation of Infrastructure	1,647	1,291	7.7%
• Lighting, Street Repair, Buildings, Parks, Water Supply, Sewage and Waste Disposal, etc.			
Maintenance of Equipment.....	1,698	400	2.4%
• Data Processing, Office Equipment, Telecommunications & Motorized Equipment, etc.			
TOTAL	17,648	\$16,764	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. The Charter mandates that the community boards play an advisory role in three areas: changes in zoning and land use, monitoring the delivery of City services in the community district and participating in the development of the City's capital and expense budgets.

Each community board receives an annual budget to support a district manager, additional staff, and other operating expenses. In FY 2020 the uniform base budget for each community board is \$254,384. 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. Each board then develops and prioritizes a maximum of 40 capital and 25 expense budget requests. For FY 2020 community boards submitted 1,887 capital requests and 1,701 expense requests to 38 agencies. Community board expense budget requests concentrate on local services and personnel increases.

District specific budget information is available in the following geographic budget reports, which accompany the release of the FY 2020 budget.

Register of Community Board Budget Requests for the Executive Budget, Fiscal Year 2020 – 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 2020 – details the expense budgets of fourteen agencies that deliver local services by borough and service district. Includes FY 2020 Executive Budget information as well as FY 2019 current modified budget and budgeted headcount data.

Executive Capital Budget for Fiscal Year 2020 – 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 2020 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

Real GDP growth in 2018 accelerated to its fastest pace in three years despite fourth quarter impediments including financial market turmoil, the federal government shutdown, and ongoing trade tensions. The start of 2019 saw improved conditions, but the fiscal stimulus from the Tax Cuts and Jobs Act (TCJA) and the expansion of federal spending is beginning to wane. In addition, business investment appears to be slowing and, although mortgage rates have dropped, housing activity is expected to remain sluggish. Consumption spending had a rare slowdown in the fourth quarter and some spending components, such as auto sales, have seen continued weakness in 2019. However, the dramatic recovery in asset prices, lower borrowing costs, and a tight labor market should help maintain consumption as the mainstay of the current expansion, currently the second longest in the post-World War II period. Nevertheless, national growth is projected to slow through the forecast horizon due to the headwinds from the fading fiscal impetus, decelerating global growth, and continued trade frictions.

Despite the headwinds at the end of 2018, the national job market remained steady. By March, the economy had added jobs for 102 consecutive months, the longest expansion on record. The unemployment rate remained near 49-year lows and the monthly pace of job growth was double that necessary to absorb new entrants into the job market. The number of job openings crossed above the number of job seekers in 2018 and remained elevated in early 2019. Labor markets would have been even tighter had sidelined workers not started to re-enter the job market. The labor force participation rate bottomed out in 2015 and has staged a modest rebound as rising wages and opportunities have coaxed workers back into the workforce. Measures of private wage growth such as average hourly earnings and the employment cost index have hit their fastest pace in nearly a decade, partly supported by minimum wage increases in a number of states and localities. However, without additional immigration or population growth, the current demographic trends will restrict the scope for future job growth. As a result, the forecast projects decelerating hiring combined with stronger compensation.

Financial markets suffered remarkable volatility at the end of 2018, with equity markets declining steeply in December, resulting in the first full-year losses since 2015. However, both the S&P 500 and the Dow staged solid rebounds at the beginning of the year, posting the strongest quarterly gains in nearly a decade. Factors that contributed to the recovery included a significant pivot in monetary policy, the end of the federal shutdown, strong fourth-quarter corporate profits and buybacks, and the robust national job market. Of these, the most notable was the Fed's transition from tightening to accommodation, both through a pause in interest rate hikes and an announcement that

it would stop reducing its large holdings of Treasury securities accumulated through its three quantitative easing programs after the financial crisis. This shift was motivated by mixed economic and financial data, slackening growth in Europe and China, and the lack of significant inflation pressures. One artifact of the Fed's about-face was a brief inversion of the yield curve at the end of March. While inversions have been reliable harbingers of recessions, it is not a perfect predictor and longer maturity yields are currently artificially low due to the Fed's interventions after the last recession. Thus, unless the condition returns for a protracted period, it is likely that this particular episode is an outlier. Despite the fourth-quarter headwinds last year, NYSE-member firms reported stable fourth quarter profits, bringing full-year 2018 profits to the third highest level since the recession. Preliminary evidence from first-quarter bank earnings revealed more challenging conditions, paradoxically because lower volatility led to a cutback in client trading. In response to revenue shortfalls, the largest banks supported earnings with reduced staff compensation.

The New York City economy continued to expand in 2018, but the job market decelerated for a fourth consecutive year, dipping below two percent growth for the first time since 2010. Nevertheless, 2018 marked the longest job expansion in the City's history and consistent gains continued into 2019. The unemployment rate hit historic lows, and the labor force participation rate rose. These factors have put upward pressure on wages, which has been mirroring the national trend. With the labor market near full employment, the forecast projects that employment will continue to decelerate through the forecast period but with elevated wage growth. These elements will result in a slowing of wage earnings growth from an

exceptionally strong 2017, which benefitted from robust Wall Street compensation that is not projected to continue. Similarly, personal income growth is expected to moderate.

The City's residential real estate trends reflected the national slowdown, particularly at the high-end. Through the first three quarters of 2018, transactions for condos, co-ops, and single-family homes have all fallen relative to the same period in 2017. Condo prices have been particularly weak, while co-op and single-family home prices were up modestly. The slump in purchases drove an upturn in rental markets, with an acceleration of rental rates in 2018 following sluggish prior-year growth. With lower borrowing rates and a healthy job market, sales transaction volume is projected to recover moderately over the next few years. Unlike the residential sector, commercial real estate has been robust, with 2018 Manhattan leasing deals at an all-time high. The City's office space inventory hit a record at the end of the first quarter 2019 with strong development activity. A full construction pipeline will result in significant new inventory in Hudson Yards and Midtown so the forecast expects vacancy rates to continue higher. At the same time, commercial rents will grow, reflecting the higher asking-rents for the new inventory. Tourism volume rose for a ninth consecutive annual increase, a trend that is expected to continue into 2019. Nearly all measures of tourism activity were positive, although the growth of new hotel inventory slowed, leading to a jump in hotel room rates in 2018.

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

THE U.S. ECONOMY

The end of 2018 saw a significant downshift in activity as financial markets tumbled, consumption spending slowed, and household net worth declined steeply. The five-week federal shutdown, worsening trade frictions, and evidence of a slowing global economy also sapped momentum. Since then, the Fed’s pivot to a more accommodative stance appears to have stabilized markets. In particular, its policy reversal signaling a pause in further rate hikes has helped tamp down financial market volatility and led to a decline in interest rates, albeit accompanied by a brief inversion of portions of the yield curve. However, risks still abound, including ongoing trade tensions, Britain’s drawn-out exit from the EU, and slowing growth among major trading partners.

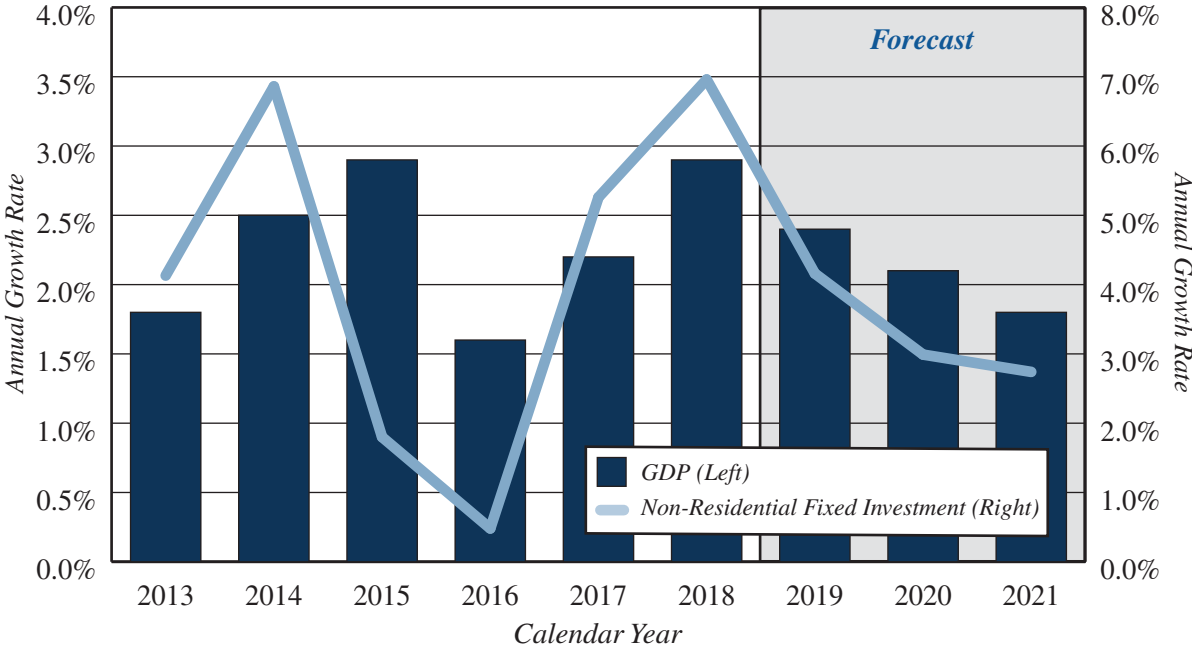
business investment, slowing job markets, and muted global activity. The national economy is projected to expand by 2.4 percent in 2019 and 2.1 percent in 2020.

Real GDP growth softened in the fourth quarter, dropping to 2.2 percent (annualized), below the 4.2 and 3.4 percent pace in the second and third quarters, respectively. The year-end weakness was not serious enough to derail a respectable full-year 2018 growth rate of 2.9 percent, well above the 2.2 percent average annual growth over the past five years. Nevertheless, OMB is projecting a gradual deceleration through the forecast horizon driven by a waning fiscal stimulus, decelerating

The quarterly pattern of growth among GDP components indicates a loss of momentum at the end of last year, although there is evidence of a recovery in the first quarter. Consumption spending contributed less to growth than usual, accounting for just 1.7 percentage points (ppt) of growth in the fourth quarter, down from a five-year average annual boost of 2.3 ppt. This was partly due to a surprisingly weak retail sector during the holidays. Retail sales reported by the U.S. Census Bureau dropped by 1.6 percent in December, the sharpest monthly decline in two decades. The BEA’s estimates of personal consumption expenditures also dipped 0.6 percent in December and the personal saving rate climbed to 7.7 percent, the highest in almost three years as consumers confronted heightened uncertainty from financial market turmoil and the federal shutdown. In particular, weak asset prices led to a 3.5 percent fourth quarter decline in household wealth, the first quarterly contraction in over three years and the largest drop since 2008.

U.S. GDP AND BUSINESS INVESTMENT

GDP grew 2.9 percent in 2018 but is forecast to decelerate due to slower business investment, waning fiscal stimulus, and weaker global growth.



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

The other component that created significant drag in the fourth quarter was residential investment, which subtracted 0.18 ppt from growth, well below the average 0.25 ppt contribution that new home activity has added over the past five years. This was partly a result of the full percentage point jump in mortgage rates in 2018, which led to a sharp deceleration in new home sales. Transactions for new single-family homes grew just 0.6 percent in 2018, down from double-digit growth in each of the prior three years. While not as significant to GDP growth as new, existing home sales also slumped in 2018, dropping about three percent, the first full-year contraction since 2014.

The Tax Cuts and Jobs Act (TCJA) that went into effect at the end of 2017 encouraged business investment, which picked up some of the slack created by the sluggish housing market. Lower corporate tax rates and the provision allowing full expensing of capital investment boosted the growth contribution of nonresidential fixed investment to almost a full percentage point for full-year 2018, nearly double the five-year average of 0.5 ppt. This bump in business spending corresponded to a 6.9 percent year-over-year (YoY) growth rate, a six-year high. However, this impetus is expected to begin fading this year, decelerating to 4.2 and 3.0 percent in 2019 and 2020, respectively.

In addition, government spending has been adding to growth although the stimulus will end by 2020. The source of the recent expansion of Federal expenditures was the Bipartisan Budget Act of 2018, which allowed for a two-year expansion of spending caps above Obama-era limits resulting from the 2011 debt-ceiling impasse. Under the legislation, defense and non-defense spending increased by a total of nearly \$300 billion in fiscal year 2018 and 2019. In 2018, the federal contribution to GDP jumped to 0.17 ppt, up from nil in 2017. The forecast projects that this will grow to 0.25 ppt in 2019 before fading to zero in the subsequent year. One potential challenge for the Trump administration will be an upcoming deadline to raise the debt ceiling. The 2018 deal suspended the debt limits but only through March 2019. As a result, the U.S. Treasury estimates that Congress will again have to raise the ceiling by October. In the absence of new legislation, the original limits, known as the sequester, would automatically cut discretionary federal spending by about 10 percent.

In the most recent data, headwinds appear to be subsiding. Mortgage rates have declined nearly 0.9 basis

points from the November 2018 peak through the end of the first quarter this year. Cheaper borrowing has stimulated housing activity with the Mortgage Bankers Associations purchase index up 26 percent over the first quarter of 2019. New home sales contracted in the fourth quarter of 2018, but rebounded 0.6 percent in the first quarter. Likewise existing home sales recovered in the first quarter (up 1.2 percent) after dropping in the prior quarter.

The picture for consumption is somewhat mixed. Both the Conference Board and the University of Michigan consumer confidence measures dropped in the first quarter. First quarter retail sales were slower than the prior quarter, advancing just 0.6 percent. However, the March report showed some strength, up 1.6 percent. Auto sales grew by only 0.5 percent in 2018, below the five-year average of 3.6 percent. In the first quarter of 2019, seasonally adjusted auto sales declined 3.4 percent, although the monthly patterns may also point to a nascent pickup. While the first two months of the year were sluggish, the March report was up 5.7 percent, the strongest monthly growth in a year and a half and a potential sign that lower interest rates are beginning to lift activity. Looking further out, there are several reasons to believe that consumption will return to a more even footing. The dramatic recovery in asset prices – in particular, the 13 percent jump in the S&P 500 over the first quarter – will help rebuild household wealth. Likewise, the tight labor market has finally resulted in stronger wage growth and the TCJA will continue to lift disposable income until the personal tax provisions sunset after 2025.

As of March, the national labor market had added jobs for a remarkable 102 consecutive months, the longest expansion on record. On an annual average basis, the economy created 2.4 million jobs in 2018 (or 1.7 percent), up from 2.3 million the year before. The average monthly pace of 223,000 in 2018 was more than double the 110,000 new jobs estimated by the Atlanta Fed necessary to absorb new entrants into the job market and maintain a constant unemployment rate. While the jobless rate has been moving lower, dropping from 4.1 percent at the end of 2017 to 3.8 percent in March, it would have fallen even farther had sidelined workers not started to re-entered the job market. This was reflected in the labor force participation rate, which had previously declined from an all-time high of 67.3 percent at the end of the tech boom to a low of 62.4 percent in 2015. By the first quarter of 2019, the measure had rebounded

above 63 percent. Over this period, job openings posted by employers have grown steadily, while the number of unemployed has declined. In the beginning of 2018, the count of job openings finally surpassed the tally of unemployed and, as of early 2019, the ratio of openings to job seekers stood at about 1.2.

Probably the most important factor coaxing workers back into the workforce is the gradual acceleration of wages due both to the tight labor market and to new minimum wage laws; 18 states raised minimum wages floors in 2018 and about as many will implement hikes in 2019. As a result, growth of average hourly earnings hit a nearly 10-year high of 3.3 percent YoY in the fourth quarter 2018, up from 2.5 percent at the end of 2017. Likewise, the employment cost index derived from employer surveys grew at 3.0 percent in the same quarter, up from 2.6 percent a year ago. With headline inflation just above two percent, real wages expanded at better than one percent last year.

One unresolved question is the size of the remaining pool of potential workers who could augment the labor force. Some evidence comes from the broader U-6 measure of unemployment, which has been paralleling the drop in the headline jobless rate. U-6 includes the traditionally defined unemployed and adds marginally attached workers and those employed part-time who would like to work full-time. The gap between the headline and U-6 rate has been narrowing, from over seven ppt during the last recession to just 3.5 ppt in March. This tightening reflects the flow of formerly sidelined workers into the formal labor force. While this nearly matches the narrowest gap during the housing boom (3.4 ppt), it is still above the 2.9 ppt spread during the tech boom, so there appears to be some remaining slack. Nevertheless, it is clear that without faster immigration or more rapid population growth, the inevitable demographic impact of the aging workforce and the retirement of baby boomers will eventually result in a deceleration due to labor supply constraints. As a result, the forecast has national employment growth remaining at 1.7 percent this year, but decelerating to one percent in 2020.

Financial markets successfully weathered the end-of-year gyrations and transitioned to smoother conditions in the first quarter of 2019, albeit with some concern in March with the flattening yield curve. The recent turmoil has elevated the focus on the actions of the Fed, trade negotiations with China, and the start of the first quarter earnings season. While Wall Street earned robust profits

in 2018, it came partly due to restrained compensation growth, a trend that continued into the first quarter.

The volatile conditions last year resulted in the first full-year equity market losses since 2015, with particularly alarming price drops at the end of the year. Since then, both the S&P 500 and Dow have rebounded strongly, up 13 and 11 percent in the first quarter, respectively, the strongest quarterly gains in nearly a decade. Probably the most important factor to stabilize markets was the Fed's shift in monetary stance from tightening to accommodation. Further good news included the end of the federal government shutdown, strong fourth quarter corporate profits, and a continuation of robust job and wage growth into 2019.

Measures of volatility, which were elevated last year, are reflecting the return of more tranquil conditions. The CBOE's volatility index, which is a measure of expected volatility in the S&P 500, peaked at 36 on Christmas Eve last year but ended the first quarter at 14, close to the five-year average of 15. The trading days ratio – the share of S&P 500 trading days with a daily increase or decrease larger than one percent – also dropped accordingly from 44 percent in the fourth quarter to just 18 percent in the first, also matching the five-year average. Despite the improving conditions, retail investors remain risk-averse. According to Investment Company Institute data, money continued to move from equity mutual and exchange traded funds into bond funds. In the first quarter, investors redeemed \$13 billion from equity funds while purchasing \$110 billion in bond funds. However, the outflows from equity funds appear to be slowing – in the fourth quarter of 2018, investors pulled \$61 billion out of equity investments, mostly in December when outflows totaled \$57 billion.

The improvement in market sentiment was driven by several factors. At the beginning of the year, the Fed began to pivot from a policy of tightening to a wait-and-see mode, with Chairman Powell announcing in January that the current fed funds rate was close to the Fed's estimate of a neutral level. In addition, the Federal Open Market Committee (FOMC) issued a statement in March that it would halt the reduction of its portfolio of Treasury securities in the fourth quarter of 2019, a step that is effectively accommodative. Investors were further reassured by healthy fourth quarter corporate profits, which grew by 7.4 percent YoY, bringing the full-year pace to 7.8 percent – the strongest showing in six years. At the same time, fourth quarter share buybacks, partly

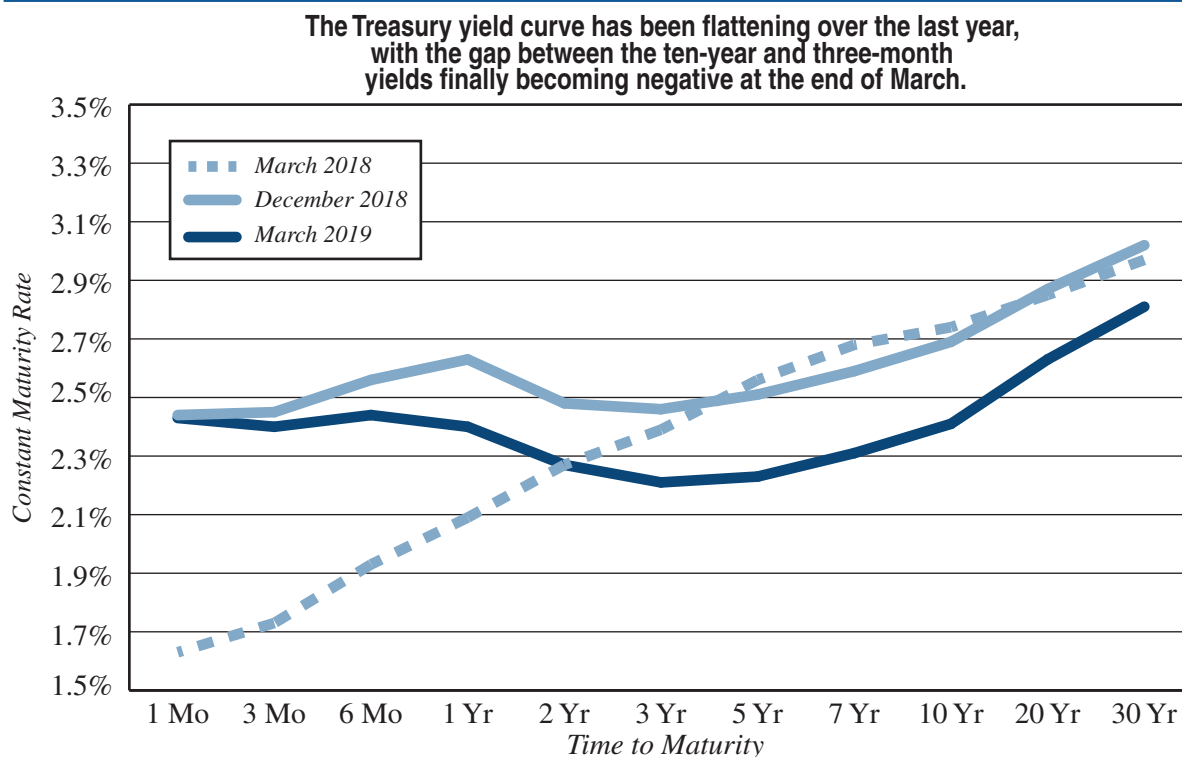
funded by TCJA savings, accelerated to \$223 billion, up 63 percent from the same quarter in 2017. The pace of buybacks will likely continue into 2019. Repurchases of shares totaled \$806 billion for full-year 2018, 55 percent higher than 2017.

Although initial reports indicated that the fourth quarter turmoil slowed activity on Wall Street, NYSE-member firms reported aggregate profits of \$6.7 billion in the fourth quarter, about the same level as a year-ago. This brought the full-year tally to \$27.3 billion, up 11.3 percent from 2017 and the third highest annual figure since the recession. While the volatility dampened fourth quarter trading and underwriting revenue, other business lines offset the weakness. In addition, firms have been keeping tight control over labor costs, with fourth quarter compensation down 6.3 percent YoY. As a result, OMB estimates that the Wall Street bonus pool declined by 9.5 percent from 2017 levels.

While the full NYSE-member firm data for the first quarter is not yet available, preliminary evidence from the Big-5 banks indicates that the first quarter was more challenging, paradoxically due to the calmer conditions.¹ Aggregate profits for the investment

banking units of the Big-5 declined 11 percent YoY. The first quarter last year was particularly volatile, which encouraged trading as clients rearranged portfolios to hedge risk. In the most recent quarter, smoother conditions led to diminished trading and double-digit declines in trading revenue at all but one of the Big-5 banks. Net revenue was down 6.5 percent and profits would have suffered larger declines had the firms not also reduced compensation significantly. In particular, Goldman Sachs cut pay and bonus pool reserves by nearly 20 percent in the first quarter. The slowdown was less pronounced in the consolidated results, which include the performance of the commercial and retail arms of the banks. Pretax earnings were down about one percent, bolstered by stronger net interest income. This revenue source, which results from the spread between funding costs (such as deposit rates) and the rate that the bank charges borrowers, is sensitive to the slope of the yield curve. Long-term rates climbed through November 2018 while deposit rates remained low so net interest income rose. However, the Fed's rate hikes last year flattened the curve by raising short-term rates and, if the pattern persists, net interest income will likely start to weaken.

YIELD CURVE



Source: U.S. Treasury

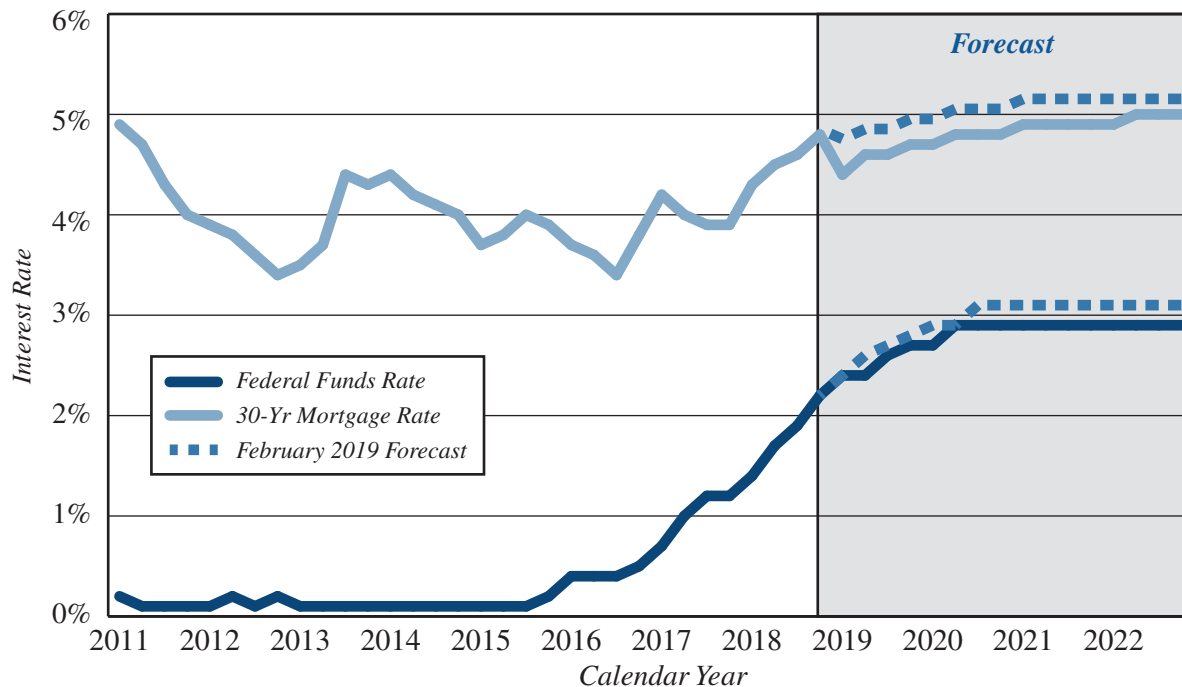
1 Bank of America, Citigroup, Goldman Sachs, JP Morgan, Morgan Stanley

The yield curve normally slopes up with the gap between long and short maturity yields generally positive. Although rare, negative spreads associated with an inverted yield curve have been an indicator of future recessions – each of the last seven recessions was preceded by yield curve inversions. Spreads have been narrowing, but remained positive for most of the current expansion. However, the 10-year yield finally dipped below the three-month rate for five days at the end of March, only to quickly return to positive territory in April. Although the inversion is an ominous sign, it is far from certain that a downturn will occur in the near future. Yield curve inversions have occurred in the past without a subsequent recession and the time between inversions and the start of a slowdown vary from six months to two years. In addition, longer-term Treasury yields have been artificially suppressed by the Fed’s three quantitative easing programs in the wake of the financial crisis, which has led to a flatter yield curve profile. Unless the inversion returns for a protracted period and appears in spreads of additional durations, it is likely that this particular episode is an outlier.

The mixed message from domestic economic and financial data, fading global growth, and inflation running below two percent caused the Fed to pivot from monetary tightening to a wait-and-see mode. At both the January and March FOMC meetings the Fed left the fed funds rate unchanged, maintaining the current policy rate in the 2.25 to 2.50 percent range. In January, Fed Chair Jerome Powell announced that the case for raising interest rates had weakened and the Fed’s March forecast projections showed that the consensus view of the Fed regional banks was for no further rate hikes. Thus, after nine quarter-point increases starting in 2015 when short-term rates were nearly zero, the effective federal funds rate currently stands at 2.41 percent as of April. Financial markets have priced in this new accommodative path. April fed fund futures prices quoted on the Chicago Mercantile Exchange are consistent with zero rate hikes in 2019. NYC OMB projects that the federal funds rate will remain under three percent for the rest of the forecast horizon.

U.S. INTEREST RATES

Interest rates are projected to flatten out in the out-years. The forecast path was also lowered due to slower domestic growth and growing global risks.



Source: NYC OMB

In addition to calling a halt to interest rate increases, the Fed also announced that by September it would conclude its policy to reduce holdings of Treasury securities, just two years after the start of the program. The Fed's balance sheet currently stands at \$3.9 trillion in April 2019, down from its peak of \$4.5 trillion in January 2015. In February, Powell testified that the Fed plans to leave the balance sheet near \$3.5 trillion, up from just below \$1 trillion before the financial crisis a decade ago.

The Fed's shift in policy came in the midst of mixed economic data that was also subject to delays from the federal government shutdown. Employment gains slowed marginally in the first quarter to a monthly average of 180,000, down from the 2018 monthly pace of 220,000. The unemployment rate remained at a low of 3.8 percent and average hourly earnings grew 3.2 percent on an annual basis in March. Consumer price inflation, as measured by the Personal Consumption Expenditures (PCE) price index, grew 1.4 percent YoY. The Core PCE, the Fed's preferred price index, which excludes volatile food and energy costs, rose 1.8 percent YoY but still remains under the Fed's two percent target. However, other indicators were less optimistic. The ISM manufacturing index decelerated in March, standing at 55.3. Meanwhile, the non-manufacturing index dropped in March to 56.1, the lowest level since August 2017 and its biggest decline since the recession.

The Fed also tempered its own forecast of economic growth in the upcoming years. In the most recent FOMC meeting in March, the median projection for real GDP growth was revised to 2.1 percent for 2019, down from 2.3 percent previously forecast in December. The March consensus also projected a higher unemployment rate in 2019 than that at the December's meeting, rising to 3.7 percent from 3.5 percent.

In term of global risks, Chair Powell pointed to a number of factors such as slackening growth in Europe and China, the UK's unresolved Brexit, and U.S. trade policy as major concerns. European Central Bank (ECB) President Mario Draghi indicated that the ECB would leave its key interest rate unchanged for the year amid headwinds ranging from the slowdown in Germany to Brexit. Germany's manufacturing index and exports plunged in the latest data, weakening Europe's largest economy. Meanwhile, the Bank of England also kept its key interest rate on hold at 0.75 percent in response to rising uncertainty over Brexit. China reported its weakest economic growth in three decades amid global trade tensions. The Chinese government increased spending on infrastructure projects and lowered taxes for businesses to stimulate growth. Other central banks also left their interest rates unchanged, including the Bank of Canada and the Bank of Japan.

In its role as financial regulator, the Fed has started the annual stress test for the country's largest banks. This two-part exercise, known as the Dodd-Frank Act stress testing and the Comprehensive Capital Analysis and Review, examines how banks would endure a hypothetical episode of heightened economic and financial market duress. In this year's severely adverse scenario, GDP falls eight percent from its pre-recession peak and the unemployment rate jumps to 10 percent. In this downturn, banks are also faced with a sharp drop in asset prices, with housing prices and commercial real estate prices dropping 25 percent and 35 percent, respectively. Results are typically announced in June.

THE NEW YORK CITY ECONOMY

The New York City economy continued to expand but at a decelerating pace in 2018. Although job growth softened for the fourth consecutive year, 2018 marked the longest jobs expansion on record in data going back to 1950. Total employment grew by 87,000 jobs in 2018, corresponding to 1.9 percent growth, dipping below two percent for the first time since 2010. The first quarter of 2019 has kept pace with 2018 – growing on average two percent YoY. The labor market continued to tighten with historically low levels of unemployment — 4.1 percent in 2018 — and a high labor force participation rate of 60.7 percent. These market conditions have placed upward pressure on wages. Average hourly earnings grew at a healthy 3.1 percent in 2018, 0.88 ppt higher than the prior five-year average. Looking ahead, growth

should slow as gains in employment and population decelerate. NYC OMB expects total employment to increase by 1.5 percent in 2019 and 1.4 percent in 2020.

The annual benchmark revision released in March by the NYS Department of Labor (NYS DOL) had significant effects on multiple industries going back nearly three decades. NYS DOL integrated a new source of local government employment data and reclassified firms into more appropriate sectors. For example, a portion of highly-compensated workers initially in wholesale trade (specifically in wholesale electronics markets) were moved to the information sector, causing an abnormal jump in that sector’s wages.

New York City Job Growth Forecast

Industry	2018 Level	Forecast	
		2019 Level Change	2020 Level Change
Total	4,551	69	66
Private	3,963	71	66
Financial Activities	475	6	6
Securities	181	1	3
Professional & Business Services	762	17	19
Information	204	3	1
Education	255	1	3
Health & Social Services	751	23	18
Leisure & Hospitality	463	9	10
Wholesale & Retail Trade	490	4	5
Transportation & Utilities	141	3	2
Construction	158	2	0
Manufacturing	71	0	-1
Other Services	193	3	3
Government	588	-2	0

Source: NYC OMB

Note: Totals may not add up due to rounding.

Several industries showed weakness in recent employment data. For example, in 2018 leisure & hospitality positions accounted for 5.3 percent of all new jobs (adding 4,600 positions), less than the 17.2 percent average of the previous five years. Retail trade employment contracted in 2018, shedding 600 jobs. Facing competition online, retail has suffered both in the City and nationally. NYC OMB projects that retail jobs should expand in 2019 and 2020 due to consistent income gains, although the pace will fall short of projected total employment growth. Decelerating job growth is also evident in higher-paid industries. Consistent with the slowdown in housing on the local and national level, the City's real estate employment (with an average wage of \$80,700 in 2017) expanded by only 1.7 percent in 2018, less than the 2.3 percent average growth of the prior five years and 2.6 percent growth in 2017. The forecast projects above two percent real estate job growth in 2019 to be followed by growth of at most one percent in each of the next four years.

Due to the tight labor market and minimum wage increases, wage growth has accelerated. Average wages grew 4.5 percent in the first three quarters of 2018, which is strong compared to the same period in previous years. Strength in 2017 was partially due to strong Wall Street profits. Accordingly, wages in the highly compensated securities sector grew 6.8 percent in the first three quarters of 2017, faster than the 3.2 percent growth in overall wages. During the same period of 2018, growth in Wall Street profits slowed, so wages in the securities subsector only increased by 0.4 percent. Meanwhile, private non-finance wages grew at a faster pace in the first three quarters of 2018 (4.5 percent) than in 2017. NYC OMB projects 4.3 percent growth in 2019 and 2.7 percent in 2020.

The three traditional office-using sectors (financial activities, information, and professional services) account for more than a third of all private sector employment. Within the office-using sectors, the City's reliance on Wall Street is waning as professional services is expanding. In 2007, financial activities accounted for 14.6 percent of private sector employment and professional services accounted for 18.5 percent. Since then, the share of financial activities fell more than two percentage points to 12.0 percent in 2018, while professional services grew nearly one percentage

point to 19.2 percent. The information sector share has remained at five percent through the entire period.

As previously discussed, average wage growth in the information sector was biased upwards due to industry reclassifications in the most recent benchmark. With an average wage of \$137,000 in 2017 and considerable wage growth of ten percent during the first three quarters of 2018, the information sector is projected to register softer wage growth in each of the following three years. The finance sector saw a large spike in wages in 2017, followed by an expected contraction of 3.1 percent in 2018. Average annual wage growth in the professional services from 2013 through 2017 was 1.8 percent, below the 4.3 percent growth during the first three quarters of 2018. The forecast projects wages in professional and business services to grow by 4.9 percent in 2019.

In addition to a tight labor market and healthy Wall Street profits, the recent \$15 minimum wage supported overall wage growth at the lower end of compensation. The leisure & hospitality and retail trade sectors were the most affected by the minimum wage policy. From the first three quarters of 2015, the year before the first wage hike, to the first three quarters of 2018, average wages in leisure & hospitality surged 13.3 percent. Likewise, retail trade wages increased 14.1 percent since 2015, while the overall private sector grew at half that pace (7.1 percent). In the first three quarters of 2018 from the prior year, leisure & hospitality and retail trade wages grew 4.5 and 5.9 percent, respectively, while the overall private sector grew 3.4 percent.

Healthcare, a non-cyclical pillar of job growth, produced 45.9 percent of all job gains in 2018 after accounting for 34.4 percent in the prior year. In 2018, the healthcare industry added 39,800 jobs to employ 751,000 workers total, adding more than twice the positions of the next highest private industry (professional & business services at 19,000). High employment growth is likely a response to the increased demand from the aging population and number of insured in the City. The population of City residents 60 years of age and over grew five percent in 2017, the strongest pace since 2006. The forecast projects decelerating, though still robust, job growth starting in 2019 as population growth slows.

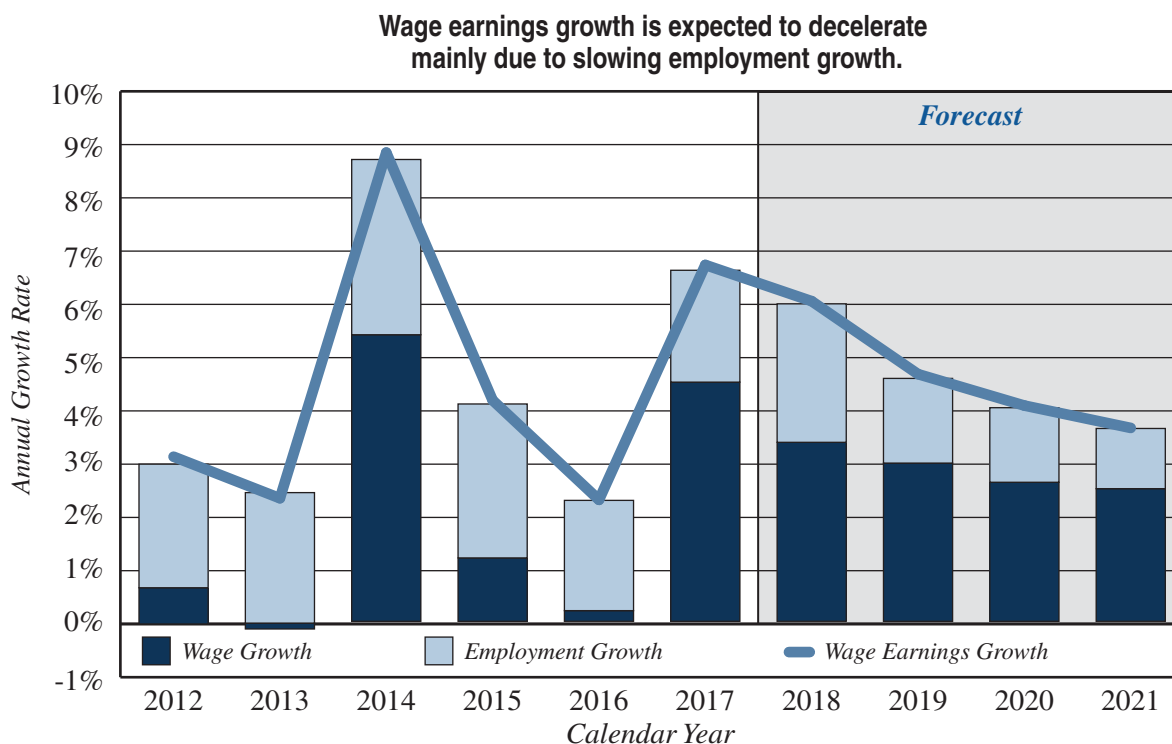
Total wage earnings grew 6.7 percent in 2017 — stronger than the average of 4.5 percent in the prior seven years — and hit a record high of \$382 billion in data going back to 1975. The momentum continued in 2018, with 7.5 percent YoY growth through the first three quarters. However, because of decelerating employment growth, earnings increases are expected to slow to 4.6 percent in 2019 and 4.0 percent in 2020. Since the slowdown in the financial sector compensation is expected to continue this year, non-financial private sector wage earnings (6.3 percent) are expected to outpace finance earnings (2.9 percent) in 2019. NYC total personal income, a broader measure of earnings, jumped 7.0 percent in 2017, the highest rate since 2011. Personal income growth is projected to slow to 4.6 percent in 2018 and 3.6 percent in 2019, similar to the 4.4 percent annual average between 2012 and 2016.

Despite strong income growth, the housing market has been struggling, especially in higher-end markets. Data from the NYC Department of Finance reveal that in the first three quarters of 2018 condo transactions fell 15.5 percent YoY, while average condo prices declined 8.5 percent. Single-family homes and

co-ops sales contracted more modestly by 3.9 percent and 9.4 percent, respectively, while single-family and co-op prices were up by 5.9 percent each. Data from StreetEasy revealed that overall prices in the City grew by only 1.9 percent YoY in the second half of 2018 — the softest semi-annual growth rate since 2017 — while preliminary data for the first quarter of 2019 showed even weaker growth. On the bright side, tight labor markets, continued wage growth, and low borrowing rates will support higher demand for houses, so OMB expects positive price growth for condos, single-family homes, and co-ops in 2019.

Data from Douglas Elliman Real Estate also indicate a downturn in higher-end housing. Co-ops and condos sales in Manhattan were down 14.3 percent in 2018, the largest drop in in the current expansion. Monthly supply, which gauges inventory changes, increased 28.8 percent, and the average sales price in Manhattan declined by 3.4 percent in 2018. The latest report revealed average prices growing by 9.6 percent YoY in the first quarter of 2019; however, this was mainly due to a record \$240 million transaction at 220 Central Park South. Without this outlier, average price growth would have been a more modest 3.6 percent.

GROWTH IN WAGE EARNINGS AND ITS COMPONENTS

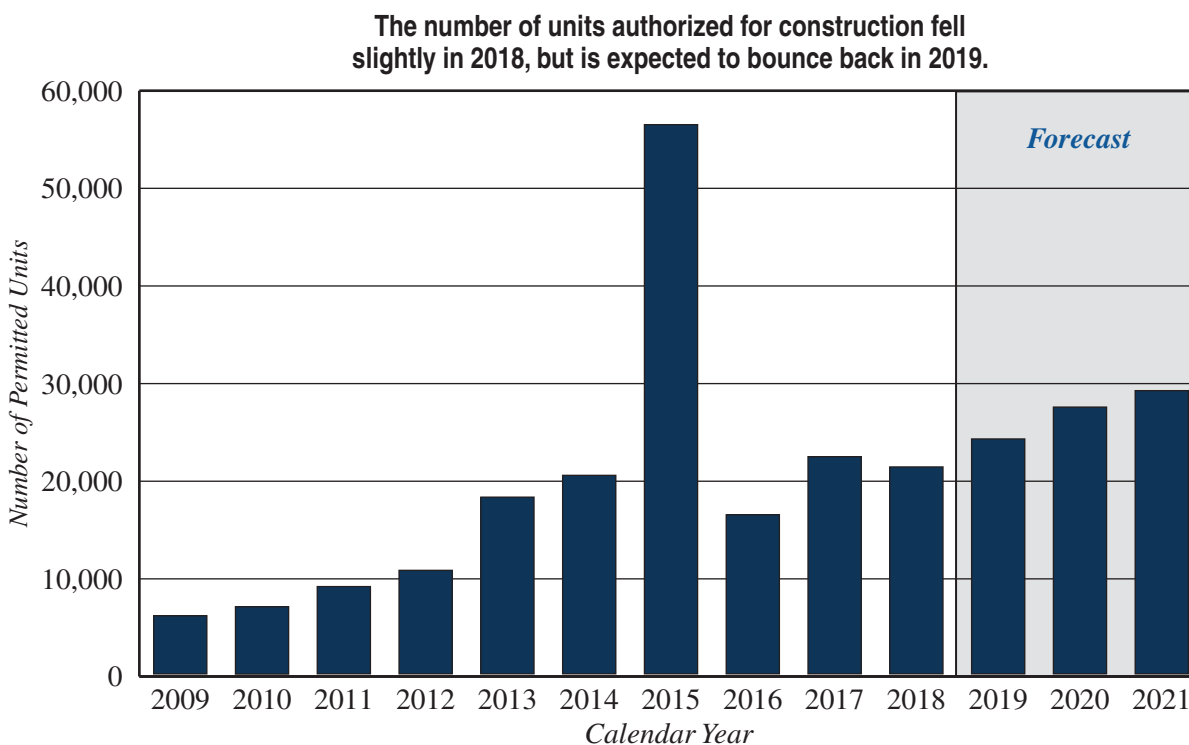


Source: New York State Department of Labor, NYC OMB

The deceleration in housing may have discouraged construction activity. According to the U.S. Census, NYC building permit filings led to the authorization of 21,191 new residential units in 2018 — lower than 22,242 in 2017. Filings were concentrated in Brooklyn, which accounted for 8,445 new permitted units in 2018 — the borough’s highest figure since 2015, when developers rushed to obtain 421-a tax exemptions prior to the expiration of the program. Bronx and Manhattan permit issuance led to 3,979 and 3,584 new units, respectively, each adding approximately 1,300 less than

they did in 2017. Queens saw 4,577 newly permitted units — less than the 5,104 units in 2017. New data for 2019 is more optimistic, perhaps due to the recent decline in mortgage rates; NYC registered 2,976 newly permitted residential units in January, double the volume last January and the largest monthly addition since the beginning of 2017. OMB expects developers to remain optimistic, leading to permit filings for the construction of approximately 24,000 units in 2019.

NYC RESIDENTIAL PERMITS



Source: U.S. Census Bureau

NYC residents appear to be turning towards the rental market. The StreetEasy Repeat-Rent Index, based on activity in Manhattan, Queens and Brooklyn, grew 1.2 percent YoY in 2018, over double the pace of the prior year. Rent growth accelerated to 2.3 percent in the first quarter of 2019. Discounts continued to disappear; NYC’s share of listings that received a reduction in asking rent fell 2.9 ppt YoY in the first quarter, the fourth consecutive quarter of decline.

Although luxury housing slowed in 2018, the market for high-end commercial real estate heated up. There were 88 large commercial transactions (worth over \$100 million) in 2018 — up from 54 in 2017. The average size of these transactions was \$299 million, 13 percent higher than last year’s average. Some notable deals included Google’s purchase of Chelsea office space for \$2.4 billion and multiple property transfers involved in Brookfield Asset Management’s \$6.8 billion acquisition of Forest City Realty Trust. The latter sale consisted of multiple purchases split between fourth quarter 2018 and first quarter 2019. This helped push the first quarter to 33 large commercial deals, a quarterly record in data going back to 1999.

Commercial real estate leasing has also been

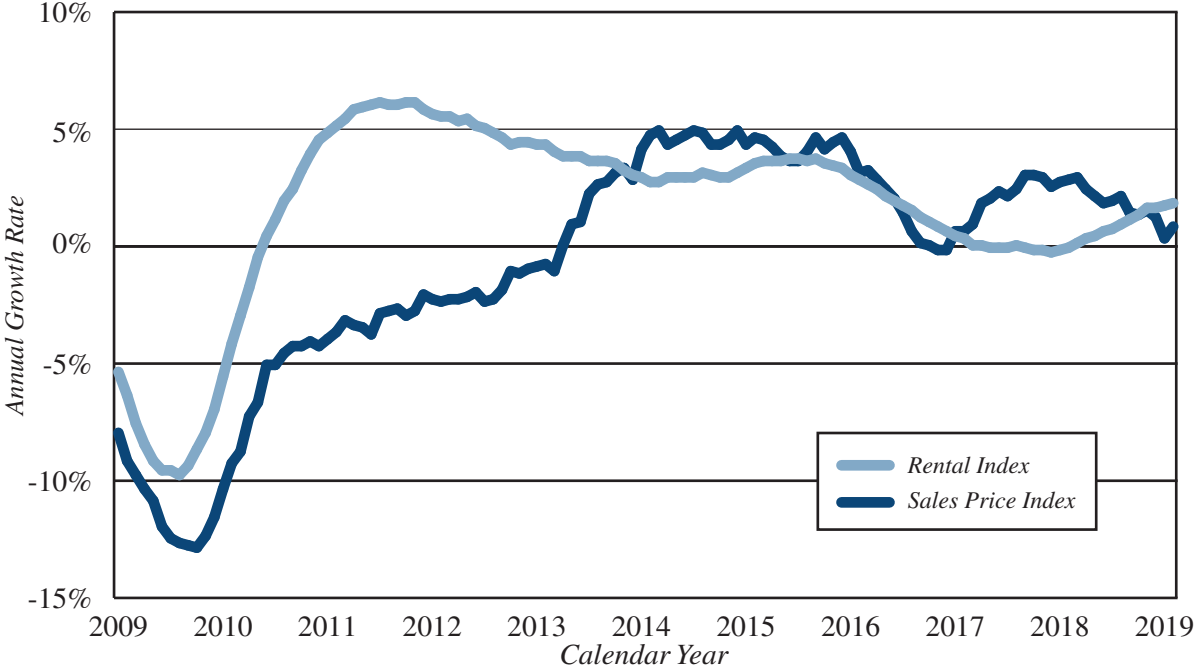
robust. In 2018, Manhattan leasing activity totaled 35.9 million square feet (msf) — the highest annual figure ever recorded. This was mainly due to activity in Midtown North, which registered 23.7 msf of leasing in 2018, up 20 percent YoY. Midtown South achieved 7.0 msf of leasing activity, a 39.3 percent YoY gain. Downtown leasing activity was 5.2 msf in 2018, a 9.4 percent decline compared to the prior year.

In the beginning of the year, demand for office space remained healthy, but exhibited a shift in composition towards downtown as space in 7 Hanover Square and the World Trade Center complex was absorbed. In the first quarter, leasing activity totaled 8.3 msf for the strongest first three months of a year since 2014, with downtown activity accounting for 2.6 msf of leasing — this was 31 percent of the total and a 215 percent increase over the prior year. Meanwhile, Midtown North and South activity together amounted to 5.7 msf, 9.4 percent less YoY.

Supply growth has also been notable. The City’s total office space inventory hit a record level of 401.1 msf by the end of the first quarter, while the overall vacancy rate was 10.1 percent — 1.4 ppt higher YoY.

STREETEASY REPEAT-SALES INDEXES

NYC housing prices grew at a slower pace in 2018, while rent growth accelerated.



Source: StreetEasy

Downtown contained 56.8 msf of class A inventory in the first quarter, a 4.8 percent YoY increase, while its primary vacancy rate grew by 1.4 ppt to 11.3 percent. Midtown South's inventory also grew, pushing up its primary vacancy rate by 6.9 ppt YoY to 10.7 percent. The vacancy rate in Midtown North remained at 9.5 percent, but ongoing developments such as Hudson Yards are expected to enter the market and put upward pressure on the vacancy rate. As a result, NYC OMB expects that the overall primary vacancy rate will rise throughout the forecast horizon, reaching 13.0 percent in 2023.

Workplaces continued to consolidate. There were 251 square feet of occupied office space per employed office-using worker in 2018 — this was the lowest amount on record (in data going back to 1995) and the ninth consecutive year of decline. Some recent examples of consolidating firms include Aetna, which plans to relocate its employees at 100 Park Avenue and 1333 Broadway to One Soho Square and Red Ventures, which plans to relocate its subsidiaries Bankrate and The Points Guy under one roof at 100-104 Fifth Avenue. NYC Health & Hospitals announced it would consolidate employees from six locations into 50 Water Street, and JPMorgan will begin construction this year on a new 2.5 msf headquarters at 270 Park Avenue, which will house approximately 15,000 employees and consolidate staff from various Midtown locations.

Commercial rents have been picking up this year due to new high-end inventory. The overall market asking rent grew by 1.4 percent YoY in the first quarter after declining by 0.2 percent in full-year 2018. This rebound is largely due to the addition of higher-priced Midtown South developments such as 63 Madison Avenue, 620 Avenue of the Americas, and 233 Spring Street. Primary rents in Midtown South grew 15.1 percent YoY in the first quarter — the strongest growth in two years. However, Midtown North rents fell 1.4 percent YoY because particularly expensive offices at 1290 Avenue of the America found tenants and left the market. Downtown rent growth remained at a robust 8.8 percent YoY.

The NYC tourism industry remained strong, with the City hosting 65.1 million visitors in 2018 for a ninth consecutive yearly gain. NYC & Co. is projecting 67.1 million visitors for 2019. Domestic travelers accounted for 79 percent of the total in 2018. International visitors grew 3.8 percent YoY — outpacing domestic growth of 3.6 percent. The United Kingdom was again the top visitor origin with 1.3 million, and

the top three English-speaking countries (UK, Canada, and Australia) accounted for an estimate of 3 million visitors or 22 percent of total international travelers. China remained in the second spot, with 1.1 million tourists and business travelers in 2018.

The higher number of visitors was also reflected in airport arrivals in 2018, which expanded to 138 million, up 4.3 percent on an annual basis. The hotel occupancy rate averaged 88.1 percent in 2018, a gain of 0.63 ppt from 2017. Hotel inventory also grew by 119,000 rooms in 2018, increasing 2.2 percent, slower than the 3.6 percent pace in 2017. Strong demand and the deceleration in completions of new developments pushed the average daily room rate to \$291, up \$8 per night from 2017. NYC OMB forecasts growth in hotel room rates and inventory to decelerate and plateau in the out-years.

Broadway shows also reported a strong year. The gross ticket sales for performances reached \$1.8 billion in 2018, the highest level in data going back to 1995. Attendance also reached 14.4 million, a 4.6 percent rise YoY. The top three shows — Wicked, the Lion King, and Aladdin — sold an estimated 2.2 million seats, bringing in a total gross of \$285 million.

Risks to the Forecast

While the economy and financial markets are gradually recovering from difficulties last year, there are still a number of risks that could encumber the moderate growth in the current forecast. The immediate concern is that the trade tensions with China and the EU could escalate. In addition, global growth is waning. Heightened trade restrictions and other imbalances have led the IMF to downgrade its 2019 global growth estimate three times over the past year, from 3.9 percent in April 2018 to 3.3 percent in the most recent forecast. In Europe, Germany, Italy and the UK are all facing slowdowns with the latter also facing political turmoil from the Brexit debate. China recently reported the slowest GDP growth in almost three decades, albeit high by developed-country standards. In response, the government has implemented tax cuts, increased infrastructure spending, and eased credit. Domestically, continued weakness in housing and another yield curve inversion would be troubling harbingers of a future downturn. In addition, the waning fiscal stimulus will weigh on growth in 2020.

**Forecasts of Selected Economic Indicators for the United States and New York City
Calendar Year 2018-2023**

	2018	2019	2020	2021	2022	2023	1979- 2017*
NATIONAL ECONOMY							
Real GDP							
Billions of 2012 Dollars	18,571	19,011	19,414	19,759	20,091	20,410	
Percent Change	2.9	2.4	2.1	1.8	1.7	1.6	2.6%
Non-Agricultural Employment							
Millions of Jobs	149.1	151.6	153.1	153.8	154.5	155.1	
Level Change	2.5	2.5	1.5	0.7	0.7	0.6	
Percent Change	1.7	1.7	1.0	0.5	0.5	0.4	1.3%
Consumer Price Index							
All Urban (1982-84=100).....	251.1	256.1	261.6	267.7	274.2	280.8	
Percent Change	2.4	2.0	2.1	2.3	2.4	2.4	3.3%
Wage Rate							
Dollars Per Year	59,268	60,868	62,916	65,275	67,864	70,602	
Percent Change	2.8	2.7	3.4	3.7	4.0	4.0	3.8%
Personal Income							
Billions of Dollars	17,581	18,334	19,147	19,987	20,852	21,719	
Percent Change	4.5	4.3	4.4	4.4	4.3	4.2	5.7%
Before-Tax Corporate Profits							
Billions of Dollars	2,173	2,213	2,305	2,407	2,481	2,604	
Percent Change	-0.4	1.9	4.1	4.4	3.1	5.0	5.3%
Unemployment Rate							
Percent	3.9	3.6	3.6	3.8	4.0	4.2	6.3% avg
10-Year Treasury Note							
Percent	2.9	2.8	3.1	3.2	3.3	3.3	6.3% avg
Federal Funds Rate							
Percent	1.8	2.5	2.8	2.9	2.9	2.8	5.0% avg
NEW YORK CITY ECONOMY							
Real Gross City Product**							
Billions of 2012 Dollars	863.8	889.7	905.0	915.2	923.8	927.4	
Percent Change	4.8	3.0	1.7	1.1	0.9	0.4	2.7%
Non-Agricultural Employment***							
Thousands of Jobs	4,551	4,624	4,690	4,744	4,795	4,842	
Level Change	86.7	68.9	66.1	53.3	51.3	47.1	
Percent Change	1.9	1.5	1.4	1.1	1.1	1.0	0.8%
Consumer Price Index							
All Urban (1982-84=100).....	273.6	278.6	284.7	291.4	298.5	305.6	
Percent Change	1.9	1.8	2.2	2.3	2.4	2.4	3.5%
Wage Rate							
Dollars Per Year	92,893	95,654	98,155	100,598	103,263	105,569	
Percent Change	3.4	3.0	2.6	2.5	2.6	2.2	4.7%
Personal Income							
Billions of Dollars	639.1	662.1	684.7	707.1	729.7	751.7	
Percent Change	4.6	3.6	3.4	3.3	3.2	3.0	5.8%
NEW YORK CITY REAL ESTATE MARKET							
Manhattan Primary Office Market							
Asking Rental Rate****							
Dollars per Square Feet	78.84	83.70	86.30	89.38	93.32	95.58	
Percent Change	-0.3	6.2	3.1	3.6	4.4	2.4	2.4%
Vacancy Rate****							
Percent	9.4	10.4	10.5	9.7	11.6	13.0	10.5% avg

* Compound annual growth rates for 1979-2017. Compound growth rate for Real Gross City Product covers the period 1980-2017.

** GCP estimated by OMB.

*** Employment levels are annual averages.

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

TAX REVENUE¹

OVERVIEW

The New York City economy continues to expand at a moderate pace in 2019. Tax revenue is expected to increase 3.0 percent, to nearly \$61 billion in 2019, and increase 3.7 percent in 2020 to approximately \$63 billion.

Forecast Summary for 2019

Property tax is expected to grow 6.0 percent in 2019, continuing a trend of at least six percent growth for the last five years. *Non-property tax* revenue is forecast to grow 1.5 percent over last year, decelerating from the 9.2 percent growth experienced in 2018.

The deceleration in non-property taxes can largely be attributed to a drop in both the personal income tax and the unincorporated business tax. *Personal income tax* declines 4.9 percent in 2019 due to the reversal of one-time revenues in 2018. These one-time revenues included the conversion of the City's STAR rate cut to a New York State credit which artificially lifted withholding throughout all of 2018. In addition, personal income tax payments were likely boosted by the repatriation of non-qualified deferred compensation from overseas accounts. Despite the 2019 drop, the underlying economics, including strong wage growth and positive, though volatile, stock markets, persist.

The *unincorporated business tax* is expected to decrease 3.6 percent in 2019. This comes following a strong 8.9 percent growth in 2018. The decline is also attributable to similar reasons as those seen in the personal income tax. Taking away such impacts from the prior year, collections would exhibit moderate growth rather than a decline.

Sales tax in 2019 is expected to grow 5.2 percent over the last year, reflecting the underlying pace of economic growth.

Corporate tax collections are forecast to increase 12.6 percent in 2019. This represents a recovery from the prior three years that saw corporate tax collections decline 11.4 percent, 4.9 percent and 0.2 percent in 2016, 2017 and 2018, respectively. The high levels of calendar year 2018 Wall Street profitability, healthy corporate profits growth and tax payments not suppressed by prior tax year's overpayments on account, support the robust growth of corporate tax collections.

The City's *transaction taxes* are forecast to increase 5.5 percent in 2019, due to significant strength in commercial transaction activity, which offsets weakness in the residential market.

All other taxes including hotel, utility, commercial rent tax and other taxes are expected to grow at a healthy pace.

Forecast Summary for 2020

Property tax revenues continue to trend higher with growth of 6.2 percent. *Non-property taxes* are expected to grow 1.8 percent, led by 3.3 percent growth in *personal income tax* revenue. Apart from personal income tax, other taxes are mixed. *Unincorporated business tax* is expected to return to growth, increasing 1.8 percent, while *sales tax* continues its healthy growth of 5.6 percent. *Corporate taxes* are expected to decrease 3.8 percent in 2020. *Transaction taxes* are forecast to decrease 4.9 percent.

NYS EXECUTIVE BUDGET ACTIONS

Sales Tax on Internet Market Place

On April 12, 2019, the Governor signed into law the NYS Enacted Budget Article VII Bill, Chapter 59.

The enacted legislation requires online marketplace providers to collect sales tax on any sale of tangible personal property to NYS residents regardless of vendor location (due to the elimination of nexus requirements for remote sellers with sales exceeding \$300,000 or 100 transactions) from a marketplace seller. This includes

keeping accurate records of the transactions, along with proper documentation for exemptions, refunds and credits. This shifts the collection of sales taxes from the marketplace sellers to the marketplace providers, simplifying the tax collection process and easing the burden on small vendors. A marketplace provider is

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

not liable for tax collection if incorrect information was given to the marketplace provider by the marketplace seller and they are not affiliated.

NYS statute directs the amount of additional State and City sales tax revenues generated by marketplace providers and other out-of-state retailers to be “intercepted” by the State Comptroller and deposited into the New York Central Business District Trust Fund.² These funds will be deposited monthly into the trust fund in equal installments. The amount of NYS sales tax collected and deposited into the fund will be \$112.5 million in State fiscal year (SFY) 2019-2020, \$150 million in SFY 2020-2021, and will increase one percent annually in SFY 2021-2022 and beyond. The NYC sales tax collected and deposited into the fund will be \$127.5 million in SFY 2019-2020, \$170 million in SFY 2020-2021, and will increase one percent annually in SFY 2021-2022 and beyond.

Additional Real Estate Transfer Tax on Residential and Commercial Properties

NYS Adopted Budget for fiscal year 2020 implemented a new supplemental tax on residential and commercial transactions in New York City to fund the MTA. All the new revenue will be deposited into the Central Business District (CBD) Tolling Capital Lockbox.

All residential transactions with a sale price of \$3 million and above and all commercial transactions with a sale price of \$2 million and above will be subject to an increase of 0.25 percent in the State Real Property Transfer Tax. This implies an increase in the rate from 0.4 percent to 0.65 percent.

In addition, there will be a supplemental State mansion tax on residential transactions in New York City with a sale price of \$2 million and above. This progressive rate starts at 0.25 percent for residential transactions with a sale price of \$2 million and above and tops out at 2.9 percent for transactions with a sale price of \$25 million and above. Properties that are subject to these new additional taxes will also be subject to the existing City and State taxes, which remain unchanged.

² The New York State Adopted Fiscal Year 2020 Budget directs the share of State and City sales tax revenues from internet marketplace purchases into a newly created Central Business District Trust Fund, which subsequently would be appropriated by the Legislature to the CBD Tolling Capital Lockbox to support the MTA’s 2020-2024 Capital Plan (as well as subsequent capital plans).

**2019 and 2020 Tax Revenue Forecast
(\$ in Millions)**

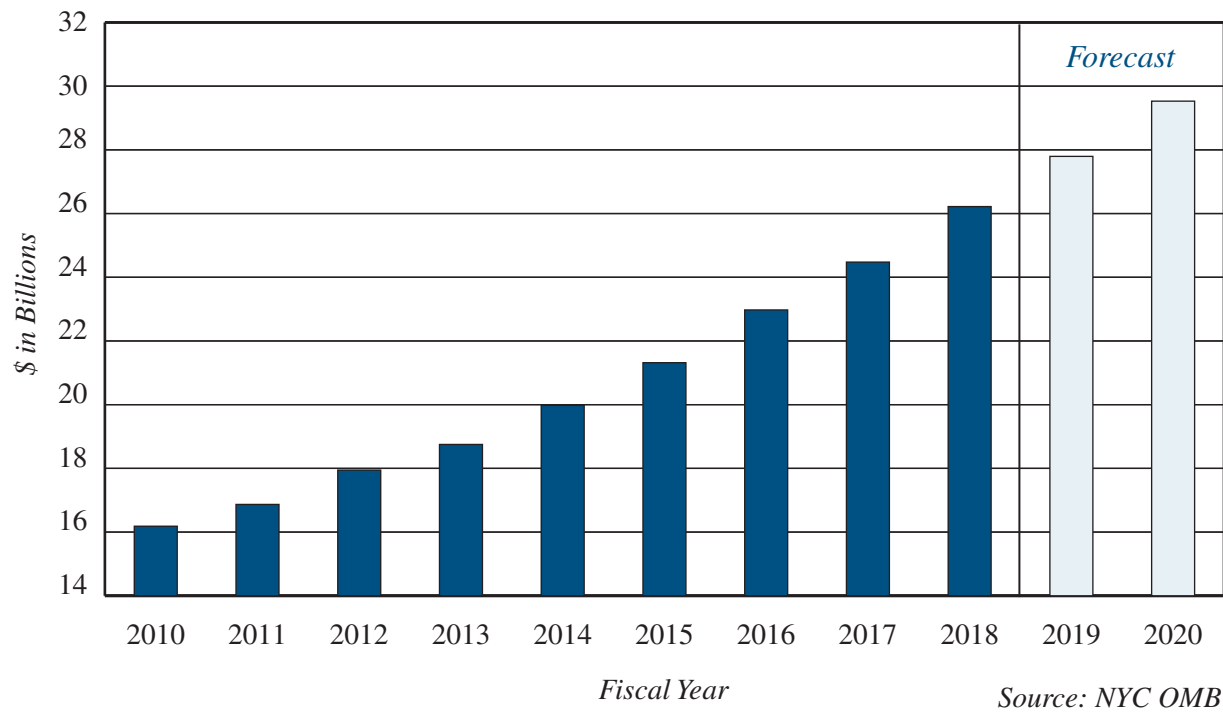
Tax	2019	2020	Amount	Increase/(Decrease)
				From 2019 to 2020 Percent Change
Real Property	\$27,795	\$29,529	\$1,734	6.2%
Personal Income	12,729	13,145	416	3.3%
Business Corporation ¹	3,870	3,722	(148)	(3.8%)
Unincorporated Business	2,103	2,141	38	1.8%
Sales and Use	7,827	8,267	440	5.6%
Real Property Transfer	1,498	1,486	(12)	(0.8%)
Mortgage Recording	1,073	958	(115)	(10.7%)
Commercial Rent	887	870	(17)	(1.9%)
Utility	386	397	11	2.8%
Hotel	626	627	1	0.2%
Cigarette	36	34	(2)	(5.6%)
All Other	814	769	(45)	(5.6%)
Subtotal	\$59,644	\$61,945	\$2,301	3.9%
STAR Aid	181	182	1	0.4%
Tax Audit Revenue	1,058	999	(59)	(5.6%)
Total †	\$60,883	\$63,125	\$2,243	3.7%

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 2010 - 2020



Distribution of Property Parcels by Class

	Parcels*	Percentage Share
Class 1	699,216	65.42%
Class 2	271,597	25.41%
Class 3	290	0.03%
Class 4	97,760	9.14%
Citywide	1,068,863	100.00%

* FY 2019 final roll

Real property tax revenue is projected to account for 46.8 percent of total tax revenue in 2020, or \$29.529 billion.

2019 Forecast: Property tax revenue is forecast at \$27.795 billion, growth of 6.0 percent over the prior year. Through March 2019, property tax collections have been weaker than expected. Thus far, year-to-date collections have grown 5.3 percent, lagging behind the anticipated 6.7 percent levy growth. Currently, the executive budget assumes that collections will pick up in the fourth quarter, recouping some of the shortfall. However, this leaves the plan \$70 million below the February Financial Plan.

2020 Forecast: Property tax revenue is forecast at \$29.529 billion, growth of 6.2 percent over the current year, no change from the February 2019 Plan.

In 2020, the levy is expected to increase \$2.0 billion to \$31.6 billion, growth of 6.7 percent over the current year. The property tax levy forecast is based on the 2020 tentative roll. Citywide, total billable assessed value increased by \$20 billion to \$259.7 billion, growth of 8.3 percent. The tentative roll is expected to be reduced on the final roll by \$3.8 billion as a result of tax commission actions, Department of Finance change-by-notice, and completion of exemption processing. On the 2020 tentative roll, Class 1 billable assessed value increased 4.3 percent over the prior year. With an estimated tentative-to-final roll reduction of \$120 million, billable assessed value on the final roll is expected to grow 3.5 percent, higher than last year's growth of 2.4 percent. Class 1 billable assessed value is forecast to grow at an annual average of 3.7 percent from 2021 through 2023.

Class 2 billable assessed value on the 2020 tentative roll, grew 10.7 percent. With an estimated tentative-to-final roll reduction of \$2.3 billion, billable assessed value growth on the final roll is expected to be 8.0 percent, lower than last year's growth of 8.6 percent. Class 2 billable assessed value is forecast to grow at an annual average of 4.9 percent from 2021 through 2023.

On the 2020 tentative roll, Class 3 (utilities) properties saw billable assessed value growth of 1.7 percent. After the assessments for Class 3 special franchise properties are completed by the New York State Office of Real Property Tax Services, Class 3 billable assessed value growth on the final roll is expected to be five percent. Class 3 billable assessed value growth is forecast at an annual average of one percent from 2021 through 2023.

Class 4 billable assessed value on the tentative roll grew 8.1 percent. With the estimated tentative-to-final roll reduction of \$1.8 billion, billable assessed value growth on the final roll is expected to be 6.5 percent, similar to last year's growth of 6.3 percent. Class 4 billable assessed value growth is forecast at an annual average of 3.9 percent from 2021 through 2023.

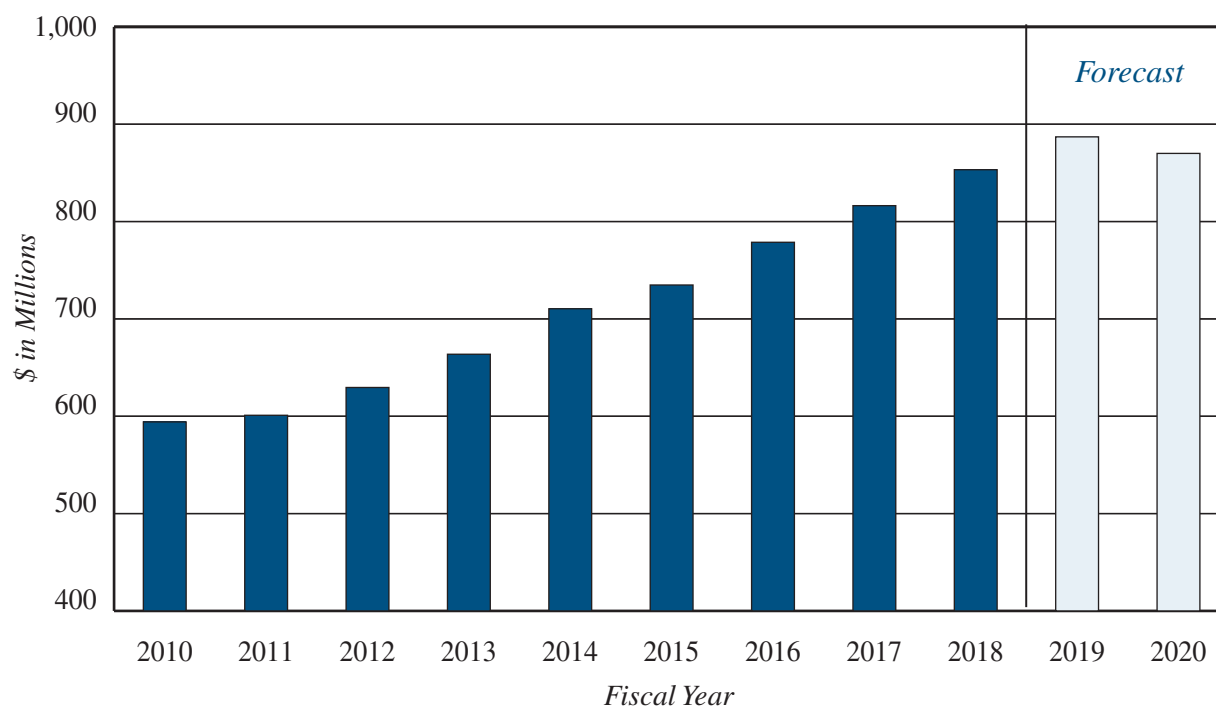
Citywide, total billable assessed value on the 2020 final roll is forecast to increase \$16.2 billion over 2019 to \$257 billion, growth of 6.7 percent.

Property tax revenue, after accounting for the reserve for the uncollectible taxes is forecast at \$29.5 billion, an increase of \$1.7 billion over the current year.

In the out-years, with a forecast rise in long-term interest rates, capitalization rates are projected to increase, exerting downward pressure on future market value growth. As a result, Class 2 and Class 4 market value growths are forecast to moderate. This slower market value growth partially offsets the existing 'pipeline' of deferred assessment increases yet to be phased in from prior years, resulting in property tax levy growth that is expected to average 4.1 percent from 2021 through 2023. Tax revenue growth is forecast to average 3.9 percent during the same period.

COMMERCIAL RENT TAX

COMMERCIAL RENT TAX 2010 - 2020



Source: NYC OMB

The commercial rent tax is projected to account for 1.4 percent of total tax revenue in 2020, or \$870 million.

2019 Forecast: Commercial rent tax revenue is forecast at \$887 million, an increase of 4.0 percent over the prior year. In addition to strong leasing activity and robust growth in primary asking rents in Manhattan's office market, this growth also reflects a one-time uptick in commercial rent payment and is offset by costs from the recently enacted small business tax credit,¹ which is estimated at \$36.8 million in foregone revenue in

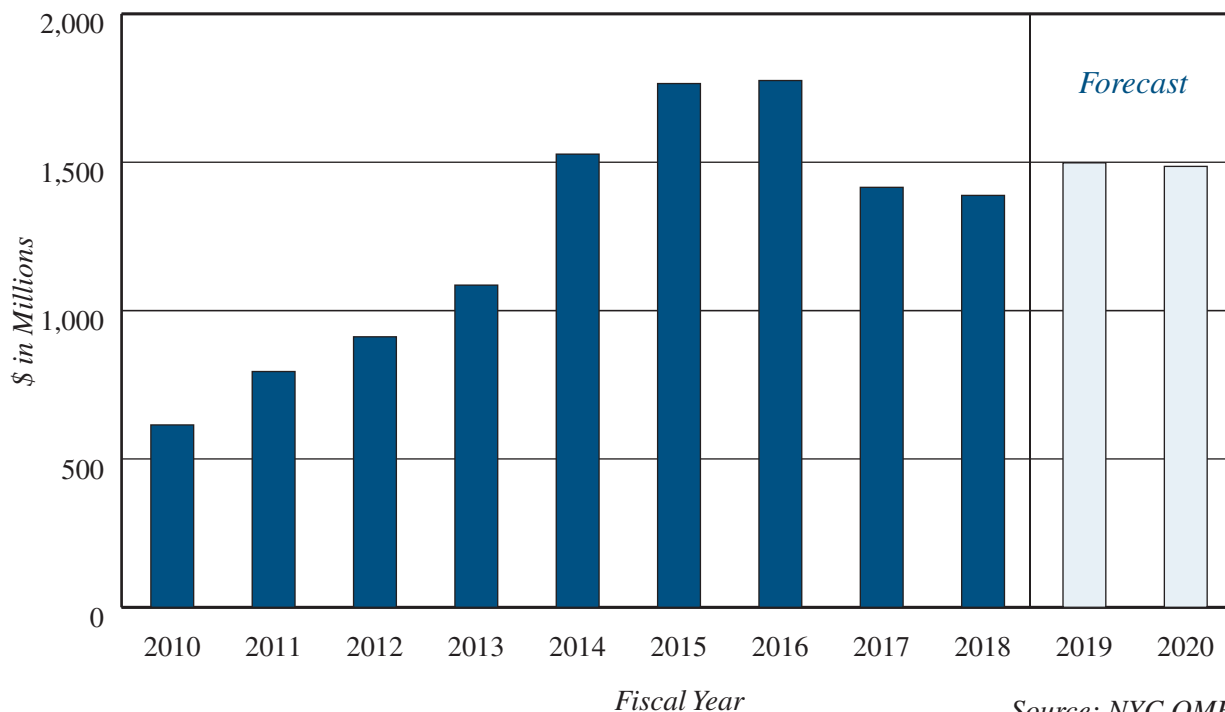
2019. Adjusting for both the one-time increase and the implementation of the tax program, year-over-year growth is estimated at 3.6 percent.

2020 Forecast: Commercial rent tax revenue in 2020 is forecast at \$870 million, a decrease of 1.9 percent from 2019. However, if not for the one-time payment in the prior year, there would be growth of 2.7 percent. Commercial rent tax revenue is expected to stabilize, averaging 3.5 percent from 2021 through 2023, reflecting a steady office market in New York City.

¹ The small business tax credit helps offset the commercial rent tax for businesses below 96th street in Manhattan who do not already receive a commercial rent tax exemption (given to those with annual rents below \$250,000). Businesses with less than \$5 million in annual income now receive a full credit up to \$500,000 in rent, which is gradually reduced until \$550,000. Those with incomes between \$5 to \$10 million receive a partial credit that declines proportional to rent and income until they reach \$550,000 and/or \$10 million, respectively.

REAL PROPERTY TRANSFER TAX

REAL PROPERTY TRANSFER TAX 2010 - 2020



The real property transfer tax (RPTT) is projected to account for 2.4 percent of total tax revenue in 2020, or \$1.486 billion.

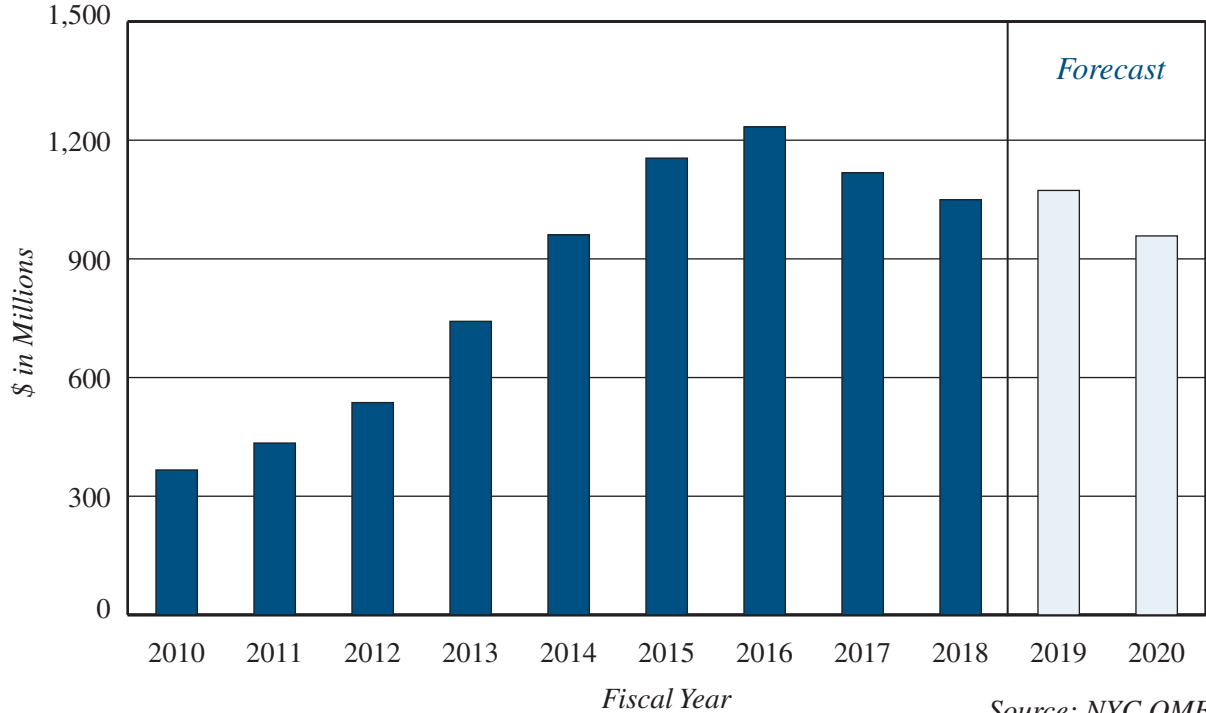
2019 Forecast: Real property transfer tax revenue is forecast at \$1.498 billion, an increase of 7.9 percent from the prior year. The real property transfer tax has been volatile over the past few years. The 2019 forecast is a rebound in total tax revenue after bottoming out in 2018. Total tax collections (year-to-date through March) increased 12.7 percent over the prior year, caused by a 35.3 percent growth in revenue from commercial transactions. This was offset by a 5.4 percent decrease in revenue from residential transactions.

Revenue from residential transactions for the year is forecast to decline 5.1 percent caused by continued softening of the high-end market that began in 2018. This would be the second year since 2012 that residential transactions are forecast to decline. However, revenue from commercial transactions is forecast to rebound significantly in 2019, an increase of 23.5 percent, after a slump that began in 2016 and lasted through 2018.

2020 Forecast: Real property transfer tax is forecast at \$1.486 billion, a decrease of 0.8 percent from the current year. Revenue from residential transactions is forecast to grow 9.4 percent, while revenue from commercial transactions is forecast to decline 10.3 percent from the current year. Residential transfer tax collections are expected to increase at an annual average rate of 4.1 percent from 2021 through 2023 as both price and volume are expected to grow. Commercial transfer tax collections are expected to remain flat from 2021 through 2023.

MORTGAGE RECORDING TAX

MORTGAGE RECORDING TAX 2010 - 2020



Source: NYC OMB

The mortgage recording tax (MRT) is projected to account for 1.5 percent of total tax revenue in 2020, or \$958 million.

2019 Forecast: Mortgage recording tax revenue is forecast at \$1.073 billion, a 2.2 percent increase over the prior year. Total tax collections (year-to-date through March) increased 5.1 percent over the prior year, reflecting a 12.8 percent increase in revenue from commercial mortgages, offset by a 5.4 percent decrease in revenue from residential mortgages.

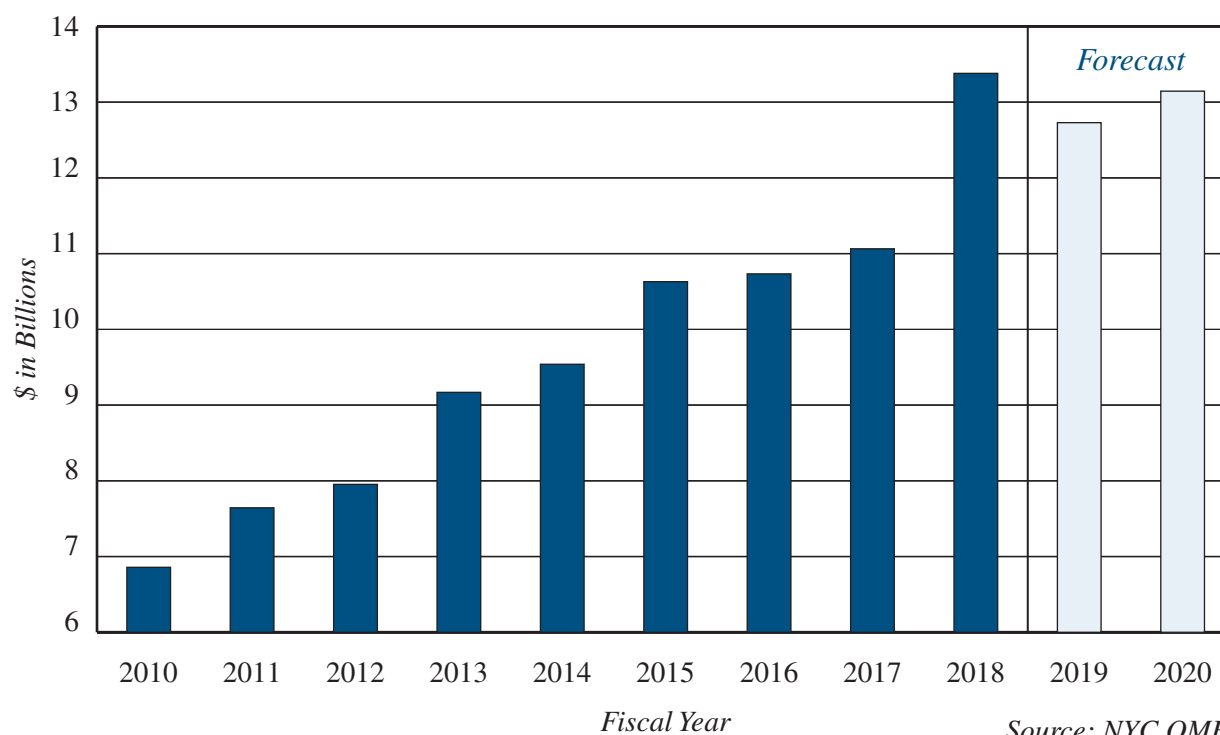
Revenue from residential mortgage recordings is forecast to decline 1.7 percent, while revenue from commercial mortgage recordings is forecast to increase 5.2 percent. The increase in commercial MRT reflects both the rebound in commercial RPTT and a larger than average MRT/RPTT ratio, which is the estimate of the percentage of RPTT transaction value that is mortgage financed.

2020 Forecast: Mortgage recording tax is forecast at \$958 million, a decline of 10.7 percent from the current year. Revenue from residential mortgage recordings is forecast to grow 2.7 percent and revenue from commercial mortgage recordings is forecast to decline 19.7 percent. This reflects both a slowdown in large commercial refinancing activity seen in the beginning of 2019 and a return to more stable commercial transaction activity levels after the large decrease seen in 2018.

Residential mortgage recording tax collections are expected to average 4.1 percent growth from 2021 through 2023, while the commercial mortgage recording tax collections are expected to remain flat from 2021 through 2023.

PERSONAL INCOME TAX

PERSONAL INCOME TAX 2010 - 2020



The personal income tax (PIT) is projected to account for 20.8 percent of tax revenue in 2020, or \$13.145 billion.

2019 Forecast: PIT revenue is forecast at \$12.729 billion, a decrease of \$650 million from the prior year, a drop of 4.9 percent. This 4.9 percent decline is due to abnormally strong 2018 collections which were buoyed by a number of one-time factors including a change in the New York State STAR (School Tax Relief) program, the federally required repatriation of non-qualified deferred compensation (NQDC)¹ from overseas accounts, and exceptionally high bonus levels.

Withholding in 2019 is forecast to increase 2.7 percent over the prior year. Low growth is attributable to the elimination of the NYC PIT STAR rate cut. The rate cut elimination, passed in June of 2017 but retroactively effective to January 2017, required that the entire tax increase for the full 2017 tax year be collected in just six months. For that

reason, withholding in the first half of 2018 grew by 15.1 percent. By comparison, 2019 withholding growth rates look small. When adjusted to remove the impact of the STAR rate cut, withholding is estimated to grow around five percent in 2019, in line with underlying wage earnings growth.²

The bonus portion of withholding dropped 11.0 percent in 2019. The drop was also related to an unusually strong 2018, which saw bonus growth of 30.1 percent and was buoyed by one-time payments related to the repatriation of NQDC. This year's bonus growth reflects a return to more typical levels. Total bonus withholding in 2019 was \$1.3 billion, 15.8 percent, higher than 2017's total of \$1.1 billion.

For the final quarter, April-through-June, withholding collections are expected to grow 6.6 percent from the same prior year period.

Estimated payments in 2019 are expected to decrease 27.5 percent from the prior year's level. This large decline is the result of a strong 2018 triggered by the aforementioned repatriation of NQDC. It is also possible that some individuals, for tax planning purposes, chose to realize more income gains in tax year 2017 than they would have otherwise in order to take advantage of the full federal deductibility of state and local taxes (before the Tax Cuts and Jobs Act capped that amount at \$10,000 starting in tax year 2018). High realizations in tax year 2017 could be contributing to lower than expected realizations in tax year 2018. A similar phenomenon occurred in tax years 2013 and 2014 when a federal surcharge on capital gains was implemented. In terms of total level of estimated payments, 2019 is still fairly robust.

A larger than anticipated revenue decline in 2019 December and January installments created uncertainty around extensions collections. In the two months, installments collections were \$326 million below forecast. The drop could be an indicator of overall liability that is weaker than anticipated or it could mean that taxpayers will simply make up the missed installment payments in extensions. Our forecast assumes the latter and increases estimated payments from

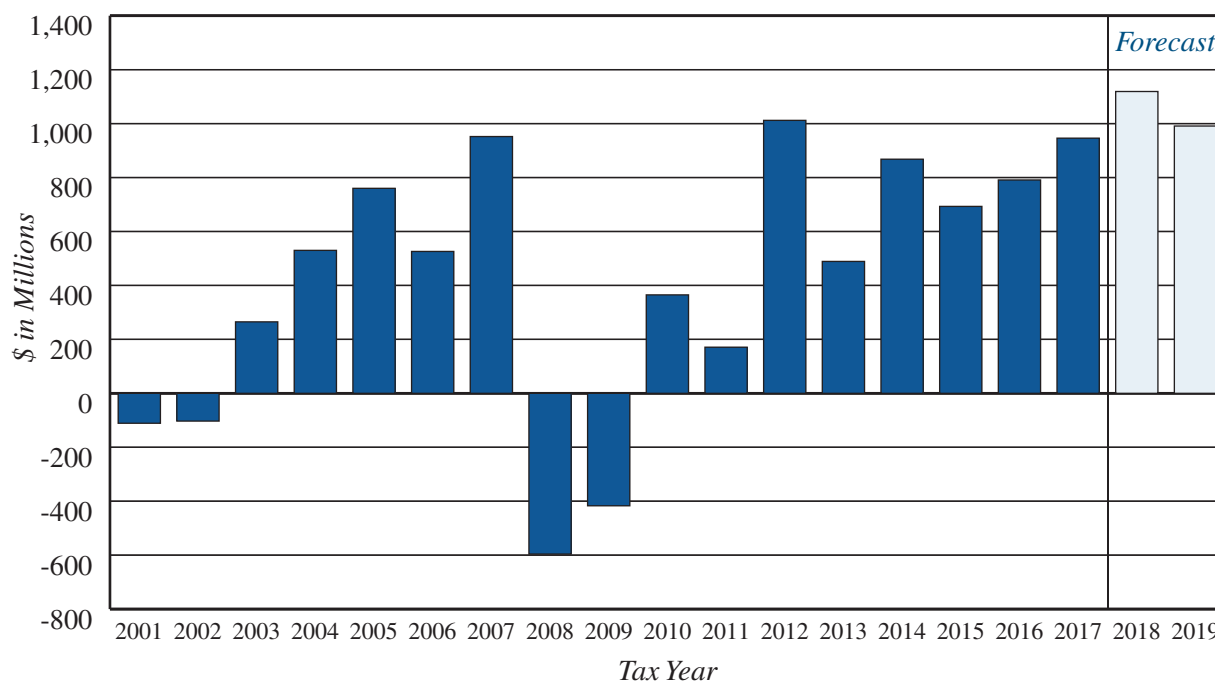
the prior plan. Underlying economics including measures of strength in the stock market and housing market lead us to believe that true liability and therefore extension payments will partially make up for the December and January shortfall.

Settlement Payments which include extensions, finals, offsets, and refunds are projected to increase \$362 million over the prior year. This change is driven by extension, offset and finals payments. Offset numbers have increased an average of 13.9 percent per year over the last three years and are set to increase 16.5 percent in this plan. Finals are expected to increase 17.7 percent over the prior year. Refunds are unchanged from the February financial plan.

2020 Forecast: Personal income tax revenue is forecast at \$13.145 billion, an increase of 3.3 percent over the current year. This growth comes from continued strength in total wage earnings and solid estimated payments.

Withholding in 2020 is forecast to increase 4.5 percent over the prior year. For the July-November base withholding calculation period, collections are forecast to increase 4.3 percent. In the December-March period, bonus withholding

SETTLEMENT PAYMENTS



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

Source: NYC OMB

is forecast to increase one percent. While this bonus growth appears low, it represents 17 percent growth since 2017, the last year before the volatility of 2018 began.

Estimated payments in 2020 are expected to increase 6.1 percent as non-wage income moderates. Extension payments are forecast to increase 2.8 percent in 2020. Total settlements are expected to decrease 11.2 percent, dragged down by a decrease in offset payments.

Personal income tax revenue is forecast to average growth of 2.8 percent from 2021 through 2023 with steady withholding growth and slow non-wage income growth.

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

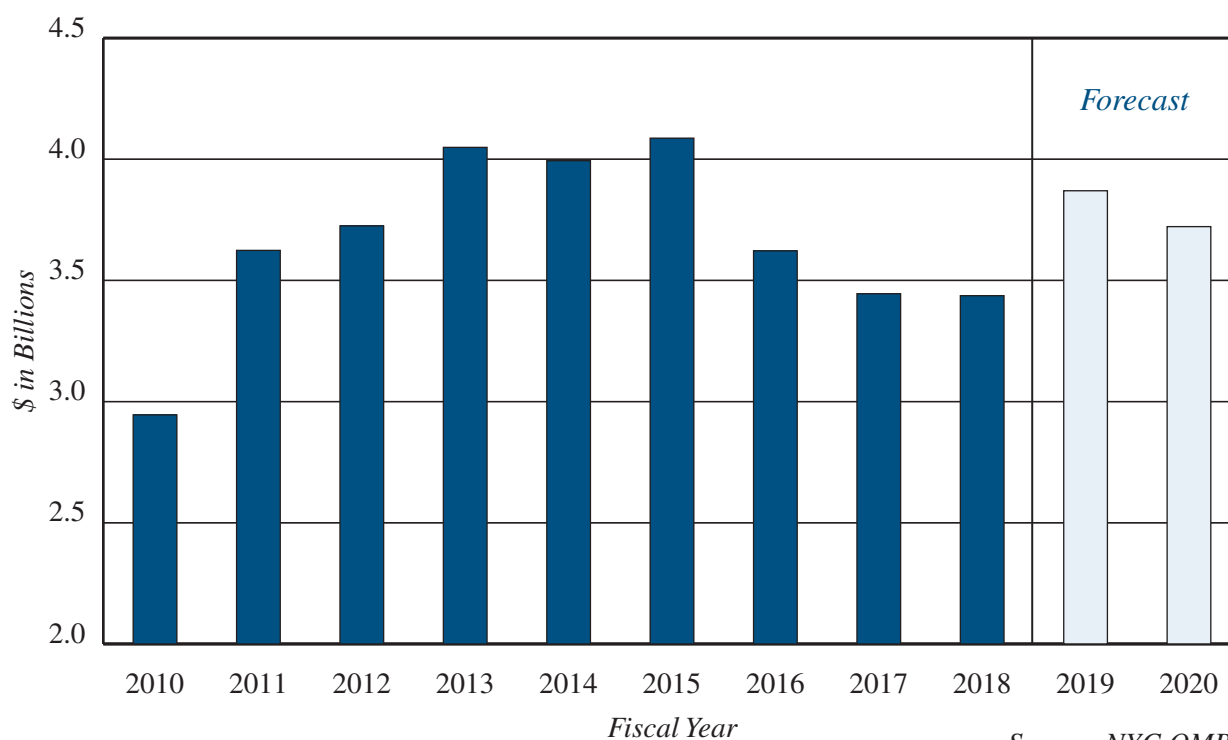
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 ^f	2020 ^f
Withholding	\$5,754	\$6,096	\$6,157	\$6,542	\$6,976	\$7,513	\$7,753	\$8,169	\$9,360	\$9,614	\$10,045
Estimated Payments ¹	1,691	2,110	2,109	2,893	2,680	3,167	3,021	2,633	3,717	2,694	2,860
Final Returns	288	317	327	382	380	429	439	408	410	482	396
Other ²	427	302	527	576	810	837	896	1,038	1,146	1,255	1,067
Gross Collections	\$8,159	\$8,825	\$9,119	\$10,393	\$10,846	\$11,946	\$12,109	\$12,248	\$14,633	\$14,045	\$14,368
Refunds	(1,301)	(1,181)	(1,166)	(1,225)	(1,307)	(1,317)	(1,376)	(1,183)	(1,253)	(1,316)	(1,223)
Net Collections Less TFA Retention	\$6,858	\$7,644	\$7,953	\$9,168	\$9,539	\$10,629	\$10,733	\$11,064	\$13,380	\$12,729	\$13,145
Total	\$6,858	\$7,644	\$7,953	\$9,168	\$9,539	\$10,629	\$10,733	\$11,064	\$13,380	\$12,729	\$13,145

1 Includes extension payments.

2 Offsets, charges, assessments less City audits.

f = Forecast.

Totals may not add due to rounding.

BUSINESS CORPORATION TAX**BUSINESS CORPORATION TAX 2010 - 2020**

The business corporation tax is projected to account for 5.9 percent of tax revenue in 2020, or \$3.722 billion.¹ Major changes in State law merged the general corporation and banking corporation taxes into the business corporation tax effective tax year 2015. This results in nearly all general corporation and banking corporation tax payments beginning in fiscal year 2016 and thereafter being reported as business corporation tax payments.²

2019 Forecast: Business corporation tax revenue is forecast at \$3.870 billion, growth of 12.6 percent, a rebound over declines exhibited from 2016 through 2018.

In 2019, corporate tax collections year-to-date through March increased 21.6 percent over the prior year. This significant growth follows three consecutive years of declining tax collections. The current increase in corporate tax collections is likely the result of a few causes. Corporate profits in calendar year 2018 exhibited healthy growth. The Federal business tax cuts, that became effective January 1, 2018, likely led to the increase in corporate investment seen at the beginning of tax year 2018. Also, many firms had overpaid their local tax year 2015 tax liability due to the uncertainty of the impacts related to New York City corporate reform that became effective for tax years on or after January 1, 2015. The resulting overpayments on account have likely been worked off, having already

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

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

been applied as payments on tax year 2016 and 2017 liabilities. It is therefore probable that the strong year-to-date growth seen in fiscal year 2019 is attributable to estimated tax payments on tax year 2018 liability which were not reduced by excessive overpayments on account. The strength seen in the finance sector payments are reflecting the high levels of Wall Street profitability, and the strong growth in non-finance sector tax payments parallels corporate profits growth.

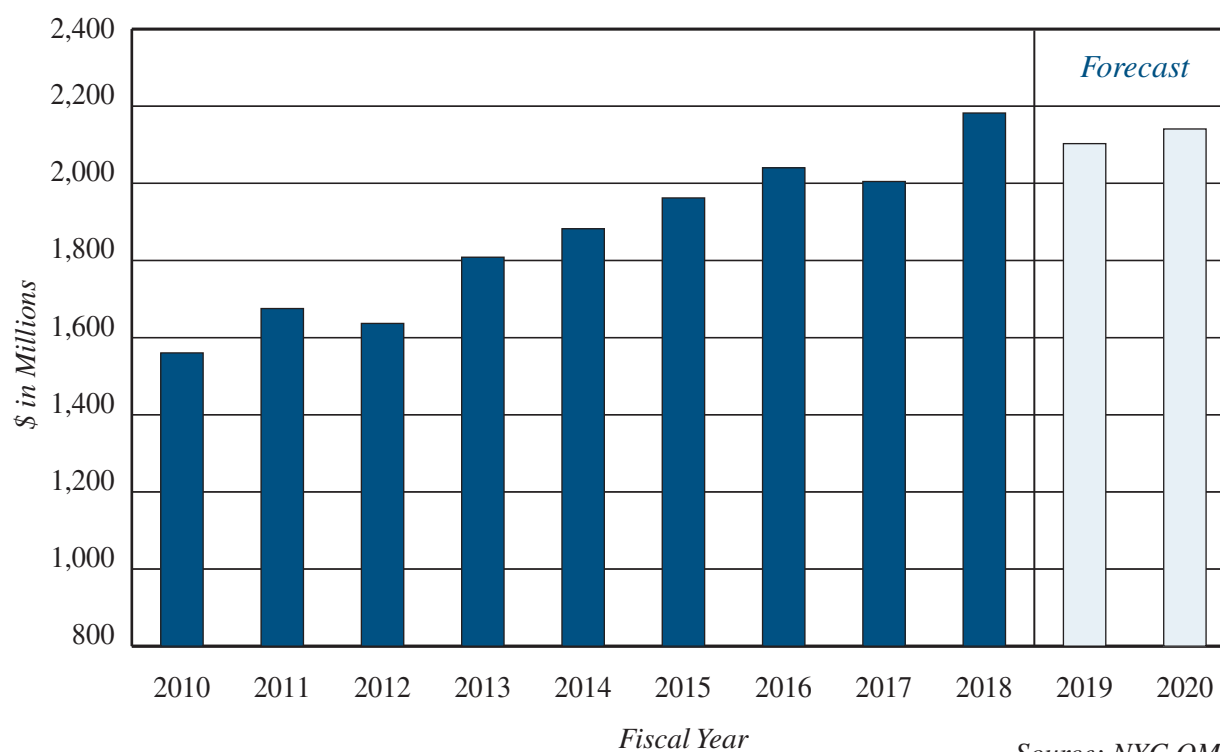
Tax payments for the final quarter of the fiscal year are expected to moderate from the robust levels seen the prior quarters. The final quarter reflects payments on finalized prior year liabilities and the first tax payments on tax year 2019 estimated liabilities in June. Refunds for the final quarter of the fiscal year are expected to keep pace with the above trend levels seen in the prior quarters of the fiscal year.

2020 Forecast: In 2020, the business corporation tax is forecast at \$3.722 billion, a 3.8 percent decline from the current year. Tax payments from finance sector firms are expected to fall, reflecting the nearly \$6 billion decline in calendar year 2019 Wall Street profitability from the high level exhibited in calendar year 2018. Additionally, tax payments from non-finance sector firms are forecast to be weak, consistent with the expectation of a slowing economy.

Business corporation tax is forecast to average nearly flat growth from 2021 through 2023.

UNINCORPORATED BUSINESS TAX

UNINCORPORATED BUSINESS TAX 2010 - 2020



Source: NYC OMB

The unincorporated business tax is projected to account for 3.4 percent of tax revenue in 2020, or \$2.141 billion.

2019 Forecast: Unincorporated business tax revenue is forecast at \$2.103 billion, a decline of 3.6 percent from the prior year. Net collections fiscal year-to-date through March declined 10.5 percent from the prior year. The decline in collections is attributable to the drop in payments seen in December/January from the prior year caused by the exceptional growth in tax payments in fiscal year 2018. The high level of 2018 tax payments was the consequence of changes to the rules regarding the deferral of the receipt of incentive or management fees earned before January 1, 2009, and also taxpayer behavior in response to the Tax Cuts and Jobs Act (TCJA). Taking away such impacts from the prior year, net collections through March would have exhibited nearly flat growth rather than a double-digit decline.

Preliminary reports indicate that unincorporated business tax payments from partnerships, approximately ninety percent of total tax payments, achieved 4.5 percent growth in the first three months of calendar year 2019 and nearly 20 percent growth for the month of March alone. The hedge fund industry has likely played a positive role for the latest tax payment strength within the finance sector. After the total assets under management declined significantly in the fourth quarter of calendar year 2018, hedge funds in the first quarter of calendar year 2019 have recouped almost all the losses, and have achieved their best quarter since calendar year 2009. With such a noticeable comeback, it is more likely that the recovery trend will continue through the remaining months of fiscal year 2019. Non-finance sector tax payments are forecast to have healthy growth in 2019, supported by a solid expansion in a number of key sub-sectors, such as health care and education services, as well as professional and business services.

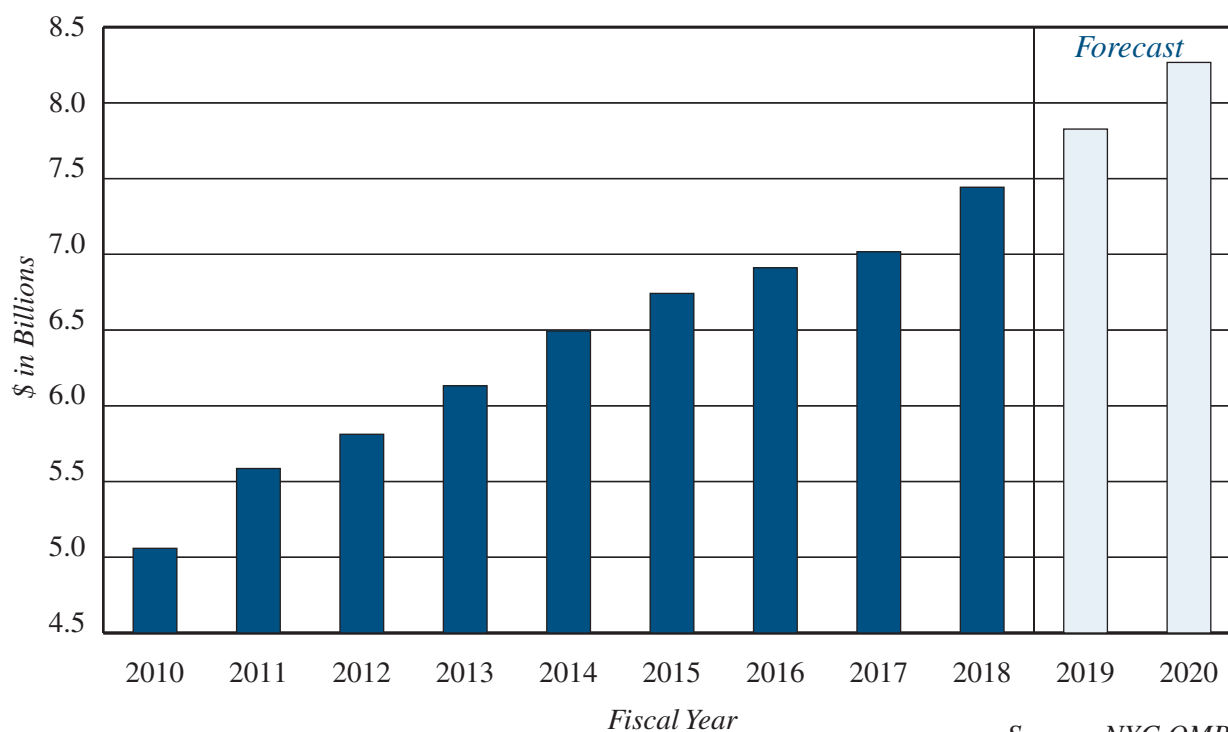
¹ See prior section titled “The Repatriation of Non-Qualified Deferred Compensation.”

The level of refunds paid out year-to-date through March is similar to the pace of the past two years and is likely to be the highest level of refunds paid out annually in history – the result of firms reconciling their tax liabilities with tax payments and thus reducing the overpayments on account.

2020 Forecast: Unincorporated business tax revenue is forecast at \$2.141 billion, growth of 1.8 percent, reflecting mild growth over the prior year's moderate decline. Finance sector payments are forecast to have positive but limited growth over the prior year. Non-finance sector payment growth is expected to slow, paralleling non-finance sector economic activity. In 2021 through 2023, unincorporated business tax revenue is forecast to have annualized average growth of 4.1 percent.

SALES AND USE TAX

SALES TAX 2010 - 2020



The sales and use tax is projected to account for 13.1 percent of tax revenue in 2020, or \$8.267 billion.

2019 Forecast: Sales tax revenue is forecast at \$7.827 billion, growth of 5.2 percent over the prior year.¹ Sales tax collections year-to-date through March increased 5.0 percent over the same period the previous year.

There are several factors that support this healthy sales tax growth. Consumption remains steady, supported by higher wage gains and a robust labor market. NYC tourism continues to break records on an annual basis, fueling visitor spending. Consumer confidence has fluctuated in recent months amid the federal government shutdown, financial market volatility and global trade negotiations, but is still strong by historic standards. Persistent consumer

confidence, along with unemployment remaining at low levels, indicate stability in the local economy.

The growth in sales tax collections is expected to slow somewhat for the remainder of the fiscal year due to global economic and political concerns, along with consumer confidence cooling from record peaks. Federal tax refunds appear to be smaller than anticipated this year due to the changes in the Federal income tax code effective for tax year 2018 and beyond, and is expected to impact consumer spending. The lower tax refunds may be a result of consumers not adjusting their withholding effectively to take into consideration the impact of the lower tax rates and led to some consumers being surprised by their reduced refunds. Additionally, a number of consumers were likely impacted by the new federal limits of state and local tax deductions.

¹ The 2016-2017 New York State Enacted Budget legislation enables New York State to reduce collections by \$150 million in City Fiscal Year 2019 in order to recoup the savings New York City achieved through refinancing STARC bonds. Prior STARC reductions, sales tax revenue is forecast at \$7.977 billion in 2019, growth of 4.4 percent over the prior year.

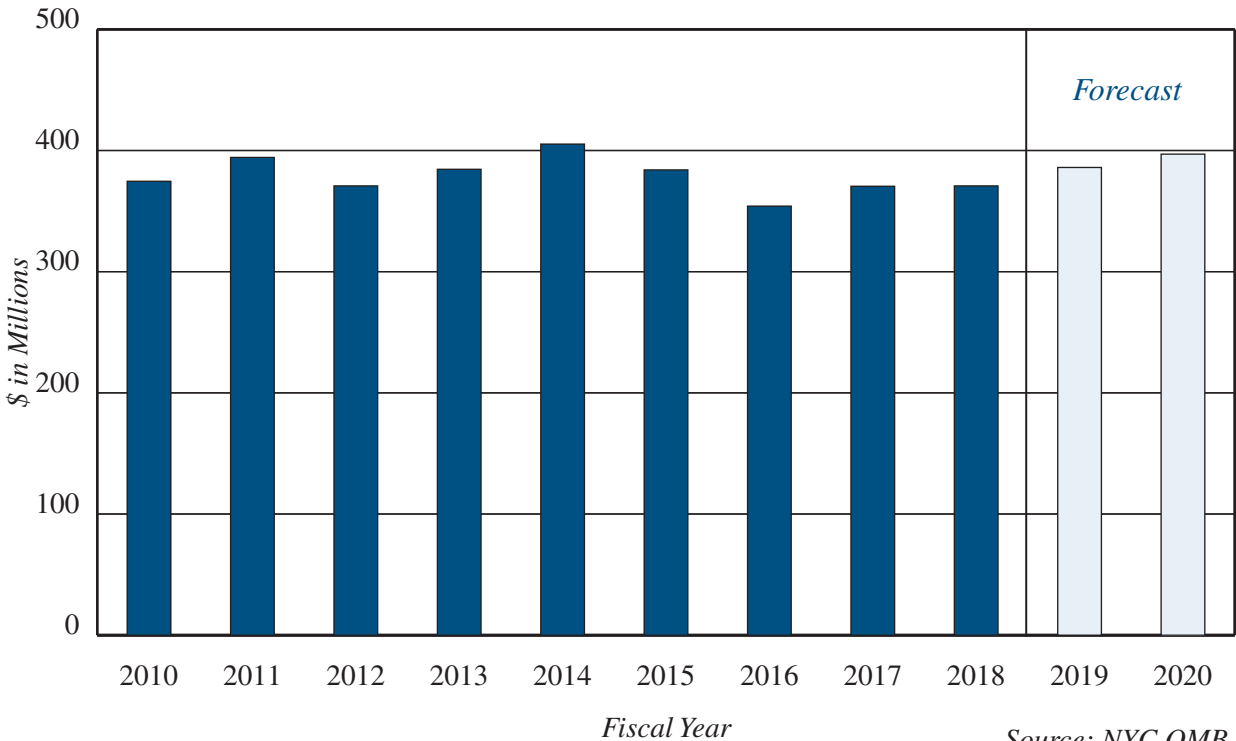
Visitor spending is also expected to keep pace with the previous year's healthy levels.

2020 Forecast: Sales tax revenue is forecast at \$8.267 billion, growth of 5.6 percent over the current year. Part of this growth is attributable to the end of the State mandated STARC reductions. Prior the STARC reductions, collections are forecast to grow 3.6 percent. Economic conditions are expected to continue to moderate from peak levels along with anticipated slowdowns in tourism and wage growth.

From 2021 through 2023, sales tax revenue is forecast to average growth of 3.4 percent, as a stable local economy and restrained wage growth support moderate consumer spending.

UTILITY TAX

UTILITY TAX 2010 - 2020



Source: NYC OMB

The utility tax is projected to account for 0.6 percent of total tax revenue in 2020, or \$397 million.

2019 Forecast: Utility tax revenue is forecast at \$386 million, a 4.1 percent increase over the prior year. Year-to-date collections through March increased 2.9 percent over the prior year, mostly attributable to increases in natural gas and electric prices.

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

the winter months.¹ Moderate growth in natural gas prices coupled with an over 10 percent growth in heating degree days supports the forecast.²

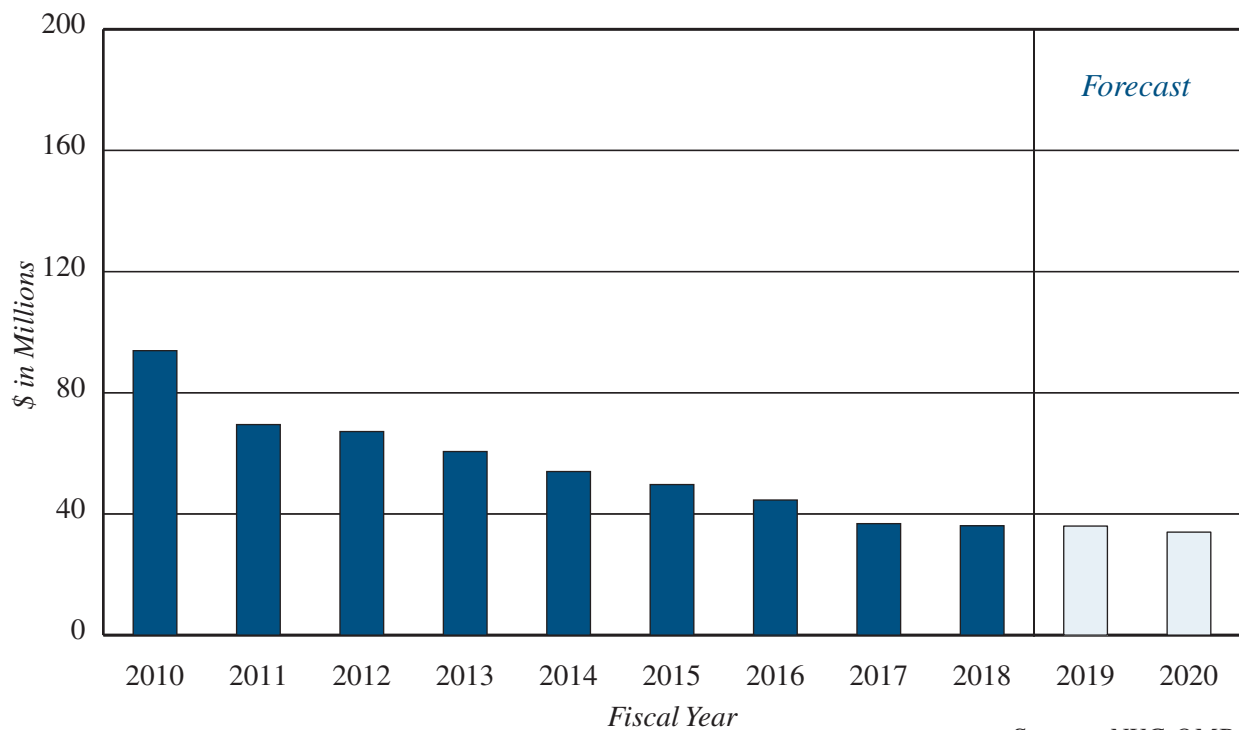
2020 Forecast: Utility tax revenue is forecast at \$397 million, growth of 2.8 percent over the current year, reflecting elevated electricity and natural gas prices, with normal temperatures expected to return.

Utility tax collections are forecast to average annual growth of 2.7 percent from 2021 through 2023.

1 April through June collections reflect February through April energy prices and degree days.
 2 Heating degree days are the number of degrees that a day’s average temperature is below 65 degrees Fahrenheit, the temperature below which buildings need to be heated.

CIGARETTE TAX

CIGARETTE TAX 2010 - 2020



Source: NYC OMB

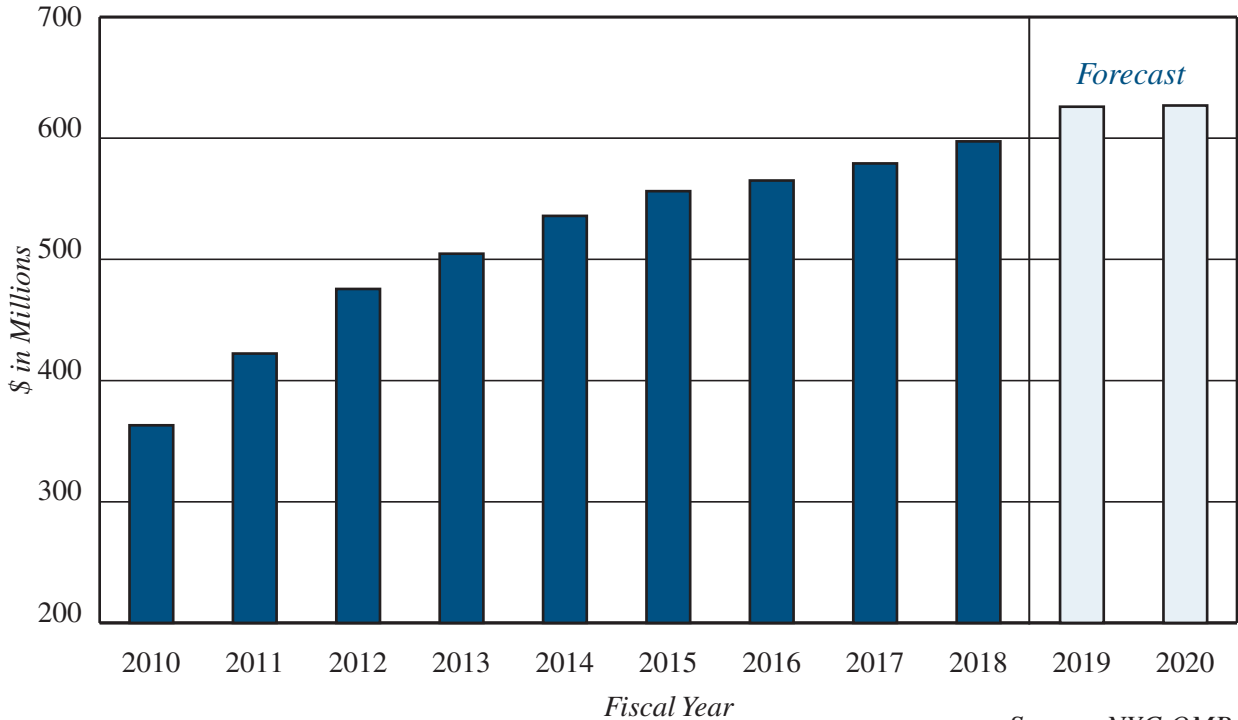
Cigarette tax is projected to account for 0.1 percent of total tax revenue in 2020, or \$34 million.

2019 Forecast: Cigarette tax revenue is forecast at \$36 million in 2019, a decline of 0.3 percent from the prior year.

2020 Forecast: Cigarette tax is forecast at \$34 million, a decline of 5.6 percent from the prior year. From 2021 through 2023, cigarette tax collections are projected to average a decrease of 3.0 percent. As it currently stands, the combined City and State cigarette taxes paid in the city are \$5.85 per pack and remains the highest City/State cigarette tax levied in the country. The high tax rate has led to the decline in number of cigarette packs sold within the City, both from the diversion of purchases to jurisdictions outside the City with a lower cigarette tax rate as well as smoking cessation or reduction.

HOTEL TAX

HOTEL TAX 2010 - 2020



Source: NYC OMB

The hotel room occupancy tax is projected to account for 1.0 percent of tax revenue in 2020, or \$627 million.

2019 Forecast: Hotel tax revenue is forecast at \$626 million, a 4.8 percent increase over the prior year. Collections year-to-date through March grew 6.2 percent over the prior year. Tourism continues to grow at a reasonable pace, as the number of tourists have increased for the ninth straight year to a record breaking 65.2 million visitors in 2018. Air travel in calendar year 2018 experienced new marks in passenger volume on nearly a monthly basis, as the region set an all-time high for overall traffic for the year in international and domestic travel. Broadway broke records for gross sales and attendance in calendar year 2018, and attendance is expected to remain relatively healthy.

However, collections may begin to moderate from the high levels experienced in the past few quarters as

preliminary fiscal year-to-date data through January indicate inventory growth beginning to slow and occupancy rates starting to decline, offsetting minimal growth in room rates. Given these trends, growth is expected to be relatively flat for the remainder of the fiscal year from the strong levels of growth experienced during the same period the prior year.

2020 Forecast: Hotel tax revenue is forecast at \$627 million, a 0.2 percent increase over the current year. Tourism is expected to maintain a healthy level similar to the prior year, as projected growth in hotel supply offsets declines in occupancy rates and keeps room rates steady.

From 2021 through 2023, hotel tax revenue is forecast to average growth of 1.6 percent, as tourism growth is anticipated to be subdued.

OTHER TAXES

All other taxes are projected to account for 1.2 percent of total tax revenue in 2020, or \$768.7 million.

**2019–2020 Other Taxes Forecast
Excluding Tax Audit Revenue
(\$000s)**

Tax	2019	2020	Increase/(Decrease) From 2019 to 2020 Amount	Percent Change
Auto Related Taxes				
Auto Use	\$30,000	\$30,000	—	0.0%
Commercial Motor Vehicle.....	74,268	70,071	(4,197)	(5.7%)
Taxi Medallion Transfer.....	800	800	—	0.0%
Excise Taxes				
Beer and Liquor.....	25,000	25,000	—	0.0%
Liquor License Surcharge.....	6,000	6,000	—	0.0%
Horse Race Admissions.....	50	50	—	0.0%
Medical Marijuana Excise Tax	140	140	—	0.0%
Off-Track Betting Surtax.....	1,220	1,220	—	0.0%
Miscellaneous				
Other Refunds.....	(49,000)	(37,000)	12,000	24.5%
Payment in Lieu of Taxes (PILOTs)	503,500	444,400	(59,100)	(11.7%)
Section 1127 (Waiver)	176,000	172,000	(4,000)	(2.3%)
Penalty and Interest Real Estate(Current Year)	25,000	22,000	(3,000)	(12.0%)
Penalty and Interest Real Estate	—			
.....(Prior Year)	37,000	37,000	—	0.0%
Penalty and Interest - Other Refunds.....	(16,000)	(3,000)	13,000	81.3%
Total	\$813,978	\$768,681	(\$45,297)	(5.6%)

AUTO RELATED TAXES

Auto Use Tax: The tax is imposed by the City on privately-owned vehicles at the annual rate of \$15 per vehicle. The tax is administered by the State Department of Motor Vehicles, with an administrative charge levied on the City for this service. This tax is expected to generate \$30 million in both 2019 and 2020.

Commercial Motor Vehicle Tax: This tax is levied on vehicles used for transportation of passengers (medallion taxi cabs, omnibuses and other for-hire passenger vehicles) and all other commercial trucks and vehicles. The tax is administered the State Department of Motor Vehicles and is charged at different rates depending on the purpose for which the vehicles are used. The annual rate for other commercial vehicles (weighing less than 10,000 pounds) is \$40, with rates increasing progressively for heavier vehicles. Trucks weighing 15,000 pounds pay the highest rate of \$300 per year. Medallion taxicabs pay twice a year (December and June), while owners of other types of commercial vehicles pay annually (June). This tax is forecast to generate \$74.3 million in 2019 and \$70.1 million in 2020.

Taxi Medallion Transfer Tax: This tax is imposed at a rate of 0.5 percent on consideration paid for the transfer of taxicab licenses (medallions). The rate was reduced from 5.0 percent to 0.5 percent in 2017. The tax is administered by the NYC Taxi and Limousine Commission. This tax is forecast to generate \$800 thousand in 2019 and 2020.

EXCISE TAXES

Beer and Liquor Excise Tax: This tax is imposed on licensed distributors and non-commercial importers on the sale of beer and liquor within New York City. The current tax rate is 12 cents per gallon of beer and 26.4 cents per liter of liquor with alcohol content greater than 24 percent. The City does not impose a tax on wine. This tax is administered by New York State and is forecast to generate \$25 million in both 2019 and 2020.

Horse Race Admission Tax: This is a 3.0 percent tax imposed on the price of all paid admissions to horse races on grounds or enclosures located wholly or partially within New York City. This tax is forecast to generate \$50 thousand in both 2019 and 2020.

Liquor License Surcharge: This tax is imposed on distributors and non-commercial importers of beer and liquor at the rate of 25 percent of license fees payable under the New York State Alcoholic Beverage Control Law. This tax is forecast to generate \$6 million in both 2019 and 2020.

Medical Marijuana Excise Tax: The City of New York has received payments from the New York State medical marijuana trust fund since July 2016. This represents 22.5 percent of the New York State medical marijuana excise tax revenue collected in New York City. This tax is forecast to generate \$140 thousand in 2019 and 2020.

Off-Track Betting Surtax: This is a surcharge levied on most bets placed at New York City Off-Track Betting offices and on most bets placed statewide on races held within New York City. This tax is forecast to generate \$1.2 million in both 2019 and 2020.

MISCELLANEOUS

Other Refunds: These are refunds primarily paid out on the commercial rent tax, business taxes and Section 1127 (waiver) and are forecast to be \$49 million in 2019 and \$37 million in 2020.

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 PILOT facility owners: New York City Housing Authority, Industrial Development Agency and Battery Park City Authority. The tax is forecast to generate revenue of \$503.5 million in 2019 and \$444.4 million in 2020.

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 equal to what their personal income tax liability would be if they were City residents. Revenue for this tax is forecast to generate \$176 million in 2019 and \$172 million in 2020.

Prior Year and Current Year Penalty and Interest–Real Estate: Taxpayers who do not pay their real property tax on time are liable for interest charges on outstanding balances. Penalties and interest received against current year delinquencies are forecast to be \$25 million in 2019 and \$22 million in 2020, while penalty and interest collections from prior year delinquencies are expected to be \$37 million for both 2019 and 2020.

Penalty and Interest – Other Refunds: The City currently pays out interest on refunds claimed for overpayment against business income taxes and on audits of business corporation and unincorporated business taxes already collected by the Department of Finance or overturned in Federal or State rulings. These refunds are forecast at \$16 million in 2019 and \$3 million in 2020.

TAX ENFORCEMENT REVENUE

As part of the City's continuous 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 \$1.058 billion in 2019 and \$999 million in 2020.

MISCELLANEOUS RECEIPTS

Forecast of Miscellaneous Receipts

The non-tax revenue portion of City Funds is referred to as miscellaneous revenues. The 2020 Executive Budget includes eleven classes of miscellaneous revenues which are discussed below.

Miscellaneous revenues are estimated at \$5,136 million in 2020, a decrease of \$709 million from 2019, exclusive of private grants and intra-city revenues. The revenue classes listed above are regrouped and described in the following four areas: Cost-based Charges (Licenses, Permits, and Charges for Services); Water and Sewer Revenues; Fines and Forfeitures; and Other Income (Interest Income, Franchises, Rental Income, and Miscellaneous).

Miscellaneous Revenues (\$ in Millions)

	2019 Forecast	2020 Executive Budget	Forecast to Executive Budget Increase (Decrease)
Licenses.....	\$87	\$74	(13)
Permits.....	324	302	(22)
Franchises and Privileges.....	384	382	(2)
Interest Income.....	213	235	22
Tuition and Charges for Services.....	1,016	1,018	2
Water and Sewer Revenues.....	1,453	1,509	56
Rental Income.....	272	255	(17)
Fines and Forfeitures.....	1,047	1,015	(32)
Miscellaneous.....	1,049	346	(703)
Total Miscellaneous Revenues.....	\$5,845	\$5,136	(709)

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 641,000 licenses. About 77,000 are non-recurring, 106,000 are renewed annually, 211,000 biennially, and 247,000 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 2020 forecast for license revenue is \$74 million, \$13 million less than 2019. This decline is attributable to a surge in licenses issued by the Taxi and Limousine Commission in 2019 partially offset by the cyclical renewal of certain licenses.

Permits

Permits are issued to 1,494,000 individuals or entities for the use of facilities, premises or equipment. Approximately 339,000 permits are renewable on an annual, biennial or triennial basis. Seasonal or single occurrence permits, such as tennis and building permits, account for 1,155,000 additional permits, all of which are issued and regulated by twelve City agencies.

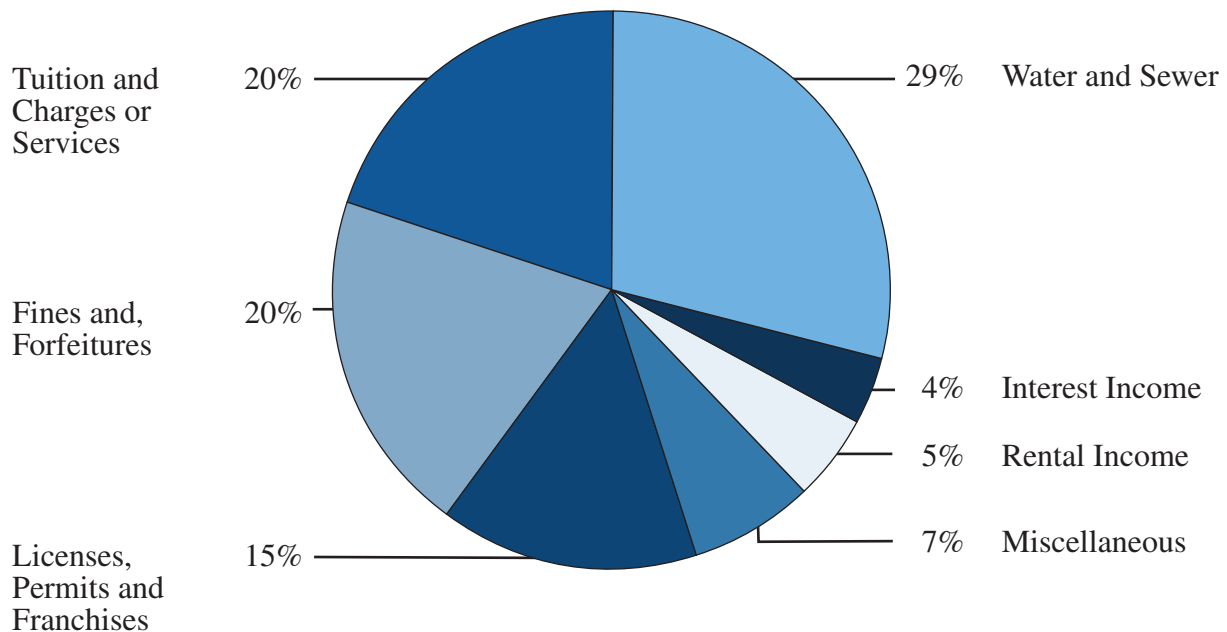
The major sources of revenue are permits for building construction and alterations, street openings, restaurants, hazardous materials, and air pollution control. The 2020 forecast for permit revenue is \$302 million, \$22 million less than 2019. The decrease is due to a decline in receipts for construction-related 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, copies of certificates, processing applications, searches, and performing fire and building inspections. The 2020 forecast for tuition and charges for services is \$1.018 billion, \$2 million more than 2019. This increase is due to an increase in fees collected by the Department of Transportation.

COMPONENTS OF MISCELLANEOUS REVENUES

As a Percentage of 2020



Source: NYC OMB

Water and Sewer Revenues

Water and Sewer charges are collected by the New York City Water Board. From these charges the Board currently reimburses the City for the operation and maintenance (O&M) of the water delivery and waste water disposal systems. The O&M reimbursement is equal to the amount spent by the City to supply water and treat and dispose of waste water on behalf of the Board. The City is reimbursed only for its expenditures. The City will receive \$1.50 billion for O&M services rendered in the delivery of water and the collection, treatment, and disposal of waste water.

Fines and Forfeitures

The City collects fine revenue through courts and administrative tribunals for violations issued under the New York City Administrative Code, New York State Vehicle and Traffic Law, and other laws. Forfeiture revenue is obtained from the surrender and conversion of bail and cash bonds, and contractors' performance bonds. The 2020 forecast for forfeitures is \$1.1 million. The revenue expected from fines in 2019 and 2020 is listed below:

Fine Revenue

Type (\$ in 000's)	2019 Forecast	2020 Executive Budget
Parking Violations	\$575,647	\$568,366
Environmental Control Board Violations	138,700	112,335
Department of Buildings Penalties	79,000	79,000
Speed Camera Violations	45,320	58,339
Department of Health Violations	26,288	26,288
Red Light Camera Violations.....	22,000	23,000
Traffic Violations	21,000	19,000
Bus Lane Violations	16,400	15,500
Taxi and Limousine Commission Violations.....	14,800	14,800
Department of Consumer Affairs.....	9,300	9,300
State Court Fines.....	9,000	7,135
Department of Finance Penalties	8,500	5,400
Other Sources	79,922	75,289
Total.....	<u>\$1,045,877</u>	<u>\$1,013,752</u>

The Parking Violation division of the Department of Finance is forecasted to collect \$665 million in parking, red light, bus lane, and speed camera fines in 2020, \$5.8 million more than in 2019.

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 228 red light cameras operating at 150 intersections. Red light camera violations will generate \$23 million in 2020. In addition, the Department has a bus lane camera enforcement program along MTA Select Service Bus Routes. Bus lane photo devices can only operate on designated bus lanes that are select bus service lanes within the bus rapid transit demonstration program. State legislation passed in 2018 expanded bus lane photo device hours of operation to include the hours from 6:00 a.m. to 10:00 p.m. The Department will generate approximately \$15.5 million in 2020. Legislation passed in 2019 authorizes the Department to use speed camera enforcement in 750 school zones. Currently, 195 fixed and 40 mobile cameras are operational within the authorized zones. Speed cameras must be placed within a quarter mile radius of a school and can operate on weekdays between 6:00 a.m. and 10:00 p.m. Collections are expected to be \$58.3 million in 2020.

The Office of Administrative Trials and Hearings is comprised of several administrative tribunals: Health, Taxi and Limousine Commission, and the Environmental Control Board. The Environmental Control Board adjudicates violations issued by over a dozen City agencies for infractions of the City’s Administrative Code related to street cleanliness, waste disposal, street peddling, fire prevention, air, water and noise pollution, building safety and construction, and other quality of life issues. Revenue from these violations is expected to generate \$142 million in 2020.

The Department of Consumer Affairs enforces the City’s consumer protection, licensing, tobacco, municipal workplace, and Truth-in-pricing laws. In 2020, the Department will generate \$9.3 million in fine revenue, equal to 2019. The Department of Consumer Affairs will continue its enforcement strategy which includes an emphasis on education and outreach.

The Department of Finance assesses penalties for failure to timely file Real Property Income and Expense statements and Real Property Transfer documents. The Department’s enforcement efforts are expected to improve compliance with filing guidelines and it is anticipated that penalties issued will drop to \$5.4 million in 2020.

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

Other Income

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

Interest Income

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

The 2020 forecast for interest earnings is \$235 million, an increase of \$22 million from 2019. This increase is attributable to an increase in the average projected federal funds rate in 2020.

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 2020 forecast for franchise revenue is \$382 million, \$2 million less than in 2019. The decrease is due to the sale of credits for landfill gas collected at Fresh Kills landfill in 2019.

Rental Income

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

The 2020 forecast for rental income is \$255 million, \$17 million less than in 2019. The decrease is a result of declining rental income from HPD and DCAS managed properties.

Miscellaneous

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

The 2020 forecast for miscellaneous revenue is \$346 million, \$703 million less than in 2019. The decrease is related to one-time revenue in 2019 such as the sale of a City property, deferred prosecution agreements under the Manhattan District Attorney's Office and the US Department of Justice related sanctions violations against two banks, satisfaction of an outstanding payment owed the City by Health + Hospitals for 2015, and the sale of Department of Housing Preservation and Development mortgage loans.

Private Grants

The Executive Budget includes \$928 million in private grants in 2020, \$279 million less than 2019. 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 2020 expected reimbursements will be \$735 million.

CAPITAL BUDGET

The Executive Capital Budget and Four-Year Plan, 2020-2023

The 2020 Executive Capital Budget includes new appropriations of \$11.4 billion, of which \$10.9 billion are to be funded from City sources. These appropriations, together with available balances from prior years, authorize total commitments of \$18.4 billion for 2020, of which \$16.7 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 2020-2023 Capital Plan totals \$69.8 billion for the construction and rehabilitation of the City's infrastructure. This will provide funding targeted to building and improving schools, improving transportation, providing affordable housing, building new borough based jail facilities, and maintaining the drinking water system. In addition, damages to critical infrastructure throughout New York City caused by Hurricane Sandy are estimated at \$4.4 billion in the 2020-2023 Capital Program.

The Capital Plan will provide \$14.9 billion for new school construction and expansion, as well as modernization, rehabilitation, and improvements to existing school buildings. The City will invest \$4.6 billion to reconstruct and rehabilitate bridges to ensure a state of good repair, including the Brooklyn Queens Expressway (BQE) Triple Cantilever bridge structures,

Williamsburg Bridge, and Shore Road Bridge over Hutchinson River. The City will provide \$4.5 billion for the preservation and new construction of affordable housing for low to moderate incomes and those with special needs. The Capital Plan will also provide \$3.6 billion for the design and construction of new borough based jail facilities. The City will invest \$2.6 billion to maintain the operational integrity and improve the resiliency of its wastewater resource recovery facilities. In addition, the City will also invest \$980.3 million for the repair and construction of City Tunnels and upstate aqueducts, including the excavation of the two remaining shafts for the Brooklyn/Queens section of City Tunnel #3, the boring of a tunnel between Kensico Reservoir and the Catskill/Delaware Ultraviolet Disinfection Facility, and comprehensive facility upgrades at Hillview Reservoir.

FY 2019 - 2023 Commitment Plan
(\$ in Millions)

	2019		2020		2021		2022		2023	
	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	\$106	\$106	\$60	\$60	\$90	\$90	\$75	\$75
Sewers.....	658	669	653	665	715	716	626	635	578	578
Water Mains, Sources & Treatment.....	649	657	573	573	344	344	531	531	836	836
Water Pollution Control	660	701	952	1,116	1,242	1,242	966	966	1,139	1,139
Water Supply	84	84	350	350	104	104	477	477	81	81
Subtotal	\$2,182	\$2,241	\$2,634	\$2,811	\$2,464	\$2,466	\$2,690	\$2,699	\$2,710	\$2,710
Transportation										
Mass Transit	\$466	\$485	\$136	\$136	\$54	\$54	\$40	\$40	\$40	\$40
Bridges	407	538	672	730	735	802	1,122	1,176	1,854	1,909
Highways.....	825	1,016	862	965	725	870	1,201	1,263	786	943
Subtotal	\$1,698	\$2,039	\$1,670	\$1,831	\$1,514	\$1,727	\$2,363	\$2,479	\$2,679	\$2,892
Education										
Education.....	\$3,703	\$4,043	\$3,806	\$4,138	\$2,830	\$3,574	\$3,631	\$3,631	\$3,514	\$3,514
Higher Education	101	102	132	142	136	136	151	151	88	88
Subtotal	\$3,804	\$4,145	\$3,938	\$4,280	\$2,966	\$3,710	\$3,782	\$3,782	\$3,603	\$3,603
Housing & Economic Development										
Economic Development	\$799	\$873	\$426	\$606	\$767	\$808	\$1,190	\$1,193	\$652	\$688
Housing	1,493	1,528	1,246	1,278	1,122	1,154	1,174	1,206	902	934
Subtotal	\$2,293	\$2,401	\$1,672	\$1,884	\$1,889	\$1,962	\$2,364	\$2,400	\$1,554	\$1,622
Administration of Justice										
Corrections.....	\$70	\$126	\$721	\$729	\$625	\$625	\$949	\$949	\$2,283	\$2,283
Courts.....	87	89	435	438	353	354	225	225	158	158
Police.....	324	352	455	475	438	444	255	255	211	211
Subtotal	\$481	\$567	\$1,611	\$1,642	\$1,416	\$1,422	\$1,428	\$1,428	\$2,652	\$2,652
City Operations and Facilities										
Cultural Institutions.....	\$280	\$396	\$187	\$188	\$105	\$105	\$248	\$248	\$184	\$184
Fire	138	173	197	239	167	213	193	193	144	144
Health & Hospitals	428	726	539	870	436	804	366	631	165	291
Parks.....	517	628	817	877	760	868	1,527	1,611	533	552
Public Buildings.....	230	238	457	457	290	290	331	331	317	317
Sanitation	383	385	446	456	382	382	390	390	453	453
Resiliency, Technology & Equipment.....	515	525	1,347	1,636	1,173	1,316	993	1,043	624	624
Other.....	1,809	1,895	1,151	1,273	884	949	956	1,052	764	816
Subtotal	\$4,302	\$4,966	\$5,143	\$5,997	\$4,197	\$4,927	\$5,004	\$5,499	\$3,185	\$3,381
Total Commitments	\$14,760	\$16,359	\$16,667	\$18,445	\$14,445	\$16,214	\$17,632	\$18,287	\$16,382	\$16,858
Reserve for Unattained Commitments.....										
	(\$4,402)	(\$4,402)	(\$2,050)	(\$2,050)	(\$862)	(\$862)	(\$1,417)	(\$1,417)	(\$58)	(\$58)
Commitment Plan	\$10,358	\$11,957	\$14,617	\$16,395	\$13,583	\$15,352	\$16,215	\$16,870	\$16,324	\$16,800
Total Expenditures	\$8,267	\$9,655	\$9,418	\$10,556	\$10,554	\$12,191	\$12,264	\$13,689	\$14,033	\$15,054

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

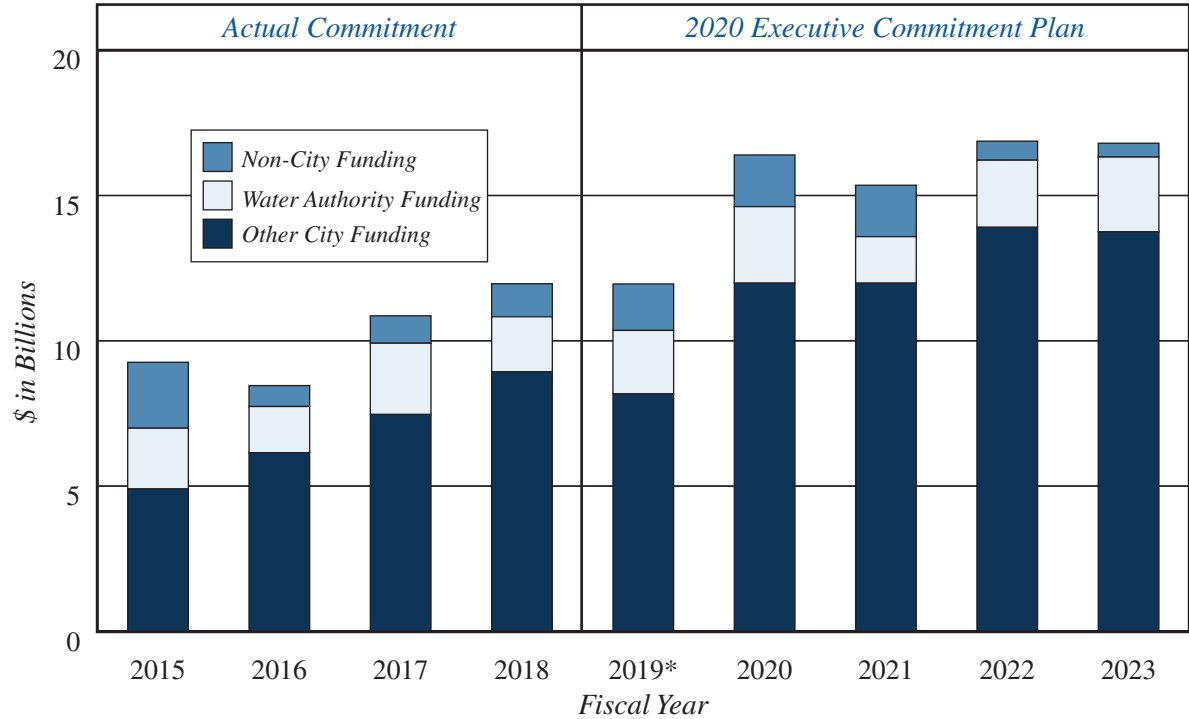
Non-City Funding Sources

Non-City capital funding sources include \$1.8 billion in the 2020 plan and \$4.7 billion over the 2020-2023 four-year plan period. The majority of non-City funding supports Hospitals, Education, Transportation, Resiliency Measures, and Parks.

Hospitals programs are projected to receive \$1.1 billion in Federal funding over the 2020-2023 period. Education programs anticipate receiving \$1.1 billion over the 2020-2023 period, with \$1.0 billion from the State government and \$72.3 million from the Federal

government. Transportation programs are projected to receive non-City funding of \$942.4 million over the 2020-2023 period, with \$720.9 million from the Federal government, \$168.6 million from the State, and private funds of \$52.9 million. Resiliency Measures anticipate receiving \$481.6 million in Federal funding over the 2020-2023 period. Parks programs are projected to receive \$270.6 million over the 2020-2023 period, with \$230.7 million from the Federal government, \$26.6 million from private funds, and \$13.2 million from the State.

FY 2015 - 2023 CAPITAL COMMITMENTS BY FUNDING SOURCE



* Projected

Source: NYC OMB

The Capital Program since 2015

The table below illustrates the changes in the size of the City's capital program over the 2015-2018 period.

**FY 2015-2018 Commitments
(\$ in Millions)**

	2015		2016		2017		2018	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
<i>Environmental Protection</i>								
Equipment	\$91	\$91	\$93	\$93	\$86	\$86	\$53	\$53
Sewers.....	344	355	352	353	670	685	637	652
Water Mains, Sources and Treatment.....	553	553	418	419	867	883	620	624
Water Pollution Control.....	367	367	709	708	667	675	362	371
Water Supply	737	737	17	17	162	162	225	225
<i>Subtotal</i>	\$2,091	\$2,103	\$1,590	\$1,590	\$2,452	\$2,491	\$1,896	\$1,925
<i>Transportation</i>								
Mass Transit.....	\$125	\$125	\$229	\$237	\$76	\$80	\$169	\$169
Bridges.....	300	735	288	436	327	598	988	1,235
Highways	329	421	415	544	505	631	663	776
<i>Subtotal</i>	\$755	\$1,280	\$932	\$1,217	\$908	\$1,310	\$1,821	\$2,180
<i>Education</i>								
Education.....	\$1,546	\$2,884	\$2,455	\$2,504	\$3,073	\$3,136	\$3,029	\$3,546
Higher Education.....	55	55	40	41	33	33	79	79
<i>Subtotal</i>	\$1,601	\$2,940	\$2,496	\$2,545	\$3,106	\$3,169	\$3,108	\$3,625
<i>Housing & Economic Development</i>								
Economic Development	\$152	\$163	\$168	\$185	\$325	\$342	\$301	\$320
Housing	376	413	647	634	852	880	1,191	1,231
<i>Subtotal</i>	\$528	\$576	\$815	\$820	\$1,177	\$1,222	\$1,492	\$1,551
<i>Administration of Justice</i>								
Correction.....	\$153	\$154	\$79	\$81	\$58	\$61	\$29	\$34
Courts	10	10	36	47	24	26	19	27
Police	140	141	190	191	204	204	327	327
<i>Subtotal</i>	\$303	\$304	\$305	\$320	\$286	\$291	\$376	\$388
<i>City Operations & Facilities</i>								
Cultural Institutions.....	\$151	\$154	\$105	\$114	\$65	\$148	\$70	\$75
Fire.....	70	71	144	133	122	123	85	86
Health & Hospitals.....	143	157	138	228	160	224	237	301
Parks	465	646	201	359	530	586	410	437
Public Buildings	94	94	121	121	72	72	101	101
Sanitation.....	255	274	177	176	256	258	296	289
Resiliency, Technology & Equipment	258	258	344	340	403	403	253	253
Other	278	404	369	494	380	565	682	751
<i>Subtotal</i>	\$1,714	\$2,056	\$1,600	\$1,965	\$1,988	\$2,378	\$2,135	\$2,294
<i>Total Commitments</i>	\$6,992	\$9,260	\$7,738	\$8,457	\$9,916	\$10,860	\$10,827	\$11,963
<i>Total Expenditures</i>	\$5,949	\$7,836	\$6,676	\$8,080	\$7,444	\$8,826	\$8,887	\$9,640

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

Comprehensive Planning Process

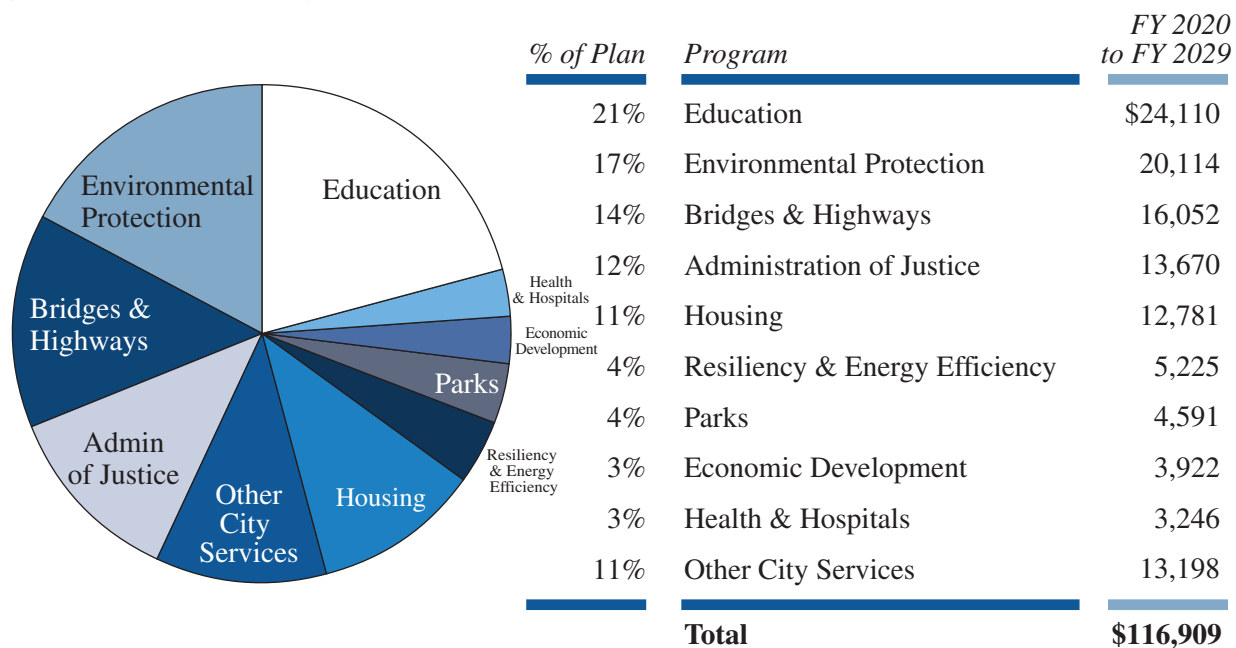
Developing a long-term capital investment strategy to improve, expand and sustain the City's physical plant requires comprehensive planning. The Ten-Year Capital Strategy, updated by OMB and the Department of City Planning every two years through consultation with City agencies, establishes overall programmatic goals. The Four-Year Plan, revised annually, is consistent with the basic priorities established in the Ten-Year Capital Strategy. As annual budgets are prepared, goals are adjusted to reflect newly-identified needs and changes in mandated programs within the context of the City's Ten-Year Capital Strategy and Four-Year Plan.

Ten-Year Capital Strategy 2020-2029
(\$ in Thousands)

	City Funds	Non-City Funds	Total Funds
<i>Environmental Protection</i>			
• Sewers.....	\$4,424,503	\$23,159	\$4,447,662
• Water Mains, Sources and Treatment.....	4,353,199	23	4,353,222
• Water Pollution Control.....	7,993,564	346,507	8,340,071
• Water Supply	2,311,924	0	2,311,924
• DEP Equipment.....	660,813	568	661,381
Subtotal Environmental Protection	\$19,744,003	\$370,257	\$20,114,260
<i>Education</i>			
• Education	\$22,471,595	\$1,638,812	\$24,110,407
• CUNY	656,317	9,740	666,057
Subtotal Education	\$23,127,912	\$1,648,552	\$24,776,464
<i>Transportation</i>			
• Mass Transit.....	\$509,790	\$0	\$509,790
• Highways & Transit Operations.....	6,704,261	1,044,312	7,748,573
• Bridges.....	7,998,447	304,447	8,302,894
Subtotal Transportation	\$15,212,498	\$1,348,759	\$16,561,257
<i>Housing & Economic Development</i>			
• Housing.....	\$9,427,281	\$320,000	\$9,747,281
• Housing Authority	3,033,831	0	3,033,831
• Economic Development.....	3,657,743	264,500	3,922,243
Subtotal Housing & Economic Development.....	\$16,118,855	\$584,500	\$16,703,355
<i>Administration of Justice</i>			
• Correction	\$9,949,540	\$8,727	\$9,958,267
• Police	1,692,266	26,396	1,718,662
• Courts.....	1,990,606	2,512	1,993,118
Subtotal Administration of Justice.....	\$13,632,412	\$37,635	\$13,670,047
<i>Health & Social Services</i>			
• Health	\$619,320	\$5,363	\$624,683
• Hospitals	1,533,917	1,087,423	2,621,340
• Homeless Services.....	649,060	0	649,060
• Human Resources	191,857	83,142	274,999
• Children's Services.....	352,869	39,554	392,423
• Aging.....	59,243	0	59,243
Subtotal Health & Social Services.....	\$3,406,266	\$1,215,482	\$4,621,748
<i>Other City Services</i>			
• Sanitation	\$3,186,317	\$10,454	\$3,196,771
• Public Buildings.....	1,872,629	0	1,872,629
• Fire.....	1,306,357	86,443	1,392,800
• Parks & Recreation.....	4,178,390	412,924	4,591,314
• Cultural Institutions & Libraries	1,699,007	1,248	1,700,255
• Resiliency, Technology & Equipment	7,226,529	481,625	7,708,154
Subtotal Other City Services.....	\$19,469,229	\$992,694	\$20,461,923
Total.....	\$110,711,175	\$6,197,879	\$116,909,054

TEN-YEAR CAPITAL STRATEGY FOR 2020 - 2029

(\$ in Millions - All Funds)



Source: NYC OMB

2020 Ten-Year Capital Strategy Highlights

Technology

- Information and Communication Systems: IT security, hardware and software security upgrades required to safeguard the City’s information technology assets (\$140.3 million); 911/Emergency Communications Transformation Program (ECTP) facilities, software, and equipment to update the City’s computer aided dispatch capabilities (\$118.1 million); and the Broadband Initiative, including the expansion of wireless access for City residents (\$70.0 million).

Environmental Protection and Sanitation

- Sewers: replacement and augmentation of the City’s sewer system (\$1.9 billion); Southeast Queens sewer work (\$1.4 billion); the emergency replacement of malfunctioning or collapsed cement combined sewers (\$623.1 million); and the purchase of property and construction for the Staten Island Bluebelt program (\$356.0 million). The total Sewers program for 2020-2029 is \$4.4 billion.

- Water Mains, Sources and Treatment: continued improvements and repairs to infrastructure associated with water supply systems (\$2.3 billion), including the rehabilitation of the Ashokan Reservoir, Olive Bridge Dam, and Dividing Weir Bridge (\$772.0 million), projects related to the Filtration Avoidance Determination (\$213.5 million), and the rehabilitation of the Catskill Aqueduct pressure tunnels (\$210.0 million); and replace and extend trunk and distribution water mains and ancillary work (\$2.1 billion), including work in Southeast Queens (\$79.5 million) and replacement and rehabilitation of below ground infrastructure specifically related to the accelerated replacement schedule for aging water mains (\$76.4 million). The total Water Mains, Sources and Treatment program for 2020-2029 is \$4.4 billion.
- Wastewater Treatment: investments to maintain the operational integrity of existing wastewater treatment facilities (\$3.6 billion); optimization of existing and construction of new traditional

sewer overflow controls to prevent the release of combined sewer overflow (\$2.0 billion); combined sewer overflow (CSO) capture through the use of Green Infrastructure projects such as bioswales, tree pits, and constructed wetlands in combined sewer areas (\$904.5 million); enhancement of the existing chlorination system at various wastewater resource recovery facilities (WRRF) in order to meet stricter chlorine discharge limits (\$272.2 million); ongoing stabilization and upgrades of in-City WRRF and systems to ensure compliance with State and Federal mandates for operating permit requirements (\$40.2 million); and studies and facility upgrades to reduce nitrogen levels in treated wastewater (\$40.1 million). The total Wastewater Treatment program for 2020-2029 is \$8.3 billion.

- **Water Supply:** construction of a tunnel connecting the Kensico Reservoir to the Catskill/Delaware Ultraviolet Light Facility, necessary to provide redundancy in the water supply system (\$1.3 billion); construction of the remaining shafts of the Brooklyn/Queens Leg of City Tunnel #3 (\$604.7 million); and modification of chambers at Hillview Reservoir (\$339.5 million). The total Water Supply program for 2020-2029 is \$2.3 billion.
- **Equipment:** management information systems (\$160.5 million), including agency-wide upgrade of security systems (\$139.9 million); and continued water conservation programs (\$110.7 million), including the installation of large water meters (\$71.5 million). The total Equipment program for 2020-2029 is \$661.4 million.
- **Sanitation:** replacement of vehicles (\$1.8 billion); component rehabilitation and construction of other garages (\$527.4 million); construction of a new garage for Bronx Community Districts 9, 10, and 11 (\$262.6 million); construction of a new garage for Manhattan Community Districts 6 and 8 (\$199.7 million); construction of a new garage for Staten Island Community Districts 1 and 3 (\$144.6 million); construction of a new garage for Queens Community District 1 (\$142.6 million); construction and renovation of transfer stations and other facilities in accordance with the City's Long Term Solid Waste Management Plan (\$117.1 million); and purchases of information technology and telecommunications equipment (\$49.0 million).

Transportation

- **Bridges:** rehabilitation of bridges, including Brooklyn-Queens Expressway (BQE) bridges from Sands Street to Atlantic Avenue (\$1.6 billion) and the Trans-Manhattan Expressway (\$421.5 million); continued reconstruction and rehabilitation for the East River bridges, including the Williamsburg Bridge (\$300.2 million); and bridge protective coating projects, including West 207th Bridge over Harlem River (\$8.5 million). The total Bridge Program for 2020 to 2029 is \$8.3 billion.
- **Highways:** street reconstruction (\$3.1 billion), including reconstruction of Queens Boulevard (\$249.5 million); street and arterial resurfacing of approximately 6,770 lane miles (\$1.6 billion); installation and rehabilitation of pedestrian ramps (\$1.2 billion); and replacement of sidewalks (\$475.4 million). The total Highways Program for 2020 to 2029 is \$6.6 billion.
- **Traffic:** signal installation and maintenance (\$293.5 million); upgrade and replacement of lampposts, luminaires, and associated infrastructure (\$124.8 million); and installation of streetlights, signals and lane markings associated with the Highway and Bridge Programs (\$56.6 million). The total Traffic Program for 2020 to 2029 is \$642.0 million.
- **Ferries:** ferry terminal building improvements (\$255.2 million); and ferry boats (\$144.8 million). The total Ferries Program for 2020 to 2029 is \$406.0 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 2020-2029 is \$509.8 million.

Education, Health and Social Services

- Education: rehabilitate, replace, and upgrade building components (\$7.6 billion); construct new schools (\$6.6 billion); cover emergency projects, research and development, and prior plan completion costs (\$4.6 billion); capital improvements that enhance educational programs (\$2.3 billion); expand facilities through leases, building additions, athletic fields, and playgrounds (\$2.3 billion); address the need for security systems, emergency lighting, and code compliance (\$477.6 million); and provide technological enhancements, expand pre-kindergarten capacity, and remove transportable classroom units with the Smart Schools Bond Act (\$260.0 million). The total Education program for 2020-2029 is \$24.1 billion.
- Higher Education: miscellaneous reconstruction (\$625.3 million); data processing and other equipment (\$38.0 million); and energy conservation (\$2.8 million). The total Higher Education program for 2020- 2029 is \$666.1 million.
- Health: ambulance purchases (\$412.7 million); various public health facility renovations and rehabilitation (\$170.6 million); a new Public Health Laboratory (\$166.0 million); facility infrastructure improvements (\$126.2 million); IT infrastructure upgrades (\$102.5 million); animal care centers and other animal welfare investments (\$93.6 million); NYC Health + Hospitals (H+H) new Epic revenue cycle management system (\$90.6 million); Epic electronic medical record system (\$54.0 million); technology infrastructure improvements for the Department of Health and Mental Hygiene (\$46.9 million); technology and laboratory equipment upgrades for the Office of the Chief Medical Examiner (\$36.0 million); and H+H's system-wide equipment purchases (\$32.1 million).
- Aging: rehabilitation of senior centers, with focus on structural and accessibility issues (\$38.7 million); and computer and network upgrade and equipment purchase (\$20.6 million).
- Administration for Children's Services: renovation and upgrades of Juvenile Detention Facilities (\$206.5 million); telecommunications and data infrastructure upgrades and improvements (\$66.5 million); renovation and upgrades of facilities (\$55.3 million); and renovation and code compliance at various child care centers (\$45.6 million).

- Homeless Services: renovation and upgrade of adult shelters (\$423.8 million); renovation and upgrade of family shelters (\$181.0 million); and computer network upgrade and equipment purchases (\$44.2 million).
- Human Resources: data infrastructure upgrades and improvements (\$147.9 million); construction and initial outfitting for citywide facilities (\$88.2 million); telecommunications upgrades and improvements (\$34.8 million); and automotive equipment (\$4.1 million).

Housing and Development

- Housing: provision of low-interest loans to finance the preservation or creation of affordable housing in privately-owned buildings through preservation (\$3.7 billion), new construction (\$2.9 billion), supportive housing (\$2.4 billion), and disposition (\$600.4 million) programs; and funding for technology, infrastructure, demolition, and other ancillary investments (\$232.0 million) to fulfill the goals of the Housing New York 2.0 plan.
- Housing Authority: upgrades to building exteriors and systems, including roof work and mold remediation, upgrades to heating components, lead abatement, pest mitigation, elevator rehabilitation, and other general capital maintenance (\$3.0 billion).
- Economic Development: Neighborhood Development Fund to help provide for critical infrastructure work for re-zonings proposed in neighborhood plans developed by the Department of City Planning (\$549.8 million); infrastructure work to support affordable housing sites in the five boroughs (\$421.4 million); development, management and rehabilitation of City-owned waterfront, industrial and other properties, Citywide (\$368.7 million); various development and infrastructure improvements at the Brooklyn Navy Yard (\$309.8 million); purchase new ferries and infrastructure work for the Citywide Ferry System (\$304.5 million); infrastructure improvements in Southwest Bronx (\$155.8 million); funding for the Mayor's Life Sciences Initiative (\$150.0 million); infrastructure improvements in Downtown Far Rockaway (\$79.0 million); and subgrade improvements at Willets Point (\$70.5 million).

Administration of Justice and Public Safety

- Correction: new jail facilities (\$8.7 billion); improvements to building systems, infrastructure and support space including a new training academy (\$971.1 million); and lifecycle replacement of equipment (\$241.0 million).
- Courts: infrastructure and operational improvements of court facilities (\$1.4 billion); fire/life safety work (\$251.7 million); exterior renovations (\$78.4 million); electrical upgrades (\$75.4 million); elevator upgrades (\$73.5 million); and HVAC improvements (\$65.1 million).
- Police: construction, rehabilitation and relocation of facilities, Citywide (\$1.1 billion); lifecycle replacement of vehicles (\$184.7 million); replacement and upgrade of critical network infrastructure equipment and data management systems (\$181.3 million); replacement and upgrade of portable radios, radio equipment, infrastructure and systems (\$168.6 million); and replacement and upgrade of general equipment, Citywide (\$36.2 million).
- Fire: the replacement of front-line fire-fighting apparatus according to mandated replacement cycles as well as support vehicles and equipment (\$656.0 million); the renovation of support facility and firehouse components such as boilers, electrical systems, kitchens, roofs, bathrooms, waterproofing, apparatus doors, floors, and windows (\$412.0 million); the replacement of end of life information technology and communications equipment (\$139.0 million); the replacement of conduit and wiring in inundation zones for the Department's outside cable plant that was damaged during Hurricane Sandy (\$94.0 million); improvements to the EMS Academy at Fort Totten (\$58.0 million); and the upgrade of 9-1-1 communications system infrastructure as it approaches the end of its useful life (\$32.0 million).

Recreation and Cultural

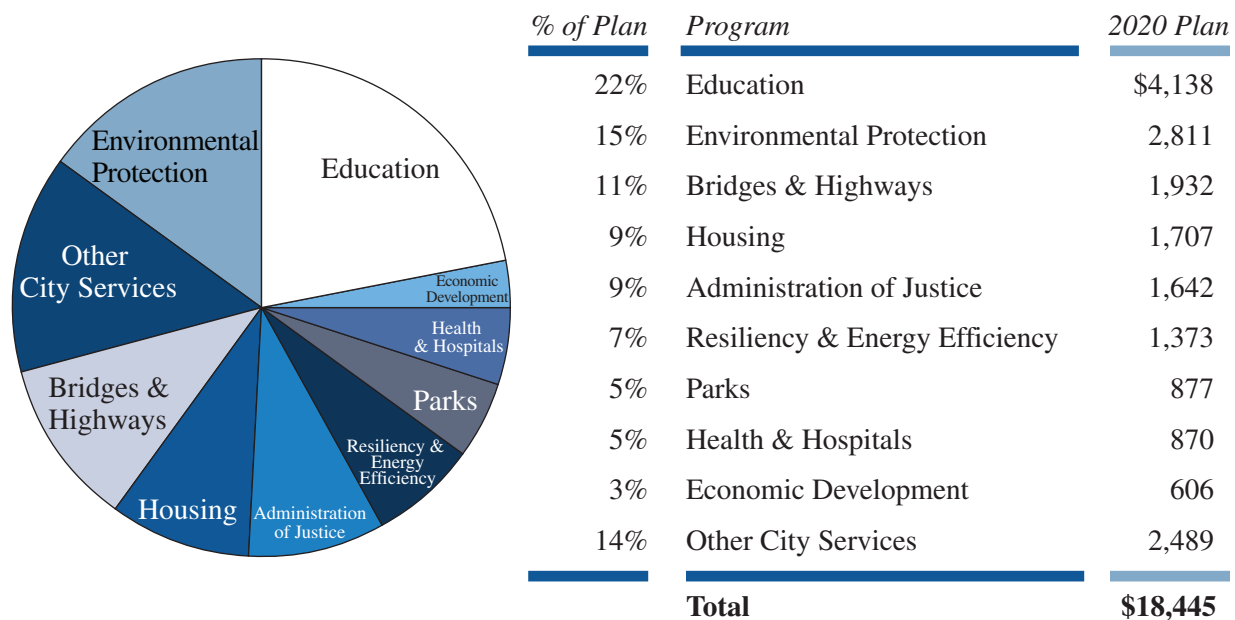
- Parks: rehabilitation of Parks-owned pedestrian bridges, Citywide (\$940.4 million); planting of new street trees and park trees, and the reforestation and restoration of natural areas, Citywide (\$247.0 million); reconstruction of recreation centers, Citywide (\$156.2 million); continued implementation of phases one and two of the Community Parks Initiative (CPI), which directs capital funding to historically underfunded parks in areas with high population density, high concentration of poverty, and above average population growth (\$116.0 million); continued implementation of the Anchor Parks Initiative, which builds off of the Community Parks Initiative and directs capital funding to historically underfunded larger parks that are greater than six acres (\$114.1 million); and funding to continue closing the Walk to a Park gap, including the renovation of schoolyards to allow them to be opened to the public outside of school hours, and the acquisition and development as parkland of public partnership and private sites (\$39.2 million).
- Public Libraries: comprehensive renovations of the New Lots, New Utrecht, Canarsie, Brownsville, and Eastern Parkway Branch Libraries, Brooklyn (\$107.6 million); upgrades of Branch libraries, including expansion, interior and exterior renovations, and security upgrades, Queens (\$97.1 million); construction of the new Westchester Square Branch, the Bronx (\$29.4 million); interior and exterior rehabilitation of the Hamilton Fish Branch (\$6.6 million) and exterior renovation of the Hamilton Grange Branch (\$2.8 million), Manhattan; and construction of the new Charleston branch, Staten Island (\$5.2 million).
- Department of Cultural Affairs: replacement of the skylights at the Metropolitan Museum of Art (\$21.7 million); exterior restorations at the Poppenhusen Institute (\$5.1 million); improvements of the life safety systems at the Sea Cliff exhibit at the New York Aquarium (\$5.1 million); site-wide upgrades and improvements at Wave Hill (\$3.8 million); and construction of a heating and cooling system at the Staten Island Children's Museum (\$3.7 million).

Department of Citywide Administrative Services

- **Public Buildings:** legal mandates (\$621.3 million), including fire/life safety upgrades to ensure Local Law 5 compliance (\$363.1 million), fuel tank replacement and remediation (\$139.6 million), and façade upgrades to ensure Local Law 11 compliance (\$51.2 million); reconstruction and rehabilitation of public buildings and City-owned facilities (\$549.4 million), including projects at 345 Adams in Brooklyn (\$119.9 million), Manhattan Municipal Building (\$68.3 million), 1932 Arthur Avenue in the Bronx (\$32.7 million), a Computerized Testing and Applications Center in the Bronx (\$30.2 million), 253 Broadway in Manhattan (\$26.2 million), 22 Reade Street in Manhattan (\$24.4 million), 100 Gold Street in Manhattan (\$22.2 million), and Queens Borough Hall (\$14.3 million); renovation of leased space (\$317.2 million), including expansion of Department of Emergency Management leased space in Brooklyn (\$85.0 million), renovation of the Department of Finance Queens Business Center (\$16.2 million), and infrastructure upgrades at the Department of Information Technology & Telecommunications' leased facility at 11 MetroTech Center (\$14.2 million); equipment and interagency services (\$138.9 million), including development of a municipal supplies Inventory Management System (\$12.2 million) and installation of charging infrastructure for electric vehicles (\$10.8 million); miscellaneous construction in other facilities (\$75.4 million); renovation of other City-owned facilities (\$71.1 million), including space for the Taxi and Limousine Commission at its Woodside, Queens facility (\$64.5 million); rehabilitation of waterfront properties (\$52.6 million) and non-waterfront properties (\$0.3 million); acquisition of real property (\$32.1 million); communications equipment (\$1.4 million); and rehabilitation of court buildings (\$1.4 million).
- **Energy Efficiency and Sustainability:** energy efficiency measures and building retrofits (\$3.1 billion), including energy efficiency upgrades for various projects (\$2.9 billion), funding for solar panels at citywide facilities (\$79.0 million), the Accelerated Conservation and Efficiency (ACE) Program (\$70.7 million), and Local Law 87 deep retrofits (\$37.9 million). The One City, Built to Last plan will achieve an 80 percent reduction in GHG emissions from 2005 levels by 2050.
- **Citywide Agency Facility and Operational Protective Measures:** citywide agency resiliency and waterfront rehabilitation (\$2.2 billion), including the East Side Coastal Resiliency project (\$1.2 billion), construction of a flood protection system in the Two Bridges neighborhood (\$194.9 million), resiliency measures to protection the Battery (\$136.0 million), and rehabilitation of the substructure at Pier 36 (\$108.6 million).

2020 AUTHORIZED CAPITAL COMMITMENTS, BY PROGRAM

(\$ in Millions - All Funds)



Source: NYC OMB

2020 Agency Highlights

Technology

- Information and Communication Systems: 911/Emergency Communications Transformation Program (ECTP) facilities, software, and equipment to update the City’s computer aided dispatch capabilities (\$39.4 million); Broadband Initiative, including the expansion of wireless access for City residents (\$19.8 million); and as part of IT security, hardware and software security upgrades required to safeguard the City’s information technology assets (\$13.4 million).

Environmental Protection and Sanitation

- Sewers: Southeast Queens Infrastructure build out (\$271.5 million); continued replacement of chronically failing components (\$69.6 million); and Staten Island Bluebelt build out (\$56.9 million). The total Sewers program for 2020 is \$665.2 million.
- Water Mains, Sources and Treatment: continued in-City water main construction and ancillary work (\$329.7 million), including water main rehabilitation in partnership with DOT street reconstruction and

Vision Zero projects (\$149.1 million), various state-of-good-repair projects, Citywide (\$71.8 million), and accelerated replacement schedule for aging water mains (\$21.7 million); and continued improvements and repairs to infrastructure associated with water supply systems (\$243.6 million), including projects related to the Filtration Avoidance Determination (\$82.1 million). The total Water Mains, Sources and Treatment program for 2020 is \$573.2 million.

- Wastewater Treatment: conduct essential projects at water pollution control plants and related infrastructure to sustain uninterrupted wastewater treatment operation (\$548.9 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 (\$396.4 million); and addressing water quality problems attributed to combined sewer overflow discharges into the City’s surrounding waterways during wet weather conditions (\$126.3 million). The total Wastewater Treatment program for 2020 is \$1.1 billion.

- **Water Supply:** construction of the remaining shafts of the Brooklyn/Queens Leg of City Tunnel #3 (\$304.7 million); and construction of a tunnel connecting the Kensico Reservoir and Catskill/Delaware Ultraviolet Light Disinfection Facility (\$10.5 million). The total Water Supply program for 2020 is \$350.1 million.
- **Equipment:** continued water conservation programs (\$29.0 million), including the installation of large water meters (\$15.1 million); and management information systems (\$7.7 million). The total Equipment program for 2020 is \$106.3 million.
- **Sanitation:** component rehabilitation and construction of garages, Citywide (\$247.2 million); replacement of vehicles and equipment (\$177.7 million); construction and renovation of transfer stations and other facilities in accordance with the City's Long Term Solid Waste Management Plan (\$21.4 million); and information technology and telecommunications projects (\$9.8 million).

Transportation

- **Bridges:** rehabilitation of bridges, including Broadway Bridge over Harlem River (\$50.5 million) and Grand Concourse over Metro North (\$47.4 million); continued reconstruction and rehabilitation for the East River bridges, including Manhattan Bridge (\$27.6 million); and bridge protective coating projects, including West 207th Bridge over Harlem River (\$8.5 million). The total Bridge Program for 2020 is \$730.3 million.
- **Highways:** street reconstruction (\$416.5 million), including phase I of the reconstruction of Queens Boulevard (\$64.9 million) and phase II of the reconstruction of Broad Channel bulkheads (\$34.8 million); primary and arterial street resurfacing of approximately 1,100 lane miles (\$262.8 million); and reconstruction of sidewalks and pedestrian ramps (\$258.3 million). The total Highways Program for 2020 is \$965.4 million.
- **Traffic:** signal installation and maintenance (\$51.5 million); parking meters and facilities (\$27.2 million); and upgrade and replacement of lampposts, luminaires, and associated infrastructure (\$18.8 million). The total Traffic Program for 2020 is \$116.4 million.
- **Ferries:** ferry terminal building improvements (\$62.0 million). The total ferries program for 2020 is \$81.7 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 2020 is \$135.5 million.

Education, Health and Social Services

- **Education:** cover emergency projects, research and development, and prior plan completion costs (\$985.9 million); rehabilitate, replace, and upgrade building components (\$971.9 million); expand facilities through leases, building additions, athletic fields, and playgrounds (\$760.7 million); construct new schools (\$683.3 million); capital improvements that enhance educational programs (\$405.6 million); provide technological enhancements, expand pre-kindergarten capacity, and remove transportable classroom units with the Smart Schools Bond Act (\$260.0 million); and address the need for security systems, emergency lighting, and code compliance (\$70.1 million). The total Education program for 2020 is \$4.1 billion.
- **Higher Education:** miscellaneous reconstruction (\$136.0 million); data processing and other equipment (\$5.5 million). The total Higher Education program for 2020 is \$141.5 million.
- **Health:** NYC Health + Hospitals (H+H) upgrade of revenue cycle management system (\$83.9 million); upgrade of electronic medical records system (\$54.0 million); expansion of primary care facilities (\$50.2 million); refresh of network infrastructure (\$48.5 million); purchase of EMS ambulances (\$39.2 million); animal care centers and other animal welfare investments (\$18.8 million); and purchase of biomedical equipment (\$7.6 million).
- **Aging:** rehabilitation and upgrades of senior center facilities and technology purchases for senior centers (\$7.5 million).
- **Administration for Children's Services:** renovation and upgrades of Juvenile Detention Facilities (\$110.8 million); renovation and upgrades of facilities (\$17.4 million); telecommunications and data infrastructure upgrades and improvements (\$13.6 million); and renovation and code compliance at various child care centers (\$8.7 million).

- Homeless Services: renovation and upgrade of adult shelters (\$69.0 million); computer network upgrade and equipment purchases (\$24.2 million); and renovation and upgrade of family shelters (\$17.0 million).
- Human Resources: construction and initial outfitting for citywide facilities (\$46.2 million); data infrastructure upgrades and improvements (\$9.5 million); and telecommunications (\$8.8 million).
- Police: construction, rehabilitation and relocation of facilities, Citywide (\$276.1 million); replacement and upgrade of portable radios, radio equipment, infrastructure and systems (\$63.9 million); replacement and upgrade of critical network infrastructure equipment and data management systems (\$62.2 million); lifecycle replacement of vehicles (\$54.2 million); and replacement and upgrade of general equipment, Citywide (\$18.9 million).

Housing and Development

- Housing: provision of low-interest loans to finance the preservation or creation of approximately 25,000 units in privately-owned buildings through new construction (\$424.0 million), preservation (\$422.0 million), supportive housing (\$316.0 million), and disposition (\$102.0 million) programs; and funding for technology, infrastructure, demolition, and other ancillary investments (\$14.0 million).
- Housing Authority: upgrades to building exteriors and systems, including roof work and mold remediation, heating upgrades, lead abatement, and other general capital maintenance (\$429.0 million).
- Economic Development: purchase of ferries and construction of landings for the New York City Ferry (\$144.0 million); various development and infrastructure improvements at the Brooklyn Navy Yard (\$118.6 million) and Governor's Island (\$37.7 million); Neighborhood Development Fund to help provide for critical infrastructure work for re-zonings proposed in neighborhood plans developed by the Department of City Planning (\$27.5 million); and infrastructure work to support affordable housing sites (\$13.8 million).

Administration of Justice and Public Safety

- Correction: improvements to building systems, infrastructure and support space (\$453.6 million); new jail facilities (\$201.8 million); and lifecycle replacement of equipment (\$74.1 million).
- Courts: infrastructure and operational improvements of court facilities (\$426.6 million); exterior renovations (\$7.7 million); HVAC improvements (\$1.6 million); elevator upgrades (\$1.4 million); and electrical upgrades (\$0.3 million).

- Fire: the replacement of front-line fire-fighting apparatus according to mandated replacement cycles as well as support vehicles and equipment (\$103.0 million); the replacement of conduit and wiring in inundation zones for the Department's outside cable plant that was damaged during Hurricane Sandy (\$45.0 million); the renovation of support facility and firehouse components such as boilers, electrical systems, kitchens, roofs, bathrooms, waterproofing, apparatus doors, floors, and windows (\$42.0 million); the replacement of end of life information technology and communications equipment (\$30.0 million); and the upgrade of 9-1-1 communications system infrastructure as it approaches the end of its useful life (\$19.0 million).

Recreation and Cultural

- Parks: planting of new street trees and park trees and the construction of greenstreets, Citywide (\$52.3 million); reconstruction of the Red Hook Ballfields and Recreation Area in Brooklyn (\$43.5 million); continued implementation of the Community Parks Initiative (\$40.1 million); reconstruction of the Orchard Beach Pavilion in the Bronx (\$24.6 million); reconstruction of the Ralph DeMarco Park and Shoreline in Queens (\$6.7 million); and reconstruction of Greencroft Playground and comfort station in Staten Island (\$2.3 million).
- Public Libraries: comprehensive renovations of the Melrose branch (\$18.5 million) and the Hunts Point branch (\$13.5 million), the Bronx; comprehensive renovations of the Fort Washington branch (\$17.9 million) and 125th St. branch (\$13.5 million), Manhattan; furnishing of the Brooklyn Heights branch (\$11.0 million), DUMBO branch (\$5.0 million), and the HVAC replacement at the Saratoga branch (\$3.2 million), Brooklyn; comprehensive renovation of the Port Richmond branch (\$9.6 million), Staten Island; and design for the expansion and renovation of the Jackson Heights branch (\$1.7 million) and exterior envelope reconstruction of the Ridgewood branch (\$1.7 million), Queens.

- Cultural Affairs: construction, expansion, renovation and fit-out of BAM Harvey Theater (\$22.4 million); renovation of studios at MoMA P.S.1 (\$11.9 million); construction of a new boiler and HVAC system at the Dance Theater of Harlem (\$10.3 million); upgrade of the Con Ed switchgear facility at the Bronx Zoo (\$9.6 million); and interior renovations at the St. George Theater (\$3.8 million).
- and remediation (\$30.0 million) and fire/life safety upgrades to ensure Local Law 5 compliance (\$7.5 million); miscellaneous construction in other facilities (\$35.5 million); acquisition of real property (\$32.0 million); equipment and interagency services (\$31.5 million), including installation of charging infrastructure for electric vehicles (\$10.8 million); rehabilitation of court buildings (\$0.9 million); and communications equipment (\$0.8 million).

Department of Citywide Administrative Services

- Public Buildings: rehabilitation of City-owned space (\$140.6 million), including projects at 345 Adams in Brooklyn (\$116.4 million), 100 Gold Street in Manhattan (\$8.9 million), and Manhattan Municipal Building (\$6.7 million); renovation of leased space (\$89.4 million), including infrastructure upgrades at the Department of Information Technology & Telecommunications' leased facility at 11 MetroTech Center (\$14.0 million) and renovation of the Department of Finance Queens Business Center (\$13.9 million); renovation of other City-owned facilities (\$65.5 million); legal mandates (\$60.0 million), including fuel tank replacement
- Energy Efficiency and Sustainability: energy efficiency measures and building retrofits (\$284.5 million), including the Accelerated Conservation and Efficiency (ACE) Program (\$63.0 million), solar panels at citywide facilities (\$56.1 million), and Local Law 87 deep retrofits (\$23.8 million).
- Citywide Agency Facility and Operational Protective Measures: citywide agency resiliency and agency facility and operational protective measures (\$1.1 billion), including the East Side Coastal Resiliency measures (\$718.9 million) and the structural rehabilitation of Pier 36 (\$108.6 million).

Borough Presidents' Allocations

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

FY 2020-2023 Borough Presidents' Allocations*
(City Funded Appropriations \$ in Thousands)

	2020	2021	2022	2023
Bronx Program				
Aging	\$400	—	—	—
Children's Services	50	—	—	—
Cultural Affairs.....	730	—	—	—
Economic Development	600	—	—	—
Education.....	7,341	—	—	—
Fire.....	811	—	—	—
Health	100	—	—	—
Higher Education.....	2,675	—	—	—
Homeless	500	—	—	—
Hospitals	761	—	—	—
Housing.....	4,250	—	—	—
New York Public Library	640	—	—	—
Parks	11,482	—	—	—
Public Buildings	897	—	—	—
GRAND TOTAL: BRONX	\$31,237	\$0	\$0	\$0
Brooklyn Program				
Aging	\$200	—	—	—
Brooklyn Public Library.....	846	—	—	—
Cultural Affairs.....	3,566	—	—	—
Economic Development	3,500	—	—	—
Education.....	14,097	—	—	—
Fire.....	200	—	—	—
Health	589	—	—	—
Higher Education.....	2,000	—	—	—
Highways	220	—	—	—
Homeless	528	—	—	—
Hospitals	1,064	—	—	—
Housing.....	4,450	—	—	—
Human Resources.....	1,000	—	—	—
Parks	3,020	—	—	—
Police	150	—	—	—
Public Buildings	1,141	—	—	—
Traffic	500	—	—	—
GRAND TOTAL: BROOKLYN	\$37,071	\$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 2020-2023 Borough Presidents' Allocations*
(City Funded Appropriations \$ in Thousands)

	2020	2021	2022	2023
Manhattan Program				
Cultural Affairs.....	\$4,326	—	—	—
Economic Development	100	—	—	—
Education.....	13,238	—	—	—
Fire.....	200	—	—	—
Health	227	—	—	—
Higher Education.....	834	—	—	—
Hospitals.....	920	—	—	—
Housing.....	1,927	—	—	—
Housing Authority	300	—	—	—
Human Resources.....	122	—	—	—
New York Public Library.....	1,142	—	—	—
Parks	1,063	650	—	—
Public Buildings	276	—	—	—
Traffic.....	35	—	—	—
GRAND TOTAL: MANHATTAN	\$24,710	\$650	\$0	\$0
Queens Program				
Cultural Affairs.....	\$4,107	—	—	—
Education.....	8,036	—	—	—
Fire.....	950	—	—	—
Health	1,695	—	—	—
Higher Education.....	4,000	—	—	—
Hospitals.....	1,025	—	—	—
Housing.....	1,500	—	—	—
Human Resources.....	1,000	—	—	—
Parks	23,363	—	5,800	—
Public Buildings	1,700	—	—	—
Queens Public Library.....	1,500	—	—	—
GRAND TOTAL: QUEENS	\$48,876	\$0	\$5,800	\$0
Staten Island Program				
Cultural Affairs.....	\$275	—	—	—
Education.....	17,251	—	—	—
New York Public Library.....	500	—	—	—
GRAND TOTAL: STATEN ISLAND.....	\$18,026	\$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

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, retaining walls, 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 needs recommended in the annual condition surveys with planned spending funded in the 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 37 years to review complex and costly capital projects to ensure they meet functional requirements and are cost effective and timely. These Value Management reviews enable agency decision makers to reach informed conclusions about a project's scope, cost and schedule. In addition to defining potential cost reductions, the VE process frequently generates project improvements and anticipates project risks early in the design process, and solves problems by raising relevant issues that could adversely compromise the project's development, cost and schedule. OMB's Value Management Program continues to be successful, both as an operational and capital management tool. The benefits of VE, and the overall returns on the reviewed projects, have proven to be effective in terms of both significant capital and life cycle cost reductions while protecting each project's required functionality and mission. VA enables improvements to operational processes and more efficient service delivery. Studies scheduled for upcoming VE reviews include environmental projects, dams, ferry slips, bridges, roadways, public buildings, parks, and operational reviews.

FINANCING PROGRAM

The City financing program projects \$53.3 billion of long-term borrowing for the period fiscal years 2019 through 2023 to support the current City capital program, excluding \$737 million planned to be issued for education purposes through Building Aid Revenue Bonds (BARB). The portion of the capital program not financed by the New York City Municipal Water Finance Authority (NYW or the Authority) will be split between General Obligation (GO) bonds of the City and Future Tax Secured (FTS) bonds of the New York City Transitional Finance Authority (TFA). Given the TFA is near its statutory limit on BARB debt outstanding, the financing program reflects BARB issuance so as to remain under the limit.

The financing of the City capital program is split among GO, TFA FTS, NYW, and TFA BARB bond issuance. The City and TFA FTS expect to issue \$20.7 billion and \$23.9 billion, respectively, during the plan period. The City issuance supports 39 percent of the total, while TFA FTS issuance supports 45 percent of the total. NYW will issue approximately \$8.7 billion.

Financing Program (\$ in Millions)

	2019	2020	2021	2022	2023	Total
City General Obligation Bonds	\$1,200	\$4,040	\$4,650	\$5,280	\$5,500	\$20,670
TFA Bonds ¹	4,475	4,040	4,650	5,280	5,500	23,945
Water Authority Bonds ²	1,447	1,852	1,667	1,752	1,993	8,711
Total	<u>\$7,122</u>	<u>\$9,932</u>	<u>\$10,967</u>	<u>\$12,312</u>	<u>\$12,993</u>	<u>\$53,326</u>

1 TFA Bonds do not include BARBs issued for education capital purposes. TFA expects to continue to issue BARBs under the current legislative authorization. For amounts, see the Transitional Finance Authority section below.

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

Overview of the Financing Program

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

Debt Outstanding
(\$ in Millions at Year End)

	2019	2020	2021	2022	2023
City General Obligation Bonds	\$37,519	\$39,341	\$41,809	\$44,750	\$47,749
TFA Bonds ¹	38,513	41,158	44,264	47,900	51,659
TSASC Bonds.....	1,053	1,023	993	966	938
Conduit Debt.....	1,116	1,057	994	928	837
Total	\$78,201	\$82,579	\$88,060	\$94,544	\$101,183
Water Authority Bonds.....	\$30,118	\$31,580	\$32,832	\$34,137	\$35,686

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)

	2019	2020	2021	2022	2023
City General Obligation Bonds	\$3,775	\$4,082	\$4,191	\$4,524	\$4,886
TFA Bonds ¹	2,733	3,031	3,308	3,666	4,038
TSASC Bonds.....	72	82	82	76	76
Conduit Debt.....	122	126	126	126	147
Total Debt Service.....	\$6,702	\$7,321	\$7,707	\$8,392	\$9,147
Water Authority Bonds ²	\$1,651	\$1,845	\$1,956	\$2,077	\$2,184

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

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

Debt Burden

	2019	2020	2021	2022	2023
Total Debt Service ¹ as % of:					
a. Total Revenue.....	7.1%	7.8%	8.1%	8.6%	9.1%
b. Total Taxes.....	10.9%	11.5%	11.7%	12.4%	13.1%
c. Total NYC Personal Income	1.0%	1.1%	1.1%	1.2%	1.2%
Total Debt Outstanding ¹ as % of:					
a. Total NYC Personal Income	11.9%	12.1%	12.5%	13.0%	13.5%

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

Currently the debt service for the City, TFA FTS, and City appropriation debt, or conduit debt, excluding the effect of pre-payments, is 7.1 percent of the City's total budgeted revenues in fiscal year 2019. That ratio is projected to rise to 9.1 percent in fiscal year 2023. As a percentage of tax revenues, the debt service ratio is 10.9 percent in fiscal year 2019 and is projected to increase to 13.1 percent in fiscal year 2023.

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. On March 1, 2019, Moody's upgraded the City's credit rating from Aa2 to Aa1. 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.

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

Federal Tax Legislation

The enactment of the Tax Cut and Jobs Act in December 2017 (2017 Tax Act) brought changes in the tax code that affect the City's financing program. Most notably, issuers of tax-exempt debt are now prohibited from refinancing their debt on a tax-exempt basis more than 90 days from the maturity or optional redemption date of such debt. However, it will continue to be possible to refinance debt more than 90 days from the maturity or optional redemption date on a taxable basis. Since the enactment of the 2017 Tax Act, the City, TFA, and NYW have undertaken a number of refunding transactions, which are discussed below.

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

New York City General Obligation Bonds

Since July 1, 2018, the City has issued \$1.2 billion in GO bonds for capital purposes and \$1.8 billion in GO refunding bonds. The dates and principal amounts are as follows:

NYC GO Issuances (\$ in Millions)					
Series	(N)ew \$/ (R)efunding	Issue Date	Tax Exempt Amount	Taxable Amount	Total Par Amount
2019 ABC	R	8/22/2018	\$771	\$60	\$831
2019 D	N	12/18/2018	850	350	1,200
2019 EF	R	3/19/2019	915	78	993
Total			\$2,536	\$488	\$3,024

The GO refunding transactions the City completed to date in fiscal year 2019 generated just under \$250 million of debt service savings during the financial plan period.

In addition to the total issuance mentioned above, the City took steps to manage its outstanding floating rate debt. The City reoffered four subseries of floating rate bonds amounting to approximately \$316 million. Of those reoffered issues, two subseries of tax-exempt variable rate demand bonds totaling approximately \$110 million and two subseries of tax-exempt index rate bonds amounting to approximately \$206 million were converted to fixed rates.

The City plans to issue GO bonds for capital purposes of approximately \$1.2 billion, \$4.0 billion, \$4.7 billion, \$5.3 billion, and \$5.5 billion in fiscal years 2019 through 2023, respectively.

New York City Related Issuers - Variable Rate Debt

The City and other issuers supporting the City capital program have maintained floating rate exposure to minimize interest costs. When reviewing the City's variable rate debt, it is useful to include all sources of financing with the exception of NYW, which is typically considered separately for such purposes. Variable rate demand bonds compose the majority of the City's variable rate portfolio, but also included are direct placements and public offerings of index floating rate notes. The City and TFA continue to explore various debt instruments that will confer the benefit of floating rates. Currently, the City and its related entities, excluding NYW, have approximately \$10.4 billion of floating rate exposure, which provides

attractive financing costs relative to long term fixed-rate debt. During fiscal year 2019, short-term interest rates have been 1.57 percent on average for tax-exempt floating rate debt, which is approximately 170 basis points lower than those for long term fixed-rate debt, resulting in an annual savings of over \$175 million.

While floating rate debt continues to provide significant savings relative to fixed-rate debt, the exposure is of note because certain events can cause unexpected increased costs. Those events would include rising interest rates, reductions in tax rates in the tax code (in the case of tax-exempt debt), and the deterioration of the City's credit. Additionally, the deterioration of a liquidity provider can also have an impact on net interest costs. As noted previously, because the small reduction in the individual tax rates is mitigated by new caps on certain tax deductions, the 2017 Tax Act should not result in a significant adverse impact on tax-exempt short-term rates, which influence interest paid on floating rate bonds and the economics on swap transactions to which the City is a party.

The following table shows a breakout of the City's and its related issuers' floating rate exposure, excluding NYW. Floating rate exposure is currently at 13.3 percent, and this is even more manageable after taking into account the 10 year average balance of \$7.2 billion of short-term assets in the City's General Fund, which are an offset to these floating rate liabilities. Net of these floating rate assets, the floating rate exposure of the City, excluding NYW, is 4.1 percent of its outstanding debt. Moreover, the City uses conservative assumptions in budgeting expenses from floating rate instruments.

NYC Floating-Rate Exposure¹ (\$ in Millions)

	<u>GO</u>	<u>TFA</u>	<u>Conduit</u>	<u>TSASC</u>	<u>Total</u>
Floating Rate Bonds	\$5,729	\$4,444	\$30	\$0	10,203
Synthetic Fixed	150	0	31	0	181
Total Floating-Rate	\$5,879	\$4,444	\$61	\$0	\$10,384
Total Debt Outstanding.....	\$37,519	\$38,513	\$1,116	\$1,053	\$78,201
<i>% of Floating-Rate / Total Debt Outstanding</i> 13.3%					
Total Floating-Rate Less \$7.2 Billion Balance in					
General Fund (Floating-Rate Assets)..... 3,196					
<i>% of Net Floating Rate / Total Debt Outstanding.....</i> 4.1%					

¹ End of Fiscal Year 2019 Debt Outstanding as of the April 2019 Financial Plan excluding NYW, HYIC, and TFA BARBs

In addition to the floating rate debt instruments previously discussed, the City has utilized basis swaps and synthetic fixed rate debt (issuance of floating rate debt which is then swapped to a fixed rate), though no basis swaps remain outstanding at this time. In contrast to variable rate demand bonds and other floating rate instruments, basis swaps and synthetic fixed rate debt are largely insensitive to changes in interest rates and changes in the City's credit, though they do provide exposure to decreases in marginal tax rates in the tax code. Given the limited floating rate exposure by these instruments, they are counted at 25 percent of par or notional amount in the table above. While the City did not enter into any new interest rate swaps to date in fiscal year 2019, the City did terminate a basis swap at no cost in March 2019. The TFA has no outstanding swaps. The total notional amount of GO swaps outstanding as of March 31, 2019 was \$599 million, on which the termination value was negative \$53.7 million. This is the theoretical amount which the City would pay if all of the swaps terminated under market conditions as of March 31, 2019.

Recently, it has become apparent that the quotes to set the London Inter-bank Offered Rate (LIBOR) may not be provided following the end of calendar year 2021. LIBOR is a taxable index to which a percentage is applied to approximate a tax-exempt rate, so the discontinuation of this rate will impact floating rate instruments indexed to it. Because the tax-exempt index SIFMA has been the City's preferred index, the City and TFA have no floating rate debt instruments linked to LIBOR, while NYW has only a small amount of such debt. For all outstanding swaps between GO and NYW, the payments received are based on a percentage of LIBOR; these swaps are scheduled to still be in effect after 2021. Relative to their total debt portfolios, the City and its related issuers have very limited exposure to LIBOR. The City and its related issuers are monitoring all developments related to the LIBOR discontinuation and transition to an alternative index, which is currently expected to be the Secured Overnight Financing Rate (SOFR) developed by the Federal Reserve.

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 \$68.9 billion in bonds. These bond issuances included a combination of general (first) resolution, second general resolution and subordinated

special resolution crossover refunding water and sewer system revenue bonds.

Of the aggregate bond par amount sold, \$31.1 billion is outstanding, \$26.9 billion, including \$665.4 million of special resolution crossover bonds, was refinanced, \$5.0 billion was defeased with Authority funds prior to maturity, and \$5.9 billion was retired with revenues as it matured. In addition to this long-term debt, NYW uses bond anticipation notes (BANs) issued to the New York State Environmental Facilities Corporation (EFC) and a commercial paper program as a source of flexible short-term financing. As of April 2019, \$27.6 million of BAN draws are outstanding. The Authority is authorized to draw up to \$600 million of commercial paper notes, including up to \$400 million of the Extendible Municipal Commercial Paper. Currently, the Authority has no commercial paper outstanding, and does not expect to issue commercial paper for the remainder of the current fiscal year.

NYW's outstanding debt also includes floating rate bonds, which have been a reliable source of cost effective financing. NYW has \$5.1 billion of floating rate bonds or 16.5 percent of its outstanding debt, including \$401 million, which was swapped to a fixed rate. NYW's floating rate exposure primarily consists of tax-exempt floating rate debt supported by liquidity facilities. NYW's exposure also includes \$500 million of privately placed tax-exempt index rate bonds, which pay interest based on a specified index. Index rate bonds do not require liquidity facilities, however, they provide for an increased rate of interest commencing on an identified step up date if the bonds are not converted or refunded. Through the step up date, the bonds have an all-in cost similar to floating rate bonds supported by liquidity facilities.

NYW is a party to two interest rate exchange agreements (swaps) with a total notional amount of \$401 million. Under these agreements, the Authority pays a fixed interest rate of 3.439% in exchange for a floating rate based on 67% of one-month LIBOR. As of March 29, 2019, the mark-to-market value of the swaps was negative \$96.4 million. This is the theoretical amount, which NYW would pay if both swaps were terminated as of March 29, 2019.

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

Summarized in the following table are the issuances that have closed to date in fiscal year 2019. The proceeds of the bonds were applied to pay the cost of improvements to the system or paid principal and interest on certain of the Authority's outstanding debt and paid the costs of issuance.

Series	NYW Issuance				
	(N)ew Money/(R)ef.	Issue Date	Par Amount	True Interest Cost (TIC)	Longest Maturity
2019 Series 1 ¹	R	8/2/2018	\$319,715,000	1.44% ²	2037
2019 AA	R	8/21/2018	264,035,000	2.19%	2024
2019 BB	N	9/16/2018	100,000,000	VAR	2051
2019 Series 2 and 3 ¹	N	11/29/2018	485,144,000	2.20% ²	2048
2019 CC	N	12/12/2018	300,000,000	VAR	2051
2019 DD	N	1/24/2019	475,000,000	3.93%	2049
2019 EE	R	3/20/2019	415,610,000	3.75%	2040
2019 FF	N/R	4/17/2019	500,000,000	3.49%	2049

1 Bonds issued to EFC

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

NYW expects to issue \$75 million of additional new money bonds or notes over the remainder of fiscal year 2019. During the period from 2020 to 2023, NYW expects to sell an average of approximately \$1.9 billion of new money bonds per year. Of this amount, NYW plans to issue \$300 million bonds annually to 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 floating rate debt, subject to market conditions.

Act in 1997. 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.

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

Since July 1, 2018, the TFA has issued approximately \$4.5 billion in bonds for capital purposes. The dates and principal amounts are as follows:

Series	NYC TFA Issuances (\$ in Millions)				
	New\$/Refunding	Issue Date	Tax Exempt Amount	Taxable Amount	Total Par Amount
2019 A	N	8/10/2018	\$1,050	\$300	\$1,350
2019 B	N	9/25/2018	1,025	500	1,525
2019 C	N	4/12/2019	1,000	600	1,600
Total			\$3,075	\$1,400	\$4,475

Additionally, the TFA took steps to manage outstanding floating rate bonds by converting approximately \$150 million of floating rate bonds to a fixed rate mode and converting \$200 million of index rate bonds to variable rate demand bonds.

The TFA plans to issue TFA FTS bonds for capital purposes of approximately \$4.5 billion, \$4.0 billion, \$4.7 billion, \$5.3 billion, and \$5.5 billion in years 2019 through 2023, 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 \$8.1 billion of BARBs outstanding which fund the capital program of the Department of Education. The financing program reflects BARB issuance projections to remain under the statutory cap. The TFA plans to issue BARBs of approximately \$500 million, \$103 million, \$31 million, \$78 million, and \$25 million in fiscal years 2019 through 2023, respectively, totaling \$737 million over the plan period.

Since July 1, 2018, TFA has issued \$500 million in BARBs for capital purposes and approximately \$2 billion for refunding purposes. The refunding transactions generated just under \$350 million of savings within the financial plan.

NYC TFA BARB 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>
2019 S-1	N	7/26/2018	\$500	\$0	\$500
2019 S-2	R	7/26/2018	429	115	544
2019 S-3	R	10/25/2018	1,218	194	1,412
Total			<u>\$2,147</u>	<u>\$309</u>	<u>\$2,456</u>

Hudson Yards Infrastructure Corporation

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

In December 2006, HYIC issued its first series of bonds in the principal amount of \$2 billion. HYIC completed its second issuance of \$1 billion of bonds in October 2011. Principal on the HYIC bonds is being 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 (ISP) to HYIC subject to appropriation.

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

In August 2018, the City Council approved an additional \$500 million of bond issuance supported by ISP to finance additional infrastructure improvements to expand the Hudson Park & Boulevard from W. 36th Street to W. 39th Street. HYIC has obtained financing for the additional infrastructure investments in the form of a bank loan at short term interest rates.

Given the ongoing development in the Manhattan's far west side, revenues received by HYIC have accelerated. Collections of PILOT revenue and tax equivalency payments continue to increase. Additionally, since the beginning of fiscal year 2019, HYIC received approximately \$50 million from payments in lieu of mortgage recording tax and district improvement bonus.

The No. 7 Subway extension was constructed by the MTA and began service in September 2015. The secondary entrance to this station located at W. 35th Street and Hudson Boulevard East opened in September 2018.

Phase I of the Hudson Park and Boulevard opened to the public in August 2015 and is managed by the Hudson Yards Hell's Kitchen Alliance Business Improvement District. Expenditures for land acquisition for Phase II of the Hudson Park and Boulevard will commence in the second half of calendar year 2019.

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 2020
(\$ in Millions)

Agency	Personal Service Costs				Other Than Personal Service Costs				Gross Total All Funds (Includes Intra-City)	Net Total All Funds (Excludes Intra-City)	City Funds Total
	Salaries & Wages	Fringe Benefits	Pensions	PS Subtotal	Agency OTPS	PA, MA & Other Mandates	Debt Service	OTPS Subtotal			
UNIFORMED FORCES											
Police.....	\$5,078	\$2,363	\$2,710	\$10,151	\$445	\$—	\$211	\$656	\$10,807	\$10,518	\$10,385
Fire.....	1,834	818	1,501	4,153	229	—	204	433	4,586	4,585	4,269
Correction.....	1,170	713	501	2,384	167	—	169	336	2,720	2,720	2,692
Sanitation.....	989	482	294	1,765	731	—	307	1,038	2,803	2,790	2,762
Subtotal.....	\$9,071	\$4,376	\$5,006	\$18,453	\$1,572	\$—	\$891	\$2,463	\$20,916	\$20,613	\$20,108
HEALTH AND WELFARE											
Admin. For Children's Services.....	\$529	\$192	\$86	\$807	\$2,126	\$—	\$—	\$2,126	\$2,933	\$2,933	\$1,038
Social Services.....	878	402	153	1,433	1,767	7,566	87	9,420	10,853	10,843	8,398
Homeless Services.....	155	67	26	248	1,961	—	—	1,961	2,209	2,208	1,367
Health and Mental Hygiene.....	521	183	85	789	1,167	—	72	1,239	2,028	2,023	1,205
Health + Hospitals.....	—	38	—	38	1,001	—	230	1,231	1,269	1,182	1,135
Subtotal.....	\$2,083	\$882	\$350	\$3,315	\$8,022	\$7,566	\$389	\$15,977	\$19,292	\$19,189	\$13,143
EDUCATION											
Education.....	\$12,349	\$4,450	\$3,725	\$20,524	\$10,494	\$835	\$2,059	\$13,388	\$33,912	\$33,902	\$19,307
City University.....	631	197	90	918	349	—	92	441	1,359	1,344	1,038
Subtotal.....	\$12,980	\$4,647	\$3,815	\$21,442	\$10,843	\$835	\$2,151	\$13,829	\$35,271	\$35,246	\$20,345
OTHER AGENCIES.....	3,366	1,176	566	5,108	6,282	—	3,288	9,570	14,678	13,519	11,281
ELECTED OFFICIALS.....	657	187	102	946	153	—	—	153	1,099	1,091	1,009
MISCELLANEOUS.....	1,821	126	112	2,059	—	3,969 ⁽¹⁾	423	4,392	6,451	6,230	5,840
DEBT SERVICE											
(Unallocated).....	—	—	—	—	—	—	96	96	96	96	36
TOTAL - ALL FUNDS⁽²⁾.....	\$29,978	\$11,394	\$9,951	\$51,323	\$26,872	\$12,370	\$7,238	\$46,480	\$97,803	\$95,984	
TOTAL - CITY FUNDS⁽²⁾.....	\$21,320	\$8,702	\$9,807	\$39,829	\$14,665	\$10,260	\$7,008	\$31,933			\$71,762
Less: Prepayments.....	\$—	\$—	\$—	\$—	\$—	\$—	\$3,516	\$3,516	\$3,516	\$3,516	\$3,516
Total After Prepayments.....	\$29,978	\$11,394	\$9,951	\$51,323	\$26,872	\$12,370	\$3,722	\$42,964	\$94,287	\$92,468	\$68,246

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

(2) Excludes the impact of prepayments.

DEPARTMENT OF EDUCATION

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

Financial Review

The Department of Education's 2020 operating budget is \$27.1 billion, an increase of \$112 million over the 2019 forecast of \$27.0 billion. In addition, education-related pension, debt service, and other fringe costs of \$6.8 billion are budgeted in separate agencies. These additional costs include an increase of \$247 million. City funds including pensions, debt service and other fringe support \$19.3 billion of the Department of Education's expense budget in 2020, a decrease of \$82 million, or 0.4 percent. State funds

support \$12.2 billion, an increase of \$274 million. The balance of the education budget is supported by \$2.2 billion in Federal aid, an increase of \$228 million from the 2019 forecast, \$10 million in intra-city funds and \$190 million in other categorical funds. Including those funds budgeted centrally, total funds budgeted on behalf of the Department of Education increase from \$33.6 billion in the 2019 forecast to \$33.9 billion in the 2020 Executive Budget.

Total Department of Education Expenses 2013-2020 (\$ in Millions)

	2013	2014	2015	2016	2017	2018	Forecast 2019	Executive Budget 2020	Change 2019 to 2020	Change 2013 to 2020
Department of Education Operating Budget										
City.....	\$9,081	\$9,548	\$9,740	\$10,607	\$11,117	\$12,190	\$13,583	\$13,344	(\$239)	\$4,263
Other Categorical	246	309	309	287	310	327	212	190	(22)	(56)
State.....	7,982	8,480	9,189	9,735	10,260	10,710	11,199	11,383	184	3,402
Federal.....	1,894	1,714	1,716	1,744	1,775	1,856	1,956	2,184	228	290
Intra-City	30	35	45	48	45	61	49	10	(39)	(20)
Total Operating Expenditures	\$19,232	\$20,085	\$20,999	\$22,422	\$23,508	\$25,144	\$27,000	\$27,111	\$112	\$7,879
Other City Funds Supporting Education										
Pensions	\$2,830	\$2,971	\$3,273	\$3,700	\$3,919	\$3,927	\$3,694	\$3,725	\$31	\$895
State Aid for Pensions.....	0	0	0	0	0	0	0	0	0	0
Federal Aid for Pensions.....	0	0	0	0	0	0	0	0	0	0
Other Fringe.....	126	133	146	159	159	163	170	182	12	56
G.O. Bond Debt Service	944	885	903	1,029	1,055	1,065	1,156	1,209	53	265
State Aid for Debt Service	(146)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	0	143
TFA Debt Service	816	912	1,027	1,082	1,148	1,276	1,533	1,684	152	868
State Aid for TFA Debt Service.....	(345)	(518)	(561)	(606)	(576)	(687)	(745)	(835)	(90)	(490)
Total Additional City Funds	\$4,226	\$4,379	\$4,785	\$5,361	\$5,702	\$5,741	\$5,806	\$5,963	\$158	\$1,737
TOTAL CITY FUNDS										
FOR EDUCATION.....	\$13,307	\$13,927	\$14,525	\$15,969	\$16,819	\$17,931	\$19,389	\$19,307	(\$82)	\$6,000
TOTAL STATE FUNDS										
FOR EDUCATION.....	\$8,472	\$9,000	\$9,753	\$10,343	\$10,839	\$11,400	\$11,947	\$12,221	\$274	\$3,749

The amounts shown for 2013 through 2018 represent actual expenditures including pensions and debt service funds budgeted in other agencies. Numbers may not add due to rounding.

Expense Budget Highlights

The 2020 Executive Budget includes funding for new policy initiatives, previously announced policies and mandated support services for NYC children.

Investing in School Improvement

In the 2020 Preliminary Plan, the City added funding for a new data system that will allow the Department of Education to better track and analyze education-related statistics and coordinate support efforts across the Department. EduStat, inspired by similar systems utilized by the NYPD and ACS, will streamline data on attendance, suspensions, assessments, programming and facilities, allowing data-informed decision-making at all levels of the school system, from the Chancellor's Office to principals at the individual school.

EduStat is one part of the Department's larger Comprehensive School Support Strategy (CSSS) to improve all schools. In the Executive Plan, the City added funding for additional staff in both field-based and central roles to provide targeted supports for struggling schools. These roles include new Academic Response Teams, composed of content experts who can be deployed by subject area or school wide as needed. Team members will be inside classrooms and alongside teachers to provide timely on-site supports and specific instructional resources. CSSS also includes several central leadership roles to coordinate the efforts of these teams and work directly with principals and superintendents to measure progress and identify further areas of need.

Investing in Early Childhood Education

The 2020 Budget funded in the Preliminary Plan includes an expansion of 3-K for All. In addition to the previously announced twelve districts, DOE will expand to two additional districts during the 2019-2020 school year (District 8 Throgs Neck, Country Club, Pelham Bay, Castle Hill, Soundview, Hunts Point and District 32 Bushwick), bringing the Citywide total to 14 districts by September 2020. At full implementation in 2022, the City projects the addition of these two new districts to cost \$41 million. Including this expansion, the City is expected to add over 16,000 seats Citywide once the program is fully implemented in 2022.

Special Education Investments

In the 2020 Executive Plan, the City is investing in new and strengthened supports for students with disabilities and their families. The DOE will improve special education supports in early childhood settings, invest in staffing key positions, and launch new specialized programs for school age students.

The City will expand the availability of special education programs in Pre-K for All, pilot an integrated co-teaching early literacy intervention program, and develop a new Applied Behavioral Analysis and Verbal Behavior therapy program for students on the Autism Spectrum. Further, the City will hire more psychologists, social workers, speech teachers, and lawyers to improve timeliness of special education evaluations and coordination of the IEP process.

Investing in Homeless Students Services

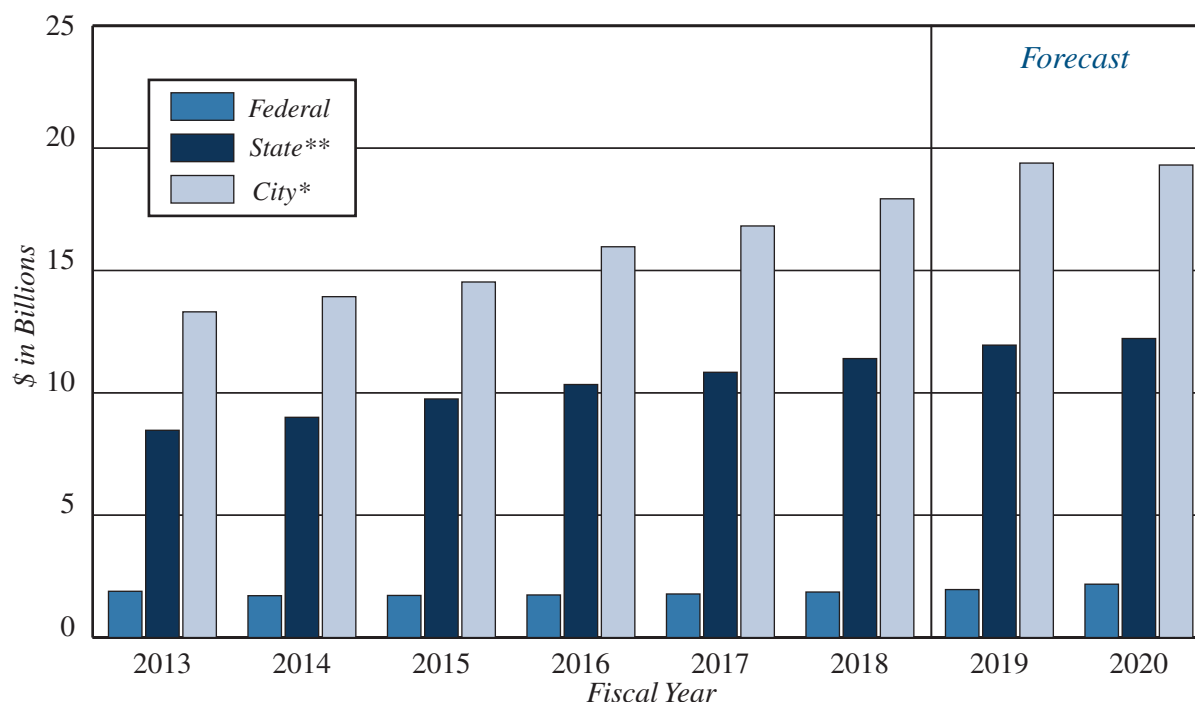
The 2020 Executive Plan maintains support for students in shelters by baselining \$11.9 million for a series of initiatives to support shelters and schools with the highest concentration of students in shelters. These initiatives target chronic absenteeism by placing 53 social workers in schools with high concentrations of students in shelters, two content experts to liaise with schools and support shelter-based staff, and enrollment supports. Schools and shelters with the highest population of students in shelters will also continue to receive health and mental health support services, and after-school reading clubs.

Summary of Agency Financial Data

The following table compares 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019 Forecast	2020 Preliminary Budget
			Preliminary Budget	Executive Budget		
Expenditures						
Salary and Wages	\$11,904,320	\$12,872,001	\$12,653,502	\$12,349,353	(\$522,648)	(\$304,149)
Fringe Benefits	3,736,737	4,010,121	4,403,956	4,267,628	257,507	(136,328)
OTPS	9,502,953	10,117,512	9,836,183	10,494,277	376,765	658,094
Total	\$25,144,010	\$26,999,634	\$26,893,641	\$27,111,258	\$111,624	\$217,617
Funding						
City	\$12,190,148	\$13,583,427	\$13,083,117	\$13,343,943	(\$239,484)	\$260,826
Other Categorical Grants	326,557	211,762	186,100	190,100	(21,662)	4,000
IFA	—	—	—	—	—	—
State	10,709,960	11,199,463	11,456,959	11,383,250	183,787	(73,709)
Federal CD	30,206	108,176	77,847	77,847	(30,329)	—
Federal Other	1,826,044	1,847,461	2,079,642	2,106,142	258,681	26,500
Intra-City Other	61,095	49,345	9,976	9,976	(39,369)	—
Total	\$25,144,010	\$26,999,634	\$26,893,641	\$27,111,258	\$111,624	\$217,617
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$162,521	\$170,226	\$181,097	\$181,993	\$11,767	\$896
Pensions	3,926,928	3,693,718	3,869,759	3,725,075	31,357	(\$144,684)
Other Than Personal Service (OTPS)						
Debt Service (incl. BARBs)	2,341,257	2,689,163	2,944,172	2,893,521	204,358	(50,651)
Total Additional Costs	\$6,430,706	\$6,553,107	\$6,995,028	\$6,800,589	\$247,482	(\$194,439)
Funding						
City	5,740,844	5,805,584	6,205,945	5,963,201	157,617	(\$242,744)
Non-City	689,862	747,523	789,083	837,388	89,865	\$48,305
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$11,904,320	\$12,872,001	\$12,653,502	\$12,349,353	(\$522,648)	(\$304,149)
Fringe Benefits	3,899,258	4,180,347	4,585,053	4,449,621	269,274	(135,432)
Pensions	3,926,928	3,693,718	3,869,759	3,725,075	31,357	(144,684)
Total PS	\$19,730,506	\$20,746,066	\$21,108,314	\$20,524,049	(\$222,017)	(\$584,265)
OTPS	\$9,502,953	\$10,117,512	\$9,836,183	\$10,494,277	\$376,765	\$658,094
Debt Service (incl. BARBs)	2,341,257	2,689,163	2,944,172	2,893,521	204,358	(50,651)
Total OTPS	\$11,844,210	\$12,806,675	\$12,780,355	\$13,387,798	\$581,123	\$607,443
Total Agency Costs	\$31,574,716	\$33,552,741	\$33,888,669	\$33,911,847	\$359,106	\$23,178
Less Intra-City	\$61,095	\$49,345	\$9,976	\$9,976	(\$39,369)	\$0
Net Agency Cost	\$31,513,621	\$33,503,396	\$33,878,693	\$33,901,871	\$398,475	\$23,178
Funding						
City	17,930,992	19,389,011	19,289,062	19,307,144	(81,867)	18,082
Non-City	13,582,629	14,114,385	14,589,631	14,594,727	480,342	5,096
Personnel (includes FTEs at fiscal year-end)						
City	115,620	115,361	115,885	116,746	1,385	861
Non-City	30,514	31,382	31,289	31,291	(91)	2
Total	146,134	146,743	147,174	148,037	1,294	863

FUNDING SOURCES 2013 - 2020



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

Source: NYC OMB

**New York City Public School Enrollment
 School Year 2016-2020**

	2016 Actual	2017 Actual	2018 Actual	2019 Projections	2020 Projections
DOE Facilities Enrollment					
General Education*	819,055	808,453	791,606	770,295	754,042
Special Education**	140,120	146,652	151,082	155,440	163,017
Full Day Pre-K***	28,963	29,563	29,664	30,246	31,188
Full Day 3-K****	0	0	520	2,429	7,229
Subtotal	988,138	984,668	972,872	958,410	955,476
Non-DOE Facilities Enrollment					
Charter Schools	93,186	102,004	109,683	116,491	123,310
Contract Schools	7,188	6,955	6,779	6,622	6,433
Full Day Pre-K at NYCEECs***	39,684	39,947	38,217	37,640	38,812
Half Day Pre-K at NYCEECs***	2,945	2,666	2,485	2,170	1,912
Full Day 3-K at NYCEECs****	0	0	304	931	7,604
Special Ed Pre-K	38,589	38,491	37,220	36,438	35,721
Subtotal	181,592	190,063	194,688	200,292	213,792
TOTAL	1,169,730	1,174,731	1,167,560	1,158,702	1,169,267

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

Programmatic Review and Service Impact

The Student Population

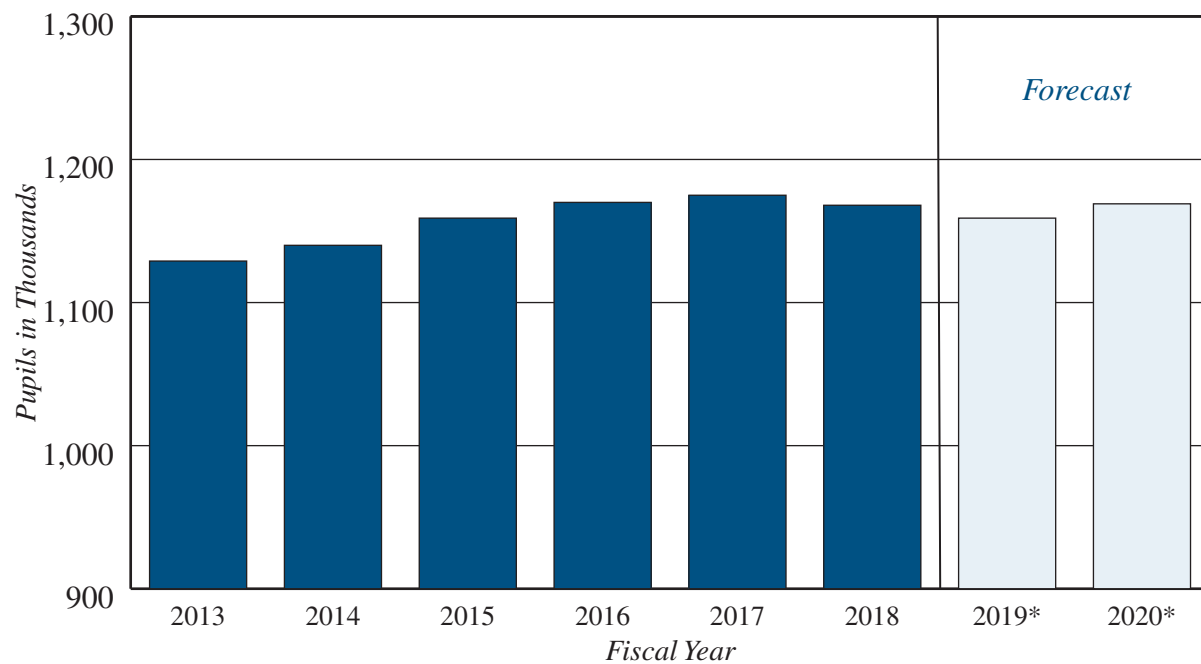
Total enrollment supported by the Department’s budget, including Pre-Kindergarten, charter school and special education contract school students, will increase by 10,565 from 1,158,702 in 2019 to a projected 1,169,267 in 2020. Of this total, the City projects that general education public school enrollment for Kindergarten through grade 12 will be 855,799. Of these students, 754,042 are expected to attend schools operated by the Department of Education and 101,757 are expected to attend charter schools.

In 2020, the City projects that 191,003 school-age students will be enrolled in special education programs (a 18 percent share of total K-12 enrollment). This projected enrollment level is 9,205 students higher than the 2019 special education population of 181,798.

Of these students, 85 percent are expected to attend Department of Education facilities, 11 percent are expected to attend charter schools, and 3 percent are expected to attend specialized private facilities (“contract schools”) paid for through the Department’s budget.

The City projects that 86,745 three- and four-year-olds will be served in Pre-K for All and the expanding 3-K for All programs. Of these, 44 percent will attend DOE facilities and 56 percent will attend New York City Early Education Centers (NYCEECs). Enrollment in 3-K for All is projected to grow significantly as the program expands from six to twelve districts in September 2019.

NYC PUBLIC SCHOOL ENROLLMENT 2013 - 2020



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

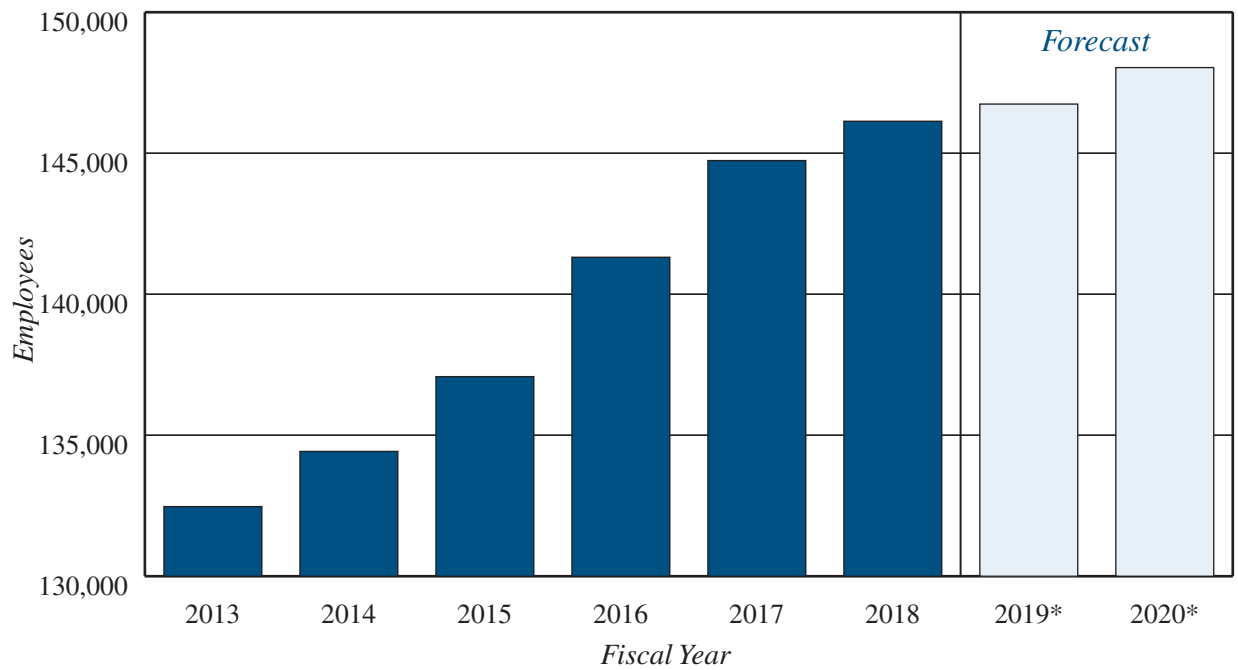
** Projected as of 2020 Executive Budget*

Source: NYC OMB

Staffing Levels

In 2020 the City’s Financial Plan supports a staffing level of 148,037. Of this count, 134,316 are full-time and 13,721 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 121,771 of the full-time employees and 857 of the FTEs. Civilian employees represent 12,545 of the full-time employees and 12,864 of the FTEs.

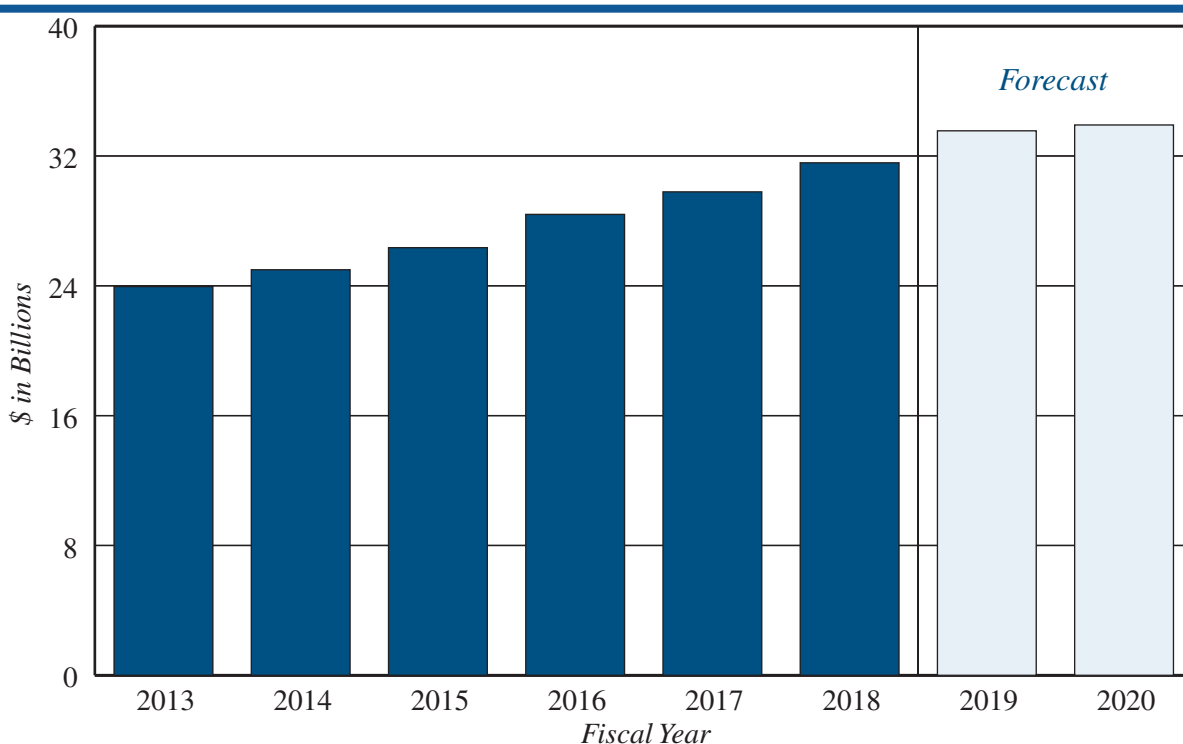
**FULL TIME AND FULL TIME EQUIVALENT
DEPARTMENT OF EDUCATION EMPLOYEES 2013 - 2020**



* Projected as of 2020 Executive Budget

Source: NYC OMB

TOTAL DEPARTMENT OF EDUCATION EXPENDITURES 2013 - 2020*



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

Source: NYC OMB

Capital Review

The 2020-2029 Ten-Year Capital Strategy totals \$24.1 billion, which includes \$14.9 billion in the 2020-2023 Four-Year Plan. The table below shows capital commitments by program area over the 2019-2023 period.

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

	2019 Plan		2020 Plan		2021 Plan		2022 Plan		2023 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
System Expansion New Schools	\$1,094,911	\$1,094,911	\$683,290	\$683,290	\$1,250,525	\$1,304,770	\$1,627,850	\$1,627,850	\$1,350,230	\$1,350,230
System Expansion Other.....	665,505	665,505	760,670	760,670	310,208	543,370	340,480	340,480	516,380	516,380
Rehabilitation of School Components.....	935,093	905,016	971,880	971,880	463,934	726,420	700,040	700,040	787,120	787,120
Educational Enhancements.....	252,369	252,369	405,580	405,580	298,814	343,890	365,140	365,140	360,840	360,840
Emergency, Unspecified and Miscellaneous.....	692,697	672,521	913,577	985,859	439,885	587,050	531,460	531,460	431,410	431,410
Safety and Security	62,392	62,392	70,990	70,990	66,454	68,400	66,350	66,350	68,400	68,400
Smart Schools Bond Act.....	—	389,952	—	260,000	—	—	—	—	—	—
Total	\$3,702,967	\$4,042,666	\$3,805,987	\$4,138,269	\$2,829,820	\$3,573,900	\$3,631,320	\$3,631,320	\$3,514,380	\$3,514,380

The Capital Plan for the Department of Education is modeled after the School Construction Authority's Five-Year Plan for 2020-2024. This \$17.0 billion plan provides:

- \$8.8 billion for capacity. This includes 56,917 seats for elementary, middle, and high schools in an estimated 89 buildings (15,235 in Brooklyn; 9,730 in the Bronx; 2,794 in Manhattan; 25,478 in Queens; and 3,680 in Staten Island). The capacity category also includes funding to construct 3-K centers, to add 576 Pre-K seats in Brooklyn and Queens, for Class Size Reduction projects in specific schools which would benefit from additional capacity, and for capacity to replace Transportable Classroom Units (TCUs).
- \$2.8 billion for the capital improvement program, allowing for exterior and interior building upgrades and other necessary capital repairs to school buildings. This category also includes \$50 million to continue the removal of TCUs.
- \$2.4 billion for school enhancement projects to support upgrades to technology, bathrooms, and science labs. This category also includes \$750 million for accessibility, \$284 million for electrical upgrades to support air conditioning in all classrooms, and \$200 million for safety and security projects.
- \$3.1 billion for mandated programs such as asbestos remediation, boiler conversions, building code compliance, insurance, and emergencies.

The 2020-2023 Plan also adds \$15.5 million for 3-K Centers in Districts 8 and 32, \$60 million for a new school in the Court Square neighborhood in District 30, and \$56.4 million in Borough President funding.

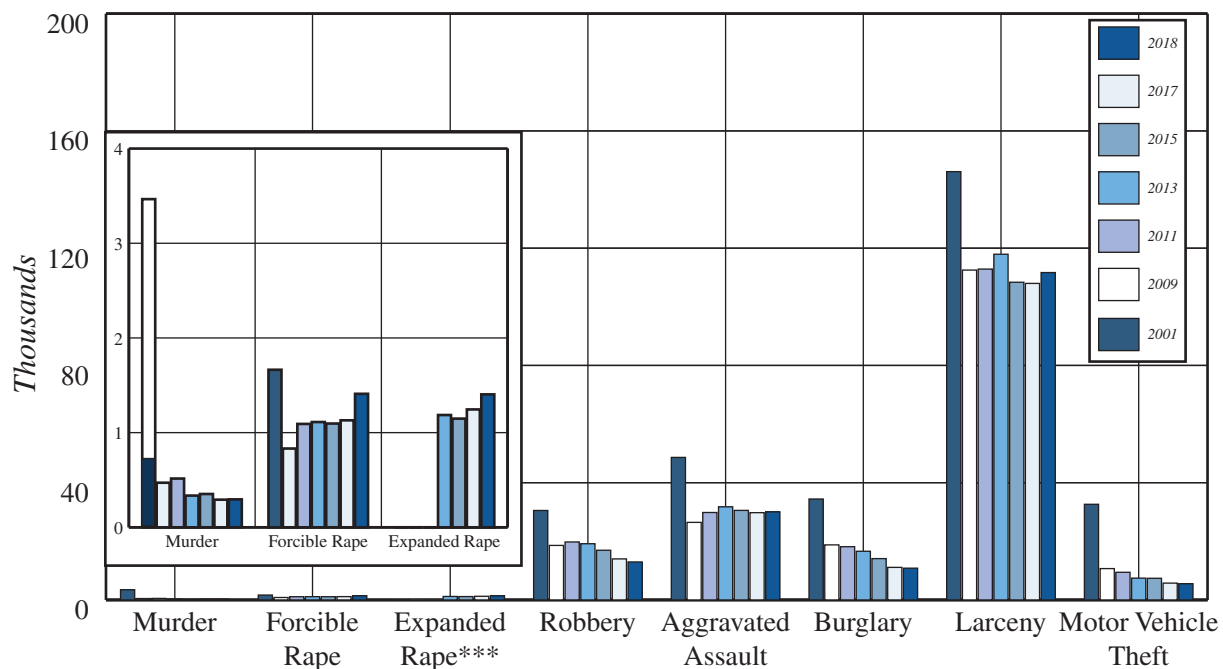
ADMINISTRATION OF JUSTICE

Overview

Based on the FBI's total index crime statistics for cities that have reported data for the first six months of calendar year 2018, New York City remains the safest large city with the lowest rate of crime per capita among the 10 largest U.S. cities. The New York City Police Department's (NYPD's) index crime data for calendar year 2018 indicates that overall major felony crime decreased by 0.8 percent as compared to calendar year 2017. In calendar year 2018, murder increased by 1.0 percent (295 vs. 292), robberies dropped by 7.5 percent, burglaries dropped by 3.3 percent, and New York City saw the fewest number of shootings since modern record-keeping began.

NEW YORK CITY FBI INDEX CRIMES

Calendar Years 2001* - 2018**



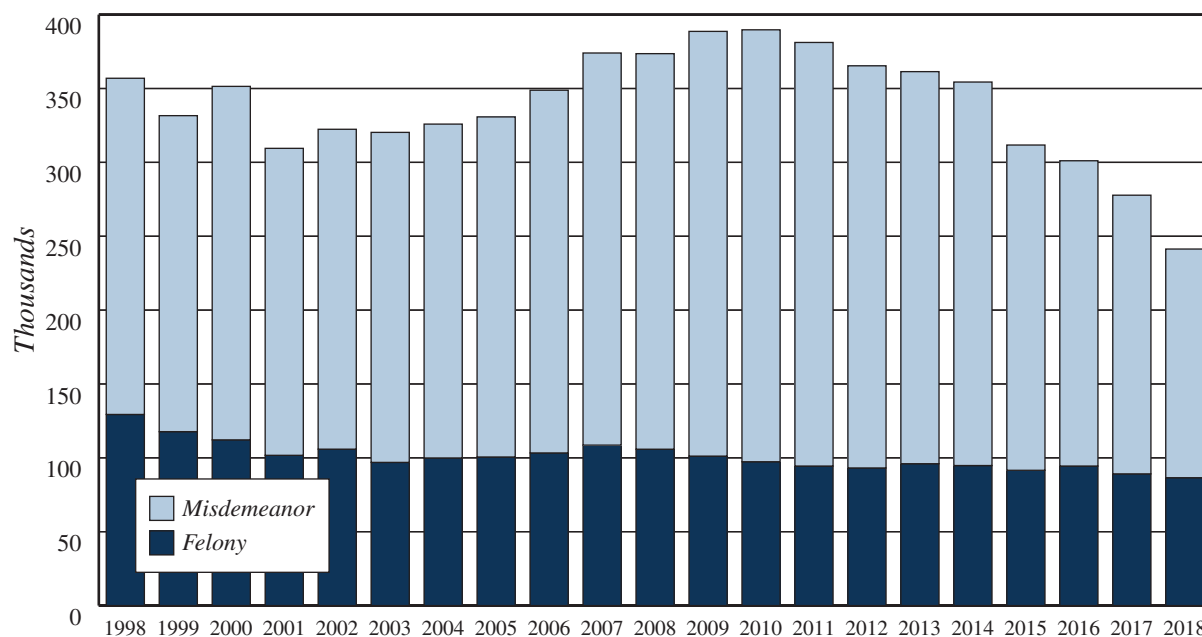
* In 2001, for Murder and Aggravated Assault, the unshaded portion represents World Trade Center victims.
 ** Preliminary estimates based on data from NYPD.
 *** Expanded Rape category added in 2013.

Source: NYPD

Arrests totaled 244,353 in calendar year 2018, decreasing by 39,188 from calendar year 2017. In calendar year 2018, the distribution of arrests was 35 percent felonies, 63 percent misdemeanors, and 1 percent violations.

NEW YORK CITY FELONY & MISDEMEANOR ARRESTS

Calendar Years 1998 - 2018



Source: NYPD

In calendar year 2018, the overall arrest level decreased by 13.8 percent from calendar year 2017; felony arrests decreased by 2.9 percent, misdemeanor arrests decreased by 17.9 percent, and violation arrests decreased by 47.6 percent.

POLICE DEPARTMENT

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

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

Each sector has a team of officers assigned to provide services on a permanent basis. There are two Neighborhood Coordination Officers (NCOs) permanently assigned to each sector. These officers engage the community in addressing crime and

conditions in their sector. They participate in community meetings, engage with the public, become experts on crime and conditions in their sector, and coordinate police, community, and other City resources to combat crime and resolve problems. Additionally, two sector car teams per sector are permanently assigned to each platoon. By keeping the officers in their sectors, Neighborhood Policing helps officers become familiar with members of the community, gain expertise in their geographical areas, and serve the community with greater levels of concern. With Neighborhood Policing, the NYPD is bringing enhanced police service to local sectors within each precinct and ensuring that individual neighborhoods know, and are able to work with, their police officers as they share the responsibility for bringing crime down even further. As of April 2019, Neighborhood Policing has been established in all 77 precincts, all nine of the Housing Bureau Police Service Areas and in three-quarters of the 12 Transit Bureau districts. The NYPD also launched Neighborhood Policing in New York City schools, beginning with the Bronx East sector at the start of the current school year.

DEPARTMENT OF CORRECTION

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

In support of that goal, the Department has enhanced its recruitment process, and has strived to integrate the newly hired personnel with experienced staff to create a balanced workforce that helps move the Department forward while maintaining its institutional knowledge.

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

OTHER CRIMINAL JUSTICE PROGRAMS

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

- The NYC Crisis Management System: The initiative known as the Crisis Management System (CMS), was launched by Mayor Bill de Blasio and the NYC Council in 2014 with a \$12 million investment. As of 2019 that investment has grown to \$36 million.

CMS includes teams of credible messengers who mediate conflicts on the street and connect high-risk individuals to services that can reduce violence. This work was expanded in calendar year 2018 to three additional high conflict precincts beyond the 18 sites already in place. In an evaluation completed by the John Jay Research and Evaluation Center in calendar year 2017, the Cure Violence approach contributed to a statistically significant decline in gun injuries in two of the 17 highest violence precincts where it has been evaluated to date. Since the program's launch, there has been a 38 percent decline in shootings in the 17 CMS precincts from calendar year 2014 to calendar year 2018. The programs also produced measurable changes in attitudes, increasing community confidence in law enforcement while reducing the willingness of young men to use violence to settle disputes;

- The Mayor's Action Plan for Neighborhood Safety: A comprehensive initiative to reduce crime and strengthen neighborhoods in and around the 15 New York City Housing Authority developments that accounted for 20 percent of all violent crime in the City's public housing at the start of the administration. Since the program's launch, there has been a nine percent overall reduction in total index crime, with violent crime falling eight percent from calendar year 2014 to calendar year 2018;
- Close Rikers: Today the jail population is below 8,000. The City is on track to close the eight remaining jails on Rikers Island and move to a smaller borough-based justice system that reimagines the culture, purpose, and location of jails. Since calendar year 2013, the number of people in City jails has fallen across almost every category, with jail admissions down 46 percent, individuals detained on misdemeanor charges down 45 percent, individuals detained on bail of \$2000 and less down 65 percent, those serving city sentences down 41 percent, and the number of 18 to 21 year olds in jail reduced 53 percent. In late March, the City certified the Uniform Land Use Review Procedure (ULURP) for community-based jails and took another step towards realizing a smaller, safer, and fairer jail system. The Justice Implementation Task Force, with over 75 leaders and experts inside and outside of government, meets to ensure that the City develops the best approach to address population reduction, culture change, and design;

- Raise the Age: Since passage in calendar year 2017, the City began coordinating with many City agencies, the courts, and other partners to successfully implement on schedule the State's Raise the Age legislation, moving 16 and 17 year olds off Rikers and into juvenile facilities by October 1, 2018 — a major undertaking for the City on a challengingly short time-table. Beginning on October 1, 2019 Raise the Age implementation will be fully phased in and 17 year olds will be adjudicated as adolescent offenders.

POLICE DEPARTMENT

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

Financial Review

The New York City Police Department's 2020 Executive Budget provides for an operating budget of \$5.6 billion, a decrease of \$354.8 million from the \$6.0 billion forecast for 2019. This decrease is primarily attributed to annual State, Federal, and private grant funding not yet recognized for 2020. Capital commitments of \$475.2 million are also provided in 2020.

Revenue Forecast

The Police Department collects revenue from fees charged for pistol licenses, rifle permits, fingerprint fees, tow fees, and unclaimed cash and property that is abandoned or confiscated as a consequence of the commission of a crime. The City also receives E-911 surcharges imposed on all New York City cellular telephones, land line telephones and voice over internet protocol service (VoIP). In addition, the Department is recouping traffic control costs from non-charitable athletic parades. In 2020, the revenue estimate for the Police Department is \$104.5 million.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- In 2020, the Department anticipates an average uniformed headcount of approximately 36,700.
- The Department expects to receive up to \$31.7 million for the protection of Foreign Missions under the Federal Fiscal Year 2019 Appropriation Act.

Streamlining and Restructuring

- The Department received \$5.3 million in City funds to accelerate training for a targeted group of uniformed personnel who are most likely to respond to Emotionally Disturbed Person (EDP) calls. Training includes Crisis Intervention techniques to recognize the signs and symptoms of mental health illness, better respond to those in mental health distress, improve communication with the public, and reduce injuries to officers.
- The Department received \$2.4 million in City funds to address Americans with Disabilities Act (ADA) compliance renovations at various precincts.
- The Department received \$1.0 million in City funds to hire an additional 64 School Crossings Guards for 45 newly opened schools.

Summary of Agency Financial Data

The following table compares 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019	2020
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$5,111,017	\$5,121,367	\$5,092,371	\$5,077,910	(\$43,457)	(\$14,461)
Fringe Benefits	77,039	80,888	73,588	73,588	(7,300)	—
OTPS	600,320	749,289	435,435	445,254	(304,035)	9,819
Total	\$5,788,376	\$5,951,544	\$5,601,394	\$5,596,752	(\$354,792)	(\$4,642)
Funding						
City	\$5,198,675	\$5,311,555	\$5,268,823	\$5,245,790	(\$65,765)	(\$23,033)
Other Categorical Grants ..	28,804	14,443	—	—	(14,443)	—
IFA	—	—	—	—	—	—
State	55,665	78,930	16,132	20,132	(58,798)	4,000
Federal CD	—	—	—	—	—	—
Federal Other	210,677	249,085	27,416	41,506	(207,579)	14,090
Intra-City Other	294,555	297,531	289,023	289,324	(8,207)	301
Total	\$5,788,376	\$5,951,544	\$5,601,394	\$5,596,752	(\$354,792)	(\$4,642)
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$2,055,385	\$2,117,563	\$2,350,930	\$2,289,874	\$172,311	(\$61,056)
Pensions	2,622,572	2,791,210	2,817,237	2,710,381	(80,829)	(106,856)
Other Than Personal Service (OTPS)						
Debt Service	154,298	173,297	192,167	210,960	37,663	18,793
Total Additional Costs	\$4,832,255	\$5,082,070	\$5,360,334	\$5,211,215	\$129,145	(\$149,119)
Funding						
City	4,747,249	5,004,203	5,286,027	5,139,201	134,998	(146,826)
Non-City	85,006	77,867	74,307	72,014	(5,853)	(2,293)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$5,111,017	\$5,121,367	\$5,092,371	\$5,077,910	(\$43,457)	(\$14,461)
Fringe Benefits	2,132,424	2,198,451	2,424,518	2,363,462	165,011	(61,056)
Pensions	2,622,572	2,791,210	2,817,237	2,710,381	(80,829)	(106,856)
Total PS	\$9,866,013	\$10,111,028	\$10,334,126	\$10,151,753	\$40,725	(\$182,373)
OTPS	\$600,320	\$749,289	\$435,435	\$445,254	(\$304,035)	\$9,819
Debt Service	154,298	173,297	192,167	210,960	37,663	18,793
Total OTPS	\$754,618	\$922,586	\$627,602	\$656,214	(\$266,372)	\$28,612
Total Agency Costs	\$10,620,631	\$11,033,614	\$10,961,728	\$10,807,967	(\$225,647)	(\$153,761)
Less Intra-City	\$294,555	\$297,531	\$289,023	\$289,324	(\$8,207)	\$301
Net Agency Cost	\$10,326,076	\$10,736,083	\$10,672,705	\$10,518,643	(\$217,440)	(\$154,062)
Funding						
City	9,945,924	10,315,758	10,554,850	10,384,991	69,233	(169,859)
Non-City	380,152	420,325	117,855	133,652	(286,673)	15,797
Personnel (includes FTEs at fiscal year-end)						
City	53,659	53,528	53,771	53,509	(19)	(262)
Non-City	96	81	20	20	(61)	—
Total	53,755	53,609	53,791	53,529	(80)	(262)

Programmatic Review and Service Impact

Based on the FBI's total index crime statistics for cities that have reported data for the first six months of calendar year 2018, New York City remains the safest large city with the lowest rate of crime per capita among the 10 largest U.S. cities. The New York City Police Department's (NYPD's) index crime data for calendar year 2018 indicates that overall major felony crime decreased by 0.8 percent as compared to calendar year 2017. In calendar year 2018, murder increased by 1.0 percent (295 vs. 292), robberies dropped by 7.5 percent, burglaries dropped by 3.3 percent, and New York City saw the fewest number of shootings since modern record-keeping began.

Precision policing is an important component of Neighborhood Policing, providing an intensified investigative focus on ways to continuously push down crime. It directs resources and attention to the relatively small percentage of the population responsible for committing the majority of violence. The strategic takedowns in 2018 included a joint effort with the Federal Bureau of Investigation (FBI) to arrest and indict a Bronx crew selling cocaine and heroin that was linked to four overdose deaths and five non-fatal overdoses. The takedown netted 18 individuals and the Department seized approximately three kilograms of heroin, a loaded firearm, and approximately \$300,000. In a second case, working with the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), the Department arrested three defendants and charged them with illegally purchasing more than 40 firearms in Virginia. The firearms were then sold to gang members in Brooklyn. Through cooperation with partner agencies and members of the community, the Department continues to effect the necessary arrests to make every community safe.

The NYPD plays a vital role in public safety by enforcing traffic laws and educating the public regarding traffic safety. The Department is collaborating with the City's Department of Transportation in its effort to reduce traffic fatalities. Traffic fatalities in calendar year 2018 dropped to the lowest number ever recorded. Over one million moving summonses were issued in

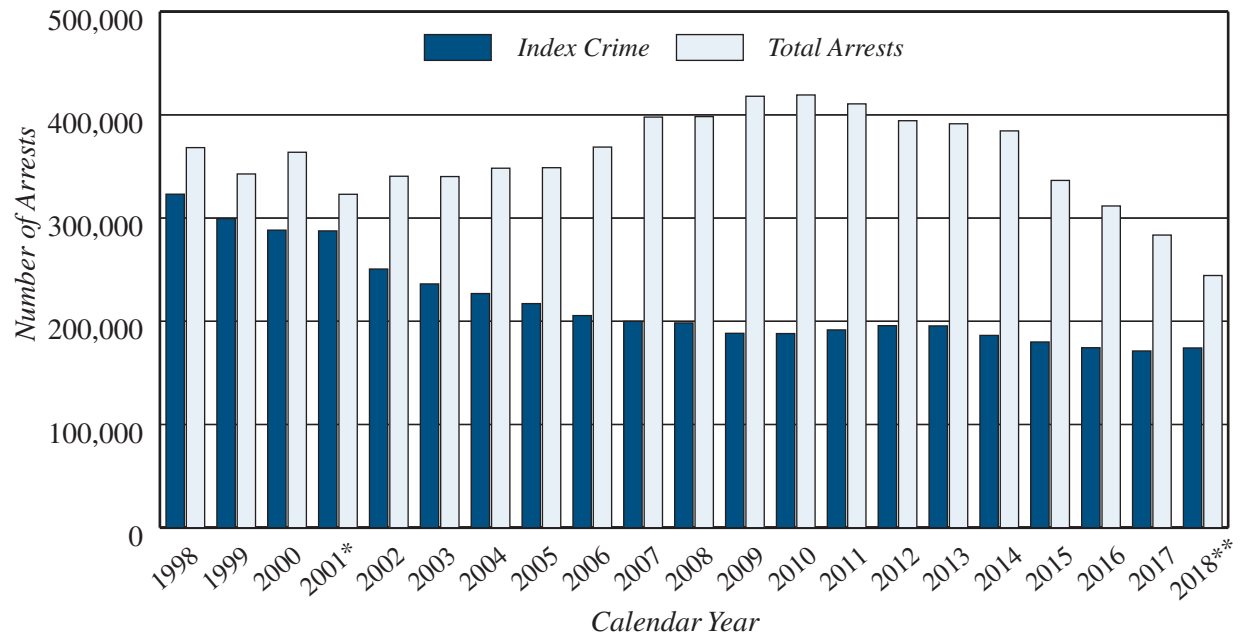
calendar year 2018, with 152,344 summonses issued for speeding and 123,983 summonses issued for texting or using a cell phone while driving.

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

The Department also continues to equip officers in field commands with body-worn cameras. As of February 28, 2019, the Department had trained and equipped all Patrol Services, Transit, and Housing Bureaus. The Department had deployed approximately 20,000 body-worn cameras Citywide as of April 5, 2019.

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

ARRESTS VERSUS CRIME



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

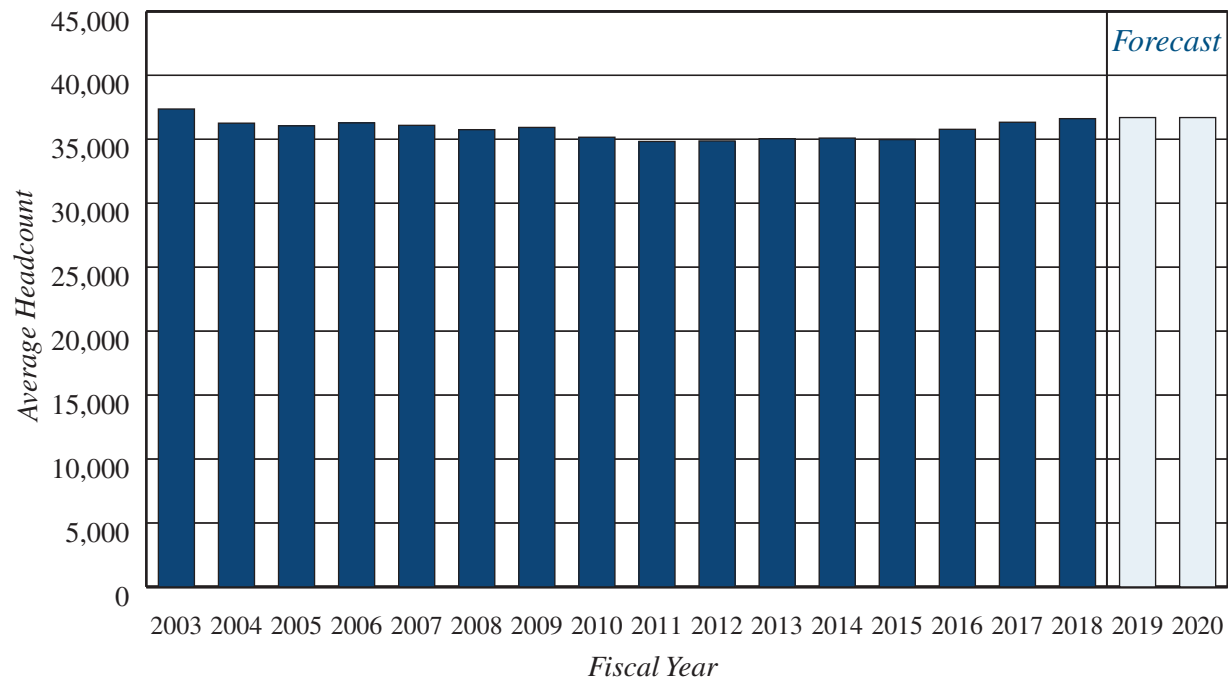
** Preliminary estimates based on data from NYPD.

Source: NYPD

Uniformed Headcount

The Department continues to move forward in its efforts to recruit and hire diverse individuals. Of the 498 recruits hired for the July 2018 class, 54.6 percent identified as minorities. Ninety were born in foreign countries and 169 speak a foreign language. The October 2018 recruit class consisted of 499 recruits, 57.7 percent of whom hired identified as minorities. Ninety were born in foreign countries, and 176 speak a foreign language. The January 2019 recruit class consisted of 481 recruits, 59.0 percent of whom identified as minorities. One hundred and six were born in foreign countries, and 173 speak a foreign language. The April 2019 projected class size is approximately 330. In 2020, the Department will hire four classes and maintain an average headcount of approximately 36,700.

TOTAL CITY, TRANSIT AND HOUSING POLICE FORCE HEADCOUNT



Source: NYC OMB & NYPD

Capital Review

The Ten-Year Capital Strategy for the Police Department in total provides the Department with \$1.7 billion for the replacement, reconstruction, and maintenance of facilities Citywide; replacement and upgrade of computer, communication, and miscellaneous equipment; and the replacement of transportation equipment. Of this amount, \$1.4 billion is allocated in the Four-Year Plan, which covers 2020 through 2023.

The table below shows capital plan commitments by program area over the 2018-2023 period.

Capital Commitments (\$ in 000's)

	2018 Actual		2019 Plan		2020 Plan		2021 Plan		2022 Plan		2023 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	\$120,930	\$120,748	\$145,863	\$173,169	\$255,842	\$276,072	\$410,583	\$416,749	\$195,875	\$195,875	\$167,170	\$167,170
Computer Equipment.....	68,460	68,460	122,889	122,889	62,249	62,249	6,297	6,297	34,281	34,281	11,354	11,354
Communications	93,242	93,242	24,688	24,688	63,871	63,871	13,456	13,456	17,140	17,140	10,000	10,000
Equipment.....	25,420	25,420	14,946	14,946	18,858	18,858	1,739	1,739	3,462	3,462	2,851	2,851
Vehicles.....	19,233	19,233	15,981	16,116	54,165	54,165	5,788	5,788	4,257	4,257	19,466	19,466
Total.....	\$327,285	\$327,103	\$324,367	\$351,808	\$454,985	\$475,215	\$437,863	\$444,029	\$255,015	\$255,015	\$210,841	\$210,841

Highlights of the 2020-2023 Four Year Capital Commitment Plan

Police Facilities (total commitment, \$1.1 billion)

- Construction of a new consolidated Property Clerk warehouse facility (\$423.6 million).
- Construction of the Rodman's Neck Firearms Training Facility (\$239.3 million).
- Construction of a new 116th Precinct in Southeast Queens (\$72.4 million).
- Replacement of generators and Uninterrupted Power Supply (UPS) system at One Police Plaza (\$31.0 million).
- American with Disabilities Act (ADA) compliance renovations at various NYPD precincts, Citywide (\$29.3 million).
- Renovation of the Brooklyn North Narcotics facility in Brooklyn (\$20.6 million).
- Facility maintenance and reconstruction Department-wide (\$239.5 million).

Communications and Computer Equipment (total commitment, \$218.6 million)

- Purchase and upgrade of miscellaneous computer equipment as a part of Phase Two of the Sustainable Technology Initiative (\$40.1 million).
- Lifecycle replacement of core radio infrastructure (\$34.0 million) and radio systems (\$23.0 million).
- Replacement of portable radios (\$17.0 million) and mobile radios (\$11.1 million).
- Replacement and upgrade of various Department technologies and equipment (\$93.4 million).

Miscellaneous Equipment (total commitment, \$26.9 million)

- Purchase and upgrade of miscellaneous equipment such as facility security camera upgrades, forensic lab equipment and diesel marine engines (\$26.9 million).

Vehicles (total commitment, \$83.7 million)

- Purchase of medium tow trucks (\$25.3 million).
- Lifecycle replacement of all other vehicles (\$58.4 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 2020 Executive Budget provides for operating expenses of \$1.4 billion, a decrease of \$19.4 million from the amount forecast in 2019. Capital commitments of \$729.5 million are also planned in 2020.

Revenue Forecast

The Department of Correction collects revenue, which goes into the general fund, from jail commissary operations and vending machines. In 2020, the Department expects to collect approximately \$15.5 million from all revenue sources.

Expense Budget Highlights

Budgetary Priorities: Savings

- The changing landscape of the criminal justice system in New York City has resulted in significant changes to Departmental operations. This has resulted in savings being achieved by the Department over the course of the past year, including an additional reduction of \$14.1 million and 179 uniformed positions in the baseline related to the closure of GMDC.
- The Department has also provided savings totaling \$42.2 million related to personnel accruals and related to the closure of additional housing areas on Rikers Island.

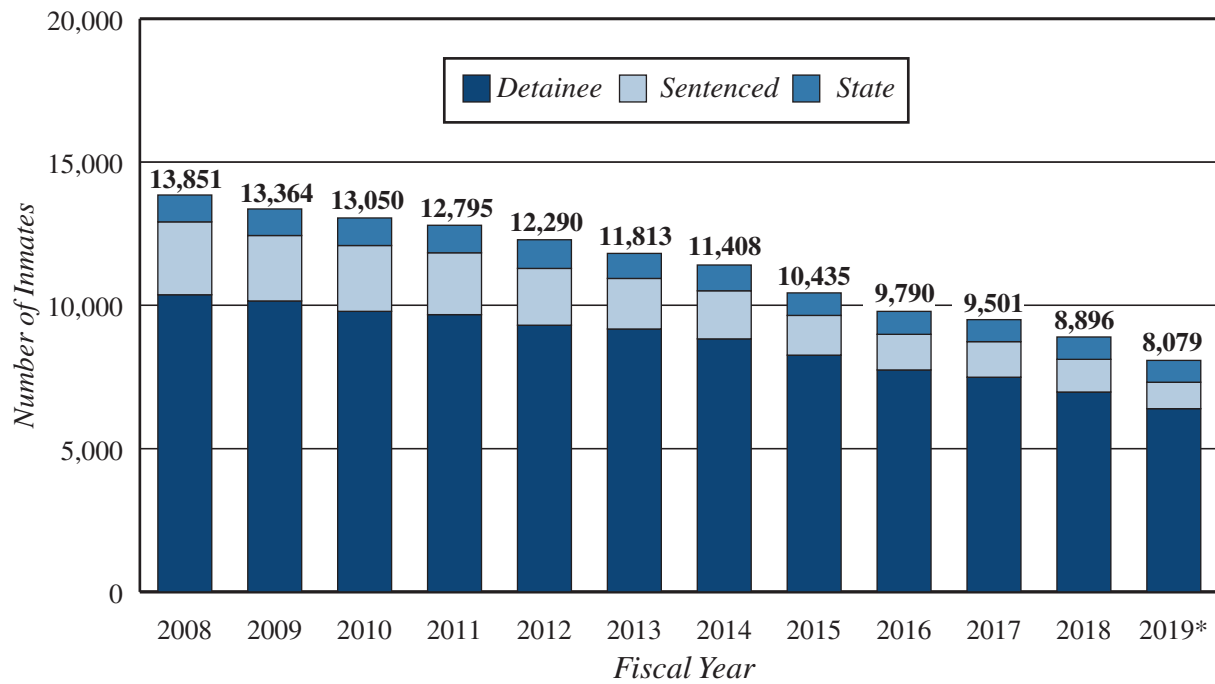
Summary of Agency Financial Data

The following table compares 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019	2020
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$1,178,539	\$1,161,565	\$1,216,862	\$1,170,464	\$8,899	(\$46,398)
Fringe Benefits	25,768	24,155	24,124	24,124	(31)	—
OTPS	195,901	194,965	166,553	166,725	(28,240)	172
Total	\$1,400,208	\$1,380,685	\$1,407,539	\$1,361,313	(\$19,372)	(\$46,226)
Funding						
City	\$1,393,623	\$1,367,603	\$1,397,221	\$1,350,995	(\$16,608)	(\$46,226)
Other Categorical Grants ..	1,818	1,108	—	—	(1,108)	—
IFA	850	788	778	778	(10)	—
State	1,151	1,109	1,109	1,109	—	—
Federal CD	—	—	—	—	—	—
Federal Other	964	8,489	8,323	8,323	(166)	—
Intra-City Other	1,802	1,588	108	108	(1,480)	—
Total	\$1,400,208	\$1,380,685	\$1,407,539	\$1,361,313	(\$19,372)	(\$46,226)
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$618,885	\$633,528	\$683,636	\$688,680	\$55,152	\$5,044
Pensions	403,732	424,352	402,444	500,720	76,368	98,276
Other Than Personal Service (OTPS)						
Debt Service	170,697	180,257	199,885	169,175	(11,082)	(30,710)
Total Additional Costs	\$1,193,314	\$1,238,137	\$1,285,965	\$1,358,575	\$120,438	\$72,610
Funding						
City	1,167,231	1,218,775	1,264,624	1,340,526	121,751	75,902
Non-City	26,083	19,362	21,341	18,049	(1,313)	(3,292)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$1,178,539	\$1,161,565	\$1,216,862	\$1,170,464	\$8,899	(\$46,398)
Fringe Benefits	644,653	657,683	707,760	712,804	55,121	5,044
Pensions	403,732	424,352	402,444	500,720	76,368	98,276
Total PS	\$2,226,924	\$2,243,600	\$2,327,066	\$2,383,988	\$140,388	\$56,922
OTPS	\$195,901	\$194,965	\$166,553	\$166,725	(\$28,240)	\$172
Debt Service	170,697	180,257	199,885	169,175	(11,082)	(30,710)
Total OTPS	\$366,598	\$375,222	\$366,438	\$335,900	(\$39,322)	(\$30,538)
Total Agency Costs	\$2,593,522	\$2,618,822	\$2,693,504	\$2,719,888	\$101,066	\$26,384
Less Intra-City	\$1,802	\$1,588	\$108	\$108	(\$1,480)	\$—
Net Agency Cost	\$2,591,720	\$2,617,234	\$2,693,396	\$2,719,780	\$102,546	\$26,384
Funding						
City	2,560,854	2,586,378	2,661,845	2,691,521	105,143	29,676
Non-City	30,866	30,856	31,551	28,259	(2,597)	(3,292)
Personnel (includes FTEs at fiscal year-end)						
City	12,531	12,512	12,181	11,925	(587)	(256)
Non-City	8	8	8	8	—	—
Total	12,539	12,520	12,189	11,933	(587)	(256)

Programmatic Review

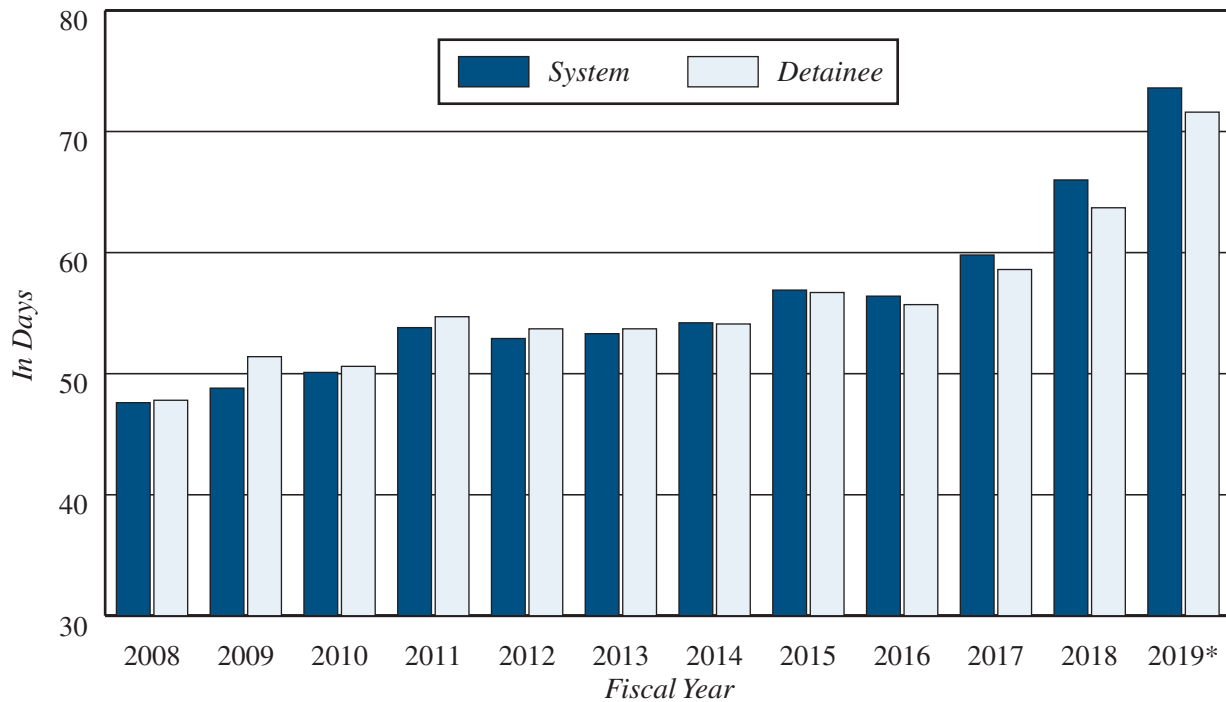
AVERAGE DAILY INMATE POPULATION



*YTD through March 31, 2019

Source: NYC Department of Correction

AVERAGE LENGTH OF STAY (By Fiscal Year)



*YTD through March 31, 2019

Source: NYC Department of Correction

The average daily population through the first nine months of 2019 was 8,079, which is 10.9 percent lower than the same period in 2018. System admissions are down 21 percent and overall system length of stay for the first nine months increased from 65.8 to 73.6 days.

Capital Review

The Ten-Year Capital Strategy totals \$10.0 billion for the design and construction of new jail facilities, for support space, including a new training academy, for building systems and infrastructure, and for the lifecycle replacement of equipment.

The table below shows capital plan commitments by program area over the 2018-2023 period.

Capital Commitments

(\$ in 000's)

	2018 Actual		2019 Plan		2020 Plan		2021 Plan		2022 Plan		2023 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
New Jail Facilities.....	\$0	\$0	\$0	\$0	\$201,835	\$201,835	\$392,351	\$392,351	\$823,263	\$823,263	\$2,226,316	\$2,226,316
Capacity Replacement	-281	-281	0	0	0	0	0	0	0	0	0	0
Support Space	4,249	4,249	6,873	6,873	12,940	12,940	90,500	90,500	0	0	0	0
Building Systems and Infrastructure.....	14,265	19,789	32,675	88,782	431,921	440,648	123,770	123,770	115,055	115,055	46,189	46,189
Equipment.....	10,658	10,658	30,791	30,791	74,048	74,048	17,970	17,970	10,257	10,257	10,750	10,750
Total	\$28,891	\$34,415	\$70,339	\$126,446	\$720,744	\$729,471	\$624,591	\$624,591	\$948,575	\$948,575	\$2,283,255	\$2,283,255

Highlights of the 2020-2023 Four Year Capital Commitment Plan

New Jail Facilities (total commitment, \$3.6 billion)

The Department's plan includes \$3.6 billion for the design and construction of new jail facilities.

- Roof, façade, window and courtyard reconstruction and repair (\$58.3 million).

Building Systems, Infrastructure and Support Space (total commitment, \$829.1 million)

The Department will undertake \$829.1 million in improvements to building systems, infrastructure and support space during the Four-Year Plan. Projects include:

- Continuation of fire life safety upgrades (\$161.8 million).
- Design and construction of a new training academy (\$100.0 million).
- Heating, cooling, ductwork and ventilation upgrades (\$74.3 million).

- Modification of facility entrances for ADA compliance (\$53.2 million).

Information Technology, Equipment, and Vehicles (total commitment, \$113.0 million)

The Four-Year Plan provides \$113.0 million for vehicles, computers, security equipment and communication systems. Priorities include:

- Various information technology upgrades (\$50.6 million).
- Generator replacement (\$18.5 million).

DEPARTMENTS OF SOCIAL AND HOMELESS SERVICES DEPARTMENT OF SOCIAL SERVICES

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

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

The Human Resources Administration administers benefit programs including Cash Assistance (CA), Emergency Assistance, Supplemental Nutrition Assistance (SNAP), and Medical Assistance to support low-income New Yorkers. The Agency provides child support services, and assists individuals returning to or entering the workforce by providing a variety of employment-related services, including access to education and job training, and assistance with job search and placement. HRA also provides services and support to prevent and alleviate homelessness, including one-time emergency rent arrears grants, ongoing rental assistance and supportive housing, as well as community-based prevention services and legal services to prevent displacement and eviction, obtain federal disability benefits and address immigration-related issues. Programs for survivors of domestic violence, people with HIV or AIDS, the frail and elderly, and individuals with disabilities provide a safety net for those permanently or temporarily unable to work. In 2019, HRA began administering Fair Fares, a program that provides discounted public transit benefits for low-income New Yorkers.

Financial Review

The Department’s 2020 Executive Budget provides for operating expenses of \$10.2 billion, of which \$7.96 billion are City funds. A capital budget of \$150.4 million is also provided, of which \$110 million are City funds, in 2020.

Expense Budget Highlights

State Budget Impact

- \$31 million in 2019 and \$62 million in 2020 and beyond in City funds will be added to the HRA budget related to the New York State 2019-2020 enacted budget. The State budget reduced the State’s contribution of TANF block grant funds for the family assistance program by 10% for New York City only, creating a cost shift for family shelter, cash assistance and other related benefits.

Program Enhancements

- An additional \$106 million in 2020, will continue to support the Fair Fares program, which began in January of 2019. So far in 2019 working SNAP and CA recipients are eligible for the program, which provides half-fare transit benefits to New York City residents at or below 100% of the federal poverty level and who are not eligible for other transit subsidies or benefits. Fair Fares benefits for additional New York City residents are being phased in during 2020.
- An additional \$40 million in 2019, and \$75M in 2020 and beyond in City funds will support increased expenses in the Safety Net Assistance Program (SNA) and Family Assistance Program (FAP). While the Cash Assistance (CA) caseload overall has declined by nearly 22,000 persons between January 2018 and

January 2019 expenses are projected to increase. The increase is the result of several factors, including the initiative to End the Epidemic (EtE), which provides enhanced HASA benefits for people with asymptomatic HIV; increased rent levels in the StateFHEPS program; fewer sanctioned cases and costs for special emergency grants, including rental assistance; higher rental subsidy costs.

- \$2.2M in 2020 and \$1M in 2021 and beyond in City funds will support an initiative to provide on-going implicit bias training to all employees of HRA/DSS and DHS.

Streamlining and Efficiencies

- In 2019, as part of a Citywide vacancy reduction, DSS/HRA will eliminate 379 positions. In 2020 and beyond the reduction will be 107, reflecting the phase in of other efficiencies across DSS/HRA and DHS.
- The Department anticipates savings in 2020 of \$1.2 million in City funds and \$1.7 million in total funds from conversion of a directly operated domestic violence shelter to not-for-profit operation.

Summary of Agency Financial Data

The following table compares 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019	2020
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$803,899	\$864,613	\$878,300	\$877,962	\$13,349	(\$338)
Fringe Benefits	665	913	913	913	—	—
Medical Assistance	5,934,757	5,914,753	5,914,753	5,914,753	—	—
Public Assistance	1,643,817	1,595,304	1,616,650	1,651,250	55,946	34,600
Other OTPS	1,520,872	1,803,071	1,753,637	1,767,306	(35,765)	13,669
Total	\$9,904,010	\$10,178,654	\$10,164,253	\$10,212,184	\$33,530	\$47,931
Funding						
City	\$7,851,788	\$7,728,803	\$7,783,226	\$7,920,983	\$192,180	\$137,757
Other Categorical Grants	123	379	—	—	(379)	—
IFA	—	—	—	—	—	—
State	589,839	795,044	746,574	752,216	(42,828)	5,642
Federal CD	3,751	1,000	—	—	(1,000)	—
Federal Other	1,443,188	1,637,754	1,620,585	1,528,918	(108,836)	(91,667)
Intra-City Other	15,321	15,674	13,868	10,067	(5,607)	(3,801)
Total	\$9,904,010	\$10,178,654	\$10,164,253	\$10,212,184	\$33,530	\$47,931
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$314,134	\$367,005	\$401,481	\$401,323	\$34,318	(\$158)
Pensions	144,752	154,549	145,039	152,678	(1,871)	7,639
Other Than Personal Service (OTPS)						
Debt Service	67,331	80,050	88,767	87,328	7,278	(1,439)
Total Additional Costs	\$526,217	\$601,604	\$635,287	\$641,329	\$39,725	\$6,042
Funding						
City	354,170	427,872	469,800	476,565	48,693	6,765
Non-City	172,047	173,732	165,487	164,764	(8,968)	(723)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$803,899	\$864,613	\$878,300	\$877,962	\$13,349	(\$338)
Fringe Benefits	314,799	367,918	402,394	402,236	34,318	(158)
Pensions	144,752	154,549	145,039	152,678	(1,871)	7,639
Total PS	\$1,263,450	\$1,387,080	\$1,425,733	\$1,432,876	\$45,796	\$7,143
Medical Assistance	\$5,934,757	\$5,914,753	\$5,914,753	\$5,914,753	\$—	\$—
Public Assistance	1,643,817	1,595,304	1,616,650	1,651,250	55,946	34,600
Other OTPS	1,520,872	1,803,071	1,753,637	1,767,306	(35,765)	13,669
Debt Service	67,331	80,050	88,767	87,328	7,278	(1,439)
Total OTPS	\$9,166,777	\$9,393,178	\$9,373,807	\$9,420,637	\$27,459	\$46,830
Total Agency Costs	\$10,430,227	\$10,780,258	\$10,799,540	\$10,853,513	\$73,255	\$53,973
Less Intra-City	\$15,321	\$15,674	\$13,868	\$10,067	(\$5,607)	(\$3,801)
Net Agency Cost	\$10,414,906	\$10,764,584	\$10,785,672	\$10,843,446	\$78,862	\$57,774
Funding						
City	8,205,958	8,156,675	8,253,026	8,397,548	240,873	144,522
Non-City	2,208,948	2,607,909	2,532,646	2,445,898	(162,011)	(86,748)
Personnel (includes FTEs at fiscal year-end)						
City	10,094	10,876	11,240	11,123	247	(117)
Non-City	2,910	3,436	3,406	3,407	(29)	1
Total	13,004	14,312	14,646	14,530	218	(116)

Programmatic Review and Service Impact

Family Independence Administration (FIA)

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

Cash Assistance (CA)

The Department projects expenditures of \$1.7 billion on Cash Assistance (CA) benefits in 2020, of which \$856 million will be City funds.

While the number of CA recipients fluctuates slightly month-to-month, the annual unduplicated 12-month caseload receiving recurring CA was approximately 482,000 in calendar year 2018. The unduplicated number of persons receiving recurring assistance has been stable at approximately 500,000 since 2014 and remains lower than the average for years prior to 2014. The annual 12-month unduplicated

number receiving non-recurring benefits to prevent evictions and utility shutoffs in calendar 2018 was approximately 111,000.

In February 2019, 334,648 individuals were in receipt of recurring CA benefits and 7,916 received one-time assistance, primarily emergency funds to prevent eviction and homelessness. Approximately half of these recipients are children.

The Family Assistance (FA) program, which is funded with federal Temporary Assistance for Needy Families (TANF) funds and a ten percent contribution by the City, assisted 115,548 adults and children in February 2019. Projected FA expenditures in 2020 are \$557 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 February 2019, 227,016 individuals received SNA, of whom 85,284 were adults and children who had reached the TANF time limit. In 2020, the Department projects spending \$1.1 billion on

CASH ASSISTANCE CASELOAD 2011 - 2019



Source: HRA Monthly Fact Sheets

SNA, of which \$778 million are City funds.

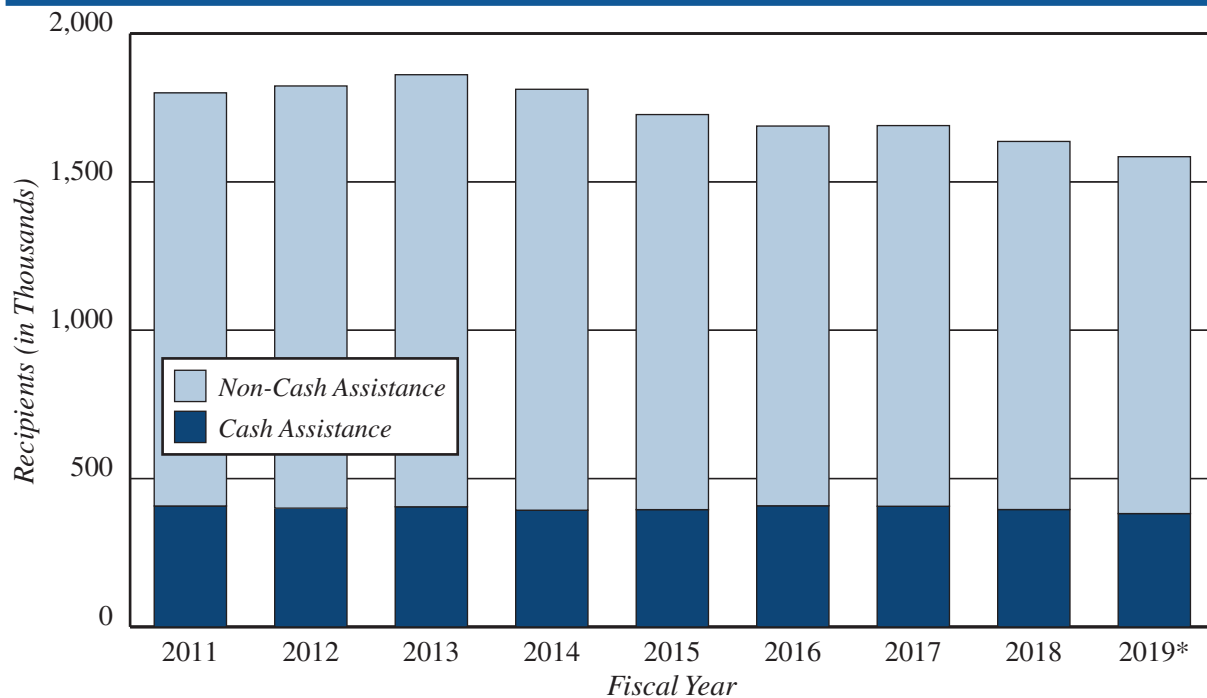
Supplemental Nutrition Assistance Program (SNAP)

The Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps, is a federally-funded benefit intended to supplement food costs for low-income families and individuals. The Department administers the SNAP program on behalf of New York State. The City is responsible for 50 percent of the administrative cost of the program, with the federal government paying the other half. In calendar 2018, approximately \$2.8 billion in SNAP funding provided benefits to an average of 1.6 million individuals per

month, including more than 984,000 children.

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

AVERAGE NUMBER OF FOOD STAMP RECIPIENTS 2011 - 2019



* Year to date through February 2019

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

currently accessing them.

Client Benefits Re-Engineering

The Department has redesigned its business processes and has implemented advanced technology solutions through its Client Benefits Re-engineering initiative, which allows HRA to manage staff workload more efficiently while improving the client experience. In 2018, on-demand SNAP interviews became available citywide, allowing clients to conduct benefit interviews over the phone at their convenience. As of January 2019 87 percent of SNAP applications are submitted online and the majority of application and recertification interviews are held via telephone. In 2019, the Department rolled out a new mobile responsive user interface on ACCESS HRA and added new functions including on-line SNAP case change requests and mobile submission of SNAP applications.

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

At the end of February 2019, 38,525 cases were engaged in employment, training or other related activities and 20,238 were working full- or part-time but still making so little that they remain eligible for CA.

Homelessness Prevention and Rehousing Services

The Homeless Prevention Administration (HPA) administers and coordinates homelessness prevention, housing placement and rental assistance initiatives for HRA and DHS. HPA works to prevent the entry of families and individuals into shelter through the provision of diversion services, including short-term

financial supports, across the City. In addition, HPA conducts targeted outreach to families and individuals identified by the Housing Court as potentially needing legal assistance or emergency rental assistance.

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

With the implementation of universal access to legal services for tenants facing eviction in New York City Housing Court as part of the Executive Budget, the HRA tenant legal services budget will increase to \$127 million in 2020 and to \$166 million by 2023. At full implementation this funding is projected to serve 125,000 cases for 400,000 individuals annually. Legal services have proven effective at reducing unlawful evictions and preventing displacement. Since beginning an unprecedented expansion of tenant legal assistance in 2014, evictions by City Marshals have dropped by 37 percent Citywide, enabling more than 100,000 New Yorkers to stay in their homes.

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

HPA also manages HRA's rental assistance programs, targeted to homeless families and individuals residing in DHS shelters and HRA-run domestic violence facilities and to prevent shelter entry. In 2020, HRA's rental assistance programs include the newly streamlined City Family Homeless Eviction Prevention Supplement Program (CityFHEPS), the State and City funded FHEPS A and FHEPS B programs and the federally funded Tenant Based Rental Assistance Program (TBRA). In addition, HRA operates specialized Master Lease contracts and provides access to and funding for supportive housing. Through these programs, HRA helps families with children and adults without children, including working people, survivors of domestic violence and seniors, avoid entry into or move out of shelter. From July 2014 through December 2018, over 40,000 households comprised

of over 109,000 individuals averted entry into or have exited shelter through one of these programs or through Section 8 and NYCHA. HPA also assists HRA domestic violence shelter providers and DHS and its network of shelter providers to facilitate moves from shelter to permanent housing, including making client eligibility determinations, matching clients with appropriate housing and interfacing with landlords and management companies that provide apartments to households eligible for rental assistance.

Office of Child Support Services (OCSS)

The Office of Child Support Services (OCSS) puts children first by helping both parents provide for the economic and social well-being of their children. OCSS provides a range of services including locating noncustodial parents, establishing paternity, establishing and modifying child support and medical orders, and collecting and distributing child support payments. Custodial parents receiving Cash Assistance are required to comply with OCSS pursuant to federal and New York State statutes. All other custodial parents may apply for OCSS services on a voluntary basis. In calendar year 2018, there were approximately 265,000 cases with support orders, including approximately 30,000 Cash Assistance (CA) cases and 235,000 non-Cash Assistance (NCA) cases. Child support collections in calendar year 2018 totaled \$770 million, benefitting 190,000 children.

Medical Assistance Program (MAP)

The Medicaid public health insurance program provides access to a wide range of services including primary care, hospital inpatient, emergency room, physician, pharmacy, clinic, nursing home, personal care, dental, rehabilitation, transportation, vision care, laboratory services and x-rays. Almost 1.6 million New York City residents received Medicaid through HRA as of February 2019, with the Medical Assistance Program (MAP) responsible for more than 900,000 Medicaid-Only (non-CA) enrollees. Another approximately 1.6 million New Yorkers were enrolled in Medicaid through the New York State Health Exchange. With the development of the Exchange under the Affordable Care Act (ACA), most non-CA and non-SSI Medicaid eligible New Yorkers apply through the Exchange, resulting in a decline in the HRA-administered Medicaid caseload of 47 percent since December 2013.

HRA also provides Certified Application Counselor (CAC) services in HRA locations to assist individuals

with applications for Medicaid facilitated through the Health Exchange.

Home Care Services Program (HCSP)

The Department's Home Care Services Program (HCSP) assists individuals who are frail, elderly, and/or have disabilities to remain safely in their homes with non-institutional alternatives to nursing home care. In fiscal 2019 through March, HCSP delivered personal care services to an average of 4,938 personal care cases and provided Medicaid financial eligibility review to approximately 182,000 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 children in the Care-at-Home Waiver Program. 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 Transition 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 Fiscal 2018, 4,259, WeCARE clients obtained jobs and 3,565 were approved for federal disability benefits.

CAS provides assessments, referrals and monitoring of substance use treatment and case management

services to CA and oversees approximately 7,200 clients enrolled in treatment, many of whom are served through Comprehensive Service Model contracts providing services to better support retention in substance use treatment and to assist clients with intensive support needs. CAS also oversees the review of applications for supportive housing units across the City. CAS oversees the Visiting Psychiatric Service Program (VPS), providing home-based psychiatric assessments and crisis intervention services to clients served by HRA and other agencies; the Office of Reasonable Accommodations (ORA), which reviews and makes determinations on Reasonable Accommodation Requests (RAR) submitted by clients with disabilities; and the Disability Service Program, which files federal disability benefit applications, pursues administrative appeals on denied claims, and performs eligibility determinations for Medicaid Aged, Blind and Disabled clients.

HIV/AIDS Services Administration (HASA)

The HIV/AIDS Services Administration (HASA) provides comprehensive services to individuals and families with HIV and AIDS. HASA clients receive case management, assessments and referrals, housing and homemaking services. In 2017, medical eligibility for the HASA program expanded to permit all financially-eligible New York City residents with HIV to voluntarily seek and obtain HASA services. As of February 2019, HASA served over 44,000 individuals in 33,672 households. Of the 33,672 households, approximately, 10,000 were eligible because of the expanded medical criteria. Over 27,000 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 2019, HASA supported over 3,800 units in its emergency housing portfolio and over 4,700 units in its non-emergency supportive housing program.

Adult Protective Services (APS)

The Department's Adult Protective Services (APS) program assists adults with mental and/or physical disabilities 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.

In calendar 2018, APS received 30,000 referrals: 46 percent of referrals involved eviction; 15 percent included allegations of abuse; 16 percent included allegations of neglect; and 15 percent included allegations of financial exploitation. During this period, APS assessed 26,543 individuals and maintained an average monthly protective services caseload of 6,722. The average monthly Community Guardian caseload was 2,183.

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, as well as transitional Tier II shelters. Emergency shelters have a total capacity of 2,467 beds for survivors of domestic violence and their children. ODV's nine Tier II shelters include 362 family units for clients who require additional services before transitioning back to the community.

Approximately 1,100 families are served by the domestic violence shelters every day. Shelters provide safe environments and a range of additional domestic violence support services including counseling, advocacy and referrals. In addition, nine community-based non-residential programs provide information, counseling, advocacy, legal services, and referrals to other supportive services to help domestic violence survivors navigate the challenges of living in their own communities. These programs maintain an average monthly caseload of approximately 1,900 individuals. The Teen Relationship Abuse Prevention Program (RAPP) provides classes and counseling to teenagers in 78 public schools across the City to help stop relationship violence before it occurs.

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

The Home Energy Assistance Program (HEAP) is a federally funded program that assists low-income

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

Additional programs include Heat-Line, which offers HEAP applications and other public benefits to the homebound population; the Utility Assistance Program, which offers similar benefits to those identified as eligible through the utility companies, and the Department of Environmental Conservation's Safety Net program which assists low- income 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 560 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 3,500 Department-trained volunteers who respond under the unit's direction to provide services during emergencies and disasters. The unit helps to coordinate the Agency's response to emergencies and works with the Office of Emergency Management (OEM) to implement the citywide human services response to emergencies.

Capital Review

The Department's Ten-Year Capital Strategy for 2020-2029 totals \$275 million, of which \$191.9 million are City funds. Of this \$182.7 million is included for technology to streamline Department operations, including key investments related to Client Services Re-engineering, employment and WeCare case management, and the Landlord Management System. Additionally, HRA is making capital investments of \$88.2 million for facilities maintenance, equipment and improvements, and \$4.1 million is provided for vehicles.

Capital Commitments

(\$ in 000's)

	2018 Actual		2019 Plan		2020 Plan		2021 Plan		2022 Plan		2023 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.....	\$10,949	\$11,791	\$35,195	\$43,136	\$66,400	\$94,938	\$16,966	\$21,385	\$5,263	\$9,699	\$264	\$264
Telecommunications	269	558	4,345	7,888	4,577	8,763	724	1,414	—	—	1,620	3,246
Automotive.....	371	371	270	322	478	506	324	440	441	704	586	837
Buildings.....	16,950	27,382	8,973	11,168	38,531	46,211	6,106	9,437	4,368	4,368	6,548	6,548
Equipment.....	11,797	17,497	—	—	—	—	—	—	—	—	—	—
Total	\$40,336	\$57,598	\$48,783	\$62,514	\$109,986	\$150,418	\$24,120	\$32,676	\$10,072	\$14,771	\$9,018	\$10,895

Highlights of the Ten-Year Capital Strategy

- Continued development of Client Benefits Re-engineering to add online Cash Assistance emergency grants and new functionality to expedite case processing (\$4.4 million).
- Expansion of the existing on-demand telephone scheduling system for Cash Assistance recertification and re-application interviews (\$7.1 million).
- Development of the Work Tracking System, a workload management system used by supervisors, managers and staff to automate tasks and distribute case processing across the SNAP program (\$9.9 million).
- Client case management systems for the Department’s revamped employment and WeCare services (\$11.5 million).
- Development of a Landlord Management System (LMS) that will offer a public portal for landlords to streamline the processing of rent payments for Cash Assistance and Rental Assistance clients (\$10.5 million).
- Upgrade and development of a new Integrated Voice Response System – known as “One Number,” that will include intuitive routing of client inquiries and enhance the ability of clients and the public to access information about benefits and services (\$5.3 million).
- Renovation and outfitting of several new and existing locations to modernize and consolidate services, including the accommodation of client-centered technology, such as self-service check-in and PC banks (\$12.7 million).

DEPARTMENTS OF SOCIAL AND HOMELESS SERVICES DEPARTMENT OF HOMELESS SERVICES

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

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

In February 2017, the City released “Turning the Tide on Homelessness”, which outlined a plan to address homelessness over the succeeding five years, providing a blueprint for a borough-based approach to address the challenge of homelessness. The plan includes an increased focus on homelessness prevention; on improving shelter conditions, services and security; on addressing street homelessness; and on rehousing; and shrinks the footprint of DHS by 45 percent by closing 360 cluster sites and commercial hotel locations and replacing them with a smaller number of 90 new effective, borough-based shelters. Since the Turning the Tide plan release DHS has vacated over 200 shelter sites and announced that 43 high-quality borough-based shelters had been sited, of which 23 are operational.

The Department will continue to work with HRA and other City partners to help homeless families and adults without children transition into permanent housing in 2020. Since Fiscal 2015, over 41,000 households comprised of over 109,000 people have exited DHS and HRA shelter or avoided entering shelter through rental assistance programs funded by the City and with federally funded HOME TBRA, the State Family Housing Eviction Prevention Supplement (FHEPS), Section 8 and NYCHA placements. Beginning in 2014, DHS and HRA/DSS developed a range of rental assistance programs, which were consolidated into a single streamlined program – CityFHEPS – in October of calendar year 2018.

Financial Review

The Department’s 2020 Executive Budget provides for operating expenses of \$2.12 billion, of which \$1.28 billion are City funds. A capital budget of \$110 million is also provided in 2020.

Streamlining and Efficiencies

- In 2019, as part of a Citywide vacancy reduction plan, DHS will eliminate 81 unfilled positions.
- The Department anticipates savings in 2020 of \$1.4 million in City and total funds from completing conversion of Catherine Street shelter to not-for-profit operation in FY20, and implementing additional shelter system operational efficiencies in the outyears. The additional shelter system efficiencies will be phased in over several years with savings growing to \$4.0 million in City funds and \$4.6 million in total funds by 2023.
- In 2020 and beyond, DHS will begin a phased reorganization of the provision of shelter security to emphasize a client-focused trauma informed approach that incorporates residential and front-door safety measures. Savings of \$14.2 million in City and total funds are projected in 2020, increasing to \$22.4 million in the baseline, with offsetting investments of \$11.4 million in FY20 and \$17.9 million in the baseline for provider and contracted security expansion.

Expense Budget Highlights

State Budget Impact

- Starting in 2019, \$31.3 million and \$62.6 million in 2020 and beyond in City funds will be added to the Department’s budget related to the New York State 2019-2020 enacted budget. The State budget reduced the State’s contribution of TANF block grant funds for the family assistance program by 10% for New York City only, creating a cost shift for family shelter, cash assistance and other benefits.

Program Enhancements

- An additional \$25 million annually will support expansion and enhancement of street solutions programming in 2019 and beyond, including additional Safe Haven beds and drop-in programs to help bring homeless persons off the streets and out of the subways.

Summary of Agency Financial Data

The following table compares 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019	2020
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$152,084	\$161,723	\$166,579	\$154,895	(\$6,828)	(\$11,684)
Fringe Benefits	1,557	1,566	1,566	1,566	—	—
OTPS	1,992,377	1,962,465	1,937,853	1,961,137	(1,328)	23,284
Total	\$2,146,018	\$2,125,754	\$2,105,998	\$2,117,598	(\$8,156)	\$11,600
Funding						
City	\$1,295,541	\$1,338,543	\$1,214,833	\$1,282,543	(\$56,000)	\$67,710
Other Categorical Grants ..	1,382	3,000	3,000	3,000	—	—
IFA	—	—	—	—	—	—
State	184,879	177,489	178,739	178,739	1,250	—
Federal CD	4,121	10,527	4,731	4,731	(5,796)	—
Federal Other	658,103	595,199	703,844	647,734	52,535	(56,110)
Intra-City Other	1,992	996	851	851	(145)	—
Total	\$2,146,018	\$2,125,754	\$2,105,998	\$2,117,598	(\$8,156)	\$11,600
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$40,796	\$59,591	\$63,045	\$64,982	\$5,391	\$1,937
Pensions	24,474	27,326	25,035	26,494	(832)	1,459
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	\$65,270	\$86,917	\$88,080	\$91,476	\$4,559	\$3,396
Funding						
City	59,215	80,137	81,659	84,812	4,675	3,153
Non-City	6,055	6,780	6,421	6,664	(116)	243
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$152,084	\$161,723	\$166,579	\$154,895	(\$6,828)	(\$11,684)
Fringe Benefits	42,353	61,157	64,611	66,548	5,391	1,937
Pensions	24,474	27,326	25,035	26,494	(832)	1,459
Total PS	\$218,911	\$250,206	\$256,225	\$247,937	(\$2,269)	(\$8,288)
OTPS	\$1,992,377	\$1,962,465	\$1,937,853	\$1,961,137	(\$1,328)	\$23,284
Debt Service	—	—	—	—	—	—
Total OTPS	\$1,992,377	\$1,962,465	\$1,937,853	\$1,961,137	(\$1,328)	\$23,284
Total Agency Costs	\$2,211,288	\$2,212,671	\$2,194,078	\$2,209,074	(\$3,597)	\$14,996
Less Intra-City	\$1,992	\$996	\$851	\$851	(145)	\$—
Net Agency Cost	\$2,209,296	\$2,211,675	\$2,193,227	\$2,208,223	(\$3,452)	\$14,996
Funding						
City	1,354,756	1,418,680	1,296,492	1,367,355	(51,325)	70,863
Non-City	854,540	792,995	896,735	840,868	47,873	(55,867)
Personnel (includes FTEs at fiscal year-end)						
City	2,339	2,535	2,614	2,376	(159)	(238)
Non-City	31	46	10	10	(36)	—
Total	2,370	2,581	2,624	2,386	(195)	(238)

Programmatic Review and Service Impact

Adult Services

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

In 2020, the Department will continue to operate literacy, job training and programming at both directly operated and contracted shelters and to partner with HRA to connect adults in shelter to employment opportunities, including public and private market subsidized employment programs, to help them transition to permanent housing.

DHS single adults and adult families exit or avoid shelter through one of the rental assistance or subsidized housing programs and, in addition have access to supportive housing, which provides permanent housing combined with on-site and community based services for clients with special needs. The NYC “15/15” plan will develop and fund the operation of 15,000 additional supportive housing units over 15 years.

Family Services

The Department serves homeless families with children through a network of shelters that provide social services, access to child day care and other supports and rehousing services, designed to maximize family stability and to help them move to permanency in the community.

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

In 2020, DHS, partnering with other City agencies including the Department of Education, the Administration for Children’s Services (ACS) and the Department of Health and Mental Hygiene (DOHMH), will continue and expand its focus on child well-being. The Department monitors school attendance, promotes infant safe sleeping, and collaborates with ACS to coordinate services to families with child welfare involvement and with DOHMH on programs for maternal and infant health.

Shelter Security & Safety

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

The Interagency Shelter Repair Squad, which includes the Department of Housing Preservation and Development, the Department of Buildings, the New York City Fire Department and DHS, in partnership with non-profit shelter providers, conducted over 46,000 shelter inspections in calendar years 2016 through 2018. The number of outstanding violations within traditional shelters declined by 87 percent between January 2016 and December 2018.

Street Solutions

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

In 2016, the Department launched HOME-STAT (Homeless Outreach and Mobile Engagement Street Action Team), a street homeless effort that partners existing homeless response and prevention programs with a series of new innovations designed to better identify, engage and transition homeless New Yorkers from the streets to appropriate services and permanent housing. Since the launch of HOME-STAT, the City has helped more than 2,000 people come in from the streets into transitional programs or permanent housing and provided assistance so that they have remained off the streets.

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

The Department’s safe havens, which are low-threshold transitional residential programs; drop-in centers; and short-term stabilization beds, comprise a system of specialized programs that provide additional services to street homeless clients and help them transition from the streets to more permanent settings. As of March 2019 there were approximately 1,400 safe haven and stabilization beds available to street homeless clients. The Agency plans to bring a total of 1,800 beds online, which will triple the 600 beds that were available in 2014.

Capital Review

The Department’s Ten Year Capital Plan for 2020-2029 totals \$649 million in City funds. The plan provides \$181 million for homeless family facilities, \$423.8 million for single adult facilities, and \$44.2 million for technology projects and equipment purchases. The table below reflects capital commitments by program area over 2018-2023.

Capital Commitments

(\$ in 000’s)

	2018 Actual		2019 Plan		2020 Plan		2021 Plan		2022 Plan		2023 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 ...	\$24,767	\$24,767	\$9,019	\$9,019	\$12,846	\$12,846	\$17,109	\$17,109	\$16,426	\$16,426	\$37,905	\$37,905
Single Adult Facilities.....	26,087	26,087	23,194	25,053	65,038	65,038	65,890	65,890	75,498	75,498	49,515	49,515
Information Technology and Equipment.....	2,868	2,868	16,722	16,722	23,937	23,937	8,620	8,620	3,928	3,928	3,182	3,182
City Council and Borough President.....	(633)	(633)	3,563	3,563	8,437	8,437	23	23	—	—	—	—
Total	\$53,089	\$53,089	\$52,498	\$54,357	\$110,258	\$110,258	\$91,642	\$91,642	\$95,852	\$95,852	\$90,602	\$90,602

Highlights of the Ten-Year Capital Strategy

- Significant investment of \$273 million for critical upgrades at family and adult shelter facilities, including funding allocated to the renovation and upgrade of shelter sites to increase capacity as part of the “Turning the Tide” commitment.
- Continued funding for exterior and interior building upgrades at Bellevue Men’s Shelter of \$155 million.
- Funding for technology projects including development of integrated applications for shelter compliance, case management and data reporting. These enhancements respond to critical program, policy and legal goals (\$44 million).
- Funding for an information technology system to track reasonable accommodation requests and compliance in DHS shelters and other facilities (\$10 million).

ADMINISTRATION FOR CHILDREN'S SERVICES

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

Financial Review

The Department's 2019 Executive Budget provides for operating expenses of \$2.65 billion, \$878 million of which are City funds. Capital commitments of \$392 million are provided, of which \$352 million are City funds.

Summary of Agency Financial Data

The following table compares 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019	2020
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$499,858	\$508,543	\$531,072	\$529,094	\$20,551	(\$1,978)
Fringe Benefits	178	136	1	1	(135)	—
OTPS	2,476,743	2,757,581	2,141,102	2,126,048	(631,533)	(15,054)
Total	\$2,976,779	\$3,266,260	\$2,672,175	\$2,655,143	(\$611,117)	(\$17,032)
Funding						
City	\$1,028,868	\$1,069,376	\$895,976	\$878,238	(\$191,138)	(\$17,738)
Other Categorical Grants ..	81	—	—	—	—	—
IFA	—	—	—	—	—	—
State	693,599	768,780	742,651	743,053	(25,727)	402
Federal CD	2,963	2,963	—	—	(2,963)	—
Federal Other	1,183,587	1,345,525	1,033,205	1,033,509	(312,016)	304
Intra-City Other	67,681	79,616	343	343	(79,273)	—
Total	\$2,976,779	\$3,266,260	\$2,672,175	\$2,655,143	(\$611,117)	(\$17,032)
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$142,875	\$174,920	\$187,426	\$192,146	\$17,226	\$4,720
Pensions	69,779	81,636	81,480	86,227	4,591	4,747
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs ...	\$212,654	\$256,556	\$268,906	\$278,373	\$21,817	\$9,467
Funding						
City	72,706	88,910	150,557	160,235	71,325	9,678
Non-City	139,948	167,646	118,349	118,138	(49,508)	(211)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$499,858	\$508,543	\$531,072	\$529,094	\$20,551	(\$1,978)
Fringe Benefits	143,053	175,056	187,427	192,147	17,091	4,720
Pensions	69,779	81,636	81,480	86,227	4,591	4,747
Total PS	\$712,690	\$765,235	\$799,979	\$807,468	\$42,233	\$7,489
OTPS	\$2,476,743	\$2,757,581	\$2,141,102	\$2,126,048	(631,533)	(\$15,054)
Debt Service	—	—	—	—	—	—
Total OTPS	\$2,476,743	\$2,757,581	\$2,141,102	\$2,126,048	(\$631,533)	(\$15,054)
Total Agency Costs	\$3,189,433	\$3,522,816	\$2,941,081	\$2,933,516	(\$589,300)	(\$7,565)
Less Intra-City	\$67,681	\$79,616	\$343	\$343	(79,273)	\$—
Net Agency Cost	\$3,121,752	\$3,443,200	\$2,940,738	\$2,933,173	(\$510,027)	(\$7,565)
Funding						
City	1,101,574	1,158,286	1,046,533	1,038,473	(119,813)	(8,060)
Non-City	2,020,178	2,284,914	1,894,205	1,894,700	(390,214)	495
Personnel (includes FTEs at fiscal year-end)						
City	6,534	7,056	7,239	7,106	50	(133)
Non-City	95	167	166	166	(1)	—
Total	6,629	7,223	7,405	7,272	49	(133)

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 over 65,000 reports of abuse and neglect that ACS receives each year. Protective/diagnostic field offices are located in each of the five boroughs and child protective personnel oversaw on average over 13,000 active cases each month in 2018.

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

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

Preventive Services for Children and Families

ACS provides contracted preventive services, which are designed to keep youth from entering foster care placement and also to reduce the length of time that children spend in foster care. Preventive services include general preventive services, specialized programs for teens, programs for youth with juvenile justice involvement, the Family Treatment/Rehabilitation Program (FT/R) for families with substance abuse issues, and programs for families with special needs. Services include parenting education, domestic violence counseling, housing subsidies, employment and job training services, substance abuse treatment, and mental health guidance. Preventive services also include evidence-based and evidence-informed practice models. Providers are required to help families connect to other services in their communities and are encouraged to engage families in achieving their service goals within 12 months in order to increase the availability of programs to all families in need. Since summer 2018, an average of 800 preventive cases opened monthly, and in 2018, 9,556 preventive cases were opened in total.

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

In 2017, ACS began to roll out the preventive expansion; an historical expansion of preventive services, focusing on high needs families, particularly court-ordered supervision families. Child welfare preventive services served over 19,000 families in 2018. The preventive expansion initiative has enhanced the city's capacity to strengthen families, address trauma associated with severe poverty, and prevent child maltreatment. In 2017, ACS also expanded the Clinical Consultation Program (CCP), now widened to provide assessment services to Foster Care and Preventive Service agencies. ACS has established a six-month (beginning three months prior to and continuing throughout trial discharge) enhanced family support services for families discharging from foster care. In spring 2018, ACS launched three Family Enrichment Centers, an innovative research-informed and family-centered primary prevention strategy to support

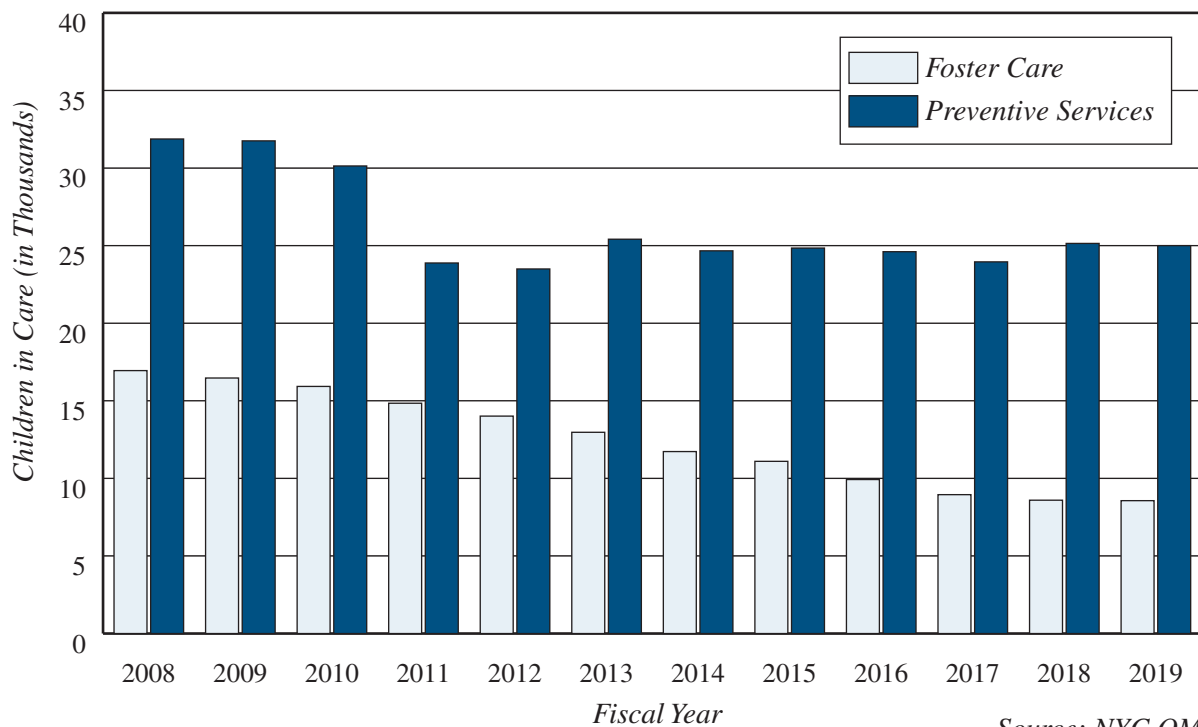
families before any harm occurs to children and build community capacity to engage families. These efforts are expected to help address the needs of children and families at multiple intervention points, avoid the unnecessary removal of children from their homes and support children being re-unified with their families after foster care placement.

With this as a foundation, ACS plans to launch a new vision for prevention work in New York City through an upcoming Request for Proposals (RFP). In anticipation of the procurement, in 2019 ACS released a concept paper for public comment to solicit feedback from providers and the community at large. The concept paper announced ACS’s intention to focus prevention services more heavily on evidence-based models and better allocate service models across the City in a way that aligns with and advances the continued reform and innovation of the City’s child welfare system. This will also prepare ACS and our providers well for the implementation of the federal Family First Prevention Services Act, starting in September 2021.

Foster Care

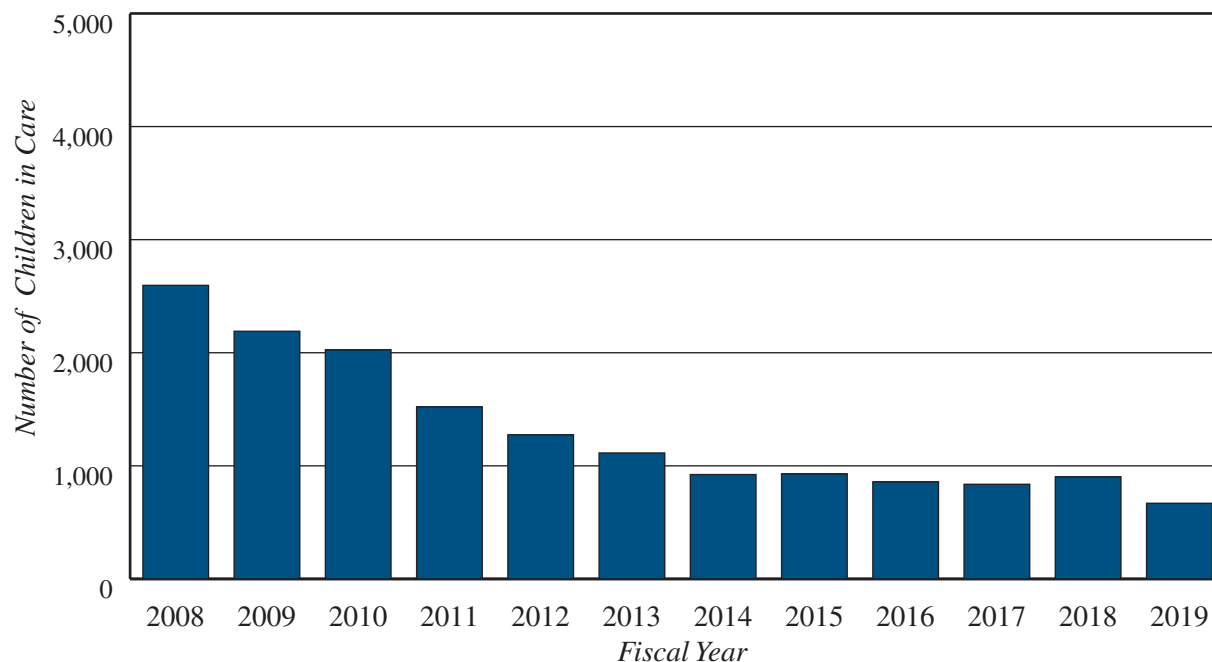
Placements in family foster care, residential settings or specialized care facilities are provided on a temporary basis until children can be reunified with their families. If reunification is not a viable option, children receive services that will lead to adoption or development of independent living skills. The number of children living in out-of-home placements has continued to decline and is currently 8,308. The Nicholas Scoppetta Children’s Center serves as the foster care pre-placement intake facility for nearly 4,000 children entering foster care each year. These children are assessed and provided with necessary medical, mental health and any other required services during their stay at the Children’s Center.

CHILDREN IN FOSTER CARE AND PREVENTIVE SERVICES 2008 - 2019



Source: NYC OMB

RESIDENTIAL CASELOADS 2008 - 2019



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

Source: NYC OMB

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

Adoption Services and KinGAP

Adoption provides a stable and permanent home for children who cannot return to their birth parents. Currently, approximately 17,000 children are living in adoptive homes. In 2018, nearly 900 children were adopted, more than 2,400 children were reunified, and nearly 300 children exited foster care to KinGAP.

In 2017, the Department released the Foster Care Strategic Blueprint focusing on key priorities and strategies for improving case practice and results for children and families in the foster care system—including family reunification, kinship placement, adoption, and supporting older youth. In 2017, No Time to Wait initiative launched to improve permanency

outcomes for children and youth in foster care to streamline the administrative processes and provide enhanced technical assistance to agencies to reduce time to reunification and expedite adoption and kinship guardianship. In Spring 2018, the Department released the recommendations from the NYC Interagency Foster Care Task Force to improve services for youth in foster care and outcomes for those aging out of care.

Division of Youth and Family Justice

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

Under the Close to Home Initiative launched in 2012, DYFJ assumed custody of adjudicated juvenile delinquents placed in limited and 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.

With the implementation of New York state’s Raise the Age legislation in October 2018, 16 and 17-year-old youth care no longer detained on Riker’s Island, and if ordered by a court, are now held in ACS facilities where they receive education, age-appropriate therapeutic and recreational services, and health and mental health care. Newly arrested 16-year-olds are now treated as juveniles, and if they are detained it is either in Crossroads Juvenile Detention Center or in one of our non-secure detention facilities. In October 2019, newly arrested 17 year olds will also be treated as juveniles.

Division of Early Care and Education

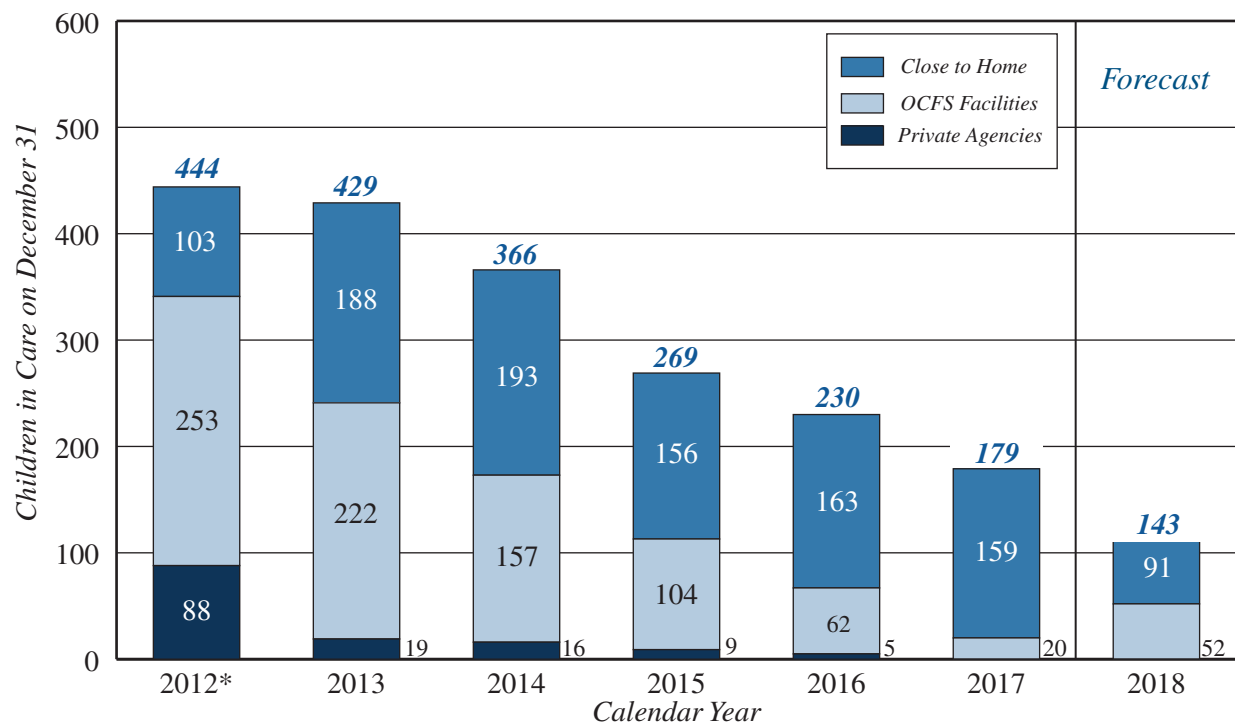
The Division of Child and Family Well-Being administers one of the largest publicly-funded childcare systems in the country, serving almost 95,000 infants, toddlers, preschool and school-aged children. ACS provides services that enhance child development and assists low-income working families, public assistance

recipients who are employed or engaged in work activities, and families receiving child welfare services. This includes the Head Start program, a federally-funded, family-centered child development program for families of low-income with children ages 3-4. The program promotes intellectual, social, emotional and physical growth in order to develop each child’s potential for successful living.

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

Beginning in fiscal year 2020, the City will transition the ACS EarlyLearn program to the Department of Education (DOE), as part of a comprehensive early childhood initiative that seeks to create a continuum of early care and education programs for New York City children ages birth to five.

JUVENILES IN RESIDENTIAL PLACEMENT 2012 - 2018



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

Source: NYS OCFS Annual Youth in Care Report

Capital Review

The Department's 2020-2029 Ten Year Capital Plan totals \$392 million, of which \$352 million are City funds. The Ten Year Capital Plan includes \$45.6 million for child care, \$206.5 million for DYFJ programs, \$55.3 million for administrative offices, \$66.5 million for equipment and information systems, \$15.6 million for City Council child care and child welfare projects, \$2.9 million for Borough President and child welfare projects.

Capital Commitments

(\$ in 000's)

	2018 Actual		2019 Plan		2020 Plan		2021 Plan		2022 Plan		2023 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	\$12,313	\$12,313	\$1,000	\$1,000	\$6,089	\$6,089	\$9,266	\$9,266	\$8,012	\$8,012	\$19,134	\$19,134
Child Care	\$91,419	\$91,419	\$62,215	\$62,303	\$111,973	\$115,134	\$57,595	\$59,864	\$16,207	\$19,355	\$1,612	\$4,133
Buildings	\$3,923	\$5,945	\$2,411	\$5,557	\$9,359	\$17,083	\$5,945	\$10,191	\$4,407	\$4,407	\$8,780	\$11,411
MIS	\$1,936	\$2,061	\$1,033	\$2,549	\$8,992	\$15,097	\$4,138	\$7,000	\$7,974	\$12,861	\$2,526	\$2,526
Total	\$109,592	\$111,738	\$66,659	\$71,409	\$136,413	\$153,403	\$76,944	\$86,321	\$36,600	\$44,635	\$32,052	\$37,204

Highlights of the Four-Year Capital Plan

- \$66.5 million will support telecommunications and data infrastructure upgrades and improvements.
- \$45.6 million will support the renovation of child care centers City wide including correction of code violations and providing for handicapped accessibility.
- \$55.3 million will support the renovation of administrative and field offices.
- \$206.5 million will support the Department's juvenile justice operations including the renovation of the Department's two secure detention facilities – Crossroads and Horizon as part of Raise the Age.

DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT

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

Financial Review

The Department's 2020 Executive Budget provides for operating expenses of \$779 million, of which \$554 million are City funds.

Summary of Agency Financial Data

The following table compares 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019 Forecast	2020 Preliminary Budget
			Preliminary Budget	Executive Budget		
Expenditures						
Salary and Wages	\$41,066	\$41,745	\$42,277	\$45,686	\$3,941	\$3,409
Fringe Benefits	—	—	—	—	—	—
OTPS	768,242	863,913	712,885	733,531	(130,382)	20,646
Total	\$809,308	\$905,658	\$755,162	\$779,217	(\$126,441)	\$24,055
Funding						
City	\$553,133	\$632,468	\$530,316	\$554,371	(\$78,097)	\$24,055
Other Categorical Grants ..	2,120	1,099	—	—	(1,099)	—
IFA	—	—	—	—	—	—
State	7,182	6,955	5,275	5,275	(1,680)	—
Federal CD	7,408	7,520	7,145	7,145	(375)	—
Federal Other	77,468	85,385	55,018	55,018	(30,367)	—
Intra-City Other	161,997	172,231	157,408	157,408	(14,823)	—
Total	\$809,308	\$905,658	\$755,162	\$779,217	(\$126,441)	\$24,055
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$10,986	\$12,822	\$13,865	\$13,978	\$1,156	\$113
Pensions	6,159	6,998	6,692	7,082	84	390
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	\$17,145	\$19,820	\$20,557	\$21,060	\$1,240	\$503
Funding						
City	16,472	19,214	19,962	20,348	1,134	386
Non-City	673	606	595	712	106	117
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$41,066	\$41,745	\$42,277	\$45,686	\$3,941	\$3,409
Fringe Benefits	10,986	12,822	13,865	13,978	1,156	113
Pensions	6,159	6,998	6,692	7,082	84	390
Total PS	\$58,211	\$61,565	\$62,834	\$66,746	\$5,181	\$3,912
OTPS	\$768,242	\$863,913	\$712,885	\$733,531	(\$130,382)	\$20,646
Debt Service	—	—	—	—	—	—
Total OTPS	\$768,242	\$863,913	\$712,885	\$733,531	(\$130,382)	\$20,646
Total Agency Costs	\$826,453	\$925,478	\$775,719	\$800,277	(\$125,201)	\$24,558
Less Intra-City	\$161,997	\$172,231	\$157,408	\$157,408	(\$14,823)	\$—
Net Agency Cost	\$664,456	\$753,247	\$618,311	\$642,869	(\$110,378)	\$24,558
Funding						
City	569,605	651,682	550,278	574,719	(76,963)	24,441
Non-City	94,851	101,565	68,033	68,150	(33,415)	117
Personnel (includes FTEs at fiscal year-end)						
City	458	476	450	499	23	49
Non-City	74	74	74	74	—	—
Total	532	550	524	573	23	49

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 880 total programs serving more than 100,000 young people in grades K-12, including more than 50,000 in elementary schools and more than 1,500 in high schools. Through its network of providers, COMPASS offers high quality programs that offer a strong balance of academics, recreation, enrichment, and cultural activities to support and strengthen the overall development of youth. COMPASS includes the School's Out NYC (SONYC) program, the Mayor's signature Universal Afterschool for Middle School initiative, which aims to keep youth safe, foster competencies, and allow young people to explore interests and creativity while building confidence and leadership skills. In 2018, SONYC's 496 programs in public and non-public schools and other settings, including homeless shelters, provided more than 51,000 seats serving more than 70,000 middle school youth. Including other DYCD programs and programs funded by the Department of Education, the City provides a total of more than 100,000 middle school youth with afterschool programming.

Beacon Community Centers

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

adolescent behaviors, empowering community residents and providing a forum for local problem solving. DYCD will serve almost 110,000 participants in 2019.

Cornerstone Program

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

As part of the Mayor's Action Plan for Neighborhood Safety, beginning in 2014 summer hours of service were extended to 11 p.m. daily to allow community residents evening access to a safe place for recreation and learning when school is out. The extended hours will continue in 2020.

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 2019, DYCD further expanded residential services, and provided funding for 753 beds for youth ages 16-20, an increase of 500 beds over the 2013 level.

In addition, beginning in 2019, DYCD allocated \$3 million in new funding for expanded RHY programs. The \$3M funded three new 24/hr Drop-In Centers in the Bronx, Brooklyn, and Staten Island, ensuring that every borough now has 24/hr services, and 60 new residential beds for Homeless Youth Adults (HYA) ages 21-24. 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 Office of Economic Opportunity (OEO) and Young Men's Initiative (YMI)-funded Young Adult Internship Program (YAIP) and the Workforce Innovation and Opportunity Act (WIOA)-funded In-School Youth and Out-of-School Youth programs.

SYEP provides New York City youth between the ages of 14 to 24 with summer employment and educational experiences. Participants work in a variety of entry-level jobs at community-based organizations, government agencies and private sector businesses and are paid for up to 25 hours per week for up to six weeks at the current State minimum wage of \$15 per hour. This past summer 70,000 youth and young adults worked in SYEP across 13,701 worksites. The Executive Budget includes funding to maintain the program at 70,000 slots in 2020. In the most significant transformation in the program's 56-year history, DYCD will provide structured project and work-based opportunities, ensuring New York City youth are better prepared for careers of the future. SYEP enhancements include new school-based opportunities and outreach to young people who are homeless, in foster care, justice system-involved or living in select NYCHA developments.

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 2019, DYCD received a total of \$12.2 million from the Office of Economic Opportunity (OEO) and the Young Men's Initiative (YMI) to serve 1,635 participants.

In 2019, DYCD received approximately \$20.2 million in Workforce Innovation and Opportunity Act (WIOA) funding to support the In-School Youth (ISY) and Out-of-School Youth (OSY) programs. The ISY program helps to prevent high school juniors and seniors from dropping out before attaining a high school degree. The program also helps improve literacy, job readiness, and other workplace preparation skills. The OSY program helps youth between the ages of 16 and 21 who are not in school and not employed to refocus on achieving educational goals and to find employment or advanced occupational training. In 2019, DYCD projects that ISY and OSY will serve 1,056 and 1,186 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 2019, DYCD's funding for adult literacy services is \$14.7 million and it is projected that 14,980 individuals will be served.

The Young Adult Literacy Program is funded through OEO and YMI for a total budget of \$3.6 million supporting programs across 13 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 2019, the Department received \$16.3 million in CSBG funding for these programs, which provides immigrant services, family support services, youth development, senior support, and housing assistance to 14,302 participants.

Fatherhood Programs

By promoting positive involvement of fathers in the lives of their children, DYCD's 8 CSBG-funded Fatherhood programs strengthen family relationships and encourage fathers to fulfill their financial responsibilities. Fatherhood services include individual, family and group counseling, father-to-father mentoring, parent and child rearing classes, visitation arrangements, and mediation and conflict resolution training. Support activities include independent living skills training, college preparation classes, and adult basic education and English instruction for speakers of other languages. DYCD also encourages program providers to form linkages with other organizations to address the comprehensive needs of fathers, including job training and placement, health care, and housing. In 2019, the Department allocated \$2.8 million in CSBG funding to provide services to over 1,460 participants.

DEPARTMENT FOR THE AGING

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

Financial Review

The Department's 2020 Executive Budget provides for operating expenses of \$363 million, of which \$245 million are City funds. In addition, the Department's Ten-Year Capital Plan includes \$59.2 million.

Summary of Agency Financial Data

The following table compares 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019	2020
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$28,304	\$31,188	\$31,803	\$31,567	\$379	(\$236)
Fringe Benefits	—	—	—	—	—	—
OTPS	337,801	366,074	323,824	331,514	(34,560)	7,690
Total	\$366,105	\$397,262	\$355,627	\$363,081	(\$34,181)	\$7,454
Funding						
City	\$245,931	\$270,066	\$239,024	\$244,570	(\$25,496)	\$5,546
Other Categorical Grants ..	250	417	—	—	(417)	—
IFA	—	—	—	—	—	—
State	41,269	43,368	42,822	43,229	(139)	407
Federal CD	629	5,409	2,250	2,250	(3,159)	—
Federal Other	74,860	75,443	71,016	72,517	(2,926)	1,501
Intra-City Other	3,166	2,559	515	515	(2,044)	—
Total	\$366,105	\$397,262	\$355,627	\$363,081	(\$34,181)	\$7,454
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$7,509	\$9,047	\$9,685	\$9,856	\$809	\$171
Pensions	4,044	4,792	4,612	4,881	89	269
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	\$11,553	\$13,839	\$14,297	\$14,737	\$898	\$440
Funding						
City	10,816	12,659	12,932	13,594	935	662
Non-City	737	1,180	1,365	1,143	(37)	(222)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$28,304	\$31,188	\$31,803	\$31,567	\$379	(\$236)
Fringe Benefits	7,509	9,047	9,685	9,856	809	171
Pensions	4,044	4,792	4,612	4,881	89	269
Total PS	\$39,857	\$45,027	\$46,100	\$46,304	\$1,277	\$204
OTPS	\$337,801	\$366,074	\$323,824	\$331,514	(\$34,560)	\$7,690
Debt Service	—	—	—	—	—	—
Total OTPS	\$337,801	\$366,074	\$323,824	\$331,514	(\$34,560)	\$7,690
Total Agency Costs	\$377,658	\$411,101	\$369,924	\$377,818	(\$33,283)	\$7,894
Less Intra-City	\$3,166	\$2,559	\$515	\$515	(\$2,044)	\$—
Net Agency Cost	\$374,492	\$408,542	\$369,409	\$377,303	(\$31,239)	\$7,894
Funding						
City	256,747	282,725	251,956	258,164	(24,561)	6,208
Non-City	117,745	125,817	117,453	119,139	(6,678)	1,686
Personnel (includes FTEs at fiscal year-end)						
City	211	223	228	222	(1)	(6)
Non-City	447	446	477	457	11	(20)
Total	658	669	705	679	10	(26)

Programmatic Review and Service Impact

Senior Centers

The core of DFTA's service portfolio is a citywide network of 249 senior centers, which every day offers older New Yorkers meals, socialization, recreation, and participation in a wide array of activities designed to improve their health and quality of life. Sixteen of the 249 senior centers are Innovative Senior Centers, which provide enhanced programming, robust wellness programs, technology education as well as arts and culture activities. Over 200,000 seniors per year participate in senior center services.

Case Management, Home Delivered Meals, and Homecare

Case management services connect homebound seniors to resources and benefits so that they may continue to live independently and safely in their homes. Following a case management assessment, eligible seniors may receive home delivered meals, homecare, and other benefits or services. Seniors are referred to case management providers from senior centers, meal providers, hospitals and other community-based social service and health care agencies. In 2019, \$37 million will support case management services for approximately 20,000 clients. Most of the 20,000 case management clients benefit from home-delivered meals services five days a week each year. DFTA has 23 contracts for home delivered meals, which offer seniors the option of frozen or hot meal deliveries. In 2019, \$42 million will support 4.6 million home delivered meals. In addition, in 2019 approximately 3,000 clients will benefit from Homecare services.

Senior Employment and Foster Grandparent Services

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

The Foster Grandparent program is a volunteer based program enlisting approximately 400 seniors each year to work as mentors and tutors for at risk or troubled children and youth. Foster grandparents work in hospitals, day care programs, schools, and afterschool programs. In 2019, \$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 2019, \$7M million will support 28 NORC programs for over 11,000 residents in the Bronx, Brooklyn, Manhattan, and Queens. NORC services include case assistance, transportation, health promotion, education and recreation, and nursing services.

Transportation Services

DFTA's independent transportation program aims to serve seniors who are unable to travel or access public transportation from becoming socially isolated and/or declining physically by assisting them in getting to and from places they need to go in their communities. Moreover, DFTA's transportation services program offers group transportation to enhance community engagement for seniors by offering recreational, social and educational trips. Each year, DFTA's \$5M transportation program provides 300,000 one-way trips citywide. DFTA's senior centers provide an additional 400,000 one way trips each year.

Caregiver Services

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

ThriveNYC

DFTA leads ThriveNYC initiatives that focus on geriatric mental health. Through the DFTA Geriatric Mental Health initiative, mental health services are available on-site at 25 of the largest senior centers in the agency's network. Mental health professionals assist senior center members with issues ranging from depression and anxiety to highly disruptive behaviors. In the FY '20 Preliminary Budget, an additional \$1.7 million was allocated toward the DGMH initiative to expand services to additional Senior Centers citywide. A second ThriveNYC initiative led by DFTA combats social isolation among homebound older adults.

Capital Review

The Department’s Ten-Year Capital Strategy for 2020-2029 totals \$59.2 million. The Ten-Year Capital Strategy includes funding for information technology projects to improve operations as well as funding for rehabilitation of senior centers throughout the City.

Capital Commitments
(\$ in 000’s)

	2018 Actual		2019 Plan		2020 Plan		2021 Plan		2022 Plan		2023 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
Renovation	\$1,701	\$1,701	\$8,585	\$8,585	\$4,434	\$4,434	\$3,840	\$3,840	\$9,569	\$9,569	\$5,389	\$5,389
Equipment.....	\$784	784	\$1,157	\$1,157	\$3,012	\$3,012	\$—	\$—	\$2,354	\$2,354	\$3,184	\$3,184
Total	\$2,485	\$2,485	\$9,742	\$9,742	\$7,446	\$7,446	\$3,840	\$3,840	\$11,923	\$11,923	\$8,573	\$8,573

Ten-Year Capital Strategy Highlights

- The Department’s Ten-Year Capital Strategy includes rehabilitation of senior centers, with focus on structural and accessibility issues (\$38.7 million); computer and network upgrade and equipment purchase (\$20.6 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.

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

Financial Review

The Department's 2020 Executive Budget provides for operating expenses of \$1.7 billion, of which \$900.8 million are City funds. Capital commitments of \$103.6 million are also provided to fund agency initiatives.

Revenue Forecast

The Department generates revenue from licenses, permits, inspection and service fees. In 2020, the Department will generate \$30.4 million in revenue from these sources.

Summary of Agency Financial Data

The following table compares 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019	2020
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$492,951	\$516,842	\$520,257	\$520,525	\$3,683	\$268
Fringe Benefits	1,420	2,903	664	678	(2,225)	14
OTPS	1,205,041	1,354,608	1,176,153	1,167,280	(187,328)	(8,873)
Total	\$1,699,412	\$1,874,353	\$1,697,074	\$1,688,483	(\$185,870)	(\$8,591)
Funding						
City	\$741,577	\$825,747	\$846,867	\$900,771	\$75,024	\$53,904
Other Categorical Grants ..	66,738	33,804	1,534	1,537	(32,267)	3
IFA	—	—	—	—	—	—
State	545,820	663,061	555,692	498,809	(164,252)	(56,883)
Federal CD	—	—	—	—	—	—
Federal Other	317,365	332,016	287,622	282,007	(50,009)	(5,615)
Intra-City Other	27,912	19,725	5,359	5,359	(14,366)	—
Total	\$1,699,412	\$1,874,353	\$1,697,074	\$1,688,483	(\$185,870)	(\$8,591)
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$137,432	\$167,968	\$175,661	\$182,254	\$14,286	\$6,593
Pensions	66,616	79,338	80,557	85,250	5,912	4,693
Other Than Personal Service (OTPS)						
Debt Service	45,298	53,794	59,652	71,811	18,017	12,159
Total Additional Costs ...	\$249,346	\$301,100	\$315,870	\$339,315	\$38,215	\$23,445
Funding						
City	217,759	266,829	281,425	303,925	37,096	22,500
Non-City	31,587	34,271	34,445	35,390	1,119	945
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$492,951	\$516,842	\$520,257	\$520,525	\$3,683	\$268
Fringe Benefits	138,852	170,871	176,325	182,932	12,061	6,607
Pensions	66,616	79,338	80,557	85,250	5,912	4,693
Total PS	\$698,419	\$767,051	\$777,139	\$788,707	\$21,656	\$11,568
OTPS	\$1,205,041	\$1,354,608	\$1,176,153	\$1,167,280	(187,328)	(8,873)
Debt Service	45,298	53,794	59,652	71,811	18,017	12,159
Total OTPS	\$1,250,339	\$1,408,402	\$1,235,805	\$1,239,091	(\$169,311)	\$3,286
Total Agency Costs	\$1,948,758	\$2,175,453	\$2,012,944	\$2,027,798	(\$147,655)	\$14,854
Less Intra-City	\$27,912	\$19,725	\$5,359	\$5,359	(\$14,366)	\$—
Net Agency Cost	\$1,920,846	\$2,155,728	\$2,007,585	\$2,022,439	(\$133,289)	\$14,854
Funding						
City	959,336	1,092,576	1,128,292	1,204,696	112,120	76,404
Non-City	961,510	1,063,152	879,293	817,743	(245,409)	(61,550)
Personnel (includes FTEs at fiscal year-end)						
City	5,412	5,530	5,500	5,491	(39)	(9)
Non-City	1,446	1,439	1,248	1,247	(192)	(1)
Total	6,858	6,969	6,748	6,738	(231)	(10)

Programmatic Review and Service Impact

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

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

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

Mental Hygiene Services

The Department seeks to prevent and address mental illness, substance use, and developmental disabilities and delays among New York City's children and adults. The Department provides funding and oversight to mental health, developmental disabilities, and alcohol and drug abuse prevention services. Hundreds of thousands of New Yorkers are served annually through contracts and agreements with community-based provider agencies, hospitals and other City agencies. Key activities include, but are not limited to, continued implementation of supportive housing, improved care coordination for individuals with serious mental illness and children with serious emotional disturbances, addressing the epidemic of opioid overdoses due to prescription opioids and heroin, and tracking the transition of Medicaid behavioral health services to Medicaid Managed Care. Additionally, the Department is a leader in ThriveNYC, a road map for mental health services in the City. ThriveNYC is an unprecedented strategy and set of initiatives by the City to approach mental health as a comprehensive public health challenge involving many City agencies.

Mental Health

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

Alcohol and Drug Use Prevention, Care and Treatment

The Department seeks to prevent the development of alcohol and drug use problems, to educate and assist individuals to reduce problem use, to access long-term treatment for substance use disorders, and to prevent health risks related to use. The 2020 budget reflects continued commitment to prevent the problems of opioid addiction and overdose through HealingNYC, which includes the naloxone distribution program, expansion of effective treatment of opioid addiction, and educating prescribers and the public. Through its work with contracted programs and stakeholders, and policy and planning work, the Department seeks to improve care and treatment of people with substance use disorders in a continuum of settings: community, primary care, specialty (addiction) care, and harm reduction.

Developmental Disabilities

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

Office of Criminal Justice

The Office of Criminal Justice is responsible for strategic development and oversight of a progressive public health/public safety agenda, including system transformation, programmatic initiatives, best practices, policy, regulatory and legislative matters. The Office aims to eliminate the overrepresentation of people with behavioral health issues in the criminal justice system through advocacy, policy, cross-systems partnerships, and public education, with particular focus on marginalized groups, including people of color and LGBTQI. Key accomplishments include better positioning the Department as a leader in public safety through transformative collaboration on efforts such as NYPD Crisis Intervention Training program, DOHMH/NYPD Co-Response Teams, and pre-arraignment drug diversion and the planned Diversion Centers.

Public Health Services*Center for Healthy Equity*

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

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

improved asset linkages, and identify gaps in coverage and reduce duplication.

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

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

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

Disease Control

The Department's Division of Disease Control 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.

Ending the HIV epidemic in New York City is a critical focus of the Department's Bureau of HIV/AIDS Prevention and Control. The Department's strategies include increasing the number of New Yorkers who know their HIV status; linking people with HIV to care and treatment to maximize viral suppression so they remain healthy and prevent further transmission; ensuring access to HIV prevention services, including pre-exposure prophylaxis (PrEP); and dismantling HIV stigma. Underlying these efforts is a commitment to racial equity and social justice to reduce HIV-related disparities and health inequities.

New York Knows, the nation's largest jurisdictional HIV testing initiative, works with community partners to make HIV testing a routine part of health care in New York City, identify undiagnosed people with HIV and link them to care, and connect people who test negative to prevention services. The Department's online and community HIV home test giveaways have been successful in increasing HIV testing rates, including among people who report having never been tested. The PlaySure Network, a citywide collaborative of Department-funded medical clinics and community-based organizations work together to increase access to HIV testing, treatment, PrEP and PEP. The New York City HIV Planning Group, HIV Health and Human Services Planning Council of New York, Women's Advisory Board, and other community advisory bodies inform all aspects of the Department's HIV-related services and programming. The Department takes an HIV status neutral approach in its efforts to end the HIV epidemic, recognizing that high-quality, culturally affirming care empowers people with HIV to get treatment and stay engaged in care, and that high-quality preventive services for people at risk of HIV help keep them HIV-negative.

Initiatives in 2020 include launching a new cycle of our PrEP and PEP public health detailing campaign, this one focused on women's health care provider; deepening efforts examining the effects of structural racism and other systems of oppression on health equity, including HIV-related disparities; expanding efforts to dismantle stigma, including through a new health marketing campaign and trainings; addressing aging, intimate partner violence, sex work, and sexual and reproductive health as core issues that intersect with HIV; and using molecular epidemiology to engage out-of-care and viremic individuals in HIV care and treatment.

The Bureau of Sexually Transmitted Infections (BSTI) provides direct clinical and partner services for HIV and other sexually transmitted infections (STIs),

monitors and reports disease trends for STIs, provides education and training to providers and community groups, conducts research, and develops policies to improve New Yorkers' sexual health. The Department operates eight Sexual Health Clinics citywide that serve anyone 12 years or older regardless of ability to pay, insurance coverage or immigration status and without parental notification. Sexual Health Clinics provide low to no-cost STI and HIV testing, treatment and prevention services; immunizations; cancer prevention services, reproductive health and contraceptive services; behavioral health services; and navigation for referrals and follow-up care. As part of the City's strategy and the State's Blueprint for Ending the Epidemic (EtE) of HIV/AIDS, Sexual Health Clinics have expanded hours, services and access to "Express Visits" for all New Yorkers. Through EtE, Sexual Health Clinics now also offer access to PrEP and PEP to prevent new HIV infections among patients at risk of infection and, for newly identified infections, immediate initiation of anti-retroviral treatment through the JumpstART program. The Bureau also convenes a Sexual Health Advisory Group with the goal of informing best practices in sexual health and related policy and strengthening bi-directional communication between the Department, providers, and community networks to foster a culture of accountability in service delivery and access.

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

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

refugees, and education and outreach. The Bureau continues to work collaboratively with medical providers, elected officials, and communities to increase awareness of TB and reduce disparities in care. Further, the Bureau is expanding the use of technology for TB testing and diagnosis, providing more effective, short course treatment options, and offering innovative forms of treatment monitoring to ensure an efficient, patient-centered model of care.

The Bureau of Immunization conducts activities to promote the vaccination of all New Yorkers and prevent the occurrence and transmission of vaccine-preventable diseases. Key activities include vaccine distribution, clinical services, provider outreach and support, public communication, monitoring immunization coverage and school immunization compliance, prevention of perinatal hepatitis B infection, surveillance of vaccine-preventable diseases, outbreak response to prevent or control the spread of disease, and maintaining the Citywide Immunization Registry (CIR). In 2020, the Bureau will continue to conduct vaccine accountability activities, promote influenza vaccination, work to increase coverage with human papillomavirus (HPV) vaccine (which remains underutilized), promote CIR clinical decision support and reminder-recall tools to help achieve on-time vaccination of children and adolescents, and implement expanded school vaccine requirements.

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

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

In 2014, the PHL was one of the first laboratories to implement Ebola testing, and diagnosed NYC's case. The PHL was integral in pinpointing the source of the large-scale Legionnaire's disease outbreaks using whole genome sequencing technology in the summer of 2015 and fall of 2018. PHL was also on the forefront of the Zika virus response and is leading testing efforts for the current measles outbreak.

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

- Case, contact, and outbreak investigations to determine the source of exposures and prevent spread to others.
- Routine, systematic analyses of notifiable disease data to rapidly detect outbreaks and track disease trends, characterize clinical and local epidemiologic features and identify common exposures and populations at risk to prioritize prevention efforts, and to share summary data with both internal and external partners.
- Providing consultation to the medical and animal health communities and the public on the recognition, prevention, and control of communicable diseases.
- Working cooperatively with community health organizations to develop and implement interventions to promote viral hepatitis prevention, screening, linkage to care and treatment, including patient navigation programs, a citywide Hep Free NYC coalition, provider training programs, and clinical capacity building programs.
- Maintaining timely and informative syndromic surveillance systems to routinely monitor illness patterns and to provide situational awareness during public health emergencies.

The Bureau of Division Management and Systems Coordination (BDMSC) manages all human resources activities and fiscal administration for the Division of

Disease Control's seven bureaus. BDMSC also develops and implements innovative initiatives for surveillance, informatics, and emergency preparedness; facilitates collaborative and cross-cutting activities between the Division's bureaus, aiming to provide comprehensive information to medical providers and the public; and, focuses on programs and projects for priority populations such as racial and ethnic communities, immigrants, LGBTQ, and TGNC New Yorkers. The team maintains a portfolio of communications projects, policy initiatives, research projects, community engagement activities that address quality improvement and health equity, and efforts to standardize data collection across all Division programs.

Environmental Health Services

The Department's Division of Environmental Health Services (EHS) assesses, investigates, and acts on a wide range of environmental concerns to protect the health of New Yorkers. EHS conducts surveillance of environmental-related disease; assesses risk from exposure to potential environmental and occupational hazards; inspects child care facilities, restaurants, mobile food carts and other permitted entities to protect the public, children and diners from health and safety hazards. EHS responds to complaints and provides data and education to stakeholders throughout the City to understand the risks from environmental exposures, and promote actions and policies to improve the City's air quality, maintain safe drinking and recreational water, control mosquitoes and rats, and promote housing quality. In 2019, 93 percent of the City's restaurants are posting 'A' grades, municipal animal shelters are funded at record levels, contributing to a live release rate of 93 percent, and the City continues to make improvements in outdoor air quality by conducting local surveillance outlined in the City's sustainability plan, OneNYC. The Department continues to create and improve upon easy-to-read guides in multiple languages to help small businesses comply with agency regulations.

The 2020 budget reflects continued commitment to these and other initiatives. As part of the Mayor's LeadFreeNYC initiative, the Department will expand coordinated care for lead exposure in 2020. The Department will also further expand rat control efforts in NYCHA developments and parks with high needs.

Emergency Preparedness and Response

The Department envisions a healthy, resilient city in which all New Yorkers are able to achieve and

maintain optimal and equitable health outcomes before, during, and after emergencies. The Department's Office of Emergency Preparedness and Response (OEPR) aims to advance DOHMH's and NYC's ability to prevent, prepare for, respond to, and recover from the health impact of emergencies by partnering with City agencies, the health care sector and the community. OEPR plans for critical public health field operations to ensure both life safety and positive health outcomes for all New Yorkers during and after an emergency, including planning for Points of Dispensing (POD) to rapidly distribute lifesaving medication to New Yorkers and Post Emergency Canvassing Operations (PECO) to canvass residents sheltering in place following a public health threat. OEPR prepares for large-scale public health operations such as these through the conduct of field exercises, trainings, and the development of operational plans and Citywide staffing lists that include thousands of staff from over 30 agencies. The Department also continues to enhance the capacity of the healthcare system, through collaboration with NYC hospitals, healthcare coalitions, long-term care and primary care facilities, to effectively respond to emergencies in a manner that promotes continuity of care for all New Yorkers. Specifically, to increase the City's capacity to address infectious disease threats, OEPR partners with the City healthcare system to ensure the ability to assess/treat patients with emerging infectious disease and prevent healthcare associated infections. The Department is also dedicated to strengthening overall community resilience through partnerships with community networks, leaders and organizations which ensures that there are mechanisms to incorporate community input into the Department's preparedness plans and to enhance coordination with the community during an emergency. Through these efforts, the agency will continue to build the City's ability to recover from any emergency that impacts the health of New Yorkers.

Epidemiology

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

- Systematic collection, analysis, and dissemination of data on health issues citywide and among special populations and provision of training and support for specialized analyses and targeted studies;

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

In the coming year, the Division of Epidemiology will work in collaboration with other programs within the Department to expand its public health surveillance approaches including conducting population surveys and leveraging administrative data. Additionally, in October 2018, the Division launched eVital, the agency's new electronic vital events reporting system.

Family and Child Health

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

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

and reduce adverse childhood experiences for young children; and assures that schoolchildren are healthy and ready to learn every day.

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

The Office of School Health (OSH) is a joint program of the Department of Education and the Department of Health and Mental Hygiene responsible for promoting the health of the 1.1 million school children enrolled in approximately 1,800 public and non-public schools in the New York City. Services to students include case management of chronic health problems, preventive health screening, urgent care, medication administration, preventive counseling, health education, referral for care, and assurance of ongoing effective treatment.

The Division maintains its multifaceted approach to reduce unintended pregnancy, including providing school-located services to increase the number of

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

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

Prevention and Primary Care

The Department's Division of Prevention and Primary Care works to advance population health through supporting access to quality health services and introducing system changes that promote disease prevention and control, with an emphasis on pursuing opportunities to integrate clinical and population health strategies. Division initiatives include a diverse portfolio such as assisting with health information systems and clinical quality care improvement; Medicaid enrollment assistance and advocacy for overcoming barriers to health care access; and innovative nutrition and tobacco control policy development and implementation. The Division also focuses on key issues including hypertension and the health of justice-involved populations. The Division includes a bureau of Administration and three programmatic bureaus, described below.

The Primary Care Information Project's (PCIP) empowers healthcare providers to prevent and mitigate the burden of chronic disease through data, evidence-based guidelines, payment reform and technology. PCIP's analytic and technological expertise enables timely feedback on quality measures (e.g. Prevention and Primary Care Dashboards) to 1,500 clinicians

serving over a million patients. Since 2010, PCIP has served as the NYC Regional Electronic Adoption Center for Health (NYC REACH) providing the experience and backbone support to adopt delivery models that emphasize care coordination, patient engagement, and community resource linkages to over 23,000 provider members across a network of organizations, including over 1,400 independent practices, 114 community health centers, and 68 hospital-based ambulatory clinics.

The Bureau of Primary Care Access and Planning (PCAP) drives policy, programs, and research that maximize health insurance coverage, access to healthcare, and the impact of primary care on population health for all New Yorkers. PCAP is comprised of two offices: the Office of Health Insurance Services (OHIS), which implements community-facing programming, and the Office of Health Planning and Research (OHPR), which develops and implements policy and research activities. These offices operate in collaboration to continuously inform each other's work. PCAP serves as the agency's subject matter experts on healthcare reform, including policies and federal actions that may impact New Yorkers such as changes to the Affordable Care Act or Deferred Action for Childhood Arrivals. PCAP leads the city's GetCoveredNYC media campaign to connect the uninsured with free in-person enrollment assistance and access to low- or no-cost health insurance options, and partners with the City's Public Engagement Unit to amplify these efforts through community outreach and individualized case management.

The Bureau of Chronic Disease Prevention and Tobacco Control (BCDPTC) strives to reduce the burden of chronic disease on New Yorkers, including heart disease and stroke, cancer, and diabetes, with a particular focus on addressing inequities, or avoidable and unjust differences in health outcomes. The Bureau leads changes to systems, policies, and environments and provides New Yorkers with information and resources to help them make healthy choices. Priorities include addressing three key risk factors that lead to chronic disease - poor nutrition, inadequate physical activity, and tobacco use, as well as leveraging clinical tools and settings to promote public health. Across these priority areas, BCDPTC employs evidence-based policies, programs, communications and research to advance its objectives, as well as spearheads and evaluates innovative projects in order to develop new approaches to addressing chronic disease.

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 unclaimed or unidentified bodies of adults and children each year.

The OCME houses the nation's largest public forensic DNA laboratory, responsible for performing DNA analysis on nearly every category of crime occurring in the City, including homicide, rape, property crime, and weapons cases. Due to the large volume of casework the laboratory processes each year, the OCME is the largest contributor of forensic crime scene DNA profiles in the country. These profiles are uploaded to the national FBI DNA database, CODIS. The DNA Laboratory is also the only public laboratory in the country accredited to

perform High Sensitivity Testing, a test requiring a very small amount of DNA. The OCME provides this type of test to other jurisdictions in the country that do not have the capabilities of OCME's laboratory.

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

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

Capital Review

The 2020-2029 Ten-Year Capital Strategy totals \$624.7 million which includes \$443.2 million in the 2020-2023 Four-Year Plan. The plan includes allocations for renovating facilities, new construction, information technology improvements, and the purchase of equipment. The focus of the Department's 2020-2029 Ten-Year Capital Strategy 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 2018 - 2023 period.

Capital Commitments (\$ in 000's)

	2018 Actual		2019 Plan		2020 Plan		2021 Plan		2022 Plan		2023 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Administration	\$-	\$-	\$2,360	\$2,360	\$4,687	\$4,687	\$1,617	\$1,617	\$100	\$100	\$-	\$-
Animal Care	\$1,145	\$1,145	\$5,054	\$5,054	\$18,880	\$18,880	\$27,193	\$27,193	\$47,312	\$47,312	\$-	\$-
Information Technology	\$3,038	\$4,697	\$9,268	\$14,149	\$5,293	\$5,780	\$3,382	\$3,775	\$4,488	\$4,934	\$4,029	\$4,404
OCME	\$3,360	\$3,377	\$11,024	\$11,360	\$9,196	\$9,196	\$4,263	\$4,263	\$7,329	\$7,329	\$7,703	\$7,703
Equipment	\$6,783	\$6,795	\$11,539	\$11,539	\$16,310	\$16,580	\$13,551	\$13,590	\$29,948	\$30,035	\$13,860	\$13,949
Renovation	\$1,151	\$1,151	\$57,208	\$57,208	\$47,426	\$47,426	\$86,546	\$86,546	\$52,596	\$52,596	\$32,807	\$32,807
Laboratories	\$-	\$-	\$-	\$-	\$1,000	\$1,000	\$-	\$-	\$1,500	\$1,500	\$-	\$-
Total	\$15,477	\$17,165	\$96,453	\$101,670	\$102,792	\$103,549	\$136,552	\$136,984	\$143,273	\$143,806	\$58,399	\$58,863

Highlights of the 2020 Capital Commitment Plan:

The Department's 2020 Capital Commitment Plan features several important projects, including:

- Renovation of various public health facilities (\$47.4 million).
- A new full-service animal care center in the Bronx, and upgrades to the animal care centers in Brooklyn and Manhattan (18.8 million).

Highlights of the 2020-2029 Ten-Year Plan Capital Strategy:

The Department's 2020-2029 Ten-Year Capital Strategy features several important projects, including:

- A new Public Health Laboratory (\$147.5 million).
- Renovation of various public health facilities (\$170.6 million).
- Two new full-service animal care centers in the Bronx and Queens, upgrades to the animal care centers in Brooklyn and Manhattan, and other animal welfare investments (\$93.6 million).
- Information technology improvements, which include upgrades to the Department's network and security and systems, and the purchase of critical technologies needed to maintain and improve services (\$46.9 million).
- Purchase of equipment and vehicles, and upgrades of IT infrastructure within the Office of Chief Medical Examiner (\$36 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 2020 Executive Budget provides for operating expenses of \$2.1 billion, a decrease of \$49 million from the amount forecasted for 2019. This variance is driven largely by Federal grant funding that has not been reflected in 2020.

Capital commitments of \$239 million are also provided in 2020. This represents an increase of \$65 million from the amount forecasted for 2019. The 2020 forecast is higher primarily due to higher planned commitments for information technology projects and vehicle purchases.

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, review of fire protection plans, and the storage and use of combustible materials. In addition, the Department realizes revenues from fees charged to private fire alarm companies and to out-of-state fire insurers that issue policies in New York City. In 2020, the revenue estimate for the Fire Department is \$102 million.

The Department also collects revenue from Emergency Medical Services (EMS) ambulance transports. In 2020, total EMS revenue is projected at \$227 million. EMS is expected to receive more revenue in 2020 compared to 2019 due to efforts by the Department to increase reimbursement for ambulance transport.

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 2020, in partnership with NYC Service.
- Add 6 replacement ambulance tours previously run by Montefiore Medical Center, at a cost of \$2.6 million.
- Funding to increase training capacity at the EMS Academy at Fort Totten, at a cost of \$2.6 million.
- Funding to expand the fly car program in the Bronx, at a cost of \$15 million.

Summary of Agency Financial Data

The following table compares 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019	2020
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$1,827,778	\$1,822,459	\$1,824,364	\$1,834,032	\$11,573	\$9,668
Fringe Benefits	18,089	33,457	26,947	26,821	(6,636)	(126)
OTPS	245,768	283,495	208,467	229,092	(54,403)	20,625
Total	\$2,091,635	\$2,139,411	\$2,059,778	\$2,089,945	(\$49,466)	\$30,167
Funding						
City	\$1,832,817	\$1,822,343	\$1,811,909	\$1,819,717	(\$2,626)	\$7,808
Other Categorical Grants ..	194,472	209,053	205,104	227,466	18,413	22,362
IFA	619	567	563	563	(4)	—
State	2,462	2,565	1,838	1,835	(730)	(3)
Federal CD	—	—	—	—	—	—
Federal Other	54,856	101,653	39,725	39,725	(61,928)	—
Intra-City Other	6,409	3,230	639	639	(2,591)	—
Total	\$2,091,635	\$2,139,411	\$2,059,778	\$2,089,945	(\$49,466)	\$30,167
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$685,214	\$729,809	\$789,088	\$790,999	\$61,190	\$1,911
Pensions	1,274,164	1,484,553	1,368,926	1,500,777	16,224	131,851
Other Than Personal Service (OTPS)						
Debt Service	142,891	160,952	178,478	203,763	42,811	25,285
Total Additional Costs	\$2,102,269	\$2,375,314	\$2,336,492	\$2,495,539	\$120,225	\$159,047
Funding						
City	2,035,098	2,322,655	2,289,625	2,449,152	126,497	159,527
Non-City	67,171	52,659	46,867	46,387	(6,272)	(480)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$1,827,778	\$1,822,459	\$1,824,364	\$1,834,032	\$11,573	\$9,668
Fringe Benefits	703,303	763,266	816,035	817,820	54,554	1,785
Pensions	1,274,164	1,484,553	1,368,926	1,500,777	16,224	131,851
Total PS	\$3,805,245	\$4,070,278	\$4,009,325	\$4,152,629	\$82,351	\$143,304
OTPS	\$245,768	\$283,495	\$208,467	\$229,092	(\$54,403)	\$20,625
Debt Service	142,891	160,952	178,478	203,763	42,811	25,285
Total OTPS	\$388,659	\$444,447	\$386,945	\$432,855	(\$11,592)	\$45,910
Total Agency Costs	\$4,193,904	\$4,514,725	\$4,396,270	\$4,585,484	\$70,759	\$189,214
Less Intra-City	\$6,409	\$3,230	\$639	\$639	(\$2,591)	\$—
Net Agency Cost	\$4,187,495	\$4,511,495	\$4,395,631	\$4,584,845	\$73,350	\$189,214
Funding						
City	3,867,915	4,144,998	4,101,534	4,268,869	123,871	167,335
Non-City	319,580	366,497	294,097	315,976	(50,521)	21,879
Personnel (includes FTEs at fiscal year-end)						
City	17,129	17,219	17,338	17,340	121	2
Non-City	99	43	40	40	(3)	—
Total	17,228	17,262	17,378	17,380	118	2

Programmatic Review and Service Impact

In 2020 the Department expects that 90 percent of the responses by fire companies will be to potentially life threatening medical and other non-fire emergencies. The Department’s Citywide response time to structural fires is projected to be about four minutes and 14 seconds in 2020. The Department anticipates that its ambulances will respond to over 1.5 million medical incidents in 2020.

Fire Extinguishment

The Fire Department currently provides fire and rescue operations via 357 units consisting of 197 engine companies, 143 ladder companies, eight squads, five rescue units, three marine companies, and one hazardous materials unit.

Emergency Medical Services

The Department is budgeted for 804 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 2020.

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. This stage of ECTP entails a new, consolidated Fire and EMS dispatch system in a second, fully redundant Public Safety Answering Center (PSAC2) in the Bronx. NYPD call taking operations commenced at PSAC2 in June 2016, and FDNY call taking and EMD operations at PSAC2 went live in 2018 for all boroughs. Enhanced public safety systems, such as FireCAD and Joint Operations Center (JOC), are being deployed and EMSCAD implementation is expected to begin shortly.

Capital Review

The 2020-2029 Ten-Year Capital Strategy totals \$1.4 billion, which includes \$788 million in the 2020-2023 Four-Year Plan. 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 2019-2023 period.

**Capital Commitments
(\$ in 000’s)**

	2018 Actual		2019 Plan		2020 Plan		2021 Plan		2022 Plan		2023 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	\$2,286	\$2,286	\$11,686	\$46,715	\$8,959	\$46,982	\$6,759	\$51,832	\$15,017	\$15,017	\$700	\$700
Electronic Data Processing ...	15,144	15,144	30,332	30,332	47,209	47,209	11,629	11,629	25,877	25,877	10,000	10,000
Reconstruction/Modernization of Facilities.....	45,313	45,482	53,262	53,262	38,596	41,833	99,330	99,440	99,491	99,491	25,000	25,000
Vehicles and Equipment	22,007	22,720	43,150	43,183	102,711	102,711	49,728	49,728	52,545	52,545	107,965	107,965
Total	\$84,750	\$85,632	\$138,430	\$173,492	\$197,475	\$238,735	\$167,446	\$212,629	\$192,930	\$192,930	\$143,665	\$143,665

Highlights of the 2020-2029 Ten-Year Capital Strategy and 2020-2023 Four-Year Plan

- The renovation of firehouse components such as boilers, electrical systems, kitchens, roofs, bathrooms, waterproofing, apparatus doors, floors, and windows; construction, and renovation; and support facility reconstruction (\$412 million), inclusive of \$207 million in the 2020-2023 Four-Year Plan.
- Improvements to the EMS Academy at Fort Totten (\$58 million)
- The replacement of front-line fire-fighting apparatus according to mandated replacement cycles as well as support vehicles and equipment (\$656 million) inclusive of \$313 million in the 2020-2023 Four-Year Plan.
- The replacement of conduit, wiring and alarm boxes in inundation zones for the Department's outside cable plant that was damaged during Hurricane Sandy (\$94 million).
- The upgrade of 9-1-1 communications system infrastructure as it approaches the end of its useful life (\$32 million).
- The replacement of end of life information technology and communications equipment (\$139 million) inclusive of \$82 million in the 2020-2023 Four-Year Plan.

The 2020 Plan for the Department totals \$239 million and highlights include:

- The renovation of firehouse components such as boilers, electrical systems, kitchens, roofs, bathrooms, waterproofing, apparatus doors, floors, and windows; construction, and renovation; and support facility reconstruction (\$42 million).
- The replacement of front-line fire-fighting apparatus according to mandated replacement cycles as well as support vehicles and equipment (\$103 million).
- The replacement of conduit, wiring, and alarm boxes in inundation zones for the Department's outside cable plant that was damaged during Hurricane Sandy (\$45 million).
- The upgrade of 9-1-1 communications system infrastructure as it approaches the end of its useful life (\$19 million).
- The replacement of end of life information technology and communications equipment (\$30 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 2020 Executive Budget provides for operating expenses of \$1.76 billion, a decrease of \$12 million from the 2019 forecast, primarily due to one-time funding in 2019 that does not continue in 2020.

Capital commitments of \$456 million are also provided in 2020, an increase of \$72 million from the 2019 Plan amount, primarily due to higher planned commitments for vehicle purchases.

Revenue Forecast

The Department of Sanitation generates revenue from contracts for the removal of abandoned vehicles from City streets and property, payments related to methane gas extracted from the Fresh Kills landfill, from the sale of recycled paper and metal to private processors, and from an assortment of miscellaneous fees and minor sales. The Department's 2020 revenue estimate is \$27.7 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 less heavy snow season, the cost of clearing snow and ice was lower than the previous five-year spending average. As a result, the 2019 snow budget has been decreased to \$84 million. The Department's 2020 snow removal budget is \$111 million, based on the previous five-year spending average, as required by the City Charter.

Summary of Agency Financial Data

The following table compares 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019	2020
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$979,751	\$1,001,578	\$995,940	\$988,760	(\$12,818)	(\$7,180)
Fringe Benefits	36,687	37,065	39,412	40,222	3,157	810
OTPS	702,525	732,586	736,405	730,714	(1,872)	(5,691)
Total	\$1,718,963	\$1,771,229	\$1,771,757	\$1,759,696	(\$11,533)	(\$12,061)
Funding						
City	\$1,698,890	\$1,749,334	\$1,751,843	\$1,740,182	(\$9,152)	(\$11,661)
Other Categorical Grants ..	4,847	1,279	750	750	(529)	—
IFA	5,405	5,590	5,651	5,651	61	—
State	75	866	—	—	(866)	—
Federal CD	—	—	—	—	—	—
Federal Other	1,672	483	—	—	(483)	—
Intra-City Other	8,074	13,677	13,513	13,113	(564)	(400)
Total	\$1,718,963	\$1,771,229	\$1,771,757	\$1,759,696	(\$11,533)	(\$12,061)
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$375,992	\$408,454	\$437,624	\$441,574	\$33,120	\$3,950
Pensions	323,803	343,444	320,019	293,914	(49,530)	(26,105)
Other Than Personal Service (OTPS)						
Debt Service	382,813	299,258	331,844	307,337	8,079	(24,507)
Total Additional Costs	\$1,082,608	\$1,051,156	\$1,089,487	\$1,042,825	(\$8,331)	(\$46,662)
Funding						
City	1,055,183	1,028,417	1,067,227	1,022,150	(6,267)	(45,077)
Non-City	27,425	22,739	22,260	20,675	(2,064)	(1,585)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$979,751	\$1,001,578	\$995,940	\$988,760	(\$12,818)	(\$7,180)
Fringe Benefits	412,679	445,519	477,036	481,796	36,277	4,760
Pensions	323,803	343,444	320,019	293,914	(49,530)	(26,105)
Total PS	\$1,716,233	\$1,790,541	\$1,792,995	\$1,764,470	(\$26,071)	(\$28,525)
OTPS	\$702,525	\$732,586	\$736,405	\$730,714	(\$1,872)	(\$5,691)
Debt Service	382,813	299,258	331,844	307,337	8,079	(24,507)
Total OTPS	\$1,085,338	\$1,031,844	\$1,068,249	\$1,038,051	\$6,207	(\$30,198)
Total Agency Costs	\$2,801,571	\$2,822,385	\$2,861,244	\$2,802,521	(\$19,864)	(\$58,723)
Less Intra-City	\$8,074	\$13,677	\$13,513	\$13,113	(\$564)	(\$400)
Net Agency Cost	\$2,793,497	\$2,808,708	\$2,847,731	\$2,789,408	(\$19,300)	(\$58,323)
Funding						
City	2,754,073	2,777,751	2,819,070	2,762,332	(15,419)	(56,738)
Non-City	39,424	30,957	28,661	27,076	(3,881)	(1,585)
Personnel (includes FTEs at fiscal year-end)						
City	9,997	10,396	10,363	10,375	(21)	12
Non-City	56	58	58	58	—	—
Total	10,053	10,454	10,421	10,433	(21)	12

Programmatic Review and Service Impact

The Department's main administrative and planning divisions include the Bureau of 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 four converted Marine Transfer Stations and has procured all long-term contracts necessary to carry out the SWMP.

For Staten Island waste, the Department operates a facility at the closed Fresh Kills landfill that containerizes waste for rail transport via a rail link connecting Staten Island to the national rail freight network. In addition, the Department maintains long term solid waste management contracts with vendors to export refuse by rail for all of the Bronx, a portion of Brooklyn, and a portion of Queens.

Bureau of Recycling and Sustainability

The Department continues its efforts to reduce the quantity of solid waste that must be disposed. The Department currently operates a dual-stream recycling program that requires residents to separate metal, glass, and plastic (MGP) from paper and place it in bins, bags or bundles.

In 2019, the paper recycling program is anticipated to generate an average of \$12.74 of revenue per ton from various vendors, or \$4 million. The City is paying \$74.96 per ton for MGP.

In 2020, the Department will continue its school and curbside organics collection program. The Administration will also pursue legislation mandating the organics program Citywide. The organics collection program will divert waste from landfills by establishing a separate waste stream for food scraps, yard waste, and other compostable materials.

Bureau of Cleaning and Collection

The Bureau of Cleaning and Collection (BCC) is primarily responsible for collecting household refuse and recyclables, cleaning City streets, and enforcing recycling regulations and portions of the City's health and administrative codes. During the winter, BCC is also responsible for the removal of snow from City streets.

Currently, BCC provides refuse collection services two to four times a week depending on the population density of the community. Through March 2019, the Department's curbside refuse collection program has averaged 9.4 tons per truck.

Bureau of Solid Waste Management

The Bureau of Solid Waste Management (SWM) is responsible for the receipt, transfer, transportation, and final disposal of over 10,000 daily tons of waste through its waste export contracts.

SWM is also responsible for the Fresh Kills landfill closure activities. The Financial Plan includes funds for closure activities including final capping of the landfill, leachate treatment and control, methane gas collection and flaring, maintenance and security of the site and waterways, and environmental monitoring.

Bureau of Motor Equipment

The Bureau of Motor Equipment (BME) provides services related to the acquisition, repair, and maintenance of the Department's equipment including collection trucks, street sweepers, salt spreaders, snow melters, front-end loaders, and other vehicles and equipment. BME operates an extensive network of repair and maintenance facilities. This Bureau researches and develops equipment specifications to improve productivity, vehicle design, and to take advantage of the newest technologies including alternative fuel vehicles and emissions-reducing exhaust after-treatments. As part of the City's fleet consolidation initiative, BME also maintains heavy-duty vehicles for other City agencies.

Sanitation Facilities

The Bureau of Building Management (BBM) provides facility management services. BBM provides maintenance and emergency repair work for the Department’s facilities. BBM continues to work in conjunction with the New York Power Authority to reduce the Department’s overall electrical consumption, particularly peak loads during high temperature summer days.

The Bureau of Facilities Planning and Engineering oversees Sanitation’s capital construction and reconstruction projects. Over the next four years, the

Department is funded to initiate construction to replace the aging Bronx 9, 10, and 11 garage complex and relocate the undersized Staten Island 1 garage from a densely populated residential neighborhood to land near the former Fresh Kills landfill; the Department will also make improvements to the Staten Island 3 Garage and combine Districts 1 and 3 into a single garage complex. In addition, the Department is funded to pursue construction of a new garage in Manhattan to house Districts 6 and 8. The Department also has funding to begin construction of a new garage for Queens 1 on a site located within that district, which will improve service and alleviate Sanitation truck parking concerns where the garage is currently located.

Capital Review

The Department’s 2020-2029 Ten Year Capital Strategy totals \$3.2 billion. The Plan provides the Department with funding to construct, rehabilitate, purchase, and develop the necessary infrastructure and assets to support refuse collection, recycling, cleaning, waste disposal, and support operations. The Department’s Capital Plan consists of four components — equipment purchases; solid waste management infrastructure renovation and construction; garage and facility rehabilitation, site acquisition, and construction; and information technology and telecommunications.

To support the Department’s collection and cleaning operations, garages and facilities will be constructed and rehabilitated. In accordance with the City’s Long Term Solid Waste Management Plan, the Department is renovating and constructing marine transfer stations. The Department continues to replenish its fleet, including collection trucks, dual-bin trucks, mechanical brooms, and salt spreaders in order to support operations.

The 2020-2029 Capital Strategy totals \$3.2 billion, which includes \$1.7 billion in the 2020-2023 Four-Year Plan. The table below shows capital commitments by program area over the 2019-2023 period.

**Capital Commitments
(\$ in 000’s)**

	2018 Actual		2019 Plan		2020 Plan		2021 Plan		2022 Plan		2023 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	\$28,036	\$20,995	\$52,877	\$49,993	\$20,782	\$21,397	\$3,959	\$3,959	\$—	\$—	\$5,988	\$5,988
Garages and Facilities	65,943	66,046	250,445	252,186	237,361	247,200	181,888	181,888	203,503	203,503	281,593	281,593
Equipment	191,916	191,916	65,514	67,946	177,735	177,735	186,980	186,980	182,626	182,626	162,237	162,237
Information Technology and Telecommunications	10,208	10,208	14,430	14,430	9,826	9,826	8,847	8,847	3,500	3,500	3,500	3,500
Solid Waste Management Infrastructure	(203)	(203)	—	—	—	—	—	—	—	—	—	—
Total	\$295,899	\$288,961	\$383,266	\$384,555	\$445,704	\$456,158	\$381,674	\$381,674	\$389,629	\$389,629	\$453,318	\$453,318

Highlights of the 2020-2029 Ten-Year Capital Strategy and 2020-2023 Four-Year Capital Plan

- Construction of a new garage for Bronx Community Districts 9, 10 and 11 (\$262.2 million), all of which is included in the 2020-2023 Four Year Plan.
 - Construction of a new garage for Staten Island Community Districts 1 and 3 (\$144.6 million), all of which is included in the 2020-2023 Four Year Plan.
 - Construction of a new garage for Queens Community District 1 (\$142.6 million), all of which is included in the 2020-2023 Four Year Plan.
 - Construction of a new garage for Manhattan Community Districts 6 and 8 (\$199.7 million), \$9 million of which is included in the 2020-2023 Four Year Plan.
 - Construction and reconstruction of other garages and facilities (\$527.4 million), of which \$355.7 million is included in the 2020-2023 Four Year Plan.
 - Construction and renovation of transfer stations and other facilities in accordance with the City's Long Term Solid Waste Management Plan (\$117.1 million), \$31.3 million of which is included in the 2020-2023 Four Year Plan.
 - Replacement of vehicles and other equipment (\$1.8 billion), \$709.6 million of which is included in the 2020-2023 Four Year Plan.
 - Information technology and telecommunications (\$49 million), \$25.7 million of which is included in the 2020-2023 Four Year Plan.
- The 2020 Capital Plan provides \$456.2 million in 2020 including:
- Construction and reconstruction of various DSNY facilities, Citywide (\$247.2 million).
 - Construction and renovation of transfer stations and other facilities in accordance with the City's Long Term Solid Waste Management Plan (\$21.4 million).
 - Replacement of vehicles and other equipment (\$177.7 million).
 - Information technology and telecommunications (\$9.8 million).

DEPARTMENT OF PARKS AND RECREATION

The Department of Parks and Recreation (DPR) is the steward of more than 30,000 acres of land, including nearly 5,000 individual properties, ranging from the Coney Island Boardwalk and Central Park to community gardens and greenstreets. The Department maintains and operates approximately 900 athletic fields, 1,000 playgrounds, 700 tennis courts, and 550 community gardens. It also maintains and operates 65 public pools, 51 recreational facilities, 16 nature centers, 14 miles of beaches, 160 miles of waterfront parkland, and 14 golf courses. NYC Parks is also responsible for nearly 850 monuments, 23 historic house museums and the care and maintenance of nearly 700,000 street trees and an additional 2 million in parks.

Financial Review

The 2020 Executive Budget for the Department provides for operating expenses of \$540.3 million. This represents a net decrease of \$49.5 million from the amount forecasted for 2019. The 2019 forecast is greater because it includes Federal, State and Private funding not reflected in 2020 as well as one-time funding in 2019 that does not continue into 2020. Capital commitments of \$877 million are also provided in 2020.

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 \$74.5 million from these sources in 2020.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- Maintaining the City's parks, playgrounds, infrastructure, and safety equipment, while ensuring acceptable ratings for the cleanliness and overall condition of parks.
- Sustaining parks through workforce transformation programs. Parks maintenance funding is also provided through the City's Human Resources Administration for the Parks Opportunity Program. This program provides a workforce to assist in the maintenance and operation of park facilities and helps to train and employ public assistance recipients.
- Operating and employing lifeguards at pools and beaches during the summer months.

- Maintaining street trees, park flora and fauna including tree pruning, dead tree removal, reforestation, foresters, contract inspection, and administration to support a variety of forestry initiatives, including increasing the City's tree inventory.
- Designing and supervising park construction. The 2020 budget includes the continuation of full-time positions in the Capital Projects Division for the design and construction of hundreds of parks projects, including parks, playgrounds, recreational and athletic fields, and tree planting.

Summary of Agency Financial Data

The following table compares 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019	2020
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$407,938	\$415,102	\$411,059	\$406,233	(\$8,869)	(\$4,826)
Fringe Benefits	2,612	6,906	3,009	3,013	(3,893)	4
OTPS	134,735	167,804	128,752	131,007	(36,797)	2,255
Total	\$545,285	\$589,812	\$542,820	\$540,253	(\$49,559)	(\$2,567)
Funding						
City	\$419,835	\$436,092	\$418,103	\$415,671	(\$20,421)	(\$2,432)
Other Categorical Grants ..	13,819	25,893	2,878	2,890	(23,003)	12
IFA	50,142	52,326	53,292	53,292	966	—
State	1,670	3,054	646	499	(2,555)	(147)
Federal CD	2,566	10,217	6,527	6,527	(3,690)	—
Federal Other	1,672	1,461	—	—	(1,461)	—
Intra-City Other	55,581	60,769	61,374	61,374	605	—
Total	\$545,285	\$589,812	\$542,820	\$540,253	(\$49,559)	(\$2,567)
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$123,729	\$146,824	\$155,526	\$158,595	\$11,771	\$3,069
Pensions	60,574	69,660	66,898	70,796	1,136	3,898
Other Than Personal Service (OTPS)						
Debt Service	387,264	465,053	515,693	482,161	17,108	(33,532)
Total Additional Costs	\$571,567	\$681,537	\$738,117	\$711,552	\$30,015	(\$26,565)
Funding						
City	548,535	657,044	705,448	687,539	30,495	(17,909)
Non-City	23,032	24,493	32,669	24,013	(480)	(8,656)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$407,938	\$415,102	\$411,059	\$406,233	(\$8,869)	(\$4,826)
Fringe Benefits	126,341	153,730	158,535	161,608	7,878	3,073
Pensions	60,574	69,660	66,898	70,796	1,136	3,898
Total PS	\$594,853	\$638,492	\$636,492	\$638,637	\$145	\$2,145
OTPS	\$134,735	\$167,804	\$128,752	\$131,007	(\$36,797)	\$2,255
Debt Service	387,264	465,053	515,693	482,161	17,108	(33,532)
Total OTPS	\$521,999	\$632,857	\$644,445	\$613,168	(\$19,689)	(\$31,277)
Total Agency Costs	\$1,116,852	\$1,271,349	\$1,280,937	\$1,251,805	(\$19,544)	(\$29,132)
Less Intra-City	\$55,581	\$60,769	\$61,374	\$61,374	\$605	\$—
Net Agency Cost	\$1,061,271	\$1,210,580	\$1,219,563	\$1,190,431	(\$20,149)	(\$29,132)
Funding						
City	968,370	1,093,136	1,123,551	1,103,210	10,074	(20,341)
Non-City	92,901	117,444	96,012	87,221	(30,223)	(8,791)
Personnel (includes FTEs at fiscal year-end)						
City	7,428	7,149	6,792	6,781	(368)	(11)
Non-City	632	728	704	704	(24)	—
Total	8,060	7,877	7,496	7,485	(392)	(11)

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 and abilities.

Caring for Parks

NYC Parks plans, builds, and cares for thriving parks and public spaces Citywide. Through the Parks Inspection Program (PIP), the Parks Department conducts 6,000 detailed park inspections throughout the year, as a way to consistently observe conditions encountered by the public. The results of these inspections are shared with senior management on a regular basis, guiding decisions regarding resource allocation, with the goal of improving the efficiency and effectiveness of daily operations. As measured by PIP, park and playground conditions are rated at 87 percent acceptable for overall condition and 93 percent acceptable for cleanliness in FY 2018, exceeding the targets set in the Mayor's Management Report.

NYC Parks 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 equity effort and the centerpiece of this strategic blueprint is the Community Parks Initiative (or CPI), with more than \$300 million dollars dedicated to delivering capital funding, enhanced programming, targeted improvements, and partnership development to support high need neighborhood parks. To date, NYC Parks has opened 37 newly reconstructed parks and playgrounds under this initiative. CPI funding allows the Parks Department to reimagine and recreate a total of 67 parks.

To ensure that the City's parks are beautiful, welcoming, and accessible to all New Yorkers, in 2016 the department launched "Parks Without Borders," an exciting new design initiative. This program focuses on the edges, entrances and adjacent spaces of city parks, where they most directly interact with the surrounding community. The Parks Department is focused on creating more access to parks and creating more usable parkland by opening up entrances and edges and reclaiming unused park space. The Parks Department announced eight signature projects to showcase this new approach and has incorporated Parks Without Borders into all ongoing projects. Parks is currently

on track to begin construction on all of the sites by this summer, and anticipate reopening all of the sites by the end of 2020.

Given the needs of a fast growing city, a commitment to equity also means a need to continue improving our parks and playgrounds in all neighborhoods by updating aging infrastructure. The Parks Department announced a Mayoral investment of \$150 million for major improvements at five large parks, one in each borough, known as the Anchor Parks Initiative. These parks act as anchors to their surrounding communities by providing large, diverse recreational resources. Anchor Parks will invest in new resources like soccer fields, comfort stations, running tracks and walking paths, transforming these parks for the 750,000 New Yorkers who live in the neighborhoods that surround them, and make these older parks feel new again. The Anchor Parks projects were created with input gathered at well-attended public scoping meetings, so that the priority improvements at each park have been shaped by the local residents that know these parks best. Four out of five of the Anchor Parks are already under construction.

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, NYC Parks Recreation Centers offer a wide range of programs, most of which are free or low-cost, for seniors, adults and children. As of December 31, 2018, there are 147,623 active members enrolled at Parks Department recreation centers, enjoying over 1.4 million visits to our centers over the course of the year. These services are complemented by other signature programs, including Shape Up NYC, Kids in Motion, and Learn to Swim, which enable New Yorkers to lead active, healthier lifestyles.

Shape Up NYC offers more than 300 classes per week at more than 200 locations. Class offerings are varied and include Yoga, Pilates, Zumba, Kickboxing and Cardio Sculpt. In 2018, more than 10,000 Shape Up NYC classes received over 150,000 visits across the five boroughs. Additionally, since 2014, Shape Up NYC has trained more than 700 New Yorkers

to become volunteer fitness instructors through the Fitness Instructor Training Program. This “train-the-trainer” program has led to an additional 16,000 free fitness classes across the City. The Kids in Motion program offered free activities at 101 sites Citywide in 2018, including games, organized play, sports drills, and water activities, receiving more than 473,000 visits in 2018. Similarly, the Summer Sports Experience program teaches sports skills, capturing an audience of young athletic enthusiasts who are interested in further developing their skills; that program saw over 34,000 visits in 2018. In 2018, the Parks Department served over 94,000 in nature education programs, 10,000 in media education, and 50,000 through swim instruction.

Engaging the Community

NYC Parks works closely with residents, community partners and volunteers across the City to improve the park experience. Thanks to the efforts of the Parks Department divisions that focus on community engagement, including Partnerships for Parks and GreenThumb, which together work with nearly 2,000 community groups and other organizations, Parks is engaging New Yorkers in planning for the future of the park system, fostering broader community engagement in the design process, employing creative placemaking to develop dynamic community spaces and developing local stewardship of our city’s parks and public spaces.

Capital Review

The 2020-2029 Ten-Year Capital Strategy totals \$4.6 billion which includes \$3.9 billion in the 2020-2023 Four-Year Plan. The table below reflects capital commitments by program area over the 2020-2023 period.

Capital Commitments

(\$000’s)

	2018 Actual		2019 Plan		2020 Plan		2021 Plan		2022 Plan		2023 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	\$20	\$1,867	\$9,713	\$11,879	\$25,072	\$30,140	\$19,987	\$42,495	\$83,329	\$104,731	\$1,038	\$1,326
Land Acquisition and Tree Planting	22,770	24,036	48,967	54,174	70,244	71,138	120,352	120,352	44,760	49,320	16,507	16,507
Major Recreation Facilities and Facility Reconstruction Neighborhood Parks and Playgrounds	11,757	14,431	20,871	38,196	95,700	95,549	138,795	139,666	291,996	298,923	23,368	23,778
Vehicles and Equipment	169,397	182,365	228,038	278,181	201,468	247,983	200,171	272,638	523,227	564,947	55,336	69,654
Large, Major and Regional Park Reconstruction	28,577	28,680	11,442	12,249	48,049	48,112	23,505	23,505	44,230	44,230	20,602	20,602
Zoos	177,236	185,441	195,876	231,160	366,145	373,532	249,044	261,563	532,967	542,022	409,109	412,849
Total	667	667	1,978	1,978	10,550	10,550	7,981	7,981	6,660	6,660	7,190	7,190
Total	\$410,424	\$437,487	\$516,885	\$627,817	\$817,228	\$877,004	\$759,835	\$868,200	\$1,527,169	\$1,610,833	\$533,150	\$551,906

Highlights of the 2020-2029 Ten-Year Capital Strategy and 2020-2023 Four-Year Plan

- Continued implementation of phases one and two of the Community Parks Initiative (CPI), which directs capital funding to historically underfunded parks in areas with high population density, high concentration of poverty, and above average population growth (\$116.0 million). This funding is in addition to \$199.2 million committed since 2014, \$48.4 million in planned commitments in 2019, and \$36.3 million in DEP funding for green infrastructure improvements.
 - Continued implementation of the Anchor Parks Initiative, which builds off of the Community Parks Initiative and directs capital funding to historically underfunded larger parks that are greater than six acres (\$114.1 million). This funding is in addition to \$14.3 million committed since 2017 and \$38.3M in planned commitments in 2019.
 - Funding to continue closing the Walk to a Park gap, including the renovation of schoolyards to allow them to be opened to the public outside of school hours, and the acquisition and development as parkland of public partnership and private sites (\$39.2 million).
 - Rehabilitation of Parks-owned pedestrian bridges Citywide (\$940.4 million), including \$277.6 million for the reconstruction of the promenade over the FDR, \$169.9 million for the reconstruction of the 79th Street Traffic Circle over the West 79th Street Plaza, \$142.6 million for the reconstruction of the Brooklyn Promenade, \$114.9 million for the reconstruction of the Passerelle Pedestrian Bridge, and \$122.8 million for the reconstruction of 6 pedestrian bridges Citywide to ensure the safety and integrity of Parks-owned bridges through 2026.
 - Planting of new street trees and park trees and the reforestation and restoration of natural areas Citywide (\$247 million).
 - Reconstruction of recreation centers Citywide (\$156.2 million), including \$20.4 million for the reconstruction of Hansborough Recreation Center in Manhattan, \$18.7 million for the reconstruction of Brownsville Recreation Center in Brooklyn, \$12.4 million for the Lost Battalion Recreation Center in Queens, \$5.1 million for the St. Mary's Recreation Center in the Bronx, and \$99.6 million for the reconstruction of other recreation and nature centers Citywide.
- The 2020 Plan for the Department totals \$877 million and highlights include:
- Continued implementation of the Anchor Parks Initiative (\$64.4 million)
 - Planting of new street trees and park trees and the construction of greenstreets Citywide (\$52.3 million).
 - Continued implementation of the Community Parks Initiative (\$40.1 million).
 - Reconstruction of the Red Hook Ballfields and Recreation Area in Brooklyn (\$43.5 million).
 - Reconstruction of the Orchard Beach Pavilion in the Bronx (\$24.6 million).
 - Reconstruction of Ralph DeMarco Park and Shoreline in Queens (\$6.7 million).
 - Reconstruction of Greencroft Playground and Comfort Station in Staten Island (\$2.3 million).

DEPARTMENT OF ENVIRONMENTAL PROTECTION

The primary mission of the Department of Environmental Protection (DEP) is to deliver drinking water; manage stormwater; treat wastewater; regulate air, noise, and asbestos pollution; and protect the environmental health, welfare, and natural resources of New York City and its residents. This includes managing the New York City water and sewer system. The New York City water system consists of 19 collecting reservoirs and three controlled lakes located within the 2,000 square miles of the Croton, Catskill, and Delaware watersheds, along with 7,000 miles of aqueducts, tunnels, and water mains that deliver more than 1.0 billion gallons of water per day, and seven upstate water pollution control plants. The New York City sewer system comprises a comprehensive network of 7,500 miles of sewers, 14 in-City Wastewater Resource Recovery Facilities (WRRFs) and 96 pump stations to convey and treat approximately 1.2 billion gallons per day of captured sewage to standards established by State and Federal law before releasing the effluent into receiving waters.

Financial Review

The Department of Environmental Protection's 2020 Executive Budget provides for operating expenses of \$1.4 billion. It also provides capital commitments of \$19.7 billion to be financed by Water Finance Authority funds and \$370.3 million in non-City funds.

Revenue Forecast

The Department collects revenue from the sale of hydro-energy to upstate power utilities, property rentals, and other fees. The Department also regulates air and noise, 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 2020 is \$25.5 million.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- DEP supplies approximately 1.0 billion gallons of drinking water per day to over eight and a half million City residents and one million upstate residents, and maintains the City's water main and sewer infrastructure. Approximately 2,308 personnel and \$586.8 million are dedicated to this function. In addition, there are 300 police and security force personnel (\$35.3 million), including 221 environmental police officers, who protect the upstate watershed and respond to hazardous materials emergencies.
- The Department treats an average of 1.2 billion gallons of dry-weather sewage per day at the City's 14 WRRFs. Approximately 1,832 personnel and \$475.8 million are dedicated to this function.
- The Department continues to use various chemicals to ensure high quality drinking water for City and upstate residents and to protect the quality of waterbodies surrounding the City (\$62.2 million).
- The Department continues to fund contracts for biosolids removal, transport, and disposal (\$61.8 million).
- The Department continues to meet the terms under the Surface Water Treatment Rule for a Filtration Avoidance Determination (FAD) in the Catskill and Delaware Watersheds (\$64.1 million). The City's FAD includes programs which focus on agriculture and forestry, land management, flood hazard mitigation, and stormwater, stream, and wastewater management. The NYS Department of Health and the U.S. Environmental Protection Agency renewed the FAD in 2017 and it will be in effect for ten years.
- The Department enforces the City's air and noise codes in addition to asbestos regulations with 211 positions and \$15.9 million dedicated to this function.
- The Department will continue implementation of the City's Green Infrastructure Plan with 139 positions and \$20.6 million dedicated to the purchase, installation, and maintenance of green infrastructure components. This includes funding for the installation of green infrastructure assets on non-City owned properties such as medical facilities, churches, and schools.
- The Department will ensure that the City is in compliance with the requirements set forth in the Municipal Separate Storm Sewer System (MS4) permit, which mandates the City to enforce inspection programs that address stormwater runoff from construction and development sites and from industrial or commercial facilities (\$10.3 million).

- The Department will hire additional personnel and purchase chemicals for the 24/7 operation of a new aqueduct treatment facility near Kensico Reservoir to treat and optimize the Catskill Aqueduct (\$1.9 million).
- The Department will achieve chemical savings of \$2.5 million due to operational efficiencies.
- The Department will save \$0.1 million on green infrastructure maintenance by growing plants in-house.

Restructuring and Streamlining

The Department expects to achieve a savings of \$11.0 million identified from refinement of agency contractual needs, procurement and programmatic efficiencies, and reevaluation of program budgetary needs.

- The Department will save \$2.8 million by realigning their budget for maintenance and repair contracts at the Croton Filtration Plant based on actual spending.
- The Department will save \$1.5 million by streamlining the agency's fleet.
- The Department has identified surpluses and re-estimates for various agency operations totaling \$3.2 million.
- The Department will save \$0.9 million through reductions in overtime and vacancies.

Summary of Agency Financial Data

The following table compares 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019	2020
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$547,959	\$560,382	\$551,267	\$557,910	(\$2,472)	\$6,643
Fringe Benefits	3,261	3,870	3,295	3,295	(575)	—
OTPS	880,862	874,352	762,152	804,932	(69,420)	42,780
Total	\$1,432,082	\$1,438,604	\$1,316,714	\$1,366,137	(\$72,467)	\$49,423
Funding						
City	\$1,145,171	\$1,222,213	\$1,238,513	\$1,288,405	\$66,192	\$49,892
Other Categorical Grants ..	10,594	8,094	—	—	(8,094)	—
IFA	67,999	66,907	70,020	70,020	3,113	—
State	1,901	1,427	5,161	5,161	3,734	—
Federal CD	200,977	130,521	612	612	(129,909)	—
Federal Other	1,931	7,136	1,329	1,329	(5,807)	—
Intra-City Other	3,509	2,306	1,079	610	(1,696)	(469)
Total	\$1,432,082	\$1,438,604	\$1,316,714	\$1,366,137	(\$72,467)	\$49,423
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$176,911	\$208,202	\$217,494	\$220,316	\$12,114	\$2,822
Pensions	81,805	96,508	89,820	95,054	(1,454)	5,234
Other Than Personal Service (OTPS)						
Debt Service	58,354	45,268	50,197	51,568	6,300	1,371
Total Additional Costs	\$317,070	\$349,978	\$357,511	\$366,938	\$16,960	\$9,427
Funding						
City	301,213	330,005	340,667	350,215	20,210	9,548
Non-City	15,857	19,973	16,844	16,723	(3,250)	(121)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$547,959	\$560,382	\$551,267	\$557,910	(\$2,472)	\$6,643
Fringe Benefits	180,172	212,072	220,789	223,611	11,539	2,822
Pensions	81,805	96,508	89,820	95,054	(1,454)	5,234
Total PS	\$809,936	\$868,962	\$861,876	\$876,575	\$7,613	\$14,699
OTPS	\$880,862	\$874,352	\$762,152	\$804,932	(\$69,420)	\$42,780
Debt Service	58,354	45,268	50,197	51,568	6,300	1,371
Total OTPS	\$939,216	\$919,620	\$812,349	\$856,500	(\$63,120)	\$44,151
Total Agency Costs	\$1,749,152	\$1,788,582	\$1,674,225	\$1,733,075	(\$55,507)	\$58,850
Less Intra-City	\$3,509	\$2,306	\$1,079	\$610	(\$1,696)	(\$469)
Net Agency Cost	\$1,745,643	\$1,786,276	\$1,673,146	\$1,732,465	(\$53,811)	\$59,319
Funding						
City	1,446,384	1,552,218	1,579,180	1,638,620	86,402	59,440
Non-City	299,259	234,058	93,966	93,845	(140,213)	(121)
Personnel (includes FTEs at fiscal year-end)						
City	223	274	289	269	(5)	(20)
Non-City	5,876	6,238	6,089	6,079	(159)	(10)
Total	6,099	6,512	6,378	6,348	(164)	(30)

Programmatic Review and Service Impact

Water Supply Strategies

The Department will continue the implementation of programs related to the Filtration Avoidance Determination (FAD) for the City's Catskill and Delaware water supplies. In 2017, the New York State Department of Health, in consultation with the U.S. Environmental Protection Agency, issued an administrative determination providing the City with a waiver from filtering the Catskill and Delaware water supplies through 2027, superseding the previously issued 2007 FAD. As part of the FAD, and in compliance with revised regulations, DEP continues successful water quality management programs and its upstate land acquisition program to protect the water entering the City's reservoirs.

The Department will also continue the Water for the Future Program to address leaks in the Rondout-West Branch Tunnel (RWBT), a 45-mile portion of the Delaware Aqueduct that conveys about 50 percent of the City's daily water supply. A major component of this program is the construction of a 2.5-mile bypass tunnel around the areas of significant leakage. During the connection of this bypass tunnel to the Delaware Aqueduct, the RWBT will need to be temporarily shut down. In order to compensate for this shutdown, the Department will continue to pursue several water supply conservation and augmentation projects.

The Department will also begin construction of a tunnel connecting the Kensico Reservoir to the Catskill/Delaware Ultraviolet Light Disinfection Facility (CDUV). Historically, for purposes of water quality and redundancy, both the Delaware and Catskill Aqueducts conveyed water from the Kensico Reservoir. However, because the Catskill Aqueduct is not sufficiently pressurized to move water through the CDUV, only the Delaware Aqueduct can deliver water from the Kensico Reservoir to the facility. The new tunnel will replace the section of the Catskill Aqueduct between the Kensico Reservoir and the CDUV and restore needed redundancy.

The Department will begin the construction of the remaining two shafts for the Brooklyn/Queens section of City Tunnel No. 3. Completion of these shafts will enable full operation of the Brooklyn/Queens section, allowing for the full inspection of City Tunnels No. 1 and 2 and providing critical water delivery redundancy in Brooklyn, Queens, and Staten Island. As of December

2017, the Brooklyn/Queens leg of City Tunnel No. 3 was cleaned, pressurized, and filled with water, making it activation-ready in the event of emergencies until the remainder of the tunnel shafts are completed.

Additionally, the Department will conduct rehabilitation work at the Ashokan Reservoir in the Catskill System of the City's watershed. Projects include reconstruction of the Olive Bridge Dam and reservoir dikes, as well as replacement of the Dividing Weir Bridge and overall site restoration. This rehabilitation work will bring several key infrastructure pieces up to State and Federal safety standards and continue the Department's efforts to strengthen infrastructure in preparation for severe storms.

Lastly, the Department will complete comprehensive facility upgrades at the Hillview Reservoir. Constructed between 1909 and 1915, Hillview Reservoir acts as a terminal reservoir, providing balancing storage, pressure regulation, and secondary disinfection for up to 100% of the City's drinking water supply. Improvements include new chemical addition facilities, flow control equipment, and electrical infrastructure.

Wastewater Treatment Initiatives

Water quality in the harbor and surrounding waters has seen steady improvements due to ongoing investments. 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 WRRFs, implementation of advanced treatment technologies for nitrogen removal, the abatement of illegal discharges, improved sewer maintenance, and increased capture of wet weather flows.

To build upon these improvements, DEP continues to implement the NYC Green Infrastructure Plan. This mandated program supplements existing Combined Sewer Overflow (CSO) controls with a mix of "green infrastructure" (natural and permeable surfaces) and the optimization of "grey infrastructure" (construction and modification of tanks and tunnels) that will more cost-effectively reduce CSOs in waterways, while also improving air quality. Upon meeting the requirement

under the consent order, this program will manage one inch of precipitation on impervious surfaces in combined sewer areas.

In addition to the above, DEP is implementing several CSO Long-Term Control Plans which will further improve water quality in City waterbodies. This will encompass a number of strategies including disinfection of CSOs before being released into receiving waterbodies.

Water Distribution and Wastewater Collection System

The Department operates, maintains, and protects the City's vast water and sewer network by ensuring residents have an adequate supply of potable water, maintaining sewers for a properly functioning wastewater system, and providing emergency services during water main breaks, leaks, sewer backups, and more.

As of August 2015, the City is mandated to comply with the Municipal Separate Storm Sewer System (MS4) permit issued by the New York State Department of Environmental Conservation to manage stormwater runoff in a way that prevents flooding and improves water quality. The permit requires the City to develop a Citywide Stormwater Management Plan that outlines measures to meet the permit obligations.

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

In 2015, the Department began constructing a comprehensive storm sewer system in the neighborhoods represented by Community Boards 12 and 13 in Southeast Queens to mitigate chronic flooding experienced by the communities. Recognizing that the build-out of the full sewer system in Southeast Queens remains a long-term project, the Department has developed a number of strategies to provide short-term flooding relief while construction is underway, including public education on grease management, installation of green infrastructure, development of Bluebelt wetlands that naturally filter storm water runoff, and more.

Customer Services Programs

As required by the New York State Department of Environmental Conservation and the New York City Water Board, the Department is progressing towards its goal of universally metering all properties. The major objectives of universal metering include water conservation, improved water supply system management, and rate equity. DEP services approximately 835,000 water and sewer customer accounts, of which 33,000 are billed on a flat-rate system. Currently, more than 831,000 accounts are metered, while just over 4,100 remain unmetered.

In January of 2013, DEP introduced a Water and Sewer Service Line Protection Program offered by American Water Resources (AWR). The purpose of this voluntary program is to protect homeowners from the unexpected high costs of water and sewer service line repairs. In exchange for a relatively small monthly program fee, AWR provides DEP customers with unlimited coverage for water and/or sewer service line leaks and breaks due to normal wear and tear. As of March 2019, 275,500 customers have enrolled in the program and entered into service contracts with AWR. AWR was selected by the Water Board to offer the program, following a competitive Request for Proposal (RFP) process.

DEP is in the process of replacing its current outdated billing system. DEP bills and collects approximately \$4.0 billion in revenue annually with the existing billing system and this replacement will ensure continued stability and allow for greater overall flexibility of the billing system.

Environmental Compliance

The Bureau of Environmental Compliance reviews and inspects asbestos abatement projects; investigates air quality and noise complaints; monitors emissions and environmental impacts from alternative fuel vehicles; and issues permits for boilers, other combustion equipment, and other potential sources of air pollution.

The Bureau is also responsible for enforcing the City's noise code. Along with establishing rules, guidelines, and standards for governing noise in the City, the Bureau promulgates construction rules that

require a site-specific noise mitigation plan for each construction site, offering alternatives for contractors to continue construction while reducing the noise impact on the surrounding environment.

Energy Policy

The Department works in conjunction with the Department of Citywide Administrative Services and the Mayor's Office on coordinating the City's strategic goals on energy policy. Given that DEP is one of the City's largest energy users, this policy role is closely linked with a number of objectives in the Department's strategic plan. This role is in addition to over \$796.5 million in capital projects with energy reduction components where DEP expects to invest in clean

distributed generation, energy efficiency, and hydro-electric generation.

Bureau of Police and Security

The Bureau of Police and Security is responsible for protecting the New York City water supply and the associated critical infrastructure from terrorism, pollution, and crime. Since February 1, 2010, the Bureau has been responsible for responding to hazardous material emergencies within the City by evaluating the characteristics of the materials involved and making technical decisions concerning containment, abatement, and disposal. The DEP Police Department patrols the upstate water supply, with 221 officers dedicated to this function.

Capital Review

Overview

The Ten-Year Capital Plan for 2020 through 2029 provides a total of \$20.1 billion from the following sources: \$19.7 billion financed by Water Finance Authority funds and \$370.3 million in non-City funds.

The table below shows capital commitments by program area over the 2018-2023 period.

Capital Commitments (\$ in 000's)

	2018 Actual		2019 Plan		2020 Plan		2021 Plan		2022 Plan		2023 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	\$362,369	\$371,368	\$659,934	\$700,793	\$952,497	\$1,116,485	\$1,242,270	\$1,242,270	\$965,652	\$965,652	\$1,139,285	\$1,139,285
Water Mains	619,613	624,187	649,161	\$656,887	573,244	573,244	343,552	343,552	531,016	531,039	836,185	836,185
Sewers	636,596	652,169	658,272	\$668,803	652,520	665,234	714,509	716,309	626,065	634,710	578,445	578,445
Water Supply	224,605	224,605	83,984	\$83,984	350,144	350,144	103,956	103,956	477,447	477,447	80,769	80,769
Equipment	52,868	52,868	130,864	130,864	105,706	106,274	59,902	59,902	90,275	90,275	74,861	74,861
Total	\$1,896,051	\$1,925,197	\$2,182,215	\$2,241,331	\$2,634,111	\$2,811,381	\$2,464,189	\$2,465,989	\$2,690,455	\$2,699,123	\$2,709,545	\$2,709,545

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

- Extension and reconstruction of storm, sanitary, and combined sewers (\$4.4 billion, of which \$2.6 billion is planned for 2020 to 2023).
- Investments to maintain the operational integrity of existing wastewater treatment facilities (\$5.1 billion, of which \$2.6 billion is planned for 2020 to 2023). The total includes the hardening of wastewater infrastructure based on findings of the New York City Wastewater Resiliency Plan assessment and Federal grant funding for Sandy-related recovery work (\$459.5 million).
- Replacement and extension of trunk and distribution water mains and ancillary work (\$2.1 billion, of which \$1.1 billion is planned for 2020 to 2023).
- Disinfection and mitigation of Combined Sewer Overflow (CSO) to achieve waterbody-specific water quality standards (\$2.0 billion, of which \$808.5 million is planned for 2020 to 2023). This includes the construction of CSO holding tanks to improve water quality in the Gowanus Canal (\$645.0 million) and the design of a CSO tunnel for Flushing Bay (\$122.3 million).
- Construction of a comprehensive sewer system in Southeast Queens, including strategically selected projects to deliver near-term and long-term flooding relief (\$1.5 billion, of which \$1.1 billion is planned for 2020 to 2023).
- 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 (\$1.3 billion, of which \$146.6 million is planned for 2020 to 2023).
- Reducing CSOs through the use of green infrastructure (\$908.6 million, of which \$872.6 million is planned for 2020 to 2023), such as right-of-way bioswales and stormwater greenstreets, porous pavement, constructed wetlands, onsite stormwater management practices, and green roofs.
- Rehabilitation of Ashokan Reservoir structures, including reconstruction of the Olive Bridge Dam, reservoir dikes, Dividing Weir Bridge, and overall site restoration (\$772.0 million, of which \$177.0 million is planned for 2020 to 2023).
- Construction of shafts related to the activation of the Brooklyn/Queens section of City Tunnel No. 3 (\$604.7 million). This total includes the excavation of the remaining two shafts necessary for full operation of the tunnel (\$604.7 million, all of which is planned for 2020 to 2023).
- Continuation of land acquisition for and construction of the award-winning Staten Island Bluebelt program (\$380.7 million, of which \$274.4 million is planned for 2020 to 2023).
- Reconstruction of Hillview Reservoir, including new chemical addition facilities, flow control improvements, and electrical upgrades (\$339.5 million, of which \$176.5 million is planned for 2020 to 2023).
- Reconstruction of upstate and in-City dams, including the rehabilitation of the New Croton Dam (\$135.0 million) and excluding the Olive Bridge Dam already noted. This will ensure the long-term reliability of the City's reservoir infrastructure (\$337.9 million, of which \$302.2 million is planned for 2020 to 2023).
- Ongoing stabilization and upgrade of in-City Wastewater Resource Recovery Facilities (WRRFs) and systems to ensure compliance with State and Federal mandates for: operating permit requirements (\$40.2 million, of which \$23.0 million is planned from 2020 to 2023); mandated studies and facility upgrades to reduce nitrogen levels in treated wastewater (\$40.3 million, all of which is planned from 2020 to 2023); and enhancement of the existing chlorination system at various WRRFs in order to meet stricter chlorine discharge limits (\$272.2 million, of which \$104.9 million is planned from 2020 to 2023).
- Continuation of various filtration avoidance measures and land acquisition in the upstate watershed in support of the ten-year 2017 Filtration Avoidance Determination (\$213.5 million, of which \$192.8 million is planned for 2020 to 2023).
- Complete rehabilitation and optimization of the Catskill Aqueduct (\$335.5 million, of which \$52.5 million is planned for 2020 to 2023). This total includes reconstruction of the Lower Catskill Aqueduct connecting the Catskill/Delaware Ultraviolet Facility with Hillview Reservoir (\$125.0 million) and the inspection and repair of deep-rock pressure tunnels that maintain tunnel pressure for water distribution (\$210.0 million).

- Replacement of digesters at the Hunts Point WRRF (\$393.0 million, all of which is planned from 2020 to 2023).
- Emergency rehabilitation and replacement of sewers and water mains in the event of line breaks (\$766.0 million, of which \$252.0 million is planned from 2020 to 2023).

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 is 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 2020 Executive Budget provides for operating expenses of \$1.1 billion. Capital commitments of approximately \$16.1 billion are also provided from 2020-2029, including \$1.3 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 2020, the Department will collect \$429.7 million in revenue.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- Funding of \$417.3 million for the traffic program, including \$59.8 million for energy costs associated with all streetlights and traffic signals throughout the City, and \$185.8 million for the maintenance of approximately 13,206 traffic signalized intersections and over 333,670 streetlights Citywide.
- Funding of \$203.4 million for the in-house costs associated with resurfacing 1,100 lane miles of streets and the repair of street defects (potholes).
- Funding of \$105.2 million for the operation of the Staten Island Ferry and regulation of private ferry services.
- Funding of \$52.4 million for preventive maintenance, cleaning, and spot and splash zone painting of City bridges including Federal funding for the maintenance of the East River Bridges.
- Funding of \$20.2 million for the in-house bridge flag/corrective repair program.

Restructuring and Streamlining

- The Department expects to save \$4.9 million in 2019 and 2020 due to underspending on pedestrian, bicycle, and bus infrastructure.
- The Department expects to save \$2.0 million in 2019 and 2020 on contract underspending.
- The Department expects to save \$3.1 million in 2019 and 2020 due to an increase in Statewide Mass Transportation Operating Assistance grant funding.

Summary of Agency Financial Data

The following table compares 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019	2020
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$480,422	\$498,062	\$490,572	\$523,477	\$25,415	\$32,905
Fringe Benefits	5,833	5,191	4,978	5,009	(182)	31
OTPS	497,433	567,555	515,339	558,449	(9,106)	43,110
Total	\$983,688	\$1,070,808	\$1,010,889	\$1,086,935	\$16,127	\$76,046
Funding						
City	\$538,748	\$625,592	\$620,920	\$647,323	\$21,731	\$26,403
Other Categorical Grants ..	10,844	1,683	1,599	1,599	(84)	—
IFA	232,028	239,501	217,534	264,703	25,202	47,169
State	105,148	104,596	102,170	104,644	48	2,474
Federal CD	—	—	—	—	—	—
Federal Other	91,888	94,209	65,764	65,764	(28,445)	—
Intra-City Other	5,032	5,227	2,902	2,902	(2,325)	—
Total	\$983,688	\$1,070,808	\$1,010,889	\$1,086,935	\$16,127	\$76,046
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$154,804	\$181,063	\$193,141	\$196,160	\$15,097	\$3,019
Pensions	71,175	82,319	79,234	83,851	1,532	4,617
Other Than Personal Service (OTPS)						
Debt Service	667,664	737,379	817,672	928,020	190,641	110,348
Total Additional Costs	\$893,643	\$1,000,761	\$1,090,047	\$1,208,031	\$207,270	\$117,984
Funding						
City	802,482	910,069	1,004,313	1,098,324	188,255	94,011
Non-City	91,161	90,692	85,734	109,707	19,015	23,973
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$480,422	\$498,062	\$490,572	\$523,477	\$25,415	\$32,905
Fringe Benefits	160,637	186,254	198,119	201,169	14,915	3,050
Pensions	71,175	82,319	79,234	83,851	1,532	4,617
Total PS	\$712,234	\$766,635	\$767,925	\$808,497	\$41,862	\$40,572
OTPS	\$497,433	\$567,555	\$515,339	\$558,449	(\$9,106)	\$43,110
Debt Service	667,664	737,379	817,672	928,020	190,641	110,348
Total OTPS	\$1,165,097	\$1,304,934	\$1,333,011	\$1,486,469	\$181,535	\$153,458
Total Agency Costs	\$1,877,331	\$2,071,569	\$2,100,936	\$2,294,966	\$223,397	\$194,030
Less Intra-City	\$5,032	\$5,227	\$2,902	\$2,902	(\$2,325)	\$—
Net Agency Cost	\$1,872,299	\$2,066,342	\$2,098,034	\$2,292,064	\$225,722	\$194,030
Funding						
City	1,341,230	1,535,661	1,625,233	1,745,647	209,986	120,414
Non-City	531,069	530,681	472,801	546,417	15,736	73,616
Personnel (includes FTEs at fiscal year-end)						
City	2,519	2,623	2,608	2,598	(25)	(10)
Non-City	3,030	3,165	3,232	3,257	92	25
Total	5,549	5,788	5,840	5,855	67	15

Programmatic Review and Service Impact

Bridges

The Division of Bridges is responsible for the reconstruction, repair, maintenance, and operation of approximately 791 City-owned bridge and tunnel structures. In 2020, the Division of Bridges will be staffed with 805 positions and have an operating budget of \$113.7 million.

The Bridge program in the 2020 Executive Budget continues the City's commitment to preserve and maintain its infrastructure. The Bridge "Flag" and Correction Repair program corrects mostly structural ("red" and "yellow" flags, in descending order of priority) and safety deficiencies on bridges by using both in-house and contract forces. Furthermore, the Bridge Preventive Maintenance program includes the oiling, sweeping, cleaning, washing, electrical maintenance and spot and salt splash zone painting of the City's bridges.

Highway Operations

The Roadway Repair and Maintenance Division is responsible for maintaining approximately 19,324 lane miles of streets, 1,175 lane miles of which are arterial highways within the five boroughs, 71 percent of which are in good condition as of 2018. The Permits Management and Construction Control programs are responsible for regulating the excavation and various other uses of City streets and sidewalks. In 2020, Highway Operations will be staffed by approximately 1,710 full-time and approximately 460 seasonal positions with a budget totaling \$329.8 million.

The Department also manages the New York City Plaza program, a community-based program to improve the public realm by creating pedestrian plazas. In total, the Department oversees 77 plazas that are now in various phases of planning, design, construction, or complete. Fifty-nine of these are currently open to the public.

Traffic Operations

The Division of Traffic Operations maintains and collects revenue from approximately 89,626 metered spaces and operates 36 municipal parking facilities. It also installs and maintains an estimated one million traffic signs, approximately 13,206 signalized intersections and 333,670 streetlights. The 2020 Executive Budget for the Division of Traffic Operations provides for 1,524 positions and \$417.3 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. The Select Bus Service program, carried out in partnership with the Metropolitan Transportation Authority, provides enhanced transit opportunities for bus riders. 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 2020 Executive Budget for Ferries provides for 690 positions and an operating budget of \$105.2 million.

The Staten Island Ferry is expected to carry approximately 24 million passengers in 2019. The service achieved an on-time performance rating of 92.4 percent in 2018. The Department currently estimates annual ridership of approximately 14.5 million passengers on privately operated commuter ferries, including those sponsored by the Economic Development Corporation.

Capital Review

The Department of Transportation's 2020-2029 Capital Commitment Plan totals \$16.1 billion for the reconstruction of transportation infrastructure, of which approximately 92 percent is City-funded. The table below shows commitments by program area between 2018-2023.

Capital Commitments (\$ in 000's)

	2018 Actual		2019 Plan		2020 Plan		2021 Plan		2022 Plan		2023 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.....	\$654,188	\$766,699	\$824,711	\$1,015,692	\$862,096	\$965,434	\$724,643	\$870,215	\$1,200,619	\$1,262,862	\$785,592	\$942,635
Highway Bridges	323,324	505,993	189,381	233,054	468,161	524,846	669,619	737,192	1,076,107	1,130,243	1,546,770	1,602,039
Waterway Bridges.....	664,504	728,607	218,089	305,225	204,085	205,491	65,122	65,122	45,863	45,863	307,000	307,000
Traffic.....	70,200	88,320	190,527	220,900	93,617	116,441	35,891	60,114	63,017	94,416	21,964	54,964
Vehicles/Equipment.....	54,980	54,954	41,305	41,382	36,751	38,102	18,415	18,415	16,450	16,450	6,066	6,066
Ferries	(19,665)	9,574	1,330	26,561	41,533	81,735	60,804	83,883	77,042	128,345	70,238	82,039
Total.....	\$1,747,531	\$2,154,147	\$1,465,343	\$1,842,814	\$1,706,243	\$1,932,049	\$1,574,494	\$1,834,941	\$2,479,098	\$2,678,179	\$2,737,630	\$2,994,743

The Highlights of the 2020-2029 Capital Plan include:

- Reconstruction or rehabilitation of bridge structures (\$7.4 billion), including \$1.6 billion for Brooklyn-Queens Expressway (BQE) – Triple Cantilever bridge structures, \$421.5 million for the Trans-Manhattan Expressway and \$301.1 million for the Shore Road Bridge over Hutchinson River.
- Street reconstruction of approximately 607 lane-miles (\$3.1 billion); including projects to address the needs of Southeast Queens (\$260.9 million) and Woodhaven Boulevard Select Bus Service Phase B (\$42.0 million).
- Street and arterial resurfacing of approximately 6,770 lane miles (\$1.6 billion).
- Installation and reconstruction of pedestrian ramps to comply with accessibility requirements (\$1.2 billion) and replacement of sidewalks (\$475.4 million).
- Continued reconstruction and rehabilitation for the East River Bridges (\$552.6 million), including \$25.1 million for the Brooklyn Bridge, \$199.0 million for the Queensboro Bridge, \$300.2 million for the Williamsburg Bridge, and \$28.4 million for the Manhattan Bridge.
- Signal installation and maintenance, as well as the computerization and modernization of signalized intersections (\$293.5 million).
- Ferry terminal and facility improvements (\$261.2 million).
- Upgrade and replacement of lampposts, luminaires, and associated infrastructure (\$124.8 million).
- Installation of thermoplastic markings for traffic control (\$90.4 million).
- Signal and streetlight installation and lane markings associated with highway reconstruction and bridge programs (\$56.5 million).
- Enhancements to multiple technology and telecommunications systems (\$51.1 million).
- Reconstruction and upgrade of parking meters, garages, and lots (\$40.3 million).
- Upgrade and replacement of electrical distribution systems along the City's streets (\$31.4 million).

The Highlights of the 2020 Capital Plan include:

- Rehabilitation and reconstruction of various bridges (\$499.4 million), including Broadway Bridge over Harlem River (\$50.5 million) and Grand Concourse over Metro-North (\$47.4 million).
- Street reconstruction projects (\$416.5 million), which include phase I of the reconstruction of Queens Boulevard (\$64.9 million) and phase II of the reconstruction of Broad Channel bulkheads (\$34.8 million).

- Resurfacing of approximately 1,100 lane miles of local streets and arterial highway (\$262.8 million).
- Reconstruction of sidewalks and pedestrian ramps (\$258.3 million).
- Upgrade parking meters with “Pay-by-Plate” functionality (\$26.7 million).
- Replacement of aging vehicles and equipment (\$15.0 million).

HOUSING PRESERVATION AND DEVELOPMENT

The New York City Department of Housing Preservation and Development (HPD) is the largest municipal housing preservation and development agency in the nation. The agency's mission is to make strategic investments to improve and strengthen neighborhoods while preserving the stability and affordability of the City's existing housing stock.

HPD is responsible for carrying out Mayor Bill de Blasio's Housing New York 2.0: A Five-Borough, Twelve-Year Plan, which is a citywide initiative to build or preserve 300,000 affordable housing units, and to help both tenants and landlords preserve the quality and affordability of their homes. In addition to financing affordable housing projects, HPD is responsible for:

- Ensuring that the entire City's housing stock complies with the health and safety requirements of the Housing Maintenance Code.
- Monitoring the fiscal health and ongoing affordability of more than 5,100 buildings containing more than 126,000 units in its Asset Management portfolio.
- Providing more than 39,500 households with Federal rental subsidies to support stable affordable housing in the private market.

Through the above goals, HPD works to ensure that all New Yorkers live in safe and habitable homes.

Financial Review

HPD's 2020 Executive Budget provides for operating expenses of \$987 million, of which approximately \$259 million is City funds. The budgeted headcount of 2,583 full-time positions is funded at \$189 million while other than personal services are projected at \$798 million. Nearly \$701 million, or 71 percent of the agency's expense budget, is supported by Federal and State funding programs. HPD's operating budget described above includes \$205 million in pass through funding for the New York City Housing Authority (NYCHA), of which \$154 million is City funds. In addition, HPD has planned capital commitments of \$1.3 billion in 2020.

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 \$33.8 million in 2020.

Expense Budget Highlights

Providing Core Services

In 2020, the agency will continue to provide core services that include the enforcement of the Housing Maintenance Code, administration of rent subsidies, preservation and development of quality affordable housing, and management of affordable housing assets.

- Through its Code Enforcement team, the agency will continue to respond promptly to housing maintenance complaints, assess conditions, and develop appropriate strategies to correct violations citywide.
- HPD will use various enforcement tools to ensure compliance with legal and regulatory obligations including bringing enforcement proceedings against non-compliant owners and removing hazardous conditions in private distressed buildings. The agency will continue to work with responsible owners and community partners to prevent distress and ensure neighborhood stability. All these efforts are supported by the Federal Community Development Block Grant (CDBG) funds.

- HPD will administer the nation's fifth largest Section 8 program, and allocate Federal housing choice vouchers and other rental assistance programs to eligible New Yorkers. In 2019, the agency supported over 39,500 households. Another \$470 million in subsidy payments are planned for 2020.
- HPD will engage in planning and project development activities to: (1) preserve existing housing stock; (2) leverage private investments; and (3) create new affordable units.
- HPD will continue to focus on the financial and physical health of a portfolio of over 5,100 rental and co-op buildings in which the City has previously invested.

Summary of Agency Financial Data

The following table compares 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019	2020
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$164,189	\$180,682	\$188,831	\$188,725	\$8,043	(\$106)
Fringe Benefits	63	24	—	24	—	24
OTPS	836,522	1,194,175	758,128	798,363	(395,812)	40,235
Total	\$1,000,774	\$1,374,881	\$946,959	\$987,112	(\$387,769)	\$40,153
Funding						
City	\$66,469	\$257,866	\$219,253	\$258,661	\$795	\$39,408
Other Categorical Grants ..	29,953	15,467	1,614	614	(14,853)	(1,000)
IFA	19,542	21,548	24,232	24,232	2,684	—
State	8,987	11,985	1,468	1,468	(10,517)	—
Federal CD	358,903	513,725	196,394	195,868	(317,857)	(526)
Federal Other	513,421	551,362	501,916	503,678	(47,684)	1,762
Intra-City Other	3,499	2,928	2,082	2,591	(337)	509
Total	\$1,000,774	\$1,374,881	\$946,959	\$987,112	(\$387,769)	\$40,153
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$57,585	\$68,283	\$71,754	\$73,179	\$4,896	\$1,425
Pensions	24,822	28,137	26,764	28,324	187	1,560
Other Than Personal Service (OTPS)						
Debt Service	622,044	714,347	792,132	659,049	(55,298)	(133,083)
Total Additional Costs	\$704,451	\$810,767	\$890,650	\$760,552	(\$50,215)	(\$130,098)
Funding						
City	644,491	750,543	828,036	703,835	(46,708)	(124,201)
Non-City	59,960	60,224	62,614	56,717	(3,507)	(5,897)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$164,189	\$180,682	\$188,831	\$188,725	\$8,043	(\$106)
Fringe Benefits	57,648	68,307	71,754	73,203	4,896	1,449
Pensions	24,822	28,137	26,764	28,324	187	1,560
Total PS	\$246,659	\$277,126	\$287,349	\$290,252	\$13,126	\$2,903
OTPS	\$836,522	\$1,194,175	\$758,128	\$798,363	(395,812)	\$40,235
Debt Service	622,044	714,347	792,132	659,049	(55,298)	(133,083)
Total OTPS	\$1,458,566	\$1,908,522	\$1,550,260	\$1,457,412	(\$451,110)	(\$92,848)
Total Agency Costs	\$1,705,225	\$2,185,648	\$1,837,609	\$1,747,664	(\$437,984)	(\$89,945)
Less Intra-City	\$3,499	\$2,928	\$2,082	\$2,591	(\$337)	\$509
Net Agency Cost	\$1,701,726	\$2,182,720	\$1,835,527	\$1,745,073	(\$437,647)	(\$90,454)
Funding						
City	710,960	1,008,409	1,047,289	962,496	(45,913)	(84,793)
Non-City	990,766	1,174,311	788,238	782,577	(391,734)	(5,661)
Personnel (includes FTEs at fiscal year-end)						
City	741	777	858	846	69	(12)
Non-City	1,554	1,771	1,770	1,770	(1)	—
Total	2,295	2,548	2,628	2,616	68	(12)

Programmatic Review and Service Impact

HPD administers the above-described core services through the following offices: Asset and Property Management; Development; Enforcement and Neighborhood Services; Neighborhood Strategies; and Policy and Research. The Offices of the Executive Deputy Commissioner, including Financial Management and HPD Tech, as well as the Office of Legal Affairs, also provide planning, leadership, technical, and support services to accomplish the agency's goals.

Asset and Property Management

HPD's Office of Asset and Property Management works to ensure that properties remain financially and physically stable over the long-term. Its programs proactively identify at-risk buildings and help to stabilize mismanaged assets. The Office also manages City-owned residential and commercial properties, as well as Urban Renewal properties, until they can be returned to responsible private ownership. In addition, the agency operates Emergency Housing Services (EHS) to provide emergency shelter and housing relocation services to tenants displaced as a result of fires or vacate orders issued by the Department of Buildings, the Fire Department, or by the agency itself. Finally, the Office oversees all marketing and leasing related functions, including affordable housing lotteries and homeless placement services for re-rentals.

Development

HPD's Office of Development leads the implementation of the Mayor's Housing New York 2.0 Plan in close collaboration with other City and State agencies, and with the New York City Housing Development Corporation (HDC). The Office builds a pipeline of affordable housing development on both public and private sites and administers a variety of new construction, rehabilitation, preservation, and homeownership programs.

Additionally, under the Division of Housing Incentives, the Office manages various tax exemption and abatement programs as well as the inclusionary housing pipeline and associated transactions. The inclusionary housing program is intended to promote economic integration as areas undergo substantial new development. The Office also manages the tax credits and incentives program.

Enforcement and Neighborhood Services

HPD's Office of Enforcement and Neighborhood Services protects housing by ensuring that building owners comply with the City's Housing Maintenance Code and the New York State Multiple Dwelling Law. The Office responds to public complaints and plans appropriate, individualized actions to address hazardous conditions in privately-owned buildings—conditions may include the presence of lead paint; structural deficiencies; mold, pests, or allergens; 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. The Office also works closely with the Mayor's Office to Protect Tenants and the Department of Buildings to identify and enforce issues regarding tenant harassment. HPD will bring cases to Housing Court to seek the correction of hazardous conditions, the imposition of civil penalties, and the protection of tenants against claims of harassment. Finally, the Office leads the agency's implementation of LeadFreeNYC, an initiative with expanded mandates under Local Law 1 of 2004 to eliminate childhood lead exposure in New York City.

Neighborhood Strategies

HPD's Office of Neighborhood Strategies focuses on Planning and Community Partnerships to help the agency adopt a more comprehensive approach to development within the City's neighborhoods. The Division of Planning and Predevelopment identifies future sites, coordinates neighborhood zoning efforts, and collaborates with other City agencies to develop public properties. The Division of Neighborhood Development and Stabilization leads the agency commitment to strategic preservation and development through engagement with tenants, landlords, community leaders, and neighborhood stakeholders on issues involving the creation of vibrant neighborhoods anchored by affordable housing.

Policy and Research

HPD’s Office of Policy and Research provides analysis and guidance on high-priority policy initiatives, advancing solutions that further the agency’s mission.

The Office is responsible for designing and executing data collection and statistical analyses in support of the triennial Housing & Vacancy Survey (HVS), in addition to overseeing the agency’s fair housing initiatives.

Capital Review

The 2020-2029 Ten-Year Capital Strategy totals \$9.7 billion, including \$9.4 billion in City funding and \$320 million in Federal funds. The Four Year Plan totals \$4.6 billion, including \$4.4 billion in City funds and \$128 million in Federal funds. The agency will use its City capital resources to leverage State and Federal funds as well as private equity (that does not flow through the City’s capital budget) as part of the agency’s plan to create or preserve 300,000 units of affordable housing by 2026. The table below reflects the Four-Year Capital Plan by program area over the fiscal years 2020-2023.

**Capital Commitments
(\$ in 000’s)**

	FY20 Plan		FY21 Plan		FY22 Plan		FY23 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
New Construction	\$424,051	\$424,051	\$341,933	\$341,933	\$408,844	\$408,844	\$261,806	\$261,806
Other Housing Support	13,929	13,929	19,147	19,147	19,068	19,068	20,979	20,979
Disposition	101,555	101,555	62,422	62,422	49,919	49,919	60,043	60,043
Preservation	422,095	422,095	433,466	433,466	462,887	462,887	420,126	420,126
Special Needs	284,415	316,415	265,193	297,193	233,774	265,774	139,000	171,000
Total	\$1,246,045	\$1,278,045	\$1,122,161	\$1,154,161	\$1,174,492	\$1,206,492	\$901,954	\$933,954

Highlights of the Ten Year Capital Strategy and Four-Year Plan

Under the 2020-2029 Ten Year Capital Strategy and the 2020-2023 Four-Year Plan, HPD will generate affordable housing units via preservation, new construction, senior and supportive housing, and the disposition of *in rem* housing stock. The City will support production of approximately 25,000 units of affordable housing annually. Under the Four-Year Plan:

- Funding of \$1.7 billion will support activities to preserve existing affordable housing stock while creating long-term affordability by providing moderate to substantial rehabilitation.
- Funding of \$1.4 billion will support construction of new units serving various income levels throughout the five boroughs. Initiatives include large-scale developments, as well as funding for various rental and homeownership programs.

- Funding of \$1.1 billion (inclusive of \$128 million of Federal HOME funds) will support senior and supportive housing initiatives funded through various Special Needs Housing loan programs.
- Funding of \$274 million will rehabilitate City-owned housing units and return them to responsible private ownership.
- Funding of \$73 million will be used in support of other ancillary housing investments. This primarily encompasses acquisition/demolition, infrastructure for large-scale developments, and technology projects that will enhance agency operations.

In addition, units are expected to be generated without capital subsidies through various initiatives with agency partners. These units will primarily be created or preserved using bond financing, inclusionary zoning, and tax abatement or exemptions.

DEPARTMENT OF CITYWIDE ADMINISTRATIVE SERVICES

The Department of Citywide Administrative Services (DCAS) is the principal administrative support agency for the City of New York. DCAS supports other City agencies by making sure they have the critical resources needed to provide the best possible services to the public. DCAS support includes attracting and training a diverse workforce, purchasing goods and services at the lowest prices from local sources where possible, energy and facilities management, and ensuring that public buildings truly serve the public. The following lines of service provide this support: Human Capital, Facilities Management, Real Estate Services, Energy Management, Office of Citywide Procurement, and Office of NYC Fleet.

Financial Review

The 2020 Executive Budget for the Department of Citywide Administrative Services provides \$1.3 billion, a decrease of \$30.4 million below the amount forecasted for 2019. This decrease is predominantly attributable to declines in security services that are funded on a yearly basis and payments to the agency for Fleet services such as fuel, supplies, and repairs. The \$7.1 billion DCAS Ten-Year Capital Plan includes \$1.8 billion for the renovation, reconstruction, and outfitting of Public Buildings, \$3.1 billion for energy efficiency initiatives, \$52.9 million for Real Property, and \$2.2 billion for Citywide resiliency and waterfront rehabilitation.

Revenue Forecast

The Department of Citywide Administrative Services manages the City's real estate holdings, and receives revenue in the form of rents and mortgage payments. It also holds auctions for vehicles from the City's Fleet and collects civil service exam fees. In 2020, DCAS anticipates collecting \$65.4 million in revenue.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- The 2020 Executive Budget provides total funds of \$1.25 billion for the Department, of which \$768.7 million is for goods and services that agencies purchase from DCAS through intra-City agreements, including the following: utilities (\$633.9 million), leases (\$90.9 million), storehouse supplies (\$19.4 million), maintenance and repair of facilities and vehicles (\$12.6 million), personnel training (\$0.9 million), and other services (\$10.9 million).

- The 2020 Executive Budget provides a total of \$262.6 million for DCAS Asset Management. Included in this total is \$116.5 million for leases and \$68.2 million for building maintenance.
- The 2020 Executive Budget provides a total of \$130.5 million for DCAS Asset Management – Public Facilities (excluding \$116.5 million for leases). Included in the \$130.5 million total is \$59.1 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 2020 Executive Budget provides a total of \$15.6 million for DCAS Asset Management – Real Estate Services. Real Estate Services purchases, sells, and leases real property; and locates space for City agencies.
- The 2020 Executive Budget provides a total of \$19.2 million for security services in DCAS-managed buildings.

Restructuring and Streamlining

- DCAS now has Computerized Testing and Application Centers (CTACs) in all five boroughs. DCAS began operating the Bronx CTAC in December 2018, making available 40 testing stations to civil service candidates. Opening this center has removed a barrier for the citizens of the Bronx and expands upon access to stable, long term employment opportunities in City government through the civil service system.

- DCAS continues to lead the City’s efforts to reduce greenhouse gas emissions (GHG) by 80 percent by the year 2050 (“80 x 50”). DCAS continues to develop more opportunities to reduce City facilities’ energy consumption during times of constraint on the electrical grid through its Demand Response (DR) program. The DR program provides incentive payments to City agencies that voluntarily reduce their energy consumption during peak times. Through participation in the DR program, agencies help support energy infrastructure reliability and reduce blackouts and brownouts across the City. To support the DR program, to date, DCAS has installed real-time meters at more than 425 locations to provide agency staff with web and mobile access to electricity usage information in near- real-time.
- DCAS is leading the implementation of the NYC Clean Fleet Initiative to add at least 2,000 Electric Vehicles (EVs) to the City’s Fleet by the year 2025, and to reduce transportation GHG emissions by 50 percent. NYC Fleet currently has more than 1,750 electric plug-in vehicles on the road, with 300 more on order. To support the growing EV fleet, the City has installed 577 electric vehicle chargers so far including 71 solar-powered electric vehicle carports. Solar-powered carports are installed at 37 locations and can fully charge electric vehicles without use of the City’s electric grid.

Summary of Agency Financial Data

The following table compares 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019	2020
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$192,373	\$204,988	\$203,346	\$209,253	\$4,265	\$5,907
Fringe Benefits	3,263	2,886	1,949	1,949	(937)	—
OTPS	1,049,470	1,074,564	984,116	1,040,856	(33,708)	56,740
Total	\$1,245,106	\$1,282,438	\$1,189,411	\$1,252,058	(\$30,380)	\$62,647
Funding						
City	\$319,626	\$333,695	\$293,444	\$333,833	\$138	\$40,389
Other Categorical Grants ..	87,709	90,962	88,532	86,161	(4,801)	(2,371)
IFA	1,469	1,337	1,693	1,358	21	(335)
State	55,169	63,015	58,989	59,677	(3,338)	688
Federal CD	249	1,598	1,598	226	(1,372)	(1,372)
Federal Other	1,021	2,134	2,147	2,147	13	—
Intra-City Other	779,863	789,697	743,008	768,656	(21,041)	25,648
Total	\$1,245,106	\$1,282,438	\$1,189,411	\$1,252,058	(\$30,380)	\$62,647
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$54,664	\$64,908	\$68,832	\$70,667	\$5,759	\$1,835
Pensions	28,438	32,175	31,879	33,736	1,561	1,857
Other Than Personal Service (OTPS)						
Debt Service	672,264	623,954	686,360	719,540	95,586	33,180
Total Additional Costs	\$755,366	\$721,037	\$787,071	\$823,943	\$102,906	\$36,872
Funding						
City	716,484	686,740	750,701	788,211	101,471	37,510
Non-City	38,882	34,297	36,370	35,732	1,435	(638)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$192,373	\$204,988	\$203,346	\$209,253	\$4,265	\$5,907
Fringe Benefits	57,927	67,794	70,781	72,616	4,822	1,835
Pensions	28,438	32,175	31,879	33,736	1,561	1,857
Total PS	\$278,738	\$304,957	\$306,006	\$315,605	\$10,648	\$9,599
OTPS	\$1,049,470	\$1,074,564	\$984,116	\$1,040,856	(\$33,708)	\$56,740
Debt Service	672,264	623,954	686,360	719,540	95,586	33,180
Total OTPS	\$1,721,734	\$1,698,518	\$1,670,476	\$1,760,396	\$61,878	\$89,920
Total Agency Costs	\$2,000,472	\$2,003,475	\$1,976,482	\$2,076,001	\$72,526	\$99,519
Less Intra-City	\$779,863	\$789,697	\$743,008	\$768,656	(\$21,041)	\$25,648
Net Agency Cost	\$1,220,609	\$1,213,778	\$1,233,474	\$1,307,345	\$93,567	\$73,871
Funding						
City	1,036,110	1,020,435	1,044,145	1,122,044	101,609	77,899
Non-City	184,499	193,343	189,329	185,301	(8,042)	(4,028)
Personnel (includes FTEs at fiscal year-end)						
City	1,763	2,036	2,042	2,066	30	24
Non-City	657	710	715	710	—	(5)
Total	2,420	2,746	2,757	2,776	30	19

Programmatic Review and Service Impact

DCAS provides support services through the six lines of service described below:

Human Capital

Human Capital is responsible for Citywide civil service administration, including the classification of positions and salaries, developing, validating, administering, and rating examinations, creating civil service lists, and certifying those lists to agencies to fill vacancies and reduce the number of provisional employees. Human Capital also evaluates and administers Citywide personnel policies and programs, and conducts professional development and employee training programs. It also oversees the expansion and maintenance of the New York City Automated Personnel System (NYCAPS), a centralized state-of-the-art automated personnel system for managers and employees to access and manage personnel and benefits information, including Employee Self-Service.

Human Capital also oversees the Citywide Office of Diversity and Equal Employment Opportunity (EEO). This office assists City agencies in developing strategies to achieve compliance with the City's EEO obligations. This office also monitors agencies' EEO efforts, including resolving complaints and monitoring employment actions, through quarterly compliance reports and providing statistical reports on the City's workforce, its demographic composition, and trends in hiring and promotions.

Facilities Management

Facilities Management actively manages and operates approximately 55 City-owned court and office buildings totaling 15 million square feet throughout the city, which includes City Hall, the Manhattan and Brooklyn Municipal Buildings, and each of the five Borough Halls.

Real Estate Services

Real Estate Services is the real estate arm of the City of New York, which includes overseeing commercial rental properties as well as negotiating and administering City leases of private space for use by City agencies. Acting as the real estate advisor for City agencies, Real Estate Services assists agencies with finding suitable and cost-effective space for their operations, either through purchase or lease of acquired or existing space.

Energy Management

DCAS Energy Management (DEM) serves as the hub for energy management for City government operations, from energy procurement to performance tracking, improved operations & maintenance, and building retrofits. DEM is responsible for monitoring and paying the City's heat, light and power bills. DEM also plays a central role in One City, Built to Last, the initiative to reduce greenhouse gas emissions by 80 percent below 2005 levels by 2050.

Office of Citywide Procurement

The Office of Citywide Procurement (OCP) purchases, inspects and distributes supplies and equipment at the lowest net cost, and assists in the disposal of surplus heavy equipment and goods. DCAS purchases approximately \$1.5 billion of goods and services for the City, through approximately 1,200 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

The DCAS Division of Fleet Management is responsible for managing the City of New York's over 31,000 fleet vehicles, the largest municipal vehicle fleet in the country. NYC maintains fleet units at 37 dedicated fleet repair facilities and additional satellite locations, and has more than 400 in-house fueling locations. NYC Fleet oversees the vehicle maintenance contracts while managing the City's fuel, vehicle accidents, defensive driver training and alternative energy programs. DCAS directs efforts to improve fleet management Citywide in areas of safety, sustainability, transparency, and shared services.

Capital Review

The Department is responsible for capital improvements to all DCAS-managed and client agency buildings including office space, warehouses, and courts; oversight and improvements to City-leased properties; the lease, acquisition and rehabilitation of City-owned non-residential waterfront and non-waterfront properties; energy efficiency initiatives; and waterfront rehabilitation. 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 2020-2029 Ten-Year Capital Strategy totals \$7.1 billion which includes \$4.9 billion in the 2020-2023 Four-Year Plan. The table below reflects capital commitments by program area over the FY 2019-2023 period.

Capital Commitments (\$ in 000's)

	2018 Actual		2019 Plan		2020 Plan		2021 Plan		2022 Plan		2023 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Rehabilitation of City- Owned Space	\$9,065	\$9,065	\$30,511	\$30,511	\$140,578	\$140,578	\$61,612	\$61,612	\$107,520	\$107,520	\$110,908	\$110,908
Renovation of Other City-Owned Facilities	116	116	(1,388)	582	65,540	65,540	5,576	5,576	—	—	—	—
Rehabilitation of Court Buildings	—	—	(5,799)	(74)	890	890	—	—	50	50	—	—
Legal Mandates and Correction of Unsafe Conditions	10,454	10,454	45,511	45,511	60,012	60,012	115,059	115,059	153,447	153,447	136,181	136,181
Renovation of Leased Space	65,210	65,210	115,760	115,760	89,389	89,389	46,569	46,569	28,438	28,438	52,704	52,704
Equipment and Interagency Services	12,846	12,846	23,472	23,472	31,472	31,472	30,962	30,962	33,866	33,866	5,869	5,869
Communications Equipment	—	—	—	—	758	758	321	321	322	322	—	—
Board of Elections	19	19	(296)	(296)	1,115	1,115	707	707	1,955	1,955	6,030	6,030
Miscellaneous Construction	1,801	1,801	22,420	22,420	35,494	35,494	29,261	29,261	5,367	5,367	5,059	5,059
Acquisition of Real Property	—	—	100	100	32,000	32,000	—	—	—	—	95	95
Energy Efficiency and Sustainability	30,254	30,254	111,440	112,677	284,538	284,538	340,151	340,151	349,840	349,840	350,356	350,356
Resiliency and Protective Measures	1,695	1,695	163,670	163,670	798,658	1,087,512	580,025	722,796	292,494	342,494	5,662	5,662
Rehabilitation of Waterfront & Non-Waterfront Properties ..	5,883	5,883	3,101	3,101	37	37	17,606	17,606	4,384	4,384	4,437	4,437
Total	\$137,343	\$137,343	\$508,502	\$517,434	\$1,540,481	\$1,829,335	\$1,227,849	\$1,370,620	\$977,683	\$1,027,683	\$677,301	\$677,301

Ten Year Capital Strategy (FY 2020-FY2029)

- Reconstruction and rehabilitation of public buildings and City-owned facilities (\$549.4 million), including projects at 345 Adams in Brooklyn (\$119.9 million), Manhattan Municipal Building (\$68.3 million), 1932 Arthur Avenue in the Bronx (\$32.7 million), a Computerized Testing and Applications Center in the Bronx (\$30.2 million), 253 Broadway in Manhattan (\$26.2 million), 22 Reade Street in Manhattan (\$24.4 million), 100 Gold Street in Manhattan (\$22.2 million), and Queens Borough Hall (\$14.3 million)
- Renovation of leased space (\$317.2 million), including expansion of Department of Emergency Management leased space in Brooklyn (\$85.0 million), renovation of the Department of Finance Queens Business Center(\$16.2 million), and infrastructure upgrades at the Department of Information Technology & Telecommunications' leased facility at 11 MetroTech Center (\$14.2 million)
- Legal mandates (\$621.3 million), including fire/life safety upgrades to ensure Local Law 5 compliance (\$363.1 million), fuel tank replacement and remediation (\$139.6 million), and façade upgrades to ensure Local Law 11 compliance (\$51.2 million)
- Equipment and interagency services (\$138.9 million), including development of a municipal supplies Inventory Management System (\$12.2 million), and installation of charging infrastructure for electric vehicles (\$10.8 million)
- Miscellaneous construction in other facilities (\$75.4 million)
- Renovation of other City-owned facilities (\$71.1 million), including space for the Taxi and Limousine Commission at its Woodside, Queens facility (\$64.5 million)
- Acquisition of real property (\$32.1 million)
- Communications equipment (\$1.4 million)
- Rehabilitation of court buildings (\$1.4 million)
- Rehabilitation of waterfront properties (\$52.6 million)
- Rehabilitation of non-waterfront properties (\$0.3 million)
- Citywide agency resiliency and waterfront rehabilitation (\$2.2 billion)
- Energy efficiency measures and building retrofits (\$3.1 billion), including funding for the Accelerated Conservation and Efficiency (ACE) Program (\$70.7 million), Local Law 87 deep retrofits (\$37.9 million), Solar panels at Citywide facilities (\$79.0 million), and other energy efficiency upgrades for various projects (\$2.9 billion). The One City, Built to Last plan will achieve an 80 percent reduction in GHG emissions from 2005 levels by 2050.

The 2020-2023 Plan provides \$4.9 billion and includes:

- Reconstruction and rehabilitation of public buildings and City-owned facilities (\$420.6 million), including projects at 345 Adams in Brooklyn (\$119.9 million), Manhattan Municipal Building (\$46.8 million), 1932 Arthur Avenue in the Bronx (\$32.2 million), a Computerized Testing and Applications Center in the Bronx (\$30.2 million), 253 Broadway in Manhattan (\$26.2 million), 22 Reade Street in Manhattan (\$24.4 million), 100 Gold Street in Manhattan (\$22.2 million), and Queens Borough Hall (\$14.3 million)
- Renovation of leased space (\$217.1 million), including expansion of Department of Emergency Management leased space in Brooklyn (\$60.0 million), renovation of the Department of Finance Queens Business Center(\$16.2 million), and infrastructure upgrades at the Department of Information Technology & Telecommunications' leased facility at 11 MetroTech Center (\$14.2 million)
- Energy efficiency measures and building retrofits (\$1.3 billion), including funding for the Accelerated Conservation and Efficiency (ACE) Program (\$70.7 million), Local Law 87 deep retrofits (\$37.9 million), Solar panels at Citywide facilities (\$79.0 million), and other energy efficiency upgrades for various projects (\$1.1 billion). The One City, Built to Last plan will achieve an 80 percent reduction in GHG emissions from 2005 levels by 2050.

- Legal mandates (\$464.7 million), including fire/life safety upgrades to ensure Local Law 5 compliance (\$222.7 million), fuel tank replacement and remediation (\$139.6 million), and façade upgrades to ensure Local Law 11 compliance (\$51.2 million)
- Equipment and interagency services (\$102.2 million), including development of a municipal supplies Inventory Management System (\$12.2 million), and installation of charging infrastructure for electric vehicles (\$10.8 million)
- Miscellaneous construction in other facilities (\$75.2 million)
- Renovation of other City-owned facilities (\$71.1 million), including space for the Taxi and Limousine Commission at its Woodside, Queens facility (\$64.5 million)
- Acquisition of real property (\$32.1 million)
- Communications equipment (\$1.4 million)
- Rehabilitation of court buildings (\$0.9 million)
- Rehabilitation of waterfront properties (\$26.2 million) and non-waterfront properties (\$0.3 million)
- Citywide agency resiliency and waterfront rehabilitation (\$2.2 billion)

DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS

DoITT is the technology core of New York City government, working with over 100 city agencies and entities to deliver the tech they need to serve and empower New Yorkers. DoITT's technology solutions help keep the five boroughs safe, strong, and connected by providing Citywide coordination and technical expertise in the development and use of data, voice, and video technologies in City services and operations. DoITT researches and manages large City IT projects and contracts, provides infrastructure support for data processing and communications services to numerous agencies, and administers the City's cable television and mobile and high-capacity telecommunications franchises. DoITT also provides technology and administrative support to NYC311, The Mayor's Office of Media and Entertainment (MOME), the Mayor's Office of Data Analytics, and the Mayor's Office of the Chief Technology Officer (MOCTO).

Financial Review

DoITT's 2020 Executive Budget provides for an operating budget of \$684.0 million, a decrease of \$54.0 million over the amount forecasted for 2019. This change is largely attributable to non-city funds that have not yet been rolled into the coming year and intra-city agreements for telecom that have not yet been renewed.

Revenue Forecast

The Department collects revenue from cable television, high capacity and mobile telecommunications franchises, advertising on wireless internet kiosks, and international programming fees for the use of the City's NYC TV cable television network. The Department will generate \$190.2 million in revenue for 2020.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- The Department's 2020 Executive Budget includes \$141.9 million for services that DoITT purchases on behalf of client agencies, including telecommunications, data, and consultant services.
- The Department's 2020 Executive Budget provides \$263.1 million for the Infrastructure Management Division. This Division is responsible for the data center operations and fiber optic network that provide data processing and networking services to over 120 City agencies and entities, 24 hours a day, seven days a week.
- The Department's 2020 Executive Budget provides \$49.4 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 2020 Executive Budget provides \$24.2 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 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019	2020
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$135,341	\$148,583	\$175,783	\$172,947	\$24,364	(\$2,836)
Fringe Benefits	—	—	—	—	—	—
OTPS	522,574	589,466	503,594	511,063	(78,403)	7,469
Total	\$657,915	\$738,049	\$679,377	\$684,010	(\$54,039)	\$4,633
Funding						
City	\$443,116	\$479,071	\$518,344	\$519,916	\$40,845	\$1,572
Other Categorical Grants ..	4,326	13,392	2,639	2,639	(10,753)	—
IFA	2,641	1,468	—	2,020	552	2,020
State	17,069	67,230	14,841	14,841	(52,389)	—
Federal CD	8,113	8,035	1,677	1,677	(6,358)	—
Federal Other	2,012	3,702	—	950	(2,752)	950
Intra-City Other	180,638	165,151	141,876	141,967	(23,184)	91
Total	\$657,915	\$738,049	\$679,377	\$684,010	(\$54,039)	\$4,633
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$33,044	\$42,033	\$45,985	\$47,544	\$5,511	\$1,559
Pensions	18,631	22,149	22,053	23,338	1,189	1,285
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	\$51,675	\$64,182	\$68,038	\$70,882	\$6,700	\$2,844
Funding						
City	46,268	59,876	64,483	66,203	6,327	1,720
Non-City	5,407	4,306	3,555	4,679	373	1,124
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$135,341	\$148,583	\$175,783	\$172,947	\$24,364	(\$2,836)
Fringe Benefits	33,044	42,033	45,985	47,544	5,511	1,559
Pensions	18,631	22,149	22,053	23,338	1,189	1,285
Total PS	\$187,016	\$212,765	\$243,821	\$243,829	\$31,064	\$8
OTPS	\$522,574	\$589,466	\$503,594	\$511,063	(\$78,403)	\$7,469
Debt Service	—	—	—	—	—	—
Total OTPS	\$522,574	\$589,466	\$503,594	\$511,063	(\$78,403)	\$7,469
Total Agency Costs	\$709,590	\$802,231	\$747,415	\$754,892	(\$47,339)	\$7,477
Less Intra-City	\$180,638	\$165,151	\$141,876	\$141,967	(\$23,184)	\$91
Net Agency Cost	\$528,952	\$637,080	\$605,539	\$612,925	(\$24,155)	\$7,386
Funding						
City	489,384	538,947	582,827	586,119	47,172	3,292
Non-City	39,568	98,133	22,712	26,806	(71,327)	4,094
Personnel (includes FTEs at fiscal year-end)						
City	1,465	1,728	1,857	1,792	64	(65)
Non-City	49	61	34	51	(10)	17
Total	1,514	1,789	1,891	1,843	54	(48)

Programmatic Review and Service Impact

DoITT is committed to leading exponential growth in technology and providing world-class IT services for the City of New York. The Department's initiatives reflect DoITT's mission of providing resilient, scalable, and leading IT services, infrastructure, and telecommunications to agency partners. DoITT also supports the hallmark of the de Blasio Administration: to create a more equitable city for all. To achieve these goals, DoITT works to establish Citywide policies around large-scale technology programs.

Recent efforts to broaden and diversify DoITT's pool of vendors to include more Minority- and Women-Owned Business Enterprises (M/WBE) and small businesses directly supports the Mayor's goal to increase total City awards to M/WBEs to \$16 billion over the next ten years, and in recognition of the essential nature of broadband, DoITT is working with its City partners to provide every resident and business access to affordable, reliable, high-speed broadband service by 2025. DoITT continues to support the implementation of WiFi at parks sites and the deployment of LinkNYC, a free, high-speed, citywide Wi-Fi network. LinkNYC kiosks are in the process of replacing aging public pay telephones across all five boroughs.

DoITT's state-of-the-art Citywide Data Center allows the City to leverage expertise, IT personnel, and enterprise architecture practice to avoid duplicative efforts across agencies and improve efficiency and effectiveness. DoITT also manages Citynet, the City's institutional fiber network; NYC.gov, the City's official website; the New York City Wireless Network (NYCWIN); the Citywide Radio Network (Channel 16); the 800 MHz Radio Network; the Citywide Geographic Information Systems Unit; and provides administrative support to various other initiatives to help streamline agency operations and deliver services to New Yorkers.

Sustainable Broadband Adoption and the Mayor's Office of technology and Innovation

As part of Mayor de Blasio's goal of universal broadband access, DoITT's franchisee installed the first LinkNYC kiosks on Monday, December 28, 2015, growing to more than 1,800 installed by April 2019. DoITT administers the funding for NYC Connected Communities, which provides \$3.7 million per year to a range of City partners to increase public broadband access, computer literacy, and job readiness training in communities of need.

The Mayor's Office of the Chief Technology Officer (MOCTO) is leading the efforts to reach affordable, reliable universal broadband for all New Yorkers by 2025. MOCTO also helps facilitate citywide coordination and collaboration on technology issues, serves as a catalyst for and advises agencies on innovation, and interacts with the wider New York City technology ecosystem in order to fulfill Mayor de Blasio's vision of making NYC the most innovative, tech-friendly, and equitable big city in the world.

New York City Cyber Command (NYC3)

Since its creation in July 2017 by Executive Order 28, NYC Cyber Command (NYC3) has led the City of New York's cyber defense efforts by directing incident response, mitigating cyber threats, and providing guidance to the Mayor and City agencies. Using the latest technologies and leveraging public-private partnerships, NYC Cyber Command protects, detects, responds, and recovers from cyber threats while setting citywide information security policies and standards. NYC Cyber Command is also taking a leading role in protecting the digital lives of all New Yorkers. In March 2018, Mayor de Blasio announced a pioneering cybersecurity initiative called NYC Secure, a free mobile application aimed at protecting New Yorkers online. Using a steadily evolving suite of solutions, NYC Secure defends New Yorkers from malicious cyber activity on mobile devices, across public Wi-Fi networks, and beyond.

Emergency Communications Transformation Program

The City continues work on Stage 2 of planned upgrades and enhancements to its 9-1-1 Emergency System. The majority of the capital funding for this initiative, known as the Emergency Communications Transformation Program (ECTP), is contained within DoITT's budget. This stage of ECTP entails a new, consolidated Fire and EMS dispatch system in a second, fully redundant Public Safety Answering Center (PSAC2) in the Bronx. NYPD call taking operations commenced at PSAC2 in June 2016, and FDNY call taking and EMD operations at PSAC2 went live in 2018 for all boroughs. Enhanced public safety systems, such as FireCAD and Joint Operations Center (JOC), are being deployed and EMSCAD implementation is expected to begin shortly.

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 leveraged by City agencies to improve service delivery to New Yorkers. Agencies rely on this network for systems such as Automated Water Meter Reading (AMR), Traffic Signal Control, License Plate Readers (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 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 the City's digital face to the world. Home to more than 180 NYC.gov websites, representing City agencies, entities, organizations, and initiatives, NYC.gov receives 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. From the homepage, users can find important alerts, watch Mayoral announcements live, make a 311 service request, get customized information about their neighborhood, and discover new events and programs.

Mayor's Office of Media and Entertainment

The New York City Mayor's Office of Media and Entertainment (MOME) streamlines government communications by making more information accessible, leveraging technology to aid in the transparency of government, and by supporting relevant industries in New York City. MOME consists of the Office of Film, Theatre and Broadcasting, and NYC Media, the official television, radio, and online network of the City of New York.

Streamlining Agency Operations

DoITT will continue to leverage 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 2020-2029 includes \$702 million for infrastructure improvements associated with these Citywide initiatives.

ECONOMIC DEVELOPMENT

Fostering economic development in New York City requires a multi-faceted approach, coordinated between multiple agencies. The two main entities responsible for economic development in the City are the Department of Small Business Services (SBS) and the New York City Economic Development Corporation (NYCEDC). SBS makes it easier for businesses in New York City to form, do business and grow by providing direct assistance to business owners, fostering neighborhood development in commercial districts and linking employers to a skilled and qualified workforce. NYCEDC's mission is to encourage inclusive economic growth throughout the five boroughs of New York City by facilitating investments that create jobs and strengthen neighborhoods. Together, SBS and NYCEDC oversee programming to achieve the City's economic development goals.

The Department of Small Business Services (SBS)

SBS aims to unlock economic potential and create economic security for all New Yorkers by connecting people to quality jobs, building stronger businesses, and fostering thriving neighborhoods across the five boroughs. SBS operates the City's NYC Business Solutions Centers, Industrial Business Solutions Provider Network and Workforce1 Career Centers; provides services to support the growth of local community development organizations throughout the City; and administers the Minority and Women-owned Business Enterprise (M/WBE) Program. SBS also contracts with NYCEDC, NYC & Company, the Trust for Governors Island (TGI) and the Brooklyn Navy Yard Development Corporation (BNYDC), to bolster economic development in the five boroughs.

New York City Economic Development Corporation (NYCEDC)

NYCEDC is a not for profit organization under contract with SBS. It manages City-owned properties and invests in major infrastructure upgrades and capital projects; conducts area-wide planning and real estate development; and works to support the City's major business sectors. NYCEDC addresses challenges faced by industries through analysis of current economic trends, development of strategies and solutions, and implementation of programs that help businesses thrive and grow. Through the New York City Industrial Development Agency (NYCIDA) and Build New York City Resource Corporation (Build NYC), NYCEDC helps eligible businesses meet financing needs for property acquisition, new equipment, renovation and working capital through low-cost tax-exempt bonds and exemptions and abatements of selected City and State taxes.

Brooklyn Navy Yard Development Corporation (BNYDC) and Trust for Governors Island (TGI)

SBS also contracts with the BNYDC and the TGI for the purposes of economic development and rehabilitating City-owned assets. Since 1981, BNYDC has operated the Brooklyn Navy Yard on behalf of the City and has diversified the types of businesses that operate at the Navy Yard. Currently, over 425 businesses employ nearly 10,000 people at the Navy Yard's 300-acre campus.

In 2011, the City of New York assumed responsibility for the development and operation of Governors Island, located in Upper New York Harbor. Since assuming control of the Island, the City has made major investments at the Island for public access and to prepare it for future development. With these investments, TGI has fortified the Island against natural disasters, rehabilitated the Island's electrical and maritime infrastructure, created new parkland, and stabilized historic buildings.

Financial Review

The 2020 Executive Budget provides \$189 million in operating expenses at SBS, comprised of \$134.1 million of City funding and \$54.9 million of non-City sources. The SBS operating budget includes allocations for NYCEDC, NYC & Company and the TGI.

City-funded capital commitments of \$3 billion are forecast in the 2020-2023 capital plan. Of this amount, \$2.9 billion reflects Mayoral commitments. The remaining \$86.7 million reflects Elected Official commitments.

Expense Budget Highlights*SBS*

- The Workforce Development Division helps New Yorkers build careers and connect to jobs. Workforce Development programs are currently budgeted at \$71.1 million in 2020.
- The Business Services Division helps businesses to start, operate and grow. The 2020 Executive Budget provides \$29.4 million in City and Federal funds.
- The Neighborhood Development Division strengthens commercial neighborhoods and supports the City's network of 75 Business Improvement Districts. The 2020 Executive Budget provides \$7.3 million in City and Federal funds.
- The Division of Economic and Financial Opportunity certifies minority- and women-owned businesses (M/WBEs) for government contracts, provides technical assistance to M/WBEs, and works to ensure parity in the City's hiring practices. The City's M/WBE Program is held accountable through the Mayor's Office of M/WBEs (OM/WBE) oversight. O/MWBE also provides support as a One-Stop resource for M/WBEs interested in doing business with the City and its agencies. The 2020 Executive Budget provides \$8.1 million in City and Federal funds. Supplemental private funds that also support M/WBEs are not reflected in the FY2020 Executive Budget.

NYCEDC

- NYCEDC is self-sustaining and receives no direct operating funds from the City, deriving revenues primarily from the management of City-owned property, financing fees, and land sale proceeds.

NYC and Co.

- Through a contract with SBS, NYC & Company will receive \$20.7 million in City funding in 2020 for its work to promote the City as the country's premier tourist destination, serve as the City's official marketing organization, and to provide partnership services.

Trust for Governors Island

- Through a contract with SBS, TGI will receive \$14.9 million in City funding towards the management and operation of the Island in 2020, as well as capital funds for further investment in infrastructure, improvement of the ferry landings, and restoration of landmark buildings.

Brooklyn Navy Yard Development Corporation (BNYDC)

- BNYDC is self-sustaining and receives no direct operating funds from the City, deriving revenues primarily from the management of City properties. Through a contract with SBS, BNYDC will receive capital funds for investments in infrastructure.

Summary of Agency Financial Data

The following table compares 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019	2020
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$23,623	\$26,473	\$28,952	\$30,345	\$3,872	\$1,393
Fringe Benefits	—	8	—	—	(8)	—
OTPS	243,537	287,150	145,043	158,606	(128,544)	13,563
Total	\$267,160	\$313,631	\$173,995	\$188,951	(\$124,680)	\$14,956
Funding						
City	\$173,148	\$200,557	\$119,099	\$134,058	(\$66,499)	\$14,959
Other Categorical Grants ..	9,036	9,168	630	630	(8,538)	—
IFA	—	—	—	—	—	—
State	2,271	2,229	2,041	2,041	(188)	—
Federal CD	19,649	27,038	11,414	11,414	(15,624)	—
Federal Other	44,136	60,943	40,251	40,248	(20,695)	(3)
Intra-City Other	18,920	13,696	560	560	(13,136)	—
Total	\$267,160	\$313,631	\$173,995	\$188,951	(\$124,680)	\$14,956
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$6,556	\$8,184	\$8,693	\$8,755	\$571	\$62
Pensions	3,420	4,012	3,849	4,074	62	225
Other Than Personal Service (OTPS)						
Debt Service	201,770	148,530	164,851	135,562	(12,968)	(29,289)
Total Additional Costs	\$211,746	\$160,726	\$177,393	\$148,391	(\$12,335)	(\$29,002)
Funding						
City	204,205	150,870	167,215	139,429	(11,441)	(27,786)
Non-City	7,541	9,856	10,178	8,962	(894)	(1,216)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$23,623	\$26,473	\$28,952	\$30,345	\$3,872	\$1,393
Fringe Benefits	6,556	8,192	8,693	8,755	563	62
Pensions	3,420	4,012	3,849	4,074	62	225
Total PS	\$33,599	\$38,677	\$41,494	\$43,174	\$4,497	\$1,680
OTPS	\$243,537	\$287,150	\$145,043	\$158,606	(\$128,544)	\$13,563
Debt Service	201,770	148,530	164,851	135,562	(12,968)	(29,289)
Total OTPS	\$445,307	\$435,680	\$309,894	\$294,168	(\$141,512)	(\$15,726)
Total Agency Costs	\$478,906	\$474,357	\$351,388	\$337,342	(\$137,015)	(\$14,046)
Less Intra-City	\$18,920	\$13,696	\$560	\$560	(\$13,136)	\$—
Net Agency Cost	\$459,986	\$460,661	\$350,828	\$336,782	(\$123,879)	(\$14,046)
Funding						
City	377,353	351,427	286,314	273,487	(77,940)	(12,827)
Non-City	82,633	109,234	64,514	63,295	(45,939)	(1,219)
Personnel (includes FTEs at fiscal year-end)						
City	215	222	275	256	34	(19)
Non-City	89	109	100	118	9	18
Total	304	331	375	374	43	(1)

Programmatic Review and Service Impact

Department of Small Business Services

SBS works to foster a thriving, equitable economy and promote inclusive growth by connecting New Yorkers to good jobs, creating stronger businesses, and building a fairer economy. It does this by linking employers to a skilled and qualified workforce, providing direct assistance to business owners, reducing the burden of regulation, supporting neighborhood development in commercial districts, and promoting financial and economic opportunity among minority- and women-owned businesses.

Workforce Development Division (WDD)

The Workforce Development Division helps New Yorkers find jobs by connecting them to employment opportunities and industry-informed training. In 2018, Workforce1 Career Centers served more than 102,357 jobseekers, providing recruitment expertise, industry knowledge, and skill-building workshops to match candidates to jobs and training opportunities. Additionally, the Workforce1 system helped to connect New Yorkers to more than 25,534 jobs.

Division of Business Services (DBS)

The Division of Business Services helps small businesses start, operate, and thrive by providing free business services through NYC Business Solutions Centers in all five boroughs.

Centers are open in the South Bronx, Upper Manhattan, Queens, Downtown Brooklyn, Washington Heights, Staten Island and Lower Manhattan. In 2018, SBS's NYC Business Solutions Centers facilitated or distributed financing awards to 825 unique businesses; held 632 free business education workshops for entrepreneurs; enabled 537 establishments to open; and served 19,842 unique customers and businesses.

The Emergency Response Unit, in coordination with the Mayor's Office of Emergency Management, assists businesses affected by disasters by providing updates on building re-openings, facilitating the resolution of matters affecting day-to-day business operations, and compiling evidence to support business claims for assistance. In 2018, staff provided assistance to 166 businesses.

Neighborhood Development Division (NDD)

NDD supports community-based economic development organizations throughout New York City in order to strengthen neighborhood commercial corridors and to create conditions under which local businesses thrive and residents can access to a vibrant mix of goods and services. In 2018 through a network of 75 Business Improvement Districts (BIDs), NDD oversaw contracts that led to the provision of more than \$158.9 million in supplemental services to more than 93,000 businesses throughout the five boroughs.

Division of Economic and Financial Opportunity (DEFO)

SBS works to ensure that the City's procurement process reflects the great diversity of this City, and that government uses all levers available to strengthen minority and women-owned businesses. The Division of Economic and Financial Opportunity focuses on helping minority and women owned firms certify with the City, and build their capacity so they can compete and win contracts in the public and private sectors. Mayor de Blasio has made significant investments in the M/WBE program and set ambitious goals to support M/WBEs, including certifying 9,000 M/WBEs by 2019. As of 2018, SBS has certified 6,829 M/WBEs, representing a nearly 33% increase from the prior year.

New York City Economic Development Corporation

As the City's primary vehicle for advancing inclusive economic development, NYCEDC coordinates with both the private and public sectors to promote economic development activities across a diverse set of industries and neighborhoods. To support industrial and commercial development, and improve transportation and waterfront infrastructure, NYCEDC utilizes a combination of City capital funds and NYCEDC revenue to manage the City's industrial, waterfront and commercial assets.

Industry Support and Small Business Assistance

NYCEDC provides several small business lending, guarantee, and bond programs, as well as a range of sector-based programs and initiatives designed to spur growth and innovation in strategic sectors of the City's economy. The purpose of these programs is to create jobs, and retain and expand businesses

through financial assistance, incubator space or talent development initiatives. NYCEDC has served over 1,500 businesses across the five boroughs through incubators, accelerators and innovation programs in the last year.

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 NYC Ferry Service. Initially launched in 2017, NYC Ferry now operates all six original routes extending from the Rockaways in Queens to Soundview in the Bronx.

As announced in Mayor DeBlasio's 2019 State of the City, service will expand to connect Staten Island's north shore, Manhattan's west side, Coney Island and the Throgs Neck neighborhood of the Bronx to the NYC Ferry system.

Asset Management

NYCEDC helps the City manage and sell its real estate assets. NYCEDC also conducts real estate planning and development, disposes of City-owned

property, releases RFPs to develop City assets, and conducts neighborhood-wide planning, throughout the five boroughs. The asset management portfolio includes over 230 City-owned properties, which includes more than 65 million square feet of commercial and industrial real estate properties as well as transportation, critical infrastructure, and energy assets. This includes the Brooklyn Army Terminal (BAT), which is currently 94 percent occupied, with over 100 tenants employing nearly 4,000 workers.

NYCEDC also oversees the New York City Industrial Development Agency (NYCIDA) and the Build NYC Resource Corporation (Build NYC) to provide financing and tax assistance for capital expansion projects for industrial and commercial companies and not-for-profit organizations. The NYCIDA provides low-cost tax-exempt bonds and exemptions and abatements of selected City and State taxes to create and retain jobs. By working with Build NYC, not-for-profit institutions are able to access triple tax-exempt bonds that can lower the costs of financing their capital needs and free up funds to invest in their programs. Since January 2002 NYCIDA closed on 443 projects and Build NYC closed on 121 projects as of June 30, 2018.

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 2020-2029 Ten-Year Capital Strategy totals \$3.7 billion in City capital funding which includes \$3 billion in the 2020-2023 Four-Year Plan.

The following chart shows Capital plan commitments by major function over the 2020-2023 period.

Capital Commitments
(\$ in 000's)

	2018 Actual		2019 Plan		2020 Plan		2021 Plan		2022 Plan		2023 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
Neighborhood Revitalization	\$105,397	\$109,205	\$146,461	\$155,497	\$63,401	\$76,343	\$266,476	\$279,272	\$521,266	\$524,027	\$333,818	\$367,280
Waterfront Development	55,393	63,363	254,226	266,992	168,692	185,349	257,885	286,021	125,158	125,472	81,828	83,402
Industrial Development	56,452	57,497	150,436	157,609	91,854	163,956	60,544	60,648	169,601	169,601	100,182	100,182
Commercial Development	13,542	12,203	29,071	42,815	10,736	21,768	76,069	76,069	160,967	160,967	71,661	72,091
Miscellaneous	25,988	26,839	96,625	124,557	54,240	120,884	92,397	92,397	74,015	74,077	12,750	12,750
Community Development	18,622	18,622	95,903	95,903	35,166	35,531	1,041	1,041	104,136	104,151	6,172	6,172
Market Development	25,459	32,091	26,572	29,567	1,500	1,820	12,512	12,512	34,722	34,722	45,886	45,886
Cultural Development	-	-	175	175	-	-	-	-	-	-	-	-
Port Development	214	214	-	-	-	-	-	-	-	-	-	-
Total	\$301,067	\$320,034	\$799,469	\$873,115	\$425,589	\$605,651	\$766,924	\$807,960	\$1,189,865	\$1,193,017	\$652,297	\$687,763

Highlights of the 2020-2023 Four Year Capital Plan:

- A total of \$429.1 million for projects related to the re-zonings proposed in neighborhood plans developed by the Department of City Planning, funded by the Neighborhood Development Fund, to help provide for critical infrastructure work.
- A total of \$304.5 million for infrastructure work related to the Citywide Ferry Service.
- A total of \$103.1 million to support the Mayor's New York Works Plan to create 100,000 new, quality jobs.
- A total of \$206.5 million for the rehabilitation of existing structures, public access improvements, and infrastructure upgrades to support future redevelopment at Brooklyn Navy Yard.
- A total of \$91.4 million for the rehabilitation of existing structures, public access improvements, and infrastructure upgrades to support public open space and future redevelopment at Governors Island.

LIBRARIES

The City of New York funds three independently operated public library systems, each administered by a separate board of trustees. The Brooklyn Public Library (BPL) oversees the operation of 58 branches and a Central Library. The New York Public Library (NYPL) is made up of four research libraries all located in Manhattan and 88 neighborhood branches throughout the Bronx (35 branches), Manhattan (40 branches), and Staten Island (13 branches). NYPL's four research libraries are the Stephen A. Schwarzman Building, the New York Public Library for the Performing Arts, the Schomburg Center for Research in Black Culture, and the Science, Industry and Business Library. The Queens Public Library (QPL) consists of 61 branches, a Central Library, one family literacy center, one technology center and a teen library in Far Rockaway.

Financial Review

The Libraries 2020 Executive Budget provides for operating expenses of \$386.9 million. It also provides for City funded capital commitments of \$893.7 million and \$0.3 million in non-City funds.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- In 2020, the operating subsidy for the Brooklyn Public Library will be \$105.9 million.
- In 2020, the operating subsidy for the New York Public Library will be \$141.4 million.
- In 2020, the operating subsidy for the New York Public Library's research libraries will be \$28.7 million.

- In 2020, the operating subsidy for the Queens Public Library will be \$110.9 million.

Restructuring and Streamlining

- NYPL will eliminate DVDs from its circulating collection, resulting in City savings of \$950,000.
- BPL will reduce spending on materials and collections, resulting in City savings of \$712,500.
- QPL will assess its OTPS budget to find efficiencies in contractual spending, the materials budget, and other OTPS costs. This initiative will achieve City savings of \$712,500.

Summary of Agency Financial Data

The following table compares 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019	2020
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$—	\$—	\$—	\$—	\$—	\$—
Fringe Benefits	—	—	—	—	—	—
OTPS	382,436	398,805	388,788	387,130	(11,675)	(1,658)
Total	\$382,436	\$398,805	\$388,788	\$387,130	(\$11,675)	(\$1,658)
Funding						
City	\$377,565	\$395,271	\$388,788	\$387,130	(\$8,141)	(\$1,658)
Other Categorical Grants	309	—	—	—	—	—
IFA	—	—	—	—	—	—
State	—	—	—	—	—	—
Federal CD	—	—	—	—	—	—
Federal Other	—	—	—	—	—	—
Intra-City Other	4,562	3,534	—	—	(3,534)	—
Total	\$382,436	\$398,805	\$388,788	\$387,130	(\$11,675)	(\$1,658)
Additional Costs Centrally Funded						
Other Than Personal Service (OTPS)						
Fringe Benefits	\$2,029	\$2,046	\$2,255	\$2,183	\$137	(\$72)
Pensions	34,096	34,628	35,945	35,945	1,317	—
Debt Service	68,120	66,095	73,292	76,820	10,725	3,528
Total Additional Costs	\$104,245	\$102,769	\$111,492	\$114,948	\$12,179	\$3,456
Funding						
City	101,757	100,521	109,027	112,558	12,037	3,531
Non-City	2,488	2,248	2,465	2,390	142	(75)
Full Agency Costs (including Central Accounts)						
Fringe Benefits	\$2,029	\$2,046	\$2,255	\$2,183	\$137	(\$72)
OTPS	382,436	398,805	388,788	387,130	(11,675)	(1,658)
Pensions	34,096	34,628	35,945	35,945	1,317	—
Debt Service	68,120	66,095	73,292	76,820	10,725	3,528
Total OTPS	\$486,681	\$501,574	\$500,280	\$502,078	\$504	\$1,798
Total Agency Costs	\$486,681	\$501,574	\$500,280	\$502,078	\$504	\$1,798
Less Intra-City	\$4,562	\$3,534	\$—	\$—	(\$3,534)	\$—
Net Agency Cost	\$482,119	\$498,040	\$500,280	\$502,078	\$4,038	\$1,798
Funding						
City	479,322	495,792	497,815	499,688	3,896	1,873
Non-City	2,797	2,248	2,465	2,390	142	(75)
Personnel (includes FTEs at fiscal year-end)						
City	—	—	—	—	—	—
Non-City	—	—	—	—	—	—
Total	—	—	—	—	—	—

* The 2020 Executive Budget provides an estimated 4,121 full-time and full-time equivalent positions, which are funded with City subsidies.

Programmatic Review and Service Impact

The three library systems will continue to provide services throughout the five boroughs at existing branches and at recently opened or rehabilitated libraries:

- The Van Cortlandt branch, in the Bronx, will move to a new site that will be more than twice the size of the current location. The new branch will include dedicated teen and children spaces and is scheduled to open in July 2019.
- The Macomb's Bridge branch, in Manhattan, will move to a new site that will be more than four times the size of the current location. The new branch is scheduled to open in Fall 2019.
- The new Roosevelt Island branch, tripling the size of the current location, is scheduled to open in early 2020.
- A new branch, Charleston Library, is being added to the Staten Island community. Construction is scheduled to begin in Summer 2019.
- Five Carnegie branches in the New York Public Library system (Port Richmond, Hunts Point, Melrose, 125th Street, and Fort Washington) will undergo comprehensive renovations. Construction is slated to begin in 2020.
- The Countee Cullen and Ottendorfer branches, in Manhattan, were fully reopened to the public in 2019 with an elevator replacement and fire alarm system upgrade, respectively.
- Queens Public Library opened a new Central Operations Center in Jamaica in March 2019.
- A new Hunters Point branch is under construction and is expected to open to the public in Summer 2019.
- Construction began in Winter 2018 on a new Far Rockaway branch.
- The expansion and renovation of the East Elmhurst branch is in progress. It is expected to be completed in Spring 2019 and will almost double the size of the existing facility. When completed, this branch will feature a new east entry, new interior court with a skylight, new multi-purpose room, new teen area and new landscaped patio.
- The installation of a new HVAC system in the Baisley Park branch will begin in Spring 2019.
- A renovation project began at the Glendale branch in Spring 2018 and a renovation project began at the Steinway branch in Fall 2018.
- BPL's flagship Central Library is undergoing a large multiphase renovation. Phase 1, which began in 2019, includes infrastructure upgrades and new elements such as a Popular Library and Civic Commons.
- In 2019, BPL will open the new Greenpoint Library and Environmental Education Center.
- Major renovations of the Rugby, Windsor Terrace and East Flatbush Libraries are ongoing with expected completion in 2020.

The three library systems continue to provide a variety of community programming throughout the five boroughs:

- The Brooklyn Public Library (BPL) offered a wide variety of programs and services in its library branches, which had nearly 8 million total visits in 2018. Over the course of the year, BPL offered over 69,000 free programs to the public, attracting 1.1 million attendees, an increase of nine percent – including cultural programming, English for Speakers of Other Languages (ESOL) classes, citizenship preparation groups, workforce development, technology training, and others. The Library also continued to launch new branch programs through the BKLYN Incubator initiative. In 2018, BPL worked with NYPL and QPL to launch Culture Pass, a program to provide free admission for library card holders to dozens of cultural institutions throughout the City. BPL is engaged in its most ambitious program to upgrade and enhance its branches in over half a century, including the building of six new library spaces, eight renovated branches, and expanding the many service points throughout the borough.
- The New York Public Library (NYPL) has been an essential presence in the Bronx, Manhattan, and Staten Island for more than a century, providing a safe and reliable space for all New Yorkers, regardless of their background or means. In 2018, NYPL had nearly

17 million visits across its 92 locations, offering 113,275 programs and classes with attendance totaling approximately 2.1 million visitors. NYPL circulated just over 20 million items in 2018; while that number is expected to slightly decline in coming years as the Library embarks on a series of much-needed improvement projects (which require temporary branch closings) the Library's circulation remains strong. The Library also continued to be a key partner in IDNYC sign-ups: 20 percent of all sign-ups (nearly 300,000 cards) happened at NYPL branches. The Library's focus on early literacy continued a year after establishing enhanced literacy sites at 87 branches, up from 50: in 2018, the Library hosted 31,000 early literacy programs, hosted Family Literacy Workshops in 87 of its 88 branches, and reached over 788,000 attendees, a 154 percent increase over two years prior. Approximately 150 staff members were trained in early education best practices to maximize the impact of these programs. Additionally, the Library offered 160,000 kids a fresh start through a fine amnesty in October 2017. This included 80,000 kids with previously blocked cards, who predominantly came from high needs areas; the Library saw an increase in library usage among that group of amnestied kids, in particular. In partnership with the Department of Education, NYPL served close to 500 schools through the MyLibraryNYC program, expanding to nearly one-third of all DOE schools. And as part of City's First Readers, a collaboration of nonprofit organizations fostering the literacy development of NYC children ages zero through five, the Library has delivered over 110,000 Early Literacy Kits over the last four years. Furthermore, NYPL has witnessed a three-fold increase in enrollment of English for Speakers of Other Languages (ESOL) classes over the last five years, serving 15,586 enrollees system-wide in 2018. Over 5,000 people used library classes and resources on their path to citizenship, as well. To help close the digital divide and support workforce development, the Library offered over 80 different free technology training classes in 2018, with almost 120,000 attendees. These classes are held in English, Spanish, and Chinese Mandarin. The Library also offered services at five different correctional facilities (including two permanent libraries opened

in the last two years at two different facilities), offered video visitation at eight branches across three boroughs averaging about 100 attendees each month (about 38 of those attendees are kids), and offered programs to over 6,200 homeless or at risk of being homeless New Yorkers (including 1,000 children and caregivers at storytimes held in City shelters).

- The Queens Public Library (QPL) is dedicated to serving the most ethnically and diverse area in the country, offering free access to a collection of more than 5 million books and other materials in multiple languages. Last year, QPL welcomed over 11.4 million visitors to its 65 locations, which include its branch libraries, a Central Library, seven adult learning centers, a technology lab, two-universal pre-kindergartens, and two teen centers. Three million people used QPL's computers to access the internet, and 500,000 people connected to the internet through its Wi-Fi network. In addition, a record 1.5 million people participated in more than 87,000 library programs, such as early childhood literacy, English for Speakers of Other Languages (ESOL) classes, job skills training and streaming art classes for the homebound. Through its foundation's "Innovation Fund," QPL received grants for seven initiatives generated by staff throughout the system to deepen customer engagement and learning. The winning proposals range from a multi-branch robotics league to a STEM program focused on spatial reasoning. The Library inaugurated New York City's first and only free, publicly circulating Burmese language collection at Elmhurst Library, eliminated the distribution of plastic bags to customers and launched "It's Time for Kind," a series of events and activities held between Thanksgiving and New Year's to promote acts of kindness. It collaborated with NYPL and BPL to conduct a citywide voter registration drive, and started Culture Pass, which offers library cardholders free admittance to more than 40 cultural institutions in all five boroughs.

Days and hours of library branch service remain a priority for all three library systems. In 2019, on average, each branch provides at least six days of service per week (approximately 47.9 hours per week).

Capital Review

The 2020-2029 Ten-Year Capital Strategy for the Libraries totals \$894.0 million. The table below reflects capital commitments by system over the 2020-2023 period.

Capital Commitments (\$ in 000's)

	2018 Actual		2019 Plan		2020 Plan		2021 Plan		2022 Plan		2023 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	\$31,037	\$31,037	\$50,590	\$56,848	\$33,971	\$33,971	\$110,573	\$110,573	\$102,884	\$102,884	\$25,030	\$25,030
New York Public Library	167,615	167,615	72,952	72,952	118,240	118,240	37,171	37,171	17,163	17,163	69,578	69,578
NYPL Research Libraries	65	65	31,799	31,799	62	62	85	85	393	393	1,177	1,177
Queens Public Library	37,280	37,280	31,933	35,849	33,520	33,520	70,780	70,996	134,311	134,311	89,413	89,445
Total	<u>\$235,997</u>	<u>\$235,997</u>	<u>\$187,274</u>	<u>\$197,448</u>	<u>\$185,793</u>	<u>\$185,793</u>	<u>\$218,609</u>	<u>\$218,825</u>	<u>\$254,751</u>	<u>\$254,751</u>	<u>\$185,198</u>	<u>\$185,230</u>

Highlights of the Ten-Year Plan include:

Brooklyn Public Library (BPL):

The 2020-2029 Ten-Year Capital Strategy allocates \$278.0 million for various renovations and improvements at BPL branches, including:

- Comprehensive renovations of five branches identified as most critical (\$93.1 million, in addition to \$2.3 million in 2019).
- Phase two of a comprehensive rehabilitation of the Central Library (\$26.3 million).
- Interior and exterior rehabilitation of the Borough Park branch (\$16.4 million).
- Interior and exterior rehabilitation of the Washington Irving branch (\$8.7 million, in addition to \$1.3 million in 2019).
- Interior and exterior rehabilitation of the Arlington branch (\$7.2 million, in addition to \$0.9 million in 2019).

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

The 2020-2029 Ten-Year Capital Strategy allocates \$280.5 million for various renovations and improvements at NYPL branches and research libraries, including:

- Comprehensive renovations of five branches identified as most critical (\$74.6 million, in addition to \$25.4 million in 2019).

- Construction of the new Westchester Square branch in the Bronx (\$29.4 million).
- Phase two renovations of the Schomburg Center for Research in Black Culture in Manhattan (\$13.5 million in 2019).
- Interior and exterior rehabilitation of the Hamilton Fish branch in Manhattan (\$6.6 million, in addition to \$0.6 million in 2019).
- Construction of the new Charleston branch in Staten Island (\$5.2 million, in addition to \$6.4 million in 2019).

Queens Public Library (QPL):

The 2020-2029 Ten-Year Capital Strategy allocates \$335.5 million for various renovations and improvements at QPL branches, including:

- Comprehensive renovations, new construction, and expansion of branches identified as most critical (\$97.1 million, in addition to \$2.9 million in 2019).
- Expansion and renovation of the Jackson Heights branch (\$28.5 million).
- Construction of the new Rego Park branch (\$27.1 million, in addition to \$2.9 million in 2019).
- Expansion and furnishing of the Baisley Park branch (\$6.7 million).

THE DEPARTMENT OF CULTURAL AFFAIRS

The Department of Cultural Affairs (DCLA) is responsible for supporting and strengthening the City's vibrant cultural life through funding, technical assistance, and advocacy for more than 1,200 nonprofit cultural organizations across New York City, including museums, dance companies, theaters, performing arts organizations, botanical gardens, zoos, and a wide array of other cultural organizations.

The City supports operations at the 33 City-owned cultural institutions known as the Cultural Institutions Group (CIG). This group includes diverse organizations such as the American Museum of Natural History, the Bronx Museum of the Arts, the Queens Museum, the Brooklyn Academy of Music, and the Staten Island Historical Society.

DCLA provides support for capital improvements at more than 200 cultural organizations throughout the five boroughs. Funding is provided for infrastructure, renovation, expansion, equipment, and public art projects. In 2019, DCLA also provided program grants and support services to more than 940 cultural organizations Citywide, including groups such as Staten Island Philharmonic Orchestra, BronxArtSpace, New York Deaf Theater, BRIC Arts Media Bklyn, Harlem Needle Arts, National Book Foundation, Rockaway Waterfront Alliance and Coney Island History Project.

Financial Review

The Department of Cultural Affairs' 2020 Executive Budget provides for operating expenses of \$144.8 million. It also provides for City funded capital commitments of \$805.3 million and \$1.0 million in non-City funds.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- The City's 33 CIG institutions will receive operating support of \$103.3 million, including \$40.2 million in energy subsidies.
- In the 2020 Executive Budget, various cultural organizations Citywide will receive program grants totaling \$34.9 million.
- The 2020 Executive Budget contains \$6.6 million in operating funds for the Department of Cultural Affairs' staff, rent, supplies, and equipment.

Summary of Agency Financial Data

The following table compares 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019	2020
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$4,662	\$4,956	\$5,148	\$4,958	\$2	(\$190)
Fringe Benefits	—	—	—	—	—	—
OTPS	187,835	202,200	146,841	139,819	(62,381)	(7,022)
Total	\$192,497	\$207,156	\$151,989	\$144,777	(\$62,379)	(\$7,212)
Funding						
City	\$184,569	\$197,722	\$151,469	\$144,257	(\$53,465)	(\$7,212)
Other Categorical Grants ..	395	3,322	—	—	(3,322)	—
IFA	249	246	248	248	2	—
State	—	3	3	3	—	—
Federal CD	202	389	258	258	(131)	—
Federal Other	36	—	—	—	—	—
Intra-City Other	7,046	5,474	11	11	(5,463)	—
Total	\$192,497	\$207,156	\$151,989	\$144,777	(\$62,379)	(\$7,212)
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$1,156	\$1,459	\$1,529	\$1,551	\$92	\$22
Pensions	8,373	10,099	10,129	10,174	75	45
Other Than Personal Service (OTPS)						
Debt Service	149,865	186,653	206,978	235,382	48,729	28,404
Total Additional Costs	\$159,394	\$198,211	\$218,636	\$247,107	\$48,896	\$28,471
Funding						
City	153,832	191,758	211,565	239,675	47,917	28,110
Non-City	5,562	6,453	7,071	7,432	979	361
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$4,662	\$4,956	\$5,148	\$4,958	\$2	(\$190)
Fringe Benefits	1,156	1,459	1,529	1,551	92	22
Pensions	8,373	10,099	10,129	10,174	75	45
Total PS	\$14,191	\$16,514	\$16,806	\$16,683	\$169	(\$123)
OTPS	\$187,835	\$202,200	\$146,841	\$139,819	(\$62,381)	(\$7,022)
Debt Service	149,865	186,653	206,978	235,382	48,729	28,404
Total OTPS	\$337,700	\$388,853	\$353,819	\$375,201	(\$13,652)	\$21,382
Total Agency Costs	\$351,891	\$405,367	\$370,625	\$391,884	(\$13,483)	\$21,259
Less Intra-City	\$7,046	\$5,474	\$11	\$11	(\$5,463)	\$—
Net Agency Cost	\$344,845	\$399,893	\$370,614	\$391,873	(\$8,020)	\$21,259
Funding						
City	338,401	389,480	363,034	383,932	(5,548)	20,898
Non-City	6,444	10,413	7,580	7,941	(2,472)	361
Personnel (includes FTEs at fiscal year-end)						
City	58	73	64	61	(12)	(3)
Non-City	5	5	5	5	—	—
Total	63	78	69	66	(12)	(3)

* The 2020 Executive Budget provides an estimated 1,192 full-time and full-time equivalent positions, which are funded with City subsidies.

Programmatic Review and Service Impact

- In 2019, DCLA continues to address the recommendations from the City’s cultural plan, CreateNYC, through new and existing initiatives including:
 1. Increasing funding for the Cultural Institutions Group (CIG) and for DCLA’s grant-making program, the Cultural Development Fund (CDF), with a focus on smaller organizations in areas with high public engagement and low cultural resources.
 2. Continued, expanded support of individual artists through the Department’s re-grant program with the five local arts councils.
 3. Continued efforts to forge stronger connections between the City and the cultural sector with the second year of the Mayor’s Grant for Cultural Impact program, a second year of new programming partnerships between cultural organizations and the three public library systems, and through continuation of the Public Artists in Residence (PAIR) program.
 4. The launch of the Disability Forward Fund, a grant program designed to deepen engagement in the arts for people with disabilities as artists, cultural workers, and audience members.
 5. Supporting diversity and inclusion in the cultural workforce through the continuation of the CUNY Cultural Corps program, which places CUNY students in paid internship positions at the 33 CIGs. In addition, the Department supported two new cohorts of CreateNYC: Leadership Accelerator, offering professional development for 52 mid-level cultural workers through the CUNY-led program.
 6. The launch of Community Organizing 101: Engagement Tactics for Cultural Organizations, a course intended to introduce cultural organizations to tactics and strategies for sustained community building.
- DCLA continued its Public Artists in Residence (PAIR) program, which creates more avenues for artists to work with government agencies. In 2019, DCLA launched four new residencies with four new City agency partners: the Department of Health and Mental Hygiene, the Department for the Aging, the Department for Records and Information Services, and the Mayor’s Office of Sustainability. The four new artists will be in residence with their host agencies for a year and will present participatory public art projects that address some of the challenges facing the City.
- In 2019, six commissions for Percent for Art are slated for completion, including Melissa Calderon’s Para Roberto at the Roberto Clemente Plaza in the Bronx, and Julianne Swartz’s Four Directions from Hunters Point at the Hunters Point Library in Queens. In 2019, Percent for Art also selected four artists for new commissions which included the Shirley Chisholm Monument. By the end of the year the program expects to select 15 more artists for new City construction projects and monument Commissions, including the Beyond Sims Monument in Central Park, Port Richmond Library in Staten Island and three Carnegie Libraries in Brooklyn.
- Materials for the Arts (MFTA) continues to divert millions of pounds of reusable materials from the landfill and provide them free of charge for hundreds of arts organizations, nonprofits, NYC public schools, and City agencies. Thus far in FY 2019, MFTA has processed over 2,800 donations from businesses, corporations, and individuals. As a result, MFTA recipient groups have received over 1.2 million pounds of materials valued at \$7.7 million.

Capital Review

The 2020-2029 Ten-Year Capital Strategy for the Department of Cultural Affairs totals \$806.3 million for over 200 cultural organizations in the five boroughs and includes \$725.8 million in the 2020-2023 Four-Year Plan. The table below reflects capital commitments by program area over the 2020-2023 year period.

Capital Commitments (\$ in 000's)

	2018 Actual		2019 Plan		2020 Plan		2021 Plan		2022 Plan		2023 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	\$70,236	\$75,435	\$280,180	\$395,658	\$187,440	\$187,640	\$105,297	\$105,297	\$247,658	\$248,458	\$184,387	\$184,387
Total.....	\$70,236	\$75,435	\$280,180	\$395,658	\$187,440	\$187,640	\$105,297	\$105,297	\$247,658	\$248,458	\$184,387	\$184,387

Highlights of the Ten-Year Capital Strategy and Four-Year plan:

- Electrical upgrades and site improvements at the Bronx Zoo (\$17.4 million, in addition to \$0.7 million in 2019).
- Renovation of New York Botanical Garden's worker's operation center (\$10.3 million).
- Construction, expansion, renovation and furnishing of BAM Harvey Theater (\$22.4 million).
- Improvements to the life safety system for the Sea Cliffs Exhibit at the New York Aquarium in Brooklyn (\$5.1 million).
- Comprehensive renovation of the Public Theater's Delacorte Theater in Central Park (\$9.9 million).
- Replacement of the skylights at the Metropolitan Museum of Art (\$21.7 million).
- Various renovations and upgrades at MoMA P.S.1 in Queens (\$10.8 million).
- Renovation of the Queens Botanical Garden Education Building (\$16.9 million, in addition to \$2.1 million in 2019).
- Restoration of Building B at the Staten Island Museum (\$6.7 million, in addition to \$1.7 million in 2019).
- Interior renovations at the St. George Theater in Staten Island (\$3.8 million).

CITY UNIVERSITY OF NEW YORK

The City University of New York (CUNY) includes eleven senior colleges, seven community colleges, the School of Professional Studies, the Graduate Center, the Graduate School of Journalism, the Macaulay Honors College, the CUNY School of Law, the CUNY Graduate School of Public Health and Health Policy and the CUNY School of Labor and Urban Studies. CUNY also sponsors the Hunter College Campus Schools. The CUNY colleges, some of which date back to the nineteenth century, were federated in 1961. The University is governed by a 17-member Board of Trustees. Ten members are appointed by the Governor, five are appointed by the Mayor with the advice and consent of the New York State Senate, and two (the chairpersons of the Faculty and Student Senates) serve as ex-officio members.

CUNY is the largest municipal university system in the United States and ranks third in number of students among the public university systems in the nation. In 2019, CUNY serves over 274,000 students in degree programs with approximately 173,200 in the senior colleges and 101,800 in the community colleges. In addition, CUNY serves approximately 268,000 non-degree students.

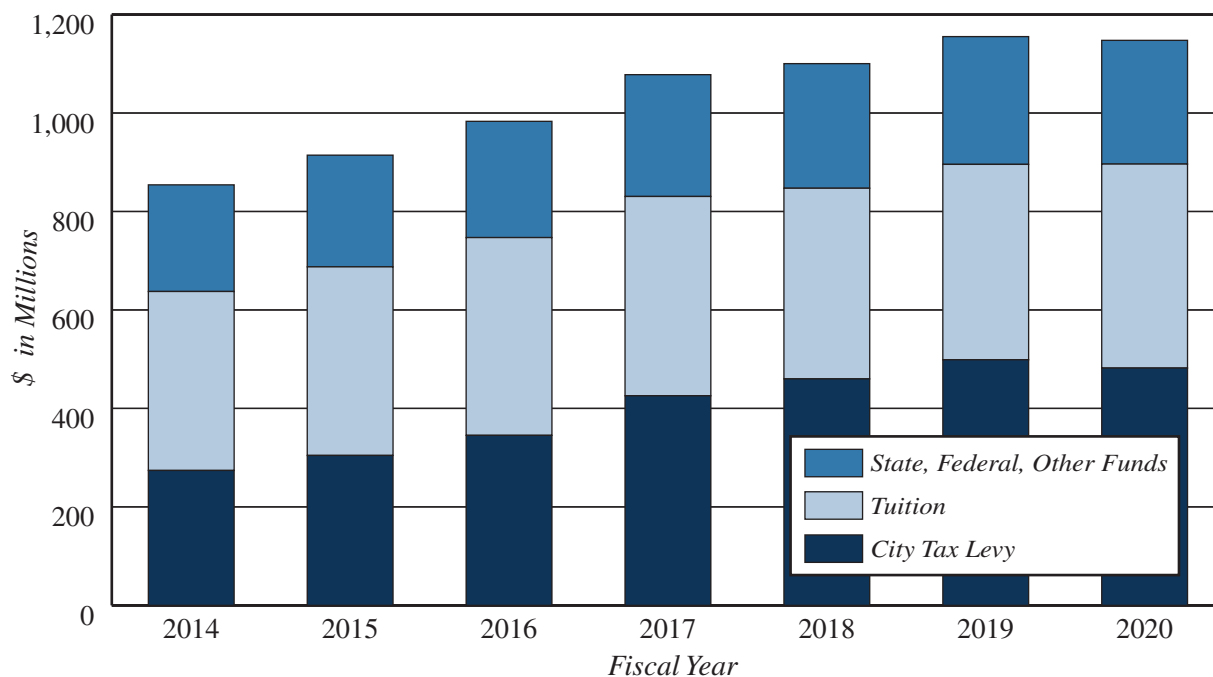
Financial Review

The City University of New York's 2020 Executive Budget totals \$1.2 billion, a net decrease of \$126.4 million from the 2019 forecast of \$1.3 billion.

The total budget decrease of \$126.4 million is largely due to Intra-City revenue funds decreasing from \$130.2 million in 2019 to \$14.5 million in 2020. The Senior College lump sum appropriation of \$35 million remains unchanged from 2019.

In addition, higher education related pension and other fringe costs of \$93.2 million that are budgeted in separate agencies bring CUNY's total 2020 budget to \$1.3 billion.

COMMUNITY COLLEGE EXPENDITURES BY SOURCE 2014 - 2020



* 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.

Source: NYC OMB

Revenue Forecast

State, Federal, and Other Categorical funds for two-year colleges decrease by \$8.0 million from \$274.1 million in 2019 to \$266.1 million in 2020.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- Aligned with the Mayor’s commitment to expanding support to Higher Education, this budget continues to provide funding for the Accelerated Study in Associate Programs (ASAP), an effort focusing on improving college preparation, retention, and graduation rates for community college students. In addition, funding for Science, Technology, Engineering, and Math (STEM) continues to support associate degree students through enhanced advisement, student research opportunities, and summer tuition. Furthermore, Equity and Excellence initiatives continue to provide college visits, teacher certifications, tutoring, and application fee waivers to NYC Department of Education students.

Office of Economic Opportunities and Young Men’s Initiative

- An additional \$7.5 million is included for programs such as Teacher Recruitment and Retention, which works to better reflect diversity and cultural perspectives in DOE classrooms by recruiting men of color as public school teachers, and the Accelerate, Complete and Engage initiative (ACE), which helps students complete their bachelor’s degree within four years by providing a range of financial, academic and personal supports.

Summary of Agency Financial Data

The following table compares 2020 Executive Budget with the 2020 Preliminary Budget, the 2019 forecast and actual expenditures for 2018, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2018 Actual	2019 Forecast	2020		2019 Forecast	2020 Preliminary Budget
			Preliminary Budget	Executive Budget		
Expenditures						
Salary and Wages	\$636,161	\$641,770	\$632,119	\$630,996	(\$10,774)	(\$1,123)
Fringe Benefits	172,814	183,804	193,363	193,249	9,445	(114)
OTPS	390,162	473,939	356,447	348,821	(125,118)	(7,626)
Total	\$1,199,137	\$1,299,513	\$1,181,929	\$1,173,066	(\$126,447)	(\$8,863)
Funding						
City	\$814,913	\$858,448	\$857,211	\$855,654	(\$2,794)	(\$1,557)
Other Categorical Grants ..	19,056	14,604	14,806	14,806	202	—
IFA	—	—	—	—	—	—
State	254,570	295,991	297,323	288,060	(7,931)	(9,263)
Federal CD	285	281	—	—	(281)	—
Federal Other	—	—	—	—	—	—
Intra-City Other	110,313	130,189	12,589	14,546	(115,643)	1,957
Total	\$1,199,137	\$1,299,513	\$1,181,929	\$1,173,066	(\$126,447)	(\$8,863)
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$3,034	\$3,111	\$3,350	\$3,307	\$196	(\$43)
Pensions	83,986	87,501	94,879	89,937	2,436	(4,942)
Other Than Personal Service (OTPS)						
Debt Service	54,201	72,596	79,066	91,959	19,363	12,893
Total Additional Costs	\$141,221	\$163,208	\$177,295	\$185,203	\$21,995	\$7,908
Funding						
City	139,757	161,139	175,028	182,703	21,564	7,675
Non-City	1,464	2,069	2,267	2,500	431	233
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$636,161	\$641,770	\$632,119	\$630,996	(\$10,774)	(\$1,123)
Fringe Benefits	175,848	186,915	196,713	196,556	9,641	(157)
Pensions	83,986	87,501	94,879	89,937	2,436	(4,942)
Total PS	\$895,995	\$916,186	\$923,711	\$917,489	\$1,303	(\$6,222)
OTPS	\$390,162	\$473,939	\$356,447	\$348,821	(\$125,118)	(\$7,626)
Debt Service	54,201	72,596	79,066	91,959	19,363	12,893
Total OTPS	\$444,363	\$546,535	\$435,513	\$440,780	(\$105,755)	\$5,267
Total Agency Costs	\$1,340,358	\$1,462,721	\$1,359,224	\$1,358,269	(\$104,452)	(\$955)
Less Intra-City	\$110,313	\$130,189	\$12,589	\$14,546	(\$115,643)	\$1,957
Net Agency Cost	\$1,230,045	\$1,332,532	\$1,346,635	\$1,343,723	\$11,191	(\$2,912)
Funding						
City	954,670	1,019,587	1,032,239	1,038,357	18,770	6,118
Non-City	275,375	312,945	314,396	305,366	(7,579)	(9,030)
Personnel (includes FTEs at fiscal year-end)						
City	9,414	10,102	10,286	10,286	184	—
Non-City	—	—	—	—	—	—
Total	9,414	10,102	10,286	10,286	184	—

Programmatic Review and Service Impact

The Executive Budget continues City support for CUNY's efforts to raise and maintain high standards and to create a flagship academic environment. Assisted by revenues generated through enrollment, State aid for the community colleges, as well as continuous efforts to promote efficiency from within, CUNY will continue to recruit full-time faculty to improve disciplinary strength and increase the ratio of full-time to adjunct faculty in its community colleges. Also, CUNY will continue to invest city funding to bolster student-facing programs, such as ASAP and STEM.

Program Highlights

- CUNY will continue to engage in numerous independent and collaborative programs with particular focus on increasing college and career readiness aligned with the Mayor's commitment for expanding support to Higher Education.

These programs include:

Accelerated Study in Associate Programs (ASAP)

The program is designed to help community college students earn their associates degrees as quickly as possible. Features of ASAP include required full-time study, consolidated course schedules, and academic support. This support includes: monthly Metrocards, textbooks, tuition support for summer courses, along with academic advisement and tutoring.

- In 2019, the program impacted a total of 25,190 students.

Summer Tuition

CUNY waives summer tuition for students in STEM-related disciplines, which will help them to make significant and timely progress in earning college degrees.

- This initiative impacted approximately 5,000 students in 2019.

Academic Advisement

Advisement improves the quality of academic support, especially given the complexity of the degree requirements in STEM fields. STEM majors have several prerequisites and these students need

to understand the courses that are required to be accepted into the major. Increasing access to advisors and reducing the advisement caseload will improve retention and graduation rates. This aims to improve students' understanding of the curriculum, the courses they need to take, and to help them chart a path toward graduation.

- In 2019, approximately 15,000 students benefited from academic advisement. This level of service will continue in 2020 and beyond.

Other Initiatives

In addition to ASAP and STEM, another initiative that continues to serve more students is the Equity and Excellence program:

Application Fee Waivers for Public School Students

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

- This covers approximately 33,000 waivers for all public school students with a financial need.

College Visits for Middle School Students

This initiative supports NYC DOE students visiting CUNY college campuses through the College Access for All initiative. CUNY supports visits with grade-level curriculum materials, and specially trained Student Ambassadors who guide school groups through campus tours.

- In 2019, the program served approximately 70,000 middle school students, and plans to continue at this level in 2020.

Algebra for All

Under Algebra for All, the goal is for all students to successfully complete algebra by 9th grade. CUNY supports this initiative by providing graduate course tuition assistance to existing teachers who are pursuing a 5th through 9th grade math teaching certificate.

- In 2019, CUNY supported 140 teachers to receive teaching certificates, and aims to increase this to 169 teachers in 2020.

Capital Review

The City University of New York's 2020-2023 Four-Year Capital Plan totals \$516.2 million (\$506.5 million in City funds and \$9.7 million in Non-City funds). Approximately one fifth of CUNY's 2019-2023 capital funds reside in the current fiscal year, totaling \$102.5 million (\$100.9 million in City funds and \$1.6 million in Non-City funds).

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. The State's 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 2020-2023 Executive Budget:

- Critical Maintenance and state of good repair for the Community Colleges (\$23 million/year).
- A CUNY-wide capital initiative to provide office and administrative space in support of the expansion of the Accelerated Study in Associate Programs (ASAP) (\$8.5 million).
- At Kingsborough Community College, design of the rehabilitation of the pool is nearing completion. The scope of work includes strengthening the pool's structural integrity and other infrastructure improvements (\$2.1 million).
- At Queensborough CC, Phase II of the Cafeteria and Central Kitchen reconstruction project will enclose the outdoor courtyard, install a new serving area, and include calibration of its HVAC system (\$9 million). In addition, the commitment plan funds lobby, lighting, and HVAC improvements to the performing Arts Center (\$6.8 million).
- At Hostos Community College, design and construction of a new retaining wall (\$1.5 million).

- At Bronx Community College, the creation of a college one-stop (Bronx Express - Student Success Center) for bursar, admissions, registrar, and financial aid will be constructed in Meister Hall (\$7 million).

- At Kingsborough Community College, replacement of the Library Roof and Facade (\$14 million).

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

- Various improvements to BMCC's HVAC mechanical systems (\$3.8 million) and funding for the college's LED lighting conversions (\$1.6 million).
- Rehabilitation of the fire alarms at 12 buildings at Bronx Community College (\$7 million).

It is anticipated that rolling resources from 2019 into 2020 will fund significant projects that will be accomplished during the next four-year plan period. Highlights of the 2019 commitments include:

- Re-construction of the third floor at Hostos Community College's 500 Grand Concourse building (\$6.5 million).
- Replacement of the Boiler plant at LaGuardia Community College's M-building (\$4.5 million).

The table below shows the capital commitments by program area over the 2018-2023 period.

Capital Commitments
(\$ in 000's)

	2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan		2023 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.....	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$13,932	\$13,932	\$13,875	\$13,875
Renovation/Rehabilitation of Roofs, Classrooms, etc	73,385	—	78,685	80,268	126,344	136,019	115,620	115,685	123,231	123,231	72,436	72,436
Purchase & Installation of EDP and Other Equipment .	4,405	—	22,230	22,230	5,519	5,519	18,606	18,606	13,210	13,210	623	623
Electrical, Mechanical & HVAC.....	1,475	—	—	—	—	—	1,597	1,597	—	—	1,228	1,228
Other Projects	—	—	—	—	—	—	5	5	229	229	—	—
Total	\$79,265	\$0	\$100,915	\$102,498	\$131,863	\$141,538	\$135,828	\$135,893	\$150,602	\$150,602	\$88,162	\$88,162

PENSIONS AND OTHER FRINGE BENEFITS

Pension Overview

The Executive Budget for 2020 includes \$9,951 million in expenditures for City pension contributions, an increase of \$15 million from the amount to be paid in 2019. The City's pension contributions reflect collective bargaining, 2018 asset gains, cost associated with approximately 2,900 active members that were previously excluded from NYCERS' census data due to a coding error, and the cost of changes to pension assumptions and methods proposed by the Actuary following recommendations by an independent actuarial consultant. In the table below: (1) \$9,847 million in expenditures are for contributions to the City's five major retirement systems (City Actuarial Systems) that cover City employees and retirees; (2) \$104 million in expenditures are for contributions to retirement systems not maintained by the City (Non-City Systems), including the State pension plan that covers employees of City libraries, the Cultural Institutions Retirement System that covers non-City employees of day care centers and certain cultural institutions, and the Teachers' Insurance and Annuity Association (TIAA) that covers certain CUNY employees and the City's Voluntary Defined Contribution program; and (3) less than a million in expenditures (Non-Actuarial) are primarily for supplemental benefits for certain retired uniformed members.

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

	2018 Actual	2019 Forecast	2020		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2019 Forecast	Preliminary Budget
<i>Expenditures</i>						
<i>Personal Service</i>						
City Actuarial Systems	\$9,537,612	\$9,840,038	\$9,850,518	\$9,847,357	\$7,319	\$(3,161)
Non-City Systems.....	87,916	95,789	100,066	103,566	7,777	3,500
Non-Actuarial	34	350	350	350	—	—
Total	\$9,625,562	\$9,936,177	\$9,950,934	\$9,951,273	\$15,096	\$339
<i>Funding</i>						
City	\$9,481,283	\$9,791,898	\$9,806,655	\$9,806,994	\$15,096	\$339
State	32,025	32,025	32,025	32,025	—	—
Federal	—	—	—	—	—	—
Intra-City Other	112,254	112,254	112,254	112,254	—	—
Total	\$9,625,562	\$9,936,177	\$9,950,934	\$9,951,273	\$15,096	\$339

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 694,000 employees, retirees and beneficiaries of the

City, the Department of Education, the City University System, and certain independent agencies. Each system is governed by a board of trustees and functions in accordance with applicable state and local laws. Annual pension contributions are made as required by statute based on an actuarial valuation of liabilities and assets.

Other Fringe Benefits

The City provides a number of fringe benefits to its employees, retirees and eligible dependents. City contribution amounts and terms of coverage are governed by various contractual, legal and collective bargaining provisions. In general, the City's Miscellaneous Expense Budget contains the budget appropriations for the fringe benefit expenditures on behalf of employees and retirees of the mayoral agencies. Separate allocations are included in the Department of Education, the City University system, NYC Health & Hospitals, and the various other covered organizations, libraries and cultural institutions, for the fringe benefit expenditures on behalf of their active and retired employees. These estimates also reflect the agreed upon health care savings resulting from both the May 2014 and the June 2018 agreements reached between the City and the Municipal Labor Committee. The May 2014 Agreement achieved cumulative savings of \$3.4 billion from fiscal years 2015 through 2018, and is expected to produce recurring annual savings of \$1.3 billion thereafter. The June 2018 Agreement targets additional annual savings of \$200 million in FY 2019, \$300 million in FY 2020 and \$600 million in FY 2021, with \$600 million in savings expected to recur annually thereafter. Combined, the two health savings agreements are expected to produce recurring annual savings of \$1.9 billion.

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 2018, the PAYGO amount paid out of the Trust was approximately \$2.3 billion. Assets in the Trust are used to offset the City's Other Postemployment Benefits (OPEB) obligations. OPEB exclude pensions, and include retiree health insurance premium payments, contributions to retiree welfare funds, and Medicare Part B reimbursements. As of the end of 2018, the City's reported net OPEB obligation was \$98.5 billion. The City is not required to fund OPEB obligations on an actuarial basis, other than to meet its current year PAYGO payment.

The following table sets forth the fringe benefit amounts carried in the Miscellaneous Budget for 2019 and 2020.

Fringe Benefits

(\$ in 000's)

	2019 Forecast	2020 Executive	Increase/ (Decrease)
Workers' Compensation	\$323,296	\$349,296	\$26,000
Health Insurance Plans	3,740,317	4,420,768	680,451
Social Security Contributions	1,144,372	1,210,199	65,827
Unemployment Insurance Benefits.....	21,054	22,054	1,000
Supplementary Employee Welfare Benefits	671,308	705,085	33,777
Workers' Compensation - Other	40,900	42,400	1,500
Total.....	\$5,941,247	\$6,749,802	\$808,555
Funding			
City	\$5,114,191	\$5,967,068	\$852,878
Other Categorical.....	232,297	211,091	(21,206)
State.....	177,081	154,940	(22,141)
Interfund Agreements	68,825	98,200	29,375
Intra-City.....	102,184	108,331	6,147
Federal.....	246,668	210,172	(36,497)
• CD	36,350	25,148	(11,202)
• Other	210,319	185,024	(25,295)
Total.....	\$5,941,247	\$6,749,802	\$808,555

JUDGMENTS AND CLAIMS

The Executive Budget for 2020 includes an appropriation of \$712 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 \$758 million by 2023. 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 NYC Health + Hospitals (H + H) for which H + H will reimburse the City.

The Office of Management and Budget (OMB) employs various statistical methods and financial models to estimate claims expenses. In addition, OMB consults the Law Department to obtain cost estimates for cases that are expected to settle for \$1 million or greater. These are mainly serious personal injury cases that have been in litigation or on appeal for a considerable period of time. These cases represent a significant portion of total tort expenditures, but their relatively small volumes do not lend themselves to statistical analysis. Historical claim data contained on the Comptroller's Omnibus Automated Image Storage and Information System (OASIS) are analyzed to determine annual settlement volumes and average cost per claim. Total expenditures are the product of the volume and average claim cost projections.

Analysis of Agency Budgets: Covered Organizations

NEW YORK CITY HEALTH + HOSPITALS

NYC Health + Hospitals (Health + Hospitals), the largest public health system in the country, includes 11 acute care hospitals, five skilled nursing facilities, and nearly 60 Gotham Health community health centers. The system provides comprehensive health care services including preventive and primary care, behavioral health, substance abuse, trauma, high-risk neonatal and obstetric care, and burn care.

Health + Hospitals' acute care hospitals serve as major teaching hospitals. In addition, the system includes MetroPlus (a managed care plan), an Accountable Care Organization, a Certified Home Health Agency, Correctional Health Services and a program conducting mental health evaluations for the family courts in the Bronx, Brooklyn, Queens, and Manhattan. Health + Hospitals is the City's single largest provider of care to Medicaid patients, mental health patients, and the uninsured, serving 1.1 million New Yorkers.

In 2018, the system provided approximately 5.2 million outpatient visits, which includes nearly 1 million emergency room visits. There were approximately 159,000 acute discharges, excluding discharges for psychiatric and rehabilitation services. There were approximately 16,700 newborn deliveries.

Dr. Mitchell Katz, President and Chief Executive Officer of Health + Hospitals has made significant progress in implementing his three top priorities – invigorate and expand primary care, improve access to needed specialty care, and bring fiscal solvency to Health +Hospitals.

Financial Review

To date, Health + Hospitals has been successful executing the Mayor's Transformation Plan. This is largely driven by improved billing, and better performance in its value-based managed care contracts – it is doing a better job in keeping patients healthy, decreasing hospital visits, capturing incentives and additional revenue from health plans. The Epic electronic health record and financial system, which has been named H2O (Health + Hospitals Online) by the system, is expected to be completed by 2020, and will significantly improve the system's revenue collection. The system has also hired hundreds of new nurses to ensure it delivers the safest and highest quality care to its patients. To offset its investment in new clinical and revenue-generating staff, it has reduced the number of temporary workers, eliminated consultants, and made some managerial-level staff reductions.

Recent System-wide Achievements

Guaranteed HealthCare Plan

In January 2019, the Mayor announced plans to guarantee health care for all New Yorkers in all five boroughs – Health + Hospitals, along with MetroPlus, the City's public health insurance option, will be at the heart of those plans. The goal is to serve the 600,000 New Yorkers without insurance by strengthening

MetroPlus and guaranteeing anyone ineligible for insurance – including undocumented New Yorkers – direct access to Health + Hospitals primary care doctors and specialists, pharmacies and mental health and substance abuse services through NYC Care. The new program will launch in the summer 2019 in the Bronx, will roll out across all five boroughs over the next two years, and will be available throughout New York City by 2021.

Reducing Opioid Overdoses

Health + Hospitals expanded access to buprenorphine, a prescription drug to manage opioid addiction, through all adult medicine clinics in 18 community and hospital-based ambulatory care centers. The 18 clinics are located across the five boroughs and will integrate the clinical management of buprenorphine into primary care, making availability easier and treatment more holistic. The system sees approximately 20,000 unique patients with opioid use disorder every year, many of whom are not ready to enter into a substance treatment program. Empowering primary care providers to play a greater role in connecting patients to care for opioid addiction is a useful strategy since these are the clinicians most likely to have ongoing relationships with patients.

Reducing Maternal Deaths and Childbirth Complications Among Women of Color

First Lady Chirlane McCray and Deputy Mayor Herminia Palacio announced New York City's first comprehensive plan to reduce maternal deaths and life threatening complications of childbirth among women of color. The five-year plan aims to eliminate disparities in New York City's maternal mortality between black and white women – where the widest disparity exists – and reducing by half the number of severe maternal morbidity events in the five boroughs. The Mayor's plan will address implicit bias, increase surveillance, enhance maternity care, and expand public education. The plan includes enhancing maternal care at Health + Hospitals facilities by focusing on four specific strategies: 1) simulation training to assist obstetrics staff master skills to identify and respond to the two top causes of pregnancy-related deaths for women of color; 2) new maternal care coordinators who will assist an estimated 2,000 high-risk women; 3) co-location of newborn and postpartum appointments; and 4) new practices in primary care to identify women who are planning to have a child within six to 12 months.

Promoting Culturally Competent Care

Health + Hospitals promotes equity, diversity and inclusion through the development of specialized programs to support culturally and linguistically responsive services that support the diverse healthcare needs of the City's residents. The System's comprehensive and ongoing approach stresses the integration of best practices, workforce strategies for capacity building, improved stewardship of data, and patient and community engagement to enhance individual and community health. Programs include language access, health literacy, and initiatives to support the LGBTQ community.

Implementing Innovative Care Coordination

Health + Hospitals' Accountable Care Organization (ACO) achieved Medicare shared savings for five consecutive years, the only program in the state and few nationwide to achieve such shared savings success based on outstanding quality performance. The ACO earned more than \$2 million from the federal government for reducing costs and meeting high standards of quality care for patients. Through enhanced care coordination, the health system was able to prevent unnecessary emergency department visits,

avoidable hospitalizations, and other high-cost care for the more than 10,000 Medicare fee-for-service patients who are served through the program.

Expanding Primary Care Access

Health + Hospitals is investing in new sites and its current facilities. By the end of 2021, Health + Hospitals will have built three large and state of the art community health centers in Jackson Heights in Queens, Tremont in the Bronx, and Bushwick in Brooklyn, which will provide comprehensive, one-stop ambulatory care services for more than 50,000 children and adults. The system has also completed the renovation of seven outpatient facilities in the Bronx, Brooklyn, Queens, and Staten Island through the Mayor's Caring Neighborhood initiative. These sites are now capable of serving 42,000 more patient visits, which is equivalent to 21,000 more patients.

In October 2018, the system launched a new five-point strategy across its community-based health centers, including 11 hospital-based outpatient operations, which together provide more than five million outpatient visits to children and adults every year. The five major areas of strategic improvements are: 1) fix continuity of care and build fidelity with assigned primary care clinicians; 2) reduce no-show rates and use technology to help patients come to their appointments; 3) expand eConsult to reduce long wait time for specialty care; 4) improve clinic management by empowering doctors and nurses to practice at the tops of their licenses; and 5) increase revenue by improving billing and coding.

Increasing Quality and Improving Community Health

- The system's eConsult platform allows primary care physicians to send an electronic referral directly to a specialty clinic. It allows for faster and easier access to outpatient specialty expertise. Currently, eConsult is live in over 100 clinics across ten facilities, including adult medical and surgical subspecialties, behavioral health, and pediatric subspecialties. Nearly 9,000 referrals per month are managed by eConsult clinics, which is up from 2,300 per month in 29 clinics in January 2018. And our average review and response time is under three days. For a set of 14 specialty clinics using eConsult for over a year, the system saw a 23% reduction in overall wait time for new patient visits.

- Through a collaboration with Brooklyn Borough President, Eric Adams, all 11 hospitals participate in Meatless Mondays which allows patients to select from a broad range of plant-based options for their meals. Research has shown that a plant-based diet has significant health benefits, including reversing chronic diseases such as heart disease, diabetes, obesity, high cholesterol, and hypertension. It also empowers patients to live their healthiest lives.
- Health + Hospitals acute care facilities are among 24 local hospitals that are participating in nation's first City-led nurses residency program. During the first year of the program, called the Citywide Nurse Residency program, 500 newly hired nurses will be provided with specialized training and mentorship to promote job retention. This is the first time that New York City's public hospital system, the largest in the nation, has adopted a nurse residency program.

Correctional Health Services

The system's Correctional Health Services (CHS) has expanded its 24/7 enhanced pre-arrest screening unit (EPASU) to better identify and treat acute medical and mental health issues to avoid disrupting case processing due to avoidable emergency department runs; to support diversion and alternatives to incarceration; and to identify priority patients who are admitted to jail. Initially established in Manhattan in 2016, EPASU was launched in Brooklyn in 2018 and most recently in Queens in 2019. To serve patients diagnosed with serious mental illness, CHS opened a sixth therapeutic housing unit under the Program for Accelerating Clinical Effectiveness (PACE) in 2018. PACE has demonstrated efficacy in increasing medication adherence and reducing incidents of injury and self-harm. In 2019 to date, CHS has distributed nearly 12,000 naloxone kits to members of the public visiting the City's jails – almost 2.5 times more than the annual target. CHS has also been actively involved in all aspects of the City's roadmap toward a smaller, safer, and fairer approach to criminal justice.

MetroPlus

Last December, MetroPlus was ranked New York City's highest-rated health plan for exceptional clinical services, high consumer satisfaction, commitment to its community and great rewards available to its members. The health plan earned an overall rating of 5 stars, the highest possible score in the New York

State Department of Health 2018 Consumer's Guide to Medicaid and Child Health Plus Managed Care Plans in New York City.

Capital Review

Recent highlights include:

- NYC Health + Hospitals opened a new community health center on Staten Island in May 2018. The Vanderbilt Health Center offers pediatrics, women's health, behavioral health, asthma care, diabetes care, radiology, ophthalmology, podiatry, and walk-in services.
- NYC Health and Hospitals completed projects that help decrease Greenhouse gas emissions. NYC Health + Hospitals/Kings County, completed the installation of a 1.6 megawatt combined heat and power (CHP) system. This system will generate electricity on site and convert waste heat to useful thermal energy. NYC Health + Hospitals/Lincoln completed the installation of new state-of-the-art cooling towers. The modern towers will support the facility's heating, ventilation, and air conditioning system. The modern towers are also expected to reduce energy consumption.
- NYC Health + Hospitals will be completing three projects by spring 2019 to expand access to women's healthcare for women with disabilities with funding received from the City Council to renovate exam rooms and bathrooms at various sites to make them ADA-compliant. This includes renovation of a radiology suite at Woodhull, which was completed in September 2018, renovation of a mammography suite at Sydenham and renovation of a radiology suite to be completed in spring 2019.
- NYC Health + Hospitals/Elmhurst is renovating and expand the adult emergency room at NYC Health + Hospitals/Elmhurst. The project will open in phases given the complexity of constructing space in an active Emergency Department and be completed in 2022.
- NYC Health + Hospitals/Coney Island will open a new tower building, featuring an elevated emergency department and inpatient services. Demolition is completed for the first phase of the overall project to make way for the new building, which is expected to open in 2022; other parts of the campus renovation

are expected to be completed spring 2023. While this work is underway, short-term storm barriers have been put in place to protect the hospital in the event of a future storm.

- One of our top priorities at NYC Health + Hospitals is the effective implementation of our Epic system, which has been named H2O (Health + Hospitals Online) by the health system. The new electronic medical records technology features decision-support tools that send providers alerts to prevent medication errors, avoid duplicate or unnecessary tests, and keep patients' preventative health screenings on schedule. The system also includes new billing and coding technology to improve efficiency and ensure that Health + Hospitals is collecting the maximum amount of revenue for the services it delivers. The next three phases of the H2O implementation are scheduled for late summer through the spring of 2020, with five more acute care hospitals, one long term acute care center, and 15 additional community-based ambulatory care clinics will go live with the new technology system.

NEW YORK CITY TRANSIT

New York City Transit (NYCT) operates the most extensive public transportation system in the nation, which served approximately 2.25 billion subway and bus passengers in calendar year 2018, with 1.68 billion passengers riding the subway system. NYCT has been a component of the Metropolitan Transportation Authority (MTA) since the Authority's inception in 1968. The MTA is a New York State public authority responsible for coordinating and implementing a mass transportation program for New York City and the seven adjacent counties. Other components of the MTA primarily serving New York City are the Staten Island Rapid Transit Operating Authority (SIRTOA) and the MTA Bus Company (MTABC). The MTA also includes the Long Island Rail Road and the Metro-North Commuter Railroad.

NYCT's subway system operates 24 hours a day, seven days a week, on over 660 miles of mainline track, serving 472 stations throughout the Bronx, Brooklyn, Manhattan, and Queens. The NYCT bus system consists of a fleet of 4,359 buses on 191 local, 15 Select Bus Service, and 29 express routes servicing all five boroughs.

SIRTOA operates a 29-mile rapid transit line which links 21 communities on Staten Island and provides a connection to the Staten Island Ferry. SIRTOA serves approximately 4.6 million passengers per year.

MTABC operates an extensive public bus transportation system throughout New York City, primarily in the Bronx, Brooklyn, and Queens. Almost 121 million passengers are carried annually on local and express routes. MTABC is primarily funded through farebox revenues and City subsidies.

MTABC currently operates 1,305 buses owned by the City. Service on 44 local, three Select Bus, and 43 express routes is available 24 hours a day, seven days a week. Since beginning operations in 2005, MTABC has significantly improved service and the City expects 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 \$391.7 million for NYCT in fiscal year 2020. As NYCT operates on a calendar year (CY) basis, the financial plan below is presented in that format. The plan for CY 2019 incorporates the following key elements:

- The City's scheduled contribution to NYCT's operating budget for CY 2019 totals \$393.7 million, including \$158.1 million in operating assistance as part of the City match to State "18b" aid (\$35.0 million of which is IFA), \$45.0 million for student fare discounts, \$173.3 million for the Paratransit program, \$13.8 million for elderly and disabled fare discounts, and \$3.4 million for expenses incurred by NYCT on behalf of the NYPD Transit Bureau.
- CY 2019 fare revenue is projected to be \$4.4 billion, a 1.1 percent decrease over the CY 2018 total.
- Tax revenues dedicated for NYCT's use are projected to total \$4.0 billion; \$1.2 billion from the regional Metropolitan Mass Transportation Operating Assistance Account (MMTOA), \$541.8 million from the State "Lock Box" Petroleum Business Tax, and \$668.0 million from the Urban Mass Transportation Operating Assistance Account (Urban Account). Additionally, \$1.6 billion comes from other State taxes and fees. This includes \$864.0 million from the Payroll Mobility Tax, \$240.1 million from license, vehicle registration, taxi, and vehicle rental fees, \$190.3 million to replace forgone revenues from exempting school districts and small businesses from the Payroll Mobility Tax, and \$342.0 million from the taxi and for-hire vehicle congestion surcharge.

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 2019:

City Subsidies to NYCT, CY 2019
(\$ in Millions)

• Elderly and Disabled Subsidy.....	\$13.8
• School Fare Subsidy.....	\$45.0
• Operating Assistance.....	\$158.1
• Police Reimbursement.....	\$3.4
• Paratransit.....	\$173.3
	<u> </u>
TOTAL.....	<u><u>\$393.7</u></u>

Based on recent financial reports, NYCT projects that it will close CY 2018 with a cash surplus of \$53.7 million. NYCT has a projected budget surplus in CY 2019 of \$7.3 million. Future shortfalls are projected in CY 2020, CY 2021, and CY 2022 of \$318.5 million, \$557.4 million, and \$669.7 million, respectively, which are expected to be offset by gap-closing and other government actions including potential tax, fee, and further fare increases.

New York City Transit Financial Plan
(\$ in Millions)

	Calendar Years [1]				
	2018	2019	2020	2021	2022
REVENUES					
Subway / Bus Fare Revenue.....	\$4,438.3	\$4,391.4	\$4,404.2	\$4,393.9	\$4,397.4
Other Operating Revenue.....	\$165.3	\$180.3	\$191.4	\$197.0	\$196.5
Transit Tax and Other Subsidies	\$4,228.2	\$4,045.2	\$4,092.9	\$4,010.5	\$4,169.7
City Subsidies	\$375.1	\$393.7	\$395.8	\$404.0	\$411.5
State Subsidies	\$183.3	\$183.3	\$183.3	\$183.3	\$183.3
TBTA Surplus Transfer.....	\$279.6	\$237.3	\$262.0	\$271.4	\$268.3
Capital and Other Reimbursements ...	\$1,411.9	\$1,454.1	\$1,337.7	\$1,226.1	\$1,227.7
TOTAL REVENUES	\$11,081.6	\$10,885.2	\$10,867.4	\$10,686.1	\$10,854.3
EXPENSES					
Salaries & Wages	\$4,111.6	\$3,988.7	\$4,074.6	\$4,129.4	\$4,213.8
Fringes.....	\$2,492.3	\$2,633.7	\$2,748.8	\$2,882.0	\$3,022.3
Reimbursable Overhead.....	(\$325.4)	(\$287.3)	(\$264.8)	(\$243.6)	(\$244.5)
OTPS [2]	\$1,600.0	\$1,727.4	\$1,790.6	\$1,849.0	\$1,822.4
Paratransit Expenses	\$452.2	\$482.8	\$501.2	\$518.0	\$547.8
Capital Reimbursable Expenses.....	\$1,411.9	\$1,454.1	\$1,337.7	\$1,226.1	\$1,227.7
Transit Police.....	\$5.0	\$3.4	\$3.5	\$3.8	\$3.5
Debt Service.....	\$1,294.3	\$1,324.7	\$1,367.9	\$1,443.7	\$1,491.0
Depreciation [3]	\$1,828.1	\$1,878.1	\$1,928.1	\$1,978.1	\$2,029.4
Other Post Employment Benefits [3].	\$1,350.2	\$1,040.7	\$1,132.7	\$1,230.6	\$1,334.8
TOTAL EXPENSES	\$14,220.2	\$14,246.3	\$14,620.3	\$15,017.0	\$15,448.1
OTHER ACTIONS					
Balance before Adjustments	(\$3,138.6)	(\$3,361.0)	(\$3,752.9)	(\$4,330.9)	(\$4,593.8)
Gap-Closing Actions [4]	\$83.5	\$339.1	\$438.6	\$651.0	\$676.9
Cash Flow Adjustments [5].....	\$3,026.2	\$2,975.5	\$2,988.5	\$3,122.5	\$3,247.2
Net Cash from Prior Year.....	\$82.5	\$53.7	\$7.3	\$0.0	\$0.0
SURPLUS/(DEFICIT).....	\$53.7	\$7.3	(\$318.5)	(\$557.4)	(\$669.7)

[1] All Financial Plan figures were provided by NYCT in February 2019 and represent estimated values. Since the MTA operates on a calendar year basis (January-December) the values do not directly carry to the City's fiscal year (July-June).

[2] Includes Inter-agency Loan, NYCT Charge Back of MTA Bus Debt Service, Forward Energy Contracts and Commitments to Capital.

[3] Since February 2004, NYCT has included depreciation in its financial plan. As of 2007, NYCT also reports other post employment benefits (OPEB) obligations and environmental remediation liabilities.

[4] Includes Below the Line Items and items not yet provided by the MTA. Typically includes increased ridership, fare collection, expense reduction, management initiatives, cash reserve, and other governmental assistance.

[5] Cash flow adjustments include operating, depreciation, environmental remediation and OPEB cash flow adjustments.

In addition to its contribution to NYCT, the City expects to contribute \$102.2 million directly to the MTA to maintain Long Island Rail Road and Metro-North Commuter Railroad stations in the five boroughs and for operating assistance for the commuter railroads as part of the local match of State “18b” aid. Based on MTA’s forecast, the City will provide \$54.9 million for liabilities related to the Staten Island Rapid Transit Operating Authority, and \$459.8 million for liabilities related to the MTA Bus Company. The City will also contribute \$11.5 million for E-ZPass courtesy tags used by City agencies.

Overall, the City annually provides the MTA with approximately \$1 billion in direct subsidies and \$900 million of in-kind contributions (NYPD Transit Bureau, debt service for MTA capital projects, and homeless outreach).

Capital Review

The City’s 2020-2029 Ten-Year Capital Plan totals \$481.2 million for NYCT and \$28.6 million for MTA Bus Company. Funding for the MTA 2015-2019 Capital Program includes \$145.3 million in the Ten-Year Capital Plan as well as \$275.7 million in 2019 – this includes \$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 improving quality of services. City capital funds are used in conjunction with other sources (Federal, State, and Private) towards MTA’s Capital Program. The City’s contribution to the MTA 2015-2019 Capital Program is \$2.656 billion, of which \$657 million is previously budgeted, \$164 million is for the Subway Action Plan, and \$600 million is to be funded through alternative non tax levy revenue sources. The remaining \$1.235 billion is to be provided concurrently with additional State funds in accordance with the funding needs of the capital program.

The City’s Ten-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, \$126.7 million for 2020-2029 (\$96.7 million for 2020-2023).
- Funds for NYCT track work, \$350.0 million for 2020-2029 (\$140.0 million for 2020-2023).
- Funds for the MTABC local federal grant match, \$28.6 million for 2020-2029 (\$28.6 million for 2020-2023).

The table below outlines the City’s capital commitments to NYCT, SIRTOA and MTABC for the 2018-2023 period:

Capital Commitments (\$ in 000’s)

	2018 Actual		2019 Plan		2020 Plan		2021 Plan		2022 Plan		2023 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.....	\$109,653	\$109,653	\$396,232	\$396,232	\$81,240	\$81,240	\$—	\$—	\$—	\$—	\$—	\$—
Trackwork	39,743	39,743	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Revolving Fund.....	10,000	10,000	10,000	10,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
SIRTOA.....	7,375	7,375	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—
Miscellaneous	3,000	3,000	1,941	1,941	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—
MTABC.....	(358)	(358)	22,532	41,614	14,275	14,275	14,275	14,275	\$—	\$—	\$—	\$—
Total.....	\$169,413	\$169,413	\$465,705	\$484,787	\$135,515	\$135,515	\$54,275	\$54,275	\$40,000	\$40,000	\$40,000	\$40,000

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)				
	2019	2020	2021	2022	2023
Salaries and Wages	\$28,533	\$28,157	\$28,668	\$29,138	\$29,567
Pensions	9,936	9,951	10,118	10,564	10,620
Other Fringe Benefits*	10,642	11,394	11,853	12,527	13,228
Reserve for Collective Bargaining	518	1,821	2,237	1,619	2,078
Total	<u>\$49,629</u>	<u>\$51,323</u>	<u>\$52,876</u>	<u>\$53,848</u>	<u>\$55,493</u>

* Numbers adjusted for prepayments.

Salaries and Wages

The projections for salaries and wages reflect personnel costs associated with current and projected headcount levels and also includes recognized needs and any wage adjustments from rounds of collective bargaining that have been implemented.

Pensions and Other Fringe Benefits

Pension expenses reflect recent actuarial estimates of the City's five major retirement systems prepared by the Office of the Actuary (OA). These estimates include the impact of asset gains in fiscal year 2018, cost associated with approximately 2,900 active members that were previously excluded from NYCERS' census data due to a coding error, and the cost of changes to pension assumptions and methods proposed by the OA following recommendations by an independent actuarial consultant.

Other adjustments stemming from changes in the number of active members, wage growth assumptions, cost of implementing the Voluntary Defined Contribution program, and administrative expenses of the retirement systems, have been reflected in the financial plan.

Pension expense estimates in the financial plan reflect the funding assumptions and actuarial methods recommended by the OA and adopted by the boards of trustees of each of the City's retirement systems in fiscal year 2019. Mortality assumptions were updated based on studies of mortality improvement published in 2018, and on input from an independent actuarial auditor. The changes reflect longer retiree lifespans and the application of Mortality Improvement Scale MP-2018, published by the Society of Actuaries in October 2018. In addition, an asset corridor was implemented in fiscal year 2016 to keep the Actuarial Value of Assets (AAV) within 80% - 120% of the Market Value of Assets (MVA). Usually, the unexpected investment return, or difference between the assumed and actual investment return, is phased into the AAV over six years. With the asset corridor, the unexpected return will be phased in immediately if AAV falls under 80% or above 120% of the MVA.

The financial plan also reflects a reserve for fiscal 2022 and fiscal 2023 for future actuarial audit recommendations.

Total pension expenses for the financial plan are shown below:

Total Pension Expenses					
(\$ in Millions)					
	2019	2020	2021	2022	2023
City Actuarial Systems	\$9,840	\$9,847	\$10,007	\$10,447	\$10,499
Non-City Systems	96	104	110	117	121
Non-Actuarial*	0	0	0	0	0
Total	\$9,936	\$9,951	\$10,118	\$10,564	\$10,620

* Zeros represent dollar amounts of less than one million.

** Numbers may not add due to rounding.

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 2019, the combined tax rate is 7.65%. The OASDI tax portion of 6.2% is capped at \$132,900 in earnings; the Medicare tax portion of 1.45% is applied to all earnings. Unemployment Insurance expense estimates are consistent with the statutory maximum weekly benefit levels and planned payroll levels. Workers' Compensation expense estimates are consistent with the compensation rate schedule mandated by State law and the projected growth in medical costs. Health Insurance expense estimates reflect current levels of City enrollee coverage based on the health insurance contract counts and premium data available from the City's health insurance providers. These estimates also include the health care savings agreed to as a result of both the May 2014 Agreement and the June 2018 Agreement between the City and the Municipal Labor Committee. The savings from the May 2014 Agreement produced recurring annual savings of \$1.3 billion in all years of the financial plan. The savings from the June 2018 Agreement were valued at \$200 million, \$300 million, and \$600 million in FY 2019 through FY 2021 respectively, with \$600 million in savings recurring annually thereafter.

Reserve for Collective Bargaining

In calendar year 2018, the City reached contract settlements with District Council 37 of AFSME ("DC 37") and the United Federation of Teachers ("UFT") for the 2017 to 2021 round of collective bargaining. The pattern framework provides for 2% wage increase on the first month of the contract, a 2.25% wage increase on the 13th month, and a 3% wage increase on the 26th month. The pattern also provides funding equivalent to two 0.25% of wages to be used to fund benefit items. The DC 37 Settlement covers the period from September 26, 2017 through May 25, 2021. The UFT Settlement covers the period from February 14, 2019 through September 13, 2022. The Reserve for Collective Bargaining reflects application of the pattern increases established in those settlements to the entire workforce over a 43-month contract period. Such settlements also include health insurance savings as part of a new Municipal Labor Committee ("MLC") agreement, in addition to those previously agreed upon, which are contractually enforceable through arbitration.

The Reserve for Collective Bargaining also contains funding for the restructured payments for those unions that were covered by the UFT nine-year pattern. The City have now reached settlements with more than 99% of the City workforce through the 2010-2017 round of collective bargaining and approximately 64% of the workforce has settled contracts for the 2017-2021 round of collective bargaining. The reserve also contains City funds for a 1% wage increase for employees in the years beyond the current (2017-2021) round(s) of bargaining.

Other Than Personal Services

The following items are included in this category:

	(\$ in Millions)				
	2019	2020	2021	2022	2023
Administrative OTPS	\$26,213	\$24,791	\$24,683	\$24,876	\$25,049
Public Assistance	1,595	1,651	1,651	1,651	1,650
Medical Assistance	5,915	5,915	5,915	5,915	5,915
Health + Hospitals*	943	1,001	1,038	1,087	1,088
Covered Agency Support & Other Subsidies	5,156	4,634	4,690	4,755	4,821
City Debt Service*	6,630	7,238	7,625	8,315	9,070
Prepayment Adjustments**	(1,060)	(3,516)	—	—	—
Capital Stabilization Reserve	—	250	250	250	250
General Reserve	50	1,000	1,000	1,000	1,000
Total	\$45,442	\$42,964	\$46,852	\$47,849	\$48,843

* Numbers adjusted for prepayments.

** Includes all prepayments reflected in the financial plan.

Administrative OTPS

The estimates in this category include new needs and savings in the baseline. For 2021 through 2023, most expenditures have been increased to reflect the effect of inflation. The inflation adjustment, which is shown in a citywide account, represents an estimated annual 2.5 percent increase in 2021 through 2023. 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 2021 through 2023. Energy costs in each agency, with the exception of HPD, are held constant for 2020 through 2023. Price and usage changes for HPD's In-Rem / DAMP Programs are budgeted in HPD's four-year plan.

Energy costs are expected to increase by \$82 million from 2019 to 2023 due to weather normalization and fluctuating commodity prices. Gasoline and fuel oil costs are expected to increase by an additional \$10 million from 2019 to 2023. Heat, light and power costs are also expected to increase by \$72 million between 2019 and 2023.

	Energy Costs (\$ in Millions)				
	2019	2020	2021	2022	2023
Gasoline	\$82	\$80	\$79	\$81	\$84
Fuel Oil	75	80	77	80	83
HPD-In Rem / DAMP	5	5	5	5	6
HPD-Emergency Repairs	4	4	4	3	3
Heat, Light and Power	748	748	777	792	820
Total	\$914	\$917	\$942	\$961	\$996

Leases

In each agency, the cost of leases is budgeted at a constant level from 2020 through 2023. A citywide adjustment for 2021 through 2023 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 \$1.232 billion for leases in 2020, \$1.269 billion in 2021, \$1.307 billion in 2022 and \$1.346 billion in 2023. Of these amounts, the citywide adjustment is \$37 million, \$75 million, and \$114 million respectively in 2021 through 2023.

Public Assistance

The four-year financial plan supports the current monthly average caseload of 349,000 persons on Public Assistance.

Medical Assistance

The financial plan for Medical Assistance assumes baselined funds consistent with the New York State enacted budget effective April 1, 2019, 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 2019 through 2023 include assumptions related to actual collections experience, the impact of rates by third party payers, and collections performance through a variety of revenue enhancement efforts. Included in the System's baseline revenue assumption are the continued receipt of the Disproportionate Share and Upper Payment Limit transactions, as well as a shift from Medicaid Fee for Service to Medicaid Managed Care. Expenditure increases are driven by growth in health insurance costs and wage increases.

Covered Agency Support and Other Subsidies

Included in this category are the contributions made by the City to the Transit Authority, Housing Authority, Libraries and various Cultural Institutions. Also included in this category are the estimated projections for the cost of Judgments and Claims.

General Reserve

The General Reserve is projected at \$50 million for 2019 and \$1 billion for 2020 through 2023 to provide for uncontrollable increases in expenditures as well as shortfalls in revenue. The General Reserve for 2020 through 2023 has been increased above the required amount as per the City Charter to allow for any further uncertainties that may occur in the future.

Capital Stabilization Reserve

The financial plan includes a capital stabilization reserve of \$250 million in fiscal years 2020 through 2023, for a total of \$1 billion.

Debt Service

Debt Service projections cover payments of debt service on currently outstanding City, TFA, and Conduit debt as well as future issuances in accordance with the 2019 through 2023 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 \$3.516 billion in 2019 has been provided for this purpose.

Below are the detailed estimates for debt service for 2019 through 2023 after prepayments:

(\$ in Millions)

	Long Term	Short Term	Lease Purchase	Budget Stabilization*	Total City and Lease	TFA	Prepayment Adjustment	Total City, Lease and TFA
2019	\$1,873	\$—	\$122	\$3,516	\$5,511	\$559	\$560	\$6,630
2020	2,885	—	126	—	\$3,011	711	3,516	\$7,238
2021	4,191	—	126	—	\$4,317	3,308	—	\$7,625
2022	4,523	—	126	—	\$4,649	3,666	—	\$8,315
2023	4,885	—	147	—	\$5,032	4,038	—	\$9,070

* Amounts in the Budget Stabilization Account are used to prepay the succeeding year's debt service.

EXHIBIT 2

**FISCAL YEAR 2020 EXECUTIVE BUDGET AND PROJECTIONS,
FISCAL YEAR 2021 THROUGH FISCAL YEAR 2023**

(\$ in thousands)

Dept. No.	Agency	Fiscal Year 2019							
		FY 2018	8 Month		FY 2020	FY 2021	FY 2022	FY 2023	
		Actual Expenditures	Executive Budget	Actuals July - Feb.	Forecast	Executive Budget	Estimate	Estimate	Estimate
002	Mayoralty.....	\$128,783	\$138,742	\$93,380	\$159,180	\$160,832	\$156,033	\$154,762	\$151,762
003	Board of Elections.....	129,317	122,169	107,209	160,986	246,029	130,895	130,895	130,895
004	Campaign Finance Board.....	32,990	20,643	21,173	32,429	28,075	14,420	14,420	14,420
008	Office of the Actuary.....	7,114	7,220	3,892	6,971	7,337	7,465	7,465	7,465
010	President,Borough of Manhattan.....	4,828	5,025	3,036	5,166	5,285	4,883	4,883	4,883
011	President,Borough of the Bronx.....	4,902	6,016	3,270	6,160	6,283	5,753	5,753	5,753
012	President,Borough of Brooklyn.....	6,253	6,582	3,809	6,934	6,885	6,058	6,058	6,058
013	President,Borough of Queens.....	5,752	5,589	3,211	6,397	5,821	5,021	5,021	5,021
014	President,Borough of S.I.....	4,484	4,535	2,196	4,670	4,738	4,482	4,482	4,482
015	Office of the Comptroller.....	98,670	106,297	70,718	110,268	112,753	113,378	113,379	113,395
017	Dept. of Emergency Management.....	58,889	56,526	39,195	72,787	38,567	29,065	29,062	29,062
021	Office of Admin. Tax Appeals.....	4,819	5,325	3,101	5,416	5,608	5,641	5,642	5,642
025	Law Department.....	227,205	235,043	152,038	260,294	251,256	251,894	251,874	251,867
030	Department of City Planning.....	36,105	52,026	32,325	49,876	47,768	43,710	42,168	41,308
032	Department of Investigation.....	41,981	38,927	39,874	55,251	49,904	58,457	58,229	58,229
035	NY Public Library - Research.....	28,075	27,938	27,185	28,408	28,716	28,848	28,865	28,865
037	New York Public Library.....	139,888	137,444	139,896	145,499	141,369	142,022	142,097	142,097
038	Brooklyn Public Library.....	105,877	102,184	71,831	110,429	105,934	106,467	106,516	106,516
039	Queens Borough Public Library.....	108,596	104,846	94,046	114,469	111,111	111,481	111,808	111,808
040	Department of Education.....	25,144,010	25,533,674	16,548,408	26,999,634	27,111,258	28,022,698	28,941,394	29,759,280
042	City University.....	1,199,137	1,172,310	619,130	1,299,513	1,173,066	1,179,718	1,194,977	1,210,643
054	Civilian Complaint Review Bd.....	16,406	16,721	11,428	18,820	18,344	18,477	18,477	18,477
056	Police Department.....	5,788,376	5,595,211	3,870,718	5,951,544	5,596,752	5,559,679	5,547,565	5,546,193
057	Fire Department.....	2,091,635	2,021,720	1,359,791	2,139,411	2,089,945	2,086,787	2,065,756	2,065,895
063	Dept. of Veterans' Services.....	3,572	4,814	3,437	5,402	5,284	5,390	5,413	5,435
068	Admin. for Children Services.....	2,976,779	2,944,457	2,124,171	3,266,260	2,655,143	2,685,367	2,677,484	2,677,484
069	Department of Social Services.....	9,904,010	9,922,701	7,085,155	10,178,654	10,212,184	10,081,444	10,072,326	10,071,457
071	Dept. of Homeless Services.....	2,146,018	2,059,910	1,714,626	2,125,754	2,117,598	2,109,883	2,107,096	2,107,448
072	Department of Correction.....	1,400,208	1,401,910	873,627	1,380,685	1,361,313	1,408,922	1,406,370	1,406,365
073	Board of Correction.....	2,316	2,813	1,513	2,861	3,158	3,179	3,179	3,179
095	Citywide Pension Contributions.....	9,625,562	9,851,753	6,481,826	9,936,177	9,951,273	10,117,746	10,564,108	10,619,558
098	Miscellaneous.....	9,302,680	11,814,590	4,547,637	10,202,672	12,374,883	13,061,826	12,880,775	13,806,792
099	Debt Service.....	6,693,637	3,310,594	1,527,517	6,070,675	3,721,769	7,625,387	8,315,391	9,070,207
101	Public Advocate.....	3,579	3,619	2,111	3,735	3,819	3,848	3,848	3,848
102	City Council.....	63,951	81,366	50,499	82,502	87,635	56,441	56,441	56,441
103	City Clerk.....	5,305	5,372	3,565	5,739	5,833	5,869	5,869	5,869
125	Department for the Aging.....	366,105	345,419	329,231	397,262	363,081	363,555	363,553	363,553
126	Department of Cultural Affairs.....	192,497	146,998	152,093	207,156	144,777	149,440	149,387	149,295
127	Financial Info. Serv. Agency.....	105,353	113,447	88,517	112,524	114,732	111,704	111,704	111,704
131	Office of Payroll Admin.....	16,525	16,608	10,468	16,441	16,578	16,406	16,406	16,406
132	Independent Budget Office.....	4,101	5,469	3,017	5,332	5,713	5,469	5,460	5,444
133	Equal Employment Practices Com.....	887	1,137	731	1,177	1,220	1,268	1,268	1,268
134	Civil Service Commission.....	1,055	1,100	625	1,090	1,194	1,200	1,200	1,200

EXHIBIT 2

**FISCAL YEAR 2020 EXECUTIVE BUDGET AND PROJECTIONS,
FISCAL YEAR 2021 THROUGH FISCAL YEAR 2023**

(\$ in thousands)

Dept. No.	Agency	FY 2018 Actual Expenditures	Fiscal Year 2019		FY 2020 Executive Budget	FY 2021 Estimate	FY 2022 Estimate	FY 2023 Estimate	
			Executive Budget	8 Month Actuals July - Feb. Forecast					
136	Landmarks Preservation Comm.....	\$5,826	\$6,685	\$4,017	\$7,040	\$6,835	\$6,859	\$6,879	\$6,879
156	Taxi & Limousine Commission.....	45,734	52,049	31,021	51,092	51,652	53,389	53,590	53,690
226	Commission on Human Rights.....	12,758	13,161	8,464	13,750	14,068	14,142	14,142	14,142
260	Youth & Community Development,...	809,308	719,406	679,234	905,658	779,217	751,436	752,528	752,632
312	Conflicts of Interest Board.....	2,651	2,580	1,659	2,716	2,703	2,722	2,722	2,722
313	Office of Collective Barg.....	2,408	2,322	1,445	2,320	2,434	2,451	2,451	2,451
499	Community Boards (All).....	16,140	17,597	11,615	21,422	18,822	19,007	19,007	19,007
781	Department of Probation.....	103,148	118,959	73,932	122,596	117,616	118,286	118,330	118,330
801	Dept. Small Business Services.....	267,160	258,436	194,934	313,631	188,951	161,624	140,134	139,399
806	Housing Preservation & Dev.....	1,000,774	923,754	815,887	1,374,881	987,112	992,437	1,008,894	992,943
810	Department of Buildings.....	159,726	202,504	116,233	200,621	199,534	189,582	190,407	183,093
816	Dept Health & Mental Hygiene.....	1,699,412	1,615,931	1,326,562	1,874,353	1,688,483	1,684,703	1,686,606	1,686,488
819	Health and Hospitals Corp.....	872,024	916,491	89,463	742,595	1,001,013	1,038,366	1,087,037	1,088,213
820	Office Admin Trials & Hearings.....	44,410	49,592	31,321	48,975	51,261	51,578	51,303	51,303
826	Dept of Environmental Prot.....	1,432,082	1,385,811	1,048,008	1,438,604	1,366,137	1,359,431	1,340,183	1,333,888
827	Department of Sanitation.....	1,718,963	1,733,125	1,287,238	1,771,229	1,759,696	1,754,219	1,747,389	1,733,147
829	Business Integrity Commission.....	8,783	8,644	6,534	9,115	9,719	9,956	9,921	9,921
836	Department of Finance.....	278,859	303,511	210,987	312,421	314,160	310,781	310,635	310,652
841	Department of Transportation.....	983,688	1,042,050	755,780	1,070,808	1,086,935	1,041,933	1,041,808	1,041,693
846	Dept of Parks and Recreation.....	545,285	509,391	366,521	589,812	540,253	538,683	538,977	538,970
850	Dept. of Design & Construction.....	550,866	160,278	194,303	275,741	188,559	165,154	165,175	164,639
856	Dept of Citywide Admin Srvces.....	1,245,106	1,194,341	973,265	1,282,438	1,252,058	1,294,449	1,305,197	1,296,750
858	D.O.I.T.T.....	657,915	652,494	502,578	738,049	684,010	711,409	707,922	707,832
860	Dept of Records & Info Serv.....	8,012	9,779	7,320	10,538	12,593	15,218	16,621	16,661
866	Department of Consumer Affairs.....	39,567	42,571	25,977	42,679	43,091	43,809	43,754	43,754
901	District Attorney - N.Y.....	113,423	105,229	89,303	130,458	112,699	113,750	113,750	113,750
902	District Attorney - Bronx.....	75,537	75,339	49,792	83,554	84,321	84,990	84,990	84,990
903	District Attorney - Kings.....	98,925	101,112	74,265	111,653	110,389	111,127	111,128	111,128
904	District Attorney - Queens.....	62,421	64,272	44,928	72,463	69,263	69,734	69,734	69,734
905	District Attorney - Richmond.....	15,434	14,593	10,152	16,928	15,761	15,812	15,812	15,812
906	Off. of Prosec. & Spec. Narc.....	22,185	22,621	14,355	23,513	24,007	24,186	24,186	24,186
941	Public Administrator - N.Y.....	2,522	2,921	2,249	2,999	1,299	1,242	1,251	1,254
942	Public Administrator - Bronx.....	511	704	437	721	735	739	739	739
943	Public Administrator- Brooklyn.....	857	856	575	886	909	917	917	917
944	Public Administrator - Queens.....	544	633	369	644	659	674	674	674
945	Public Administrator -Richmond.....	528	536	383	559	565	570	570	570
	Prior Payable Adjustment.....	(366,512)	—	—	(400,000)	—	—	—	—
	General Reserve.....	—	1,000,000	—	50,000	1,000,000	1,000,000	1,000,000	1,000,000
	Citywide Savings Initiatives.....	—	—	—	—	(1,414)	(51,897)	(57,888)	(59,636)
	Energy Adjustment.....	—	—	—	—	—	24,600	44,777	78,501
	Lease Adjustment.....	—	—	—	—	—	36,973	75,056	114,281
	OTPS Inflation Adjustment.....	—	—	—	—	—	55,519	111,038	166,557
LESS: INTRA-CITY EXPENDITURES.....		2,197,066	1,824,405	709,678	2,219,508	1,818,581	1,817,142	1,815,007	1,813,616
NET TOTAL EXPENDITURES.....		\$88,568,146	\$89,062,663	\$56,662,654	\$92,850,564	\$92,468,347	\$97,911,094	\$99,882,165	\$102,522,009

EXHIBIT 3
ACTUAL REVENUE
(\$ in Millions)

	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018
Taxes:				
Real Property	\$21,518	\$23,181	\$24,679	\$26,408
Personal Income	11,264	11,340	11,230	13,372
General Corporation	2,873	3,354	3,528	3,454
Banking Corporation	1,214	268	(82)	(17)
Unincorporated Business	1,962	2,040	2,005	2,182
Sales and Use	6,742	6,911	7,017	7,443
Commercial Rent	735	779	816	853
Real Property Transfer	1,765	1,775	1,415	1,388
Mortgage Recording	1,155	1,234	1,118	1,050
Utility	384	354	371	371
Cigarette	50	45	37	36
Hotel	556	565	579	597
All Other	591	614	653	630
Tax Audit Revenue	1,132	1,161	1,296	1,337
Total Taxes	51,941	53,621	54,662	59,104
Miscellaneous Revenues:				
Licenses, Franchises, Etc.	703	729	770	776
Interest Income	30	79	73	125
Charges for Services	974	1,001	1,033	1,027
Water and Sewer Charges	1,439	1,297	1,385	1,390
Rental Income	284	279	253	261
Fines and Forfeitures	959	995	985	1,027
Miscellaneous	1,827	724	565	413
Intra-City Revenue	1,974	1,922	2,053	2,197
Total Miscellaneous	8,190	7,026	7,117	7,216
Unrestricted Intergovernmental Aid:				
Federal Revenue Sharing	—	—	—	—
N.Y. State Per Capita Aid	—	—	—	—
Other Federal and State Aid	1	6	59	—
Total Unrestricted Intergovernmental Aid	1	6	59	—
Provision for Disallowance of Categorical Grants	(110)	—	558	139
Less Intra-City Revenue	(1,974)	(1,922)	(2,053)	(2,197)
Sub Total City Funds	58,048	58,730	60,343	64,262
Other Categorical Grants	908	861	1,208	1,255
Transfers from Capital Fund:				
Inter Fund Agreements	551	557	633	637
Total City Funds & Capital Budget Transfers	59,507	60,148	62,184	66,154
Federal Grants and				
Contracts Categorical:				
Community Development	537	780	1,108	1,081
Social Services	3,076	3,225	3,454	3,362
Education	1,677	1,698	1,709	1,786
Other	1,692	1,691	1,656	1,737
Total Federal Grants and				
Contracts Categorical	6,982	7,394	7,927	7,966
State Grants and				
Contracts Categorical:				
Social Services	1,410	1,490	1,709	1,611
Education	9,131	9,612	10,250	10,710
Higher Education	227	239	248	255
Department of Health and Mental Hygiene	364	535	573	535
Other	965	1,126	1,210	1,342
Total State Grants and Contracts Categorical	12,097	13,002	13,990	14,453
Total Revenues	\$78,586	\$80,544	\$84,101	\$88,573

**EXHIBIT 4
REVENUE ESTIMATES
(\$ in Millions)**

	Fiscal Year 2019 8 Months Actuals	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Taxes:						
Real Property	\$25,852	\$27,795	\$29,529	\$30,909	\$32,150	\$33,110
Personal Income	8,168	12,729	13,145	13,429	13,856	14,296
General Corporation	1,942	3,930	3,722	3,727	3,790	3,815
Banking Corporation	(64)	(60)	—	—	—	—
Unincorporated Business	1,073	2,103	2,141	2,294	2,352	2,415
Sale and Use	5,032	7,827	8,267	8,553	8,852	9,134
Commercial Rent	464	887	870	894	930	965
Real Property Transfer	1,064	1,498	1,486	1,504	1,544	1,586
Mortgage Recording	754	1,073	958	968	991	1,014
Utility	218	386	397	410	421	430
Cigarette	18	36	34	33	32	31
Hotel	340	626	627	630	643	658
All Other	348	814	768	769	769	769
Tax Audit Revenue	465	1,058	999	721	721	721
State Tax Relief Program - STAR	181	181	182	180	178	176
Total Taxes	45,855	60,883	63,125	65,021	67,229	69,120
Miscellaneous Revenue:						
Licenses, Franchises, Etc.	525	795	758	742	748	752
Interest Income	131	213	235	252	254	256
Charges for Services	569	1,016	1,018	1,015	1,015	1,015
Water and Sewer Charges	1,450	1,453	1,509	1,513	1,496	1,490
Rental Income	180	272	255	250	250	250
Fines and Forfeitures	743	1,047	1,015	977	964	960
Miscellaneous	522	1,049	346	345	342	342
Intra-City Revenue	710	2,220	1,819	1,817	1,815	1,814
Total Miscellaneous	4,830	8,065	6,955	6,911	6,884	6,879
Unrestricted Intergovernmental Aid:						
Federal Revenue Sharing	—	—	—	—	—	—
Other Federal & State Aid	151	201	—	—	—	—
Total Unrestricted Intergovernmental Aid	151	201	—	—	—	—
Reserve for Disallowance of						
Categorical Grants	—	91	(15)	(15)	(15)	(15)
Less: Intra-City Revenue	(710)	(2,220)	(1,819)	(1,817)	(1,815)	(1,814)
Sub Total City Funds	50,126	67,020	68,246	70,100	72,283	74,170
Other Categorical Grants	320	1,207	928	870	863	863
Inter Fund Agreements	318	657	735	672	672	672
Total City Funds & Inter-Fund Revenues	\$50,764	\$68,884	\$69,909	\$71,642	\$73,818	\$75,705

**EXHIBIT 4
REVENUE ESTIMATES
(\$ in Millions)**

	Fiscal Year 2019 8 Months Actuals	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Federal Grants and						
Contracts Categorical:						
Community Development.....	\$521	\$1,009	\$399	\$294	\$278	\$252
Social Services.....	1,224	3,726	3,348	3,347	3,347	3,347
Education	343	1,848	2,106	2,108	2,071	2,071
Other.....	817	1,911	1,373	1,320	1,302	1,296
Total Federal Grants and Contracts Categorical.....	2,905	8,494	7,226	7,069	6,998	6,966
State Grants and						
Contracts Categorical:						
Social Services.....	571	1,908	1,832	1,831	1,823	1,823
Education	2,754	11,202	11,386	11,817	12,256	12,708
Higher Education.....	60	296	288	288	288	288
Department of Health and Mental Hygiene	209	661	501	486	486	486
Other.....	104	1,406	1,326	1,297	1,333	1,388
Total State Grants and Contracts Categorical.....	3,698	15,473	15,333	15,719	16,186	16,693
TOTAL REVENUE	\$57,367	\$92,851	\$92,468	\$94,430	\$97,002	\$99,364

EXHIBIT 5
FULL-TIME and PART-TIME POSITIONS (FTEs)

	6/30/2020		6/30/2021		6/30/2022		6/30/2023	
	Total	City	Total	City	Total	City	Total	City
MAYORAL AGENCIES AND ELECTED OFFICIALS:								
<i>Uniformed Forces:</i>								
Police	-Uniform	36,113	36,113	36,113	36,113	36,113	36,113	36,113
	-Civilian	17,416	17,396	17,427	17,407	17,427	17,407	17,427
Fire	-Uniform	10,952	10,944	10,951	10,943	10,951	10,943	10,951
	-Civilian	6,428	6,396	6,668	6,636	6,668	6,636	6,668
Correction	-Uniform	9,854	9,854	9,854	9,854	9,695	9,695	9,695
	-Civilian	2,079	2,071	2,079	2,071	2,079	2,071	2,079
Sanitation	-Uniform	7,799	7,799	7,799	7,799	7,799	7,799	7,799
	-Civilian	2,634	2,576	2,636	2,578	2,635	2,577	2,635
	<i>Subtotal</i>	<u>93,275</u>	<u>93,149</u>	<u>93,527</u>	<u>93,401</u>	<u>93,367</u>	<u>93,241</u>	<u>93,367</u>
<i>Health and Welfare:</i>								
Admin. for Children's Services		7,272	7,106	7,529	7,363	7,529	7,363	7,529
Social Services		14,530	11,123	14,509	11,102	14,509	11,102	14,509
Homeless Services		2,386	2,376	2,229	2,219	2,130	2,120	2,130
Health & Mental Hygiene		6,738	5,491	6,730	5,493	6,730	5,493	6,730
	<i>Subtotal</i>	<u>30,926</u>	<u>26,096</u>	<u>30,997</u>	<u>26,177</u>	<u>30,898</u>	<u>26,078</u>	<u>30,898</u>
<i>Other Agencies:</i>								
Housing Preservation and Development		2,616	846	2,566	843	2,565	842	2,565
Environmental Protection		6,348	269	6,428	269	6,400	268	6,384
Finance		2,218	2,206	2,219	2,207	2,219	2,207	2,219
Transportation		5,855	2,598	5,852	2,616	5,851	2,616	5,851
Parks		7,485	6,781	7,463	6,759	7,460	6,756	7,460
Citywide Administrative Services		2,776	2,066	2,808	2,098	2,813	2,103	2,813
All Other		22,838	19,452	22,538	19,200	22,458	19,138	22,420
	<i>Subtotal</i>	<u>50,136</u>	<u>34,218</u>	<u>49,874</u>	<u>33,992</u>	<u>49,766</u>	<u>33,930</u>	<u>49,712</u>
<i>Education:</i>								
Dept. of Education-Pedagogical		122,628	94,094	124,592	94,443	127,335	94,493	127,335
	-Civilian	25,409	22,652	25,603	22,665	25,879	22,665	25,879
City University	-Pedagogical	6,533	6,533	6,533	6,533	6,533	6,533	6,533
	-Civilian	3,753	3,753	3,753	3,753	3,753	3,753	3,753
	<i>Subtotal</i>	<u>158,323</u>	<u>127,032</u>	<u>160,481</u>	<u>127,394</u>	<u>163,500</u>	<u>127,444</u>	<u>163,500</u>
Total - Mayoral Agencies and Elected Officials		<u>332,660</u>	<u>280,495</u>	<u>334,879</u>	<u>280,964</u>	<u>337,531</u>	<u>280,693</u>	<u>337,477</u>
COVERED ORGANIZATIONS¹:								
Health + Hospitals		37,272	37,272	37,272	37,272	37,272	37,272	37,272
Housing Authority		10,817	-	10,771	-	10,763	-	10,763
Libraries		4,121	4,121	4,121	4,121	4,121	4,121	4,121
Cultural Institutions ²		1,192	1,192	1,192	1,192	1,192	1,192	1,192
School Construction Authority		909	909	909	909	909	909	909
New York City Employees Retirement System		476	476	476	476	476	476	476
Economic Development Corporation		532	532	532	532	532	532	532
Teachers Retirement System		392	392	392	392	392	392	392
Police Pension Fund		153	153	153	153	153	153	153
Fire Pension Fund		50	50	50	50	50	50	50
All Other ³		272	268	274	270	275	271	276
Total - Covered Organizations		<u>56,186</u>	<u>45,365</u>	<u>56,142</u>	<u>45,367</u>	<u>56,135</u>	<u>45,368</u>	<u>56,136</u>
Grand Total		<u>388,846</u>	<u>325,860</u>	<u>391,021</u>	<u>326,331</u>	<u>393,666</u>	<u>326,061</u>	<u>393,613</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 2020 EXECUTIVE BUDGET
CITYWIDE SAVINGS PROGRAM - 5 YEAR VALUE
(City \$ in 000's)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Uniformed Forces:					
Police.....	\$1,116	\$51,501	\$10,727	\$10,727	\$10,727
Fire.....	15,303	4,292	5,509	5,509	5,509
Correction.....	27,948	83,303	36,513	36,513	36,513
Sanitation.....	16,881	24,603	15,349	25,546	41,586
Health and Welfare:					
Admin. for Children's Services.....	71,429	29,771	25,163	25,163	25,163
Social Services.....	189,975	3,659	5,116	5,329	5,542
Homeless Services.....	1,249	22,062	31,200	32,900	32,900
Aging.....	1,118	1,402	1,423	1,423	1,423
Youth and Community Dev.....	4,949	12,623	10,923	10,923	10,923
Health and Mental Hygiene.....	37,482	10,731	10,059	10,059	10,059
Health + Hospitals.....	152,319	—	—	—	—
Other Agencies:					
Housing Preservation and Dev.....	11,333	8,403	1,026	1,026	1,026
Finance.....	5,663	33,700	24,700	24,675	24,655
Transportation.....	41,007	31,670	19,501	19,511	18,418
Parks and Recreation.....	9,500	17,024	7,391	7,391	7,391
Citywide Administrative Services.....	7,011	5,283	4,021	4,021	4,021
All Other Agencies.....	202,342	80,238	50,978	42,767	42,578
Education:					
Education.....	97,689	255,693	255,693	217,693	217,693
City University.....	2,000	4,800	4,800	4,800	4,800
Other:					
Citywide Savings Initiatives.....	2,000	24,527	18,297	11,079	12,935
Miscellaneous.....	290,866	49,517	63,749	68,236	70,624
Debt Service.....	329,168	165,811	208,882	223,541	103,834
Procurement Savings.....	—	111,038	111,038	111,038	111,038
Total Citywide Savings Program.....	\$1,518,348	\$1,031,651	\$922,058	\$899,870	\$799,358

Note: Includes initiatives from the April 25, 2019 Executive Budget, the February 7, 2019 Preliminary Budget and the November 8, 2018 Financial Plan.

EXHIBIT 6
FY 2020 EXECUTIVE BUDGET
CITYWIDE SAVINGS PROGRAM - 5 YEAR VALUE
(City \$ in 000's)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
All Other Agencies:					
Mayoralty	\$59,059	\$764	\$—	\$—	\$—
Actuary	409	110	—	—	—
Emergency Management	194	346	195	195	195
Administrative Tax Appeals	249	350	180	180	180
Law	23,369	3,253	3,253	3,253	3,253
City Planning	3,004	706	353	353	164
Investigation	963	1,221	—	—	—
New York Public Library	—	950	950	950	950
Brooklyn Public Library	—	713	713	713	713
Queens Borough Public Library	—	713	713	713	713
Board of Correction	107	78	78	78	78
City Clerk	528	—	—	—	—
Cultural Affairs	1,381	5,383	372	372	372
Financial Info. Services Agency	2,725	3,809	3,800	3,800	3,800
Payroll Admin.	1,353	1,488	1,502	1,502	1,502
Equal Employment Practices	—	37	—	—	—
Civil Service	35	—	—	—	—
Landmarks Preservation	294	348	382	382	382
Taxi and Limousine	2,077	8,803	7,521	(696)	(696)
Human Rights	200	—	—	—	—
Conflicts of Interest Board	25	25	—	—	—
Collective Bargaining	68	—	—	—	—
Probation	6,963	2,302	751	751	751
Small Business Services	38,927	3,306	2,607	2,607	2,607
Buildings	19,685	23,863	8,984	8,990	8,990
Administrative Trials and Hearings	1,976	1,216	1,323	1,323	1,323
Environmental Protection	19,885	10,136	8,562	8,562	8,562
Business Integrity	174	126	—	—	—
Design and Construction	885	1,544	644	644	644
DOITT	15,832	7,112	7,347	7,347	7,347
Records and Info. Services	279	357	162	162	162
Consumer Affairs	1,686	1,169	586	586	586
PA - Queens	10	10	—	—	—
Total All Other Agencies	\$202,342	\$80,238	\$50,978	\$42,767	\$42,578

Note: Includes initiatives from the April 25, 2019 Executive Budget, the February 7, 2019 Preliminary Budget and the November 8, 2018 Financial Plan.

EXHIBIT 6A
FY 2020 EXECUTIVE BUDGET
CITYWIDE SAVINGS PROGRAM - BY EXPENSE AND REVENUE
(City \$ in 000's)

	Expense	Revenue	Total
Uniformed Forces:			
Police	\$34,501	\$17,000	\$51,501
Fire	4,292	—	4,292
Correction	83,303	—	83,303
Sanitation	10,171	14,432	24,603
Health and Welfare:			
Admin. for Children's Services	29,771	—	29,771
Social Services	3,659	—	3,659
Homeless Services	22,062	—	22,062
Aging	1,402	—	1,402
Youth and Community Dev.	12,623	—	12,623
Health and Mental Hygiene	10,731	—	10,731
Health + Hospitals	—	—	—
Other Agencies:			
Housing Preservation and Dev.	6,403	2,000	8,403
Finance	5,294	28,406	33,700
Transportation	12,276	19,394	31,670
Parks and Recreation	13,064	3,960	17,024
Citywide Administrative Services	4,123	1,160	5,283
All Other Agencies	61,169	19,069	80,238
Education:			
Education	255,693	—	255,693
City University	4,800	—	4,800
Other:			
Citywide Savings Initiatives	24,527	—	24,527
Miscellaneous	49,517	—	49,517
Debt Service	165,811	—	165,811
Procurement Savings	111,038	—	111,038
Total Citywide Savings Program	\$926,230	\$105,421	\$1,031,651

Note: Includes initiatives from the April 25, 2019 Executive Budget, the February 7, 2019 Preliminary Budget and the November 8, 2018 Financial Plan.