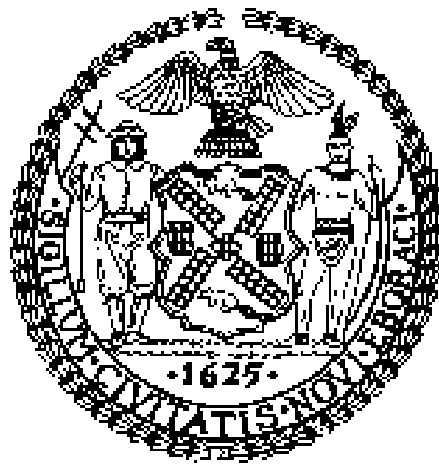


THE COUNCIL OF THE CITY OF NEW YORK

Hon. Corey Johnson
Speaker of the Council

Hon. Daniel Dromm
Chair, Committee on Finance



Report to the Committee on Finance

Fiscal 2019-2023 Preliminary Financial Plan Overview

March 6, 2019

Finance Division
Latonia R. McKinney, Director

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Introduction

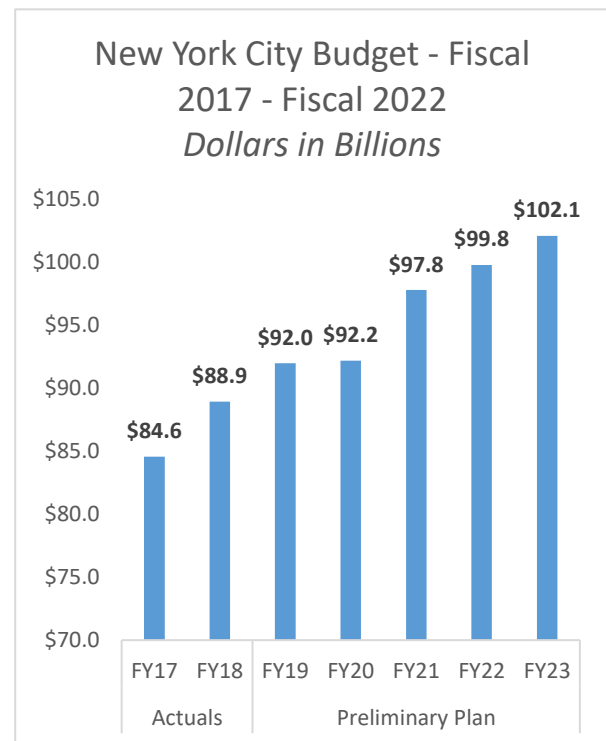
On March 6, 2019, the New York City Council will begin its review of the Mayor's proposed budget for the coming year with the Committee on Finance's hearing on the Fiscal 2020 Preliminary Financial Plan (Preliminary Plan or Plan). The Committee will hear testimony from the Office of Management and Budget (OMB) and broadly examine the Administration's programmatic priorities and fiscal estimates as presented in the Preliminary Plan. The proposed new spending, the Citywide Savings Plan, and revenue estimates will be scrutinized.

The Preliminary Plan was developed with the Administration's concerns about a possible economic slow-down in mind. Lower-than-expected tax receipts and State funding risks have placed the City in a more uncertain fiscal position this year, and the Administration has accordingly released a more conservative Preliminary Budget relative to prior fiscal years. Planned spending is expanding at modest rate, and there are relatively few major new initiatives. Most of the projected growth in spending is associated with increased labor costs and education, such as 3-K for All, special education, and charter schools.

Signaling the depth of concern with the fiscal outlook, the Mayor has expressed the urgency of expanding citywide savings through the implementation of a Program to Eliminate the Gap (PEG), the first PEG program of his administration. Through this mandatory savings program, agencies will be given specific savings targets that must cumulatively add up to \$750 million in savings by the release of the Fiscal 2020 Executive Financial Plan. OMB will impose budget reductions if agencies are unable to meet their savings targets as directed. Announcing a coming PEG program signals a shift in policy and approach to budgeting for this administration, whereby budget cuts will be mandatory and more rigorously reviewed and monitored. The actual planned savings level is not remarkable; annual savings rates during this Administration amount to about the same level.

This report, one of three prepared for this hearing of the Committee on Finance, provides a historical overview of City spending, reviews a breakdown of the Fiscal 2020 Preliminary Budget, and describes how the City proposes to balance the budget. The report then reviews major components of the City's budget and describes how the City's budget is structured. Additionally, the report summarizes significant changes since the adoption of the Fiscal 2019 budget, including new spending, headcount changes, and the Citywide Savings Program.

The second report prepared for today's hearing, "Economic and Revenue Forecast for the Fiscal 2020 Preliminary Budget," discusses the City Council Finance Division's economic and tax revenue forecast, and provides a snapshot of the City's economy and the Preliminary Revenue Budget for Fiscal 2020. The third report addresses the Preliminary Capital Budget for Fiscal 2020, the Preliminary Capital Commitment Plan for Fiscal 2019-2023, and the Ten-Year Capital Strategy for Fiscal 2020-2029.



Financial Plan Overview

According to the Preliminary Plan, the budget for Fiscal 2020 will total \$92.2 billion. This includes \$67.9 billion in City funds, up 1.1 percent from the Fiscal 2019 Adopted Budget. While the Preliminary Plan shows both revenues and expenses increasing steadily over the five year plan period, total revenue grows at an average annual rate of 1.8 percent and total expenditures increase by 2.7 percent on average, resulting in outyear gaps. In the Preliminary Plan, the budget for Fiscal 2020 is balanced, as is the revised Fiscal 2019 budget. The Preliminary Plan Summary below shows anticipated revenues and expenditures for all years, as well as the average annual percentage changes in each category. Changes in the Plan are modest compared with previous years at this time.

Fiscal 2020 Preliminary Financial Plan Summary

Dollars in Millions

	FY19	FY20	FY21	FY22	FY23	Average Annual Change
REVENUES						
Taxes	\$60,681	\$62,916	\$64,768	\$66,930	\$68,895	3.2%
Misc Revenues	7,633	6,799	6,772	6,747	6,735	(3.0%)
Unrestricted Intergov Aid	151	-	-	-	-	
Less: Intra-City / Disallowances	(2,063)	(1,809)	(1,811)	(1,809)	(1,807)	(3.1%)
Subtotal, City Funds	\$66,402	\$67,906	\$69,729	\$71,868	\$73,823	2.7%
State Aid	\$15,258	\$15,390	\$15,837	\$16,305	\$16,353	1.8%
Federal Aid	8,471	7,327	7,205	7,133	7,120	(4.1%)
Other Categorical Grants	1,198	926	868	862	862	(7.4%)
Capital Funds (IFA)	690	661	662	661	661	(1.1%)
TOTAL REVENUES	\$92,019	\$92,210	\$94,301	\$96,829	\$98,819	1.8%
EXPENDITURES						
Personal Services	\$49,509	\$51,727	\$53,704	\$54,684	\$56,097	3.2%
Other Than Personal Services	39,034	36,851	37,001	37,291	37,474	(1.0%)
Debt Service	6,737	7,345	7,658	8,337	9,086	7.8%
General Reserve	300	1,000	1,000	1,000	1,000	58.3%
Capital Stabilization Reserve	-	250	250	250	250	
Less: Intra-City	(2,154)	(1,794)	(1,796)	(1,794)	(1,792)	(4.2%)
Spending Before Adjustments	\$93,426	\$95,379	\$97,817	\$99,768	\$102,115	2.2%
Surplus Roll Adjustment (Net)	(\$1,407)	(\$3,169)				
TOTAL EXPENDITURES	\$92,019	\$92,210	\$97,817	\$99,768	\$102,115	2.7%
Gap to be Closed	-	-	(\$3,516)	(\$2,939)	(\$3,296)	

Source: OMB Fiscal 2020 Financial Plan for Fiscal Years 2019-2023

The Fiscal 2019 Adopted Financial Plan estimated a \$3.3 billion budget gap for Fiscal 2020. That gap has been closed largely by using \$3.2 billion in newly identified resources from Fiscal 2019 to prepay Fiscal 2020 debt. This roll comes from increased revenues, reductions in spending and spending re-estimates, and the usual transfer of current year reserves.

Closing the Gap		
<i>Dollars in Millions</i>		
	FY19	FY20
Gap as of Fiscal 2019 Adopted Financial Plan	\$0	(\$3,260)
<u>Revenue Budget Changes</u>		
Tax Revenues, net of audits	\$604	\$290
Audits	1	277
Citywide Savings Program ¹	299	57
Other Revenues	470	(13)
SUBTOTAL	\$1,374	\$611
<u>Expense Budget Changes</u>		
Agency Expense Changes	\$251	\$345
Citywide Savings Program	(799)	(478)
Takedown of General Reserve	(825)	0
Takedown of Capital Stabilization Reserve	(250)	0
Re-estimate of Prior Years' Expenses & Receivables	(400)	0
Labor Reserve	227	704
Pensions	0	(50)
SUBTOTAL	(\$1,796)	\$521
TOTAL: Gap Before Prepayments	\$3,170	(\$3,170)
FY 2019 Prepayment of FY2020 Expenses	(\$3,170)	\$3,170
NEW GAP in February 2019 Financial Plan	\$0	\$0
<i>Does not include intra-fund capital spending or intra-city revenue</i>		

The largest source of newly identified resources in Fiscal 2019 is revenues, which are up \$1.4 billion from Fiscal 2019 adoption. Even though personal income tax collections during Fiscal 2019 are lower than initially projected, tax revenue overall is projected to be up by \$604 million. In addition, there are \$299 million in increased revenues included in the Citywide Saving Program and an increase of \$470 million in other miscellaneous revenues.

Other newly identified resources come from the Preliminary Plan projection that net agency spending will be down \$721 million in Fiscal 2019. This reflects reductions of \$799 million from the Citywide Savings Program and \$400 million from the re-estimation of prior years' expenses and receivables. These reductions are offset by a \$251 million increase in agency expenses and \$227 million in the labor reserve.

Finally, roughly \$1.1 billion in Fiscal 2019 comes from drawing down current year budgetary reserves. This action typically occurs at this point in the budget cycle, demonstrating that as the revenue and spending plans develop fully, the need for in-year buffers declines. Specifically, the takedown of the general reserves totals \$825 million, while the takedown of the Capital Stabilization Reserve totals \$250 million.

All totaled, \$3.2 billion from Fiscal 2019 is used to prepay debt service due in Fiscal 2020, reducing Fiscal 2020 debt service costs by that amount and closing most of the budget gap. This remaining gap of \$90 million is closed because additional revenue recognized in Fiscal 2020 exceeds new expenses for the year. Fiscal 2020 changes scheduled since Fiscal 2019 adoption add \$611 million in new revenue, but only increase spending by \$521. Ninety-three percent of this \$611 million in newly recognized revenues, or \$567 million, is from tax revenue and audits. Citywide savings further increase revenues by \$57 million, while other revenues decreased by \$13 million.

¹Does not include funding swaps (please see "Citywide Savings Program" section for more information).

The \$521 million in new spending in Fiscal 2020 is comprised of an increase in agency expenses of \$345 million and a \$704 million spending increase on the labor reserve. This is offset by \$478 million in reduced spending through the Citywide Savings Program and reduced pension contributions of \$50 million as a result of better than expected pension fund returns.

Budget Reserves

New York City applies Generally Accepted Accounting Principles (GAAP) to both its accounting and budgeting. Unfortunately, this prohibits the City from having a rainy day fund of the kind that most states have created. Accordingly, the City has developed a set of practices that provide budgetary cushions within these rules. These fall into three general categories that collectively make up the City's reserves: 1) current year budget reserves such as the General Reserve and the Capital Stabilization Reserve; 2) the Budget Stabilization Fund (also referred to as the surplus roll) which prepays future years' debt service costs; and 3) the Retiree Health Benefits Trust (RHBT).

The City's reserves have been growing consistently since Fiscal 2014, in large part due to the Council's advocacy. The City ended Fiscal 2018 with roughly \$4.6 billion in the Budget Stabilization Fund and about \$4.5 billion in the RHBT for a total net end-of-year reserve balance of \$9.1 billion,² representing 10.3 percent of total adjusted expenditures. In the Preliminary Plan, total current estimated end-of-year reserves only amount to about \$8 billion, but this is expected to grow over the year as OMB tends to raise revenue estimates and find additional savings through expense re-estimates as the fiscal year progresses.

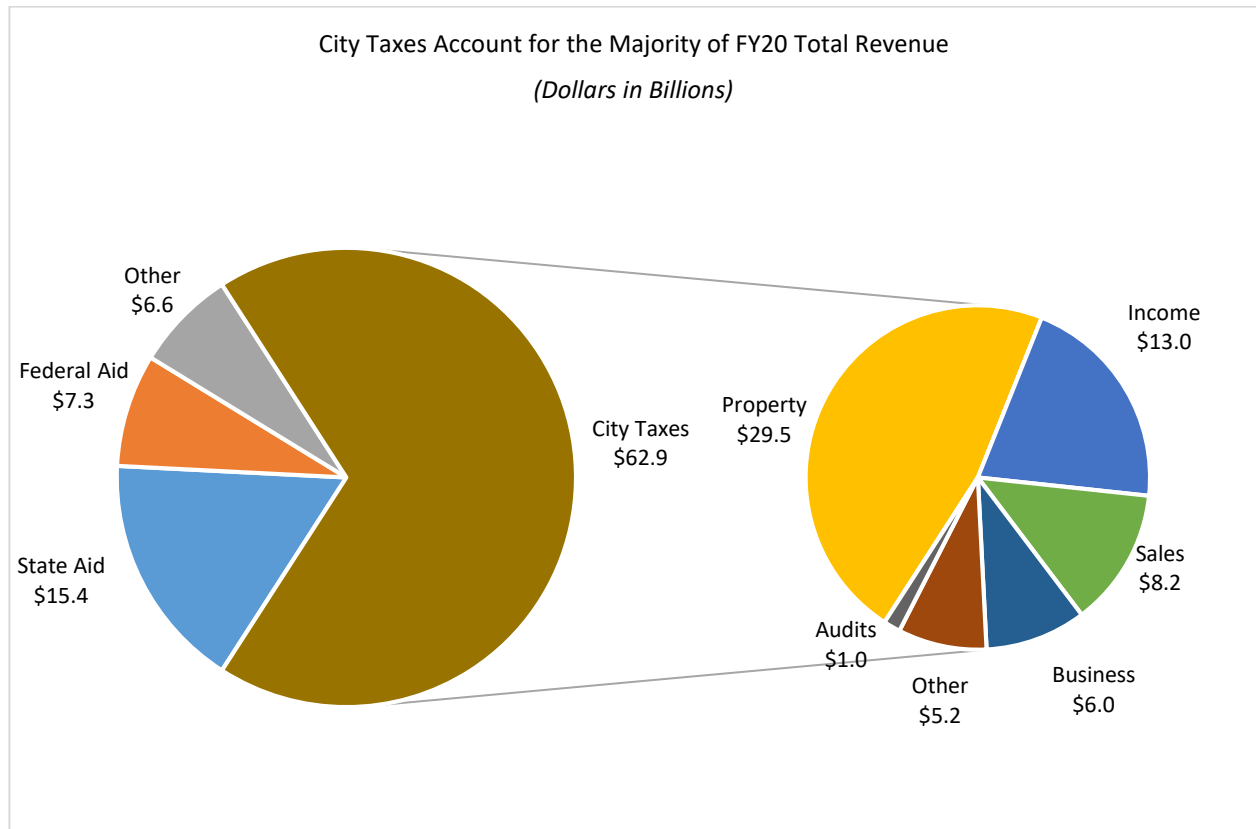
The Fiscal 2019 Preliminary Financial Plan reflected a roll of approximately \$2.6 billion from Fiscal 2018 to prepay Fiscal 2019 debt. In comparison, this year's Preliminary Plan is projecting a surplus roll into Fiscal 2020 of \$3.2 billion, an increase of \$585 million. Levels of the RHBT and General Reserve are unchanged from the same point last year. It is likely that the City will close the current fiscal year with a higher level of reserves available to roll into Fiscal 2020 than it had at the end of last year.

Projected End of Year Reserve (\$ in millions)	FY18	FY19
Roll	\$2,584	\$3,169
RHBT	\$4,500	\$4,500
General Reserve remaining	\$300	\$300
Total Reserves as of the Preliminary Plan	\$7,384	\$7,969

Revenue Budget

Revenues for the Fiscal 2020 Budget are expected to total \$92.2 billion, 1.1 percent higher than the Fiscal 2019 Adopted Budget. Revenues come from a handful of sources, including local taxes, miscellaneous revenues, and State and federal categorical grants, as shown in the chart below.

² As this represents the close of the budget, all in-year reserves would have been zeroed out as there would remain no need for a buffer against unexpected costs or revenue shortfalls. Numbers do not add due to rounding.



City taxes in the Fiscal 2020 budget are expected to total \$62.9 billion, up 0.9 percent when compared to the Fiscal 2019 Adopted Budget. The property tax comprises 46.9 percent of all tax revenues, while the personal income taxes comprises 20.7 percent. For a detailed discussion of the Revenue Budget, see the “Economic and Revenue Forecast for the Fiscal 2020 Preliminary Budget” report from the Finance Division, released with this report.

Tax Expenditures

Tax expenditures, commonly referred to as “tax breaks,” are abatements, exemptions, and incentives granted to subsidize certain forms of private spending or to provide targeted tax relief. Although different than direct spending, tax expenditures can have a major impact on the budget inasmuch as money not collected is functionally the same as money spent.³ The City’s extensive tax expenditure system constitutes a major financial commitment, amounting to \$11.7 billion in foregone revenue,

³ There are exceptions to this rule, for example if the tax expenditure was necessary to induce some economic activity, and no comparable spending would have taken place in its absence, then the amount of the fiscal impact of the tax expenditure would be less than the subsidy provided. The question of when tax expenditures are necessary to incentivize investment is debatable, but research shows that inducement effects are often small and frequently overstated in public discussions. See the Council Finance Division’s recent white paper, “Does the Amazon Deal Deliver for New York City Residents?” for a fuller discussion of these issues (available at:

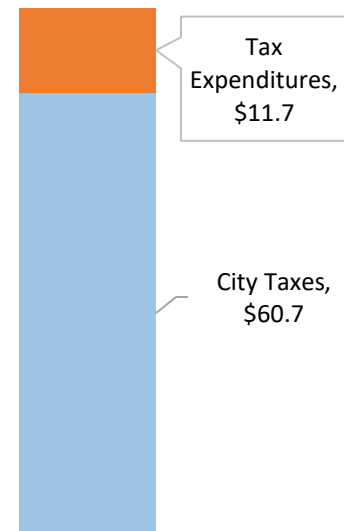
<https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=3823799&GUID=C5BE3545-C5E5-4ECA-BC53-6D3DEAD5BA56&Options=&Search=>, last accessed February 27, 2019).

according to estimates from the Department of Finance (DOF).⁴ Yet, because tax expenditures represent foregone revenue, they are not accounted for or represented anywhere in the City's financial plan, to the disapproval of some.

Tax expenditures, in particular those related to economic development, came under intense scrutiny recently, after Amazon released—and later withdrew—plans to open a headquarters in Long Island City. The headquarters deal would have made Amazon eligible to receive up to \$2.3 billion in City as-of-right tax subsidies over time.⁵

Although the Amazon process pushed tax expenditures into the public eye, the Council has been making strides in increasing its oversight of the City's economic development tax expenditure programs since well before the Amazon hearings. Local Law 18 of 2017 established an evaluation process whereby the Independent Budget Office (IBO), in discussion with the Council Finance Division, issues an in-depth report on a chosen tax program each year. So far, one evaluation has been conducted as a result of the law, and IBO is in discussion with the Council Finance Division as to the subject of the second report.⁶

Tax Expenditures and Taxes Collected
(Dollars in Billions)

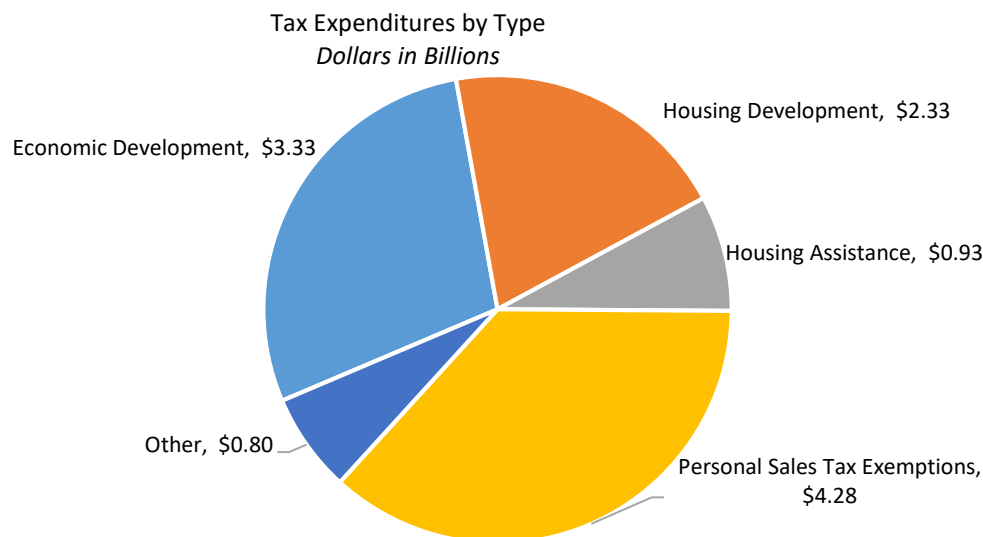


⁴ See Department of Finance, *Annual Report on Tax Expenditures, Fiscal 2019*. This number includes all tax expenditures applied, including those for the Economic Development Corporation (EDC) and the Industrial Development Agency (IDA), but not including those for other public agencies. Numbers reflect annual amounts, but not necessarily Fiscal 2019 annual amounts. Because tax expenditure are not direct spending, the amounts must be estimated, and may not be available until after a lag of three or more years. This report cites most recent estimates, but the year for which they were estimated varies. Property tax expenditures are generally made for Fiscal 2019, while most business tax expenditures are for Tax Year 2015. Sales tax expenditure estimates are for Calendar 2015. Consult the DOF report for more details.

⁵ This amount assumes that Amazon would have created 40,000 jobs in Long Island City and does not include the additional \$1.7 billion in State financial aid the company would have received. See the Committee on Finance Report from its January 30, 2019 oversight hearing “Amazon HQ2 - Stage 2: Does the Amazon Deal Deliver for New York City Residents?” for more details (available at <https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=3823799&GUID=C5BE3545-C5E5-4ECA-BC53-6D3DEAD5BA56&Options=&Search=>, last accessed February 27, 2019).

⁶ See “Worth the Cost? An Examination of the Commercial Revitalization & Commercial Expansion Programs” (available at: <https://ibo.nyc.ny.us/iboreports/worth-the-cost-an-examination-of-the-commercial-revitalization-commercial-expansion-programs-november-2018.pdf>, last accessed February 27, 2019). The evaluation found that the two reviewed tax expenditure programs to be generally ineffective.

The below chart shows a breakdown of the tax expenditure programs by category:



Economic Development. Expenditures in this category total \$3.3 billion.⁷ Some programs in this category include the Relocation and Employment Assistance Program (REAP) and the Industrial and Commercial Abatement Program (ICAP), which received recent attention during the Amazon hearings. Other programs are intended to encourage development in lower Manhattan and the outer boroughs or to create incentives for particular types of businesses, including insurance companies, mutual funds, and securities brokers, to encourage their location in New York City. This category also includes tax exemptions granted directly to the City's economic development agencies.

Housing Development. Property tax expenditures supporting housing development and renovation totaled \$2.3 billion in Fiscal 2019, compared to \$2.1 billion in Fiscal 2018. The single largest program in this area is the "Affordable NY Housing Program" (until recently referred to as 421-a), which represents over \$1.6 billion in foregone revenue in Fiscal 2019. Many of these programs support affordable housing, either alongside market-rate construction or as their sole purpose. Others, like the Lower Manhattan Conversion Program (421-g), do not have an affordable housing requirement.

Housing Assistance. Programs in this category attempt to address issues with our property tax system, such as the condo/co-op abatement program, or provide tax and/or rent relief to senior citizens, veterans, and other groups of residents. In total, these programs cost \$932 million in Fiscal 2019.

Personal Sales Tax Exemptions. Some sales tax exemptions, such as the exemption for airline fuel, are categorized with economic development. Most other exemptions are designed to offset the regressivity of the sales tax, such as exemptions for unprepared food, internet and cable access, and clothing items under \$100. At a total value of \$4.3 billion, these exemptions constitute a large expense, but, in contrast to most tax expenditures, they function more as a generalized progressive tax break than targeted subsidies or assistance.

Risks to the Financial Plan

In addition to omitting information about tax expenditures, the Preliminary Plan does not account for certain risks to the Plan, some of which cannot be accurately projected at this time due to uncertainty and some which are due to customary budgeting practices that typically leave more fixed projections

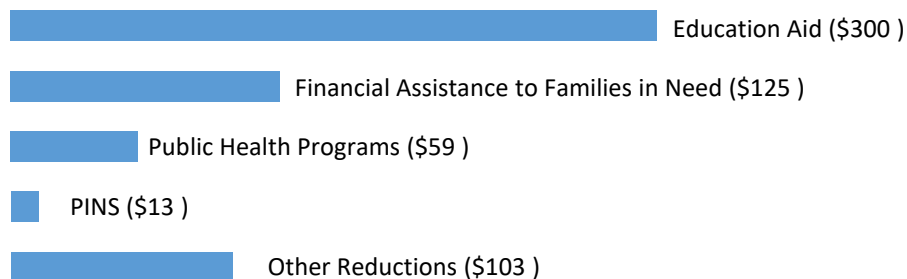
⁷ See Tax Expenditure Report, *supra* fn. 4.

of spending until the Executive Plan. The largest risk to the City's budget for the coming year is the Governor's proposed level of State aid which could lead to a \$600 million cut for the City.

State Budget Shortfalls

The Governor's Executive Budget for State Fiscal Year 2019-2020 includes several proposals that would have a negative impact on the City's budget if adopted. Potential cuts and cost shifts could lower State aid to the City by roughly \$600 million next year compared to the Preliminary Financial Plan. The Preliminary Plan did not alter State revenue projections to align with the Governor's proposals, and in past years OMB has adjusted the financial plan after the State adopts its budget. Revisions to the Governor's proposals by the State legislature are likely, but given the State fiscal outlook and revised revenue projections, the City's projected State aid increase of just \$132 million for next year is less realistic. The State risks fall into five general categories and each is discussed below.

State Budget Risks



School Aid

Although the Executive Budget proposes a \$202 million increase in Foundation Aid for New York City, for a total of \$7.96 billion in Fiscal 2020, this falls \$218 million short OMB's school aid projection in the Preliminary Plan. In addition, the Governor's Education Equity proposal would require DOE to allocate 75 percent, or \$152 million of this additional Foundation Aid to schools characterized as underfunded and high-need by the State. This would prevent DOE from disbursing most new Foundation Aid through its Fair Student Funding formula, and thereby create a school funding gap of \$148 million. This proposal, combined with the overall shortfall in school aid, would create a \$300 million gap for schools.

Financial Assistance to Families in Need

The Executive Budget proposes to impose a ten percent local share for New York City for the Family Assistance portion of the Temporary Assistance for Needy Families (TANF) block grant. This proposed shift in funding could cost the City \$125 million to cover cash assistance and shelter costs.

Public Health Programs - State Match

The Executive Budget proposes a reduction in State reimbursement for public health initiatives in the City from 36 to 20 percent. Services at risk of decreased funding include HIV and tuberculosis, support for mothers and children, testing updated vaccines and other vital public health services. In addition to the reduction in the rate, this proposal would consolidate services resulting in a lower number of eligible programs. This proposal could lead to a loss of \$59 million.

Person In Need of Supervision (PINS)

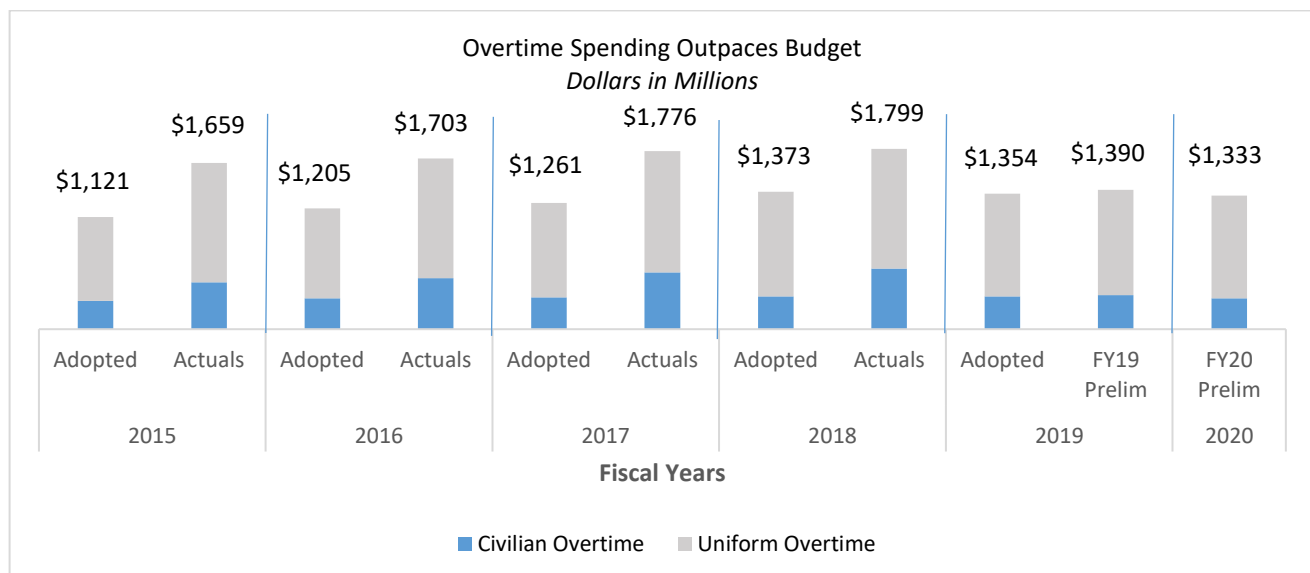
The Executive Budget proposes to prohibit the placement of Persons in Need of Supervision (PINS) youth in detention facilities or foster care settings, except for those who meet the definition of a sexually exploited youth. PINS youth in New York City are only placed in foster care, and it is estimated that 5,000 families are served by PINS, and 100 youth are placed into foster care. This cut impacts preventive services funding for the City, and would result in a loss of \$13 million, as well as have a policy implication as to where the City will place PINS youth going forward.

No Restorations in Previous State Funding Cuts for Children and Youth

The Executive Budget fails to restore over \$100 million in previous cuts that primarily impact programs for children and youth. There still remains a State funding loss of \$62 million through the Foster Care Block Grant, a \$20 million loss of funding through the Child Care and Development Block Grant due to the State lowering the reimbursement rate from 65 percent to 62 percent, and a \$40 million loss of Close to Home funding.

Other Risks

Other major risks include the potential increase in the cost of school bus services. The Department of Education (DOE) has not secured new bus contracts, but planned changes are likely to significantly increase spending. These may include reinstatement of a type of employee protection program into contracts, new bus driver and attendant responsibilities and training, as well as a complete overhaul of the bussing technology infrastructure. In addition, the one-time funding added to the Fiscal 2019 Budget for a variety of programs, such as Work Learn Grown, Bridging the Gap, and arts groups, will add another \$122.6 million to the Fiscal 2020 Budget if restored. Additional spending on employee overtime above the Preliminary Plan projection also is likely. Actual overtime costs have consistently outpaced the budget, and the Plan does not adjust overtime to match historical spending. Without developing a plan to reduce overtime, by tightening controls and imposing strict limits inside agencies, it is highly unlikely that future spending will match the overtime levels carried in the Plan.



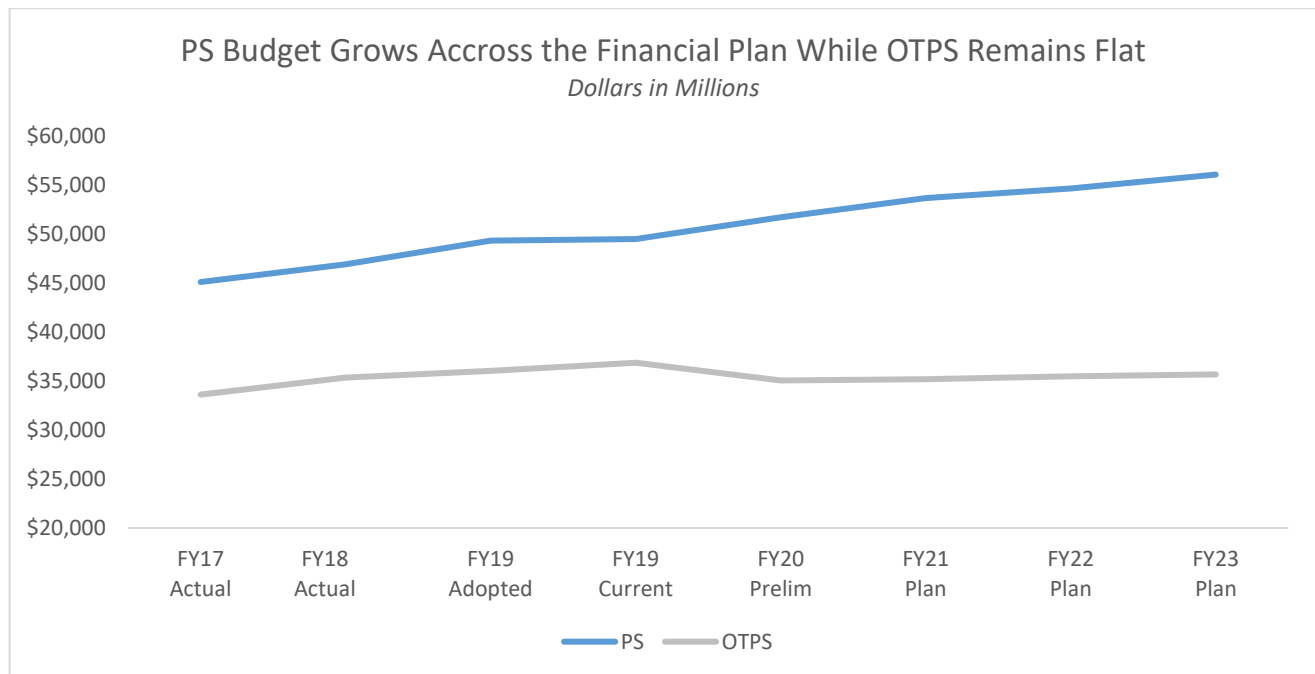
Since Fiscal 2015, the overtime budget adoption has been, on average, 28 percent less than actual expenditures on overtime. The overtime budget as of the Preliminary Plan totals \$1.3 billion, but overtime expenditures have averaged \$1.7 billion in the past five fiscal years. It is critical that the budgeted figure closely reflects the anticipated actual costs. If overtime keeps pace with prior spending, the Fiscal 2020 Budget would grow by almost \$400 million.

Expense Budget

The Fiscal 2020 Preliminary Budget totals \$92.2 billion, \$3.1 billion more than the Fiscal 2019 Adopted Budget and \$972 million more than the current Fiscal 2019 Budget. Growth of the Expense Budget is 3.4 percent from the Fiscal 2019 Adopted Budget to the Fiscal 2020 Preliminary Budget. The projected growth over the Preliminary Plan period is 10.7 percent, equaling an annual growth rate of 3.2 percent through Fiscal 2023. This compares to a \$14.1 billion increase from Fiscal 2015 through Fiscal 2019, an average annual rate of 4.4 percent.

The Fiscal 2020 Preliminary Budget includes \$51.7 billion for personal services (PS), \$35.1 billion for other than personal services (OTPS), \$7.34 billion for debt service, and \$1.25 billion set aside for reserves. Backing out the roughly \$1.8 billion projected for intra-city spending leaves the Fiscal 2020 Preliminary Budget at \$92.2 billion. The following discussion will review the PS and OTPS portions of the Expense Budget. Debt service and reserves are discussed in the companion reports to today's hearing.

The overall growth in spending projected in the Preliminary Plan is entirely driven by PS spending. Between Fiscal 2019 and Fiscal 2023 PS will grow by 13.3 percent while OTPS will fall by four percent. Growth in the PS budget is in large part attributable to labor contracts settled by the de Blasio Administration.

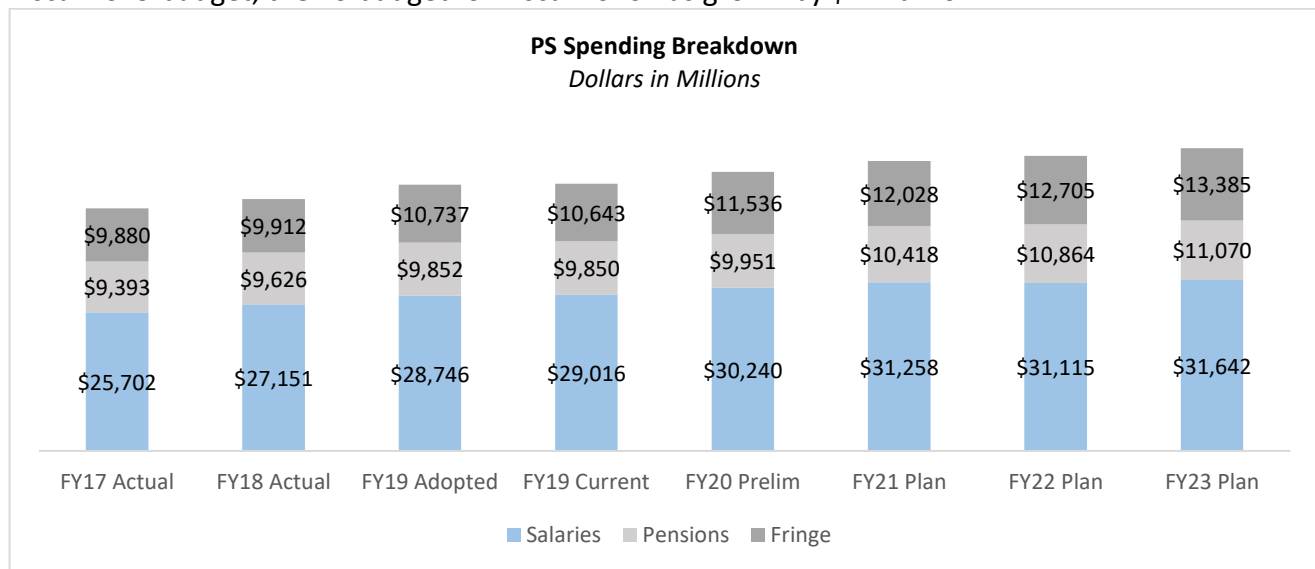


PS Spending

PS expenditures, which include salaries and wages, fringe benefits, and pension contributions, continue to increase steadily year-over-year, increasing by 13.3 percent between Fiscal 2019 and 2023. This includes increases of 9.1 percent, 12.4 percent, and 25.8 percent for salaries, fringe benefits, pension contributions, respectively.

Changes introduced in the Preliminary Plan increase PS spending by \$2 million in Fiscal 2019, then decreases PS spending by \$12 million in Fiscal 2020, with small decreases projected to continue in the outyears of the Preliminary Plan. The decrease in PS spending in the outyears is mainly attributable

to additional savings being recognized from the closure of Rikers Island. Since the adoption of the Fiscal 2019 budget, the PS budget for Fiscal 2020 has grown by \$2.4 billion.



PS spending in the Fiscal 2020 Preliminary Budget totals \$51.7 billion, accounting for 56 percent of the City's total operating budget. It includes \$30.2 billion (58.5 percent) for salaries, \$11.5 billion (22 percent) for fringe benefits and \$9.9 billion (19 percent) for pension contributions. Headcount increases and labor settlements are the main drivers of the PS spending increases. Although the Administration has signaled a slowdown in spending, the PS budget is projected to grow to \$56.1 billion by Fiscal 2023, mainly attributed to adjustments in wages to settle collective bargaining agreements. Although the increases are large, the shares of the overall PS budget for each component has remained stable.

Collective Bargaining Adjustments

District Council 37 (DC37), which represents a quarter of the municipal workforce, approved an agreement in August 2018 which calls for compounded wage increases of 7.4 percent over a 44-month period, costing \$1 billion in total. The first wage increase of two percent was retroactive to September 2017, the second increase of 2.25 percent was paid in October 2018, and the final increase of three percent will be paid in October 2019.

Given the City's history of pattern bargaining, it was not a surprise that the United Federation of Teachers (UFT) reached a deal in October 2018 with the same wage increases as those negotiated in the DC37 deal. The UFT agreement also includes financial incentives for teachers and other UFT members to work in certain high-need schools where there has historically been high turnover.⁸ The Preliminary Plan also includes over \$760 million in Fiscal 2019 for UFT-represented employees representing a retroactive payment negotiated as part of the 2014 contract. This "lump sum" payment is money owed to these employees because they did not receive raises in 2009 and 2010.

⁸ One notable exception to the ratified contract initially came from school nurses, occupational and physical therapists, and supervisors of nurses and therapists. However, in late January, a deal was narrowly ratified by the total bargaining unit.

Funding for these and other collective bargaining agreements,⁹ are reflected in the Preliminary Plan as transfers from the labor reserve to agency budgets; the shift from the reserve totals \$544 million in Fiscal 2020.

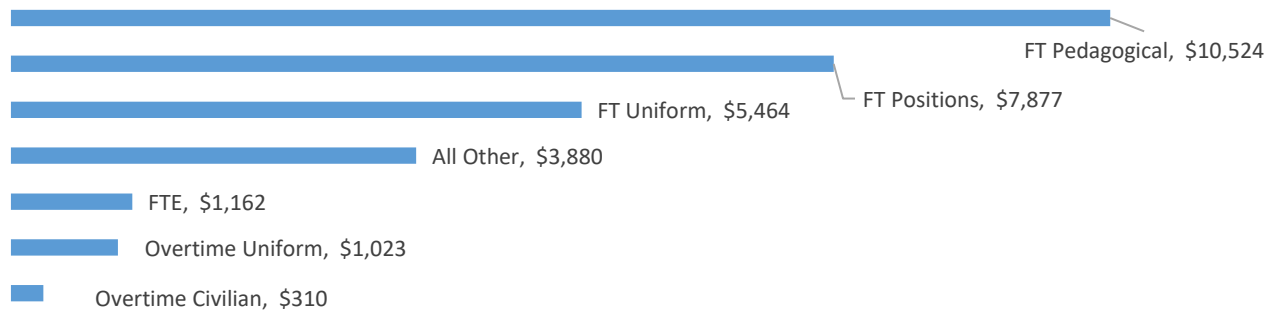
At the same time the City announced the collective bargaining agreement with DC37, another agreement was reached with the umbrella group of unions who negotiate on health benefits, the Municipal Labor Committee (MLC). This deal involved another round of health care savings, with the goal of producing \$1.7 billion in savings over four years. Crucial to these savings was a deal the MLC and City negotiators reached with the City's primary insurer, Emblem Health, which will cap increases in healthcare expenditures at 3.5 percent in 2019 and three percent in 2020. These savings were reflected in the November 2018 Financial Plan.

In total, and reflecting the substantial healthcare savings, collective bargaining increases factored into the baseline budget will cost over \$988 million in Fiscal 2019, \$544 million in Fiscal 2020, \$876 million in Fiscal 2021, \$1.1 billion in Fiscal 2022, and \$1.2 billion in Fiscal 2023. After funding settled contracts, there is \$666 million remaining in the labor reserve in Fiscal 2019, \$1.8 billion in Fiscal 2020, \$2.3 billion in Fiscal 2021, \$1.7 billion in Fiscal 2022, and \$2.1 billion in Fiscal 2023. These figures include funding for the additional lump-sum payments that are still owed to certain UFT employees, as well as funding for a one percent wage increase for employees in the years outside of the current round of bargaining. As additional unions reach agreements with the City, adjustments will be made to the financial plan and will be reflected as reductions to the labor reserve.

Salaries and Wages

Spending on City employees' salaries and wages is expected to total \$30.2 billion in Fiscal 2020, which represents 30.2 percent of the City's total budget and 58.5 percent of the PS budget. As shown below, of all categories of salaries and wages spending, full-time (FT) pedagogical salaries total \$10.5 billion, or 35 percent of the total salaries budget for Fiscal 2020; most of this spending is in DOE's budget. An important component of the salaries budget is overtime; it amounts to about five percent of all spending on salaries. The Fiscal 2020 Preliminary Budget includes \$1.4 billion for overtime in Fiscal 2019, a 2.6 percent increase since adoption. Overtime drops to \$1.3 billion for Fiscal 2020. As discussed above, the projection for overtime spending is likely understated in the Preliminary Plan. Finally, salaries for FT uniform totals approximately \$5.5 billion, or 18 percent of the salaries budget, and provides funding for the salaries of all uniform personnel in the City, including police officers, firefighters, sanitation workers, and corrections officers.

⁹ Some of the other labor agreements funded in the Preliminary Plan include those with Plumbers Local 1 of the United Association of Plumbers and Gasfitters Union, Buyers Local 300 of the Service Employees' International Union (SEIU), and Supervisors of Mechanics Local 3 of SEIU. These agreements affect workers at a handful of agencies, including the New York City Housing Authority, the Department of Health and Mental Hygiene, Health + Hospitals, and the City University of New York.

Pedagogical Staff Account for 35% of Salaries Budget in FY20*Dollars in Millions***Fringe Benefits**

Fringe Benefits account for approximately \$11.5 billion, or 22.3 percent of the Fiscal 2020 PS Budget and approximately 12.5 percent of the total budget. Fringe benefits rates stand at around 50.1 percent of total salary for City employees on average, and have steadily risen under the current Administration. Spending on fringe benefits is projected to grow by a considerable 12 percent from this year to next. The largest component of fringe benefits spending is health insurance for employees and retirees which will reach nearly \$7.2 billion in Fiscal 2020. This includes expenditures of \$4.4 billion at Mayoral agencies, an increase of almost 18 percent from Fiscal 2019, and \$2.6 billion at the DOE. Increased projected costs for health insurance is the main driver of the growth in budgeted fringe benefits in the Preliminary Plan.

Fringe Benefit Expenditures as of the Preliminary Plan (Excluding Pensions)*Dollars in Millions*

	Fiscal 2019	Fiscal 2020	Percent Change
Health Insurance	\$6,283	\$7,163	14%
Social Security	2,152	2,247	4%
Supplemental Welfare Benefits	1,257	1,444	15%
Worker's Compensation	343	387	13%
Annuity Contributions	120	119	(1%)
Allowance for Uniforms	72	71	(2%)
Worker's Compensation - Uniformed	41	42	4%
Unemployment Insurance	36	39	8%
Other Fringe Benefits	26	11	(60%)
Faculty Welfare Benefits	12	12	0%
Disability Insurance	1	1	0%
TOTAL	\$10,643*	\$11,537	12%

*Number adjusted for prepayments.

Pensions

Total pension spending will reach \$9.9 billion in Fiscal 2020, accounting for 10.8 percent of the City's budget and 19.1 percent of the PS budget. Even though the recent collective bargaining agreements will increase contributions, outyear growth remains low, averaging just 3.6 percent annually. By Fiscal 2023 pension contributions are projected to total more than \$11 billion, accounting for the same share of the City's budget. The bulk of the City's pension contributions fund five actuarial pensions – the New York City Employees' Retirement System, the Teachers' Retirement System, the New York City Board of Education Retirement System, the New York City Police Pension Fund, and the New York

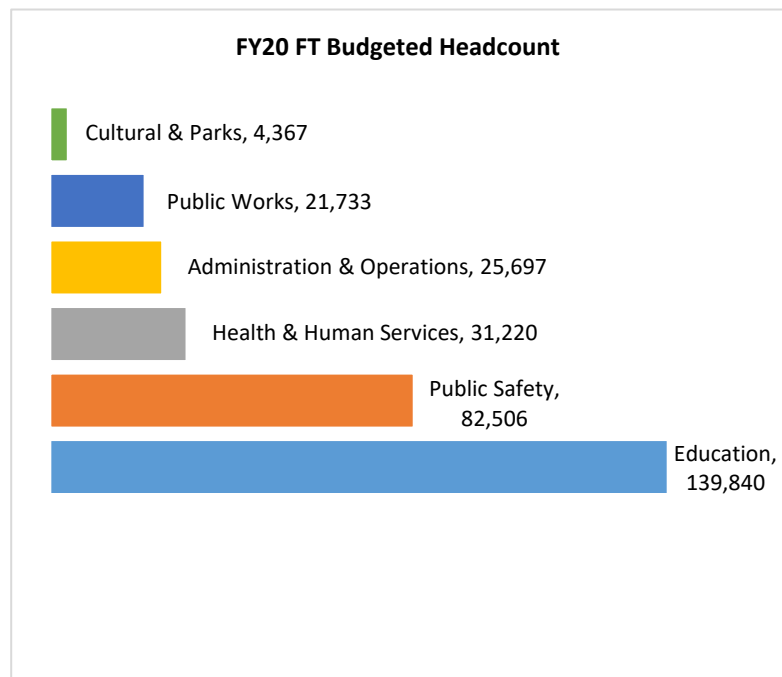
City Fire Pension Fund (FPF). The Preliminary Plan reflects the impact of previous and expected investment returns. Following returns of 13 percent in Fiscal 2017 and 8.7 percent in Fiscal 2018, the Funds have a year-to-date performance of -.36 percent – well below the seven percent assumed return rate.

The City also contributes to a handful of non-city retirement systems, including the Cultural Institutions Retirement System and the Teachers' Insurance and Annuity Association. There are no significant changes to pension contributions since November.

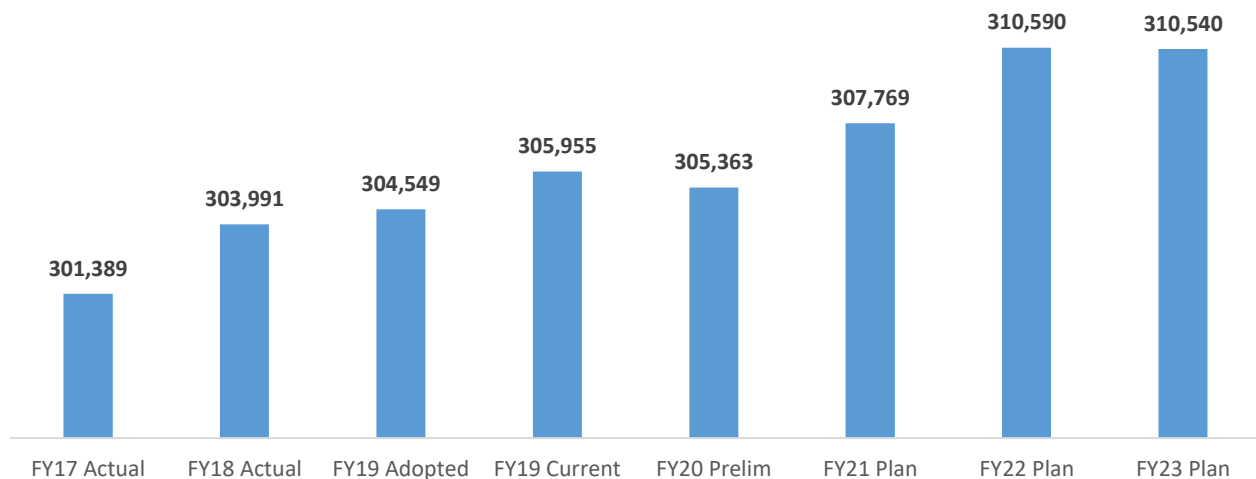
Citywide Budgeted Headcount

The City's Fiscal 2020 Budget includes 305,363 FT positions and 27,327 full-time equivalent (FTE) positions. Of these, 84 percent of FT positions and 91 percent of FTE positions are City-funded. Education and public safety workers make up 73 percent of the City's workforce. Since Fiscal 2015, FT budgeted headcount has increased by 22,573 positions, or 7.9 percent, while FTE budgeted headcount has increased by 778 positions, or 2.9 percent increase.

Budgeted headcount for Fiscal 2020 is slightly less than for Fiscal 2019 because the Preliminary Plan does not yet recognize all headcount likely to be financed through federal and state funding next year. Mid-year headcount additions associated with federal grants typically amount to approximately 1,000 positions.



FT Budgeted Headcount Changes: FY17 Year-End - FY20 Preliminary Plan



Headcount Changes in the Preliminary Plan

The Preliminary Plan adds 197 positions in Fiscal 2020, including 357 positions added with new needs and 160 eliminated in other adjustments. Overall the change in headcount is moderate, and is reflective of the Administration's more conservative fiscal outlook. The chart below displays the total changes in headcount introduced since adoption.

Total Headcount Change Since Adoption					
Type of HC Change	FY19	FY20	FY21	FY22	FY23
New Needs	561	581	625	683	682
Other Adjustments	845	(1,060)	(1,078)	(1,094)	(1,137)
Total	1,406	(479)	(453)	(411)	(455)

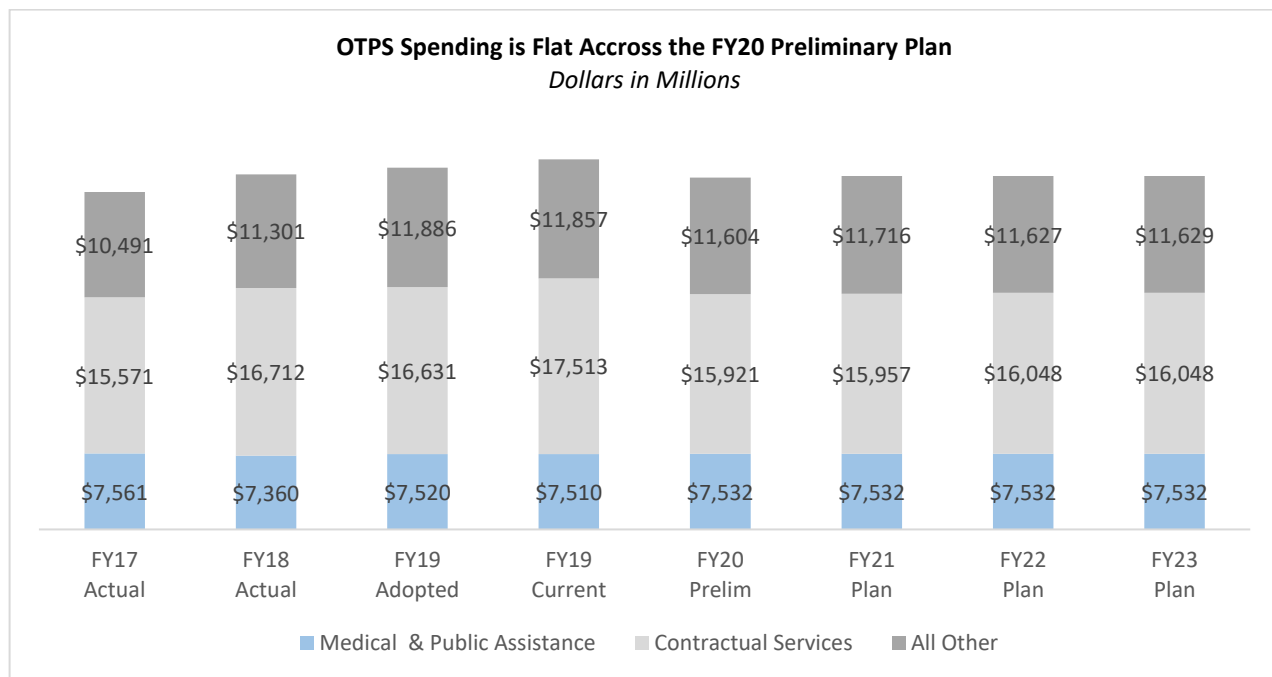
In the Preliminary Plan, the DOE adds 93 positions in Fiscal 2020 and over 201 positions by Fiscal 2023 for the expansion of 3-K, while the Department of Sanitation (DSNY) baselined 56 positions beginning in Fiscal 2020, the majority of which are related to interim operations for the relocation of the Manhattan 6 garage from 30th Street to three separate locations.

Citywide Vacancies

As of December 2018, the City has a total vacancy rate of just 1.8 percent, with 5,570 vacant FT positions, of which 3,037 are City-funded. The vacancy rate has been stable since the beginning of the de Blasio Administration. It is tracked in order to identify both management issues and potential savings. It is anticipated that there will be further vacancy savings this year, even though City-funded vacancies are low. Additionally, with the release of the Fiscal 2020 Preliminary Budget, the Administration announced a plan to impose stricter limits on hiring. Rather than just imposing controls on vacancies, agencies will be required to justify filling newly vacated positions. Stricter hiring controls should produce additional savings.

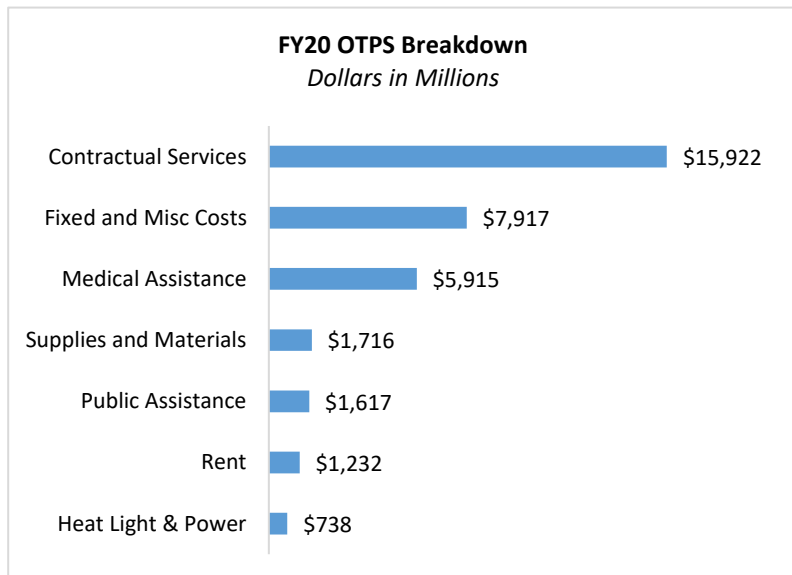
OTPS Spending

The Fiscal 2020 OTPS Preliminary Budget totals \$35.4 billion, almost 40 percent of the City's entire Fiscal 2020 expense budget. The Fiscal 2020 OTPS budget is marginally smaller than the Fiscal 2019 OTPS current budget due primarily to the inaccuracy of the Contract Budget; not all contractual spending planned for Fiscal 2020 and the outyears is carried in the Plan. The OTPS budget is relatively flat over the five-year plan. However, it declines as a share of the overall Expense Budget because of the increase in PS spending.



The OTPS budget is broken into seven principal categories, the largest of which is Contractual Services, which accounts for 43 percent of the Fiscal 2020 OTPS proposed spending. Fixed and Miscellaneous costs include various payments and subsidies for City and non-City government institutions and other civic partnerships including the Metropolitan Transit Authority (MTA), New York City Housing Authority (NYCHA), Health + Hospitals (H+H), cultural institutions, libraries, and federal Section 8 programs.

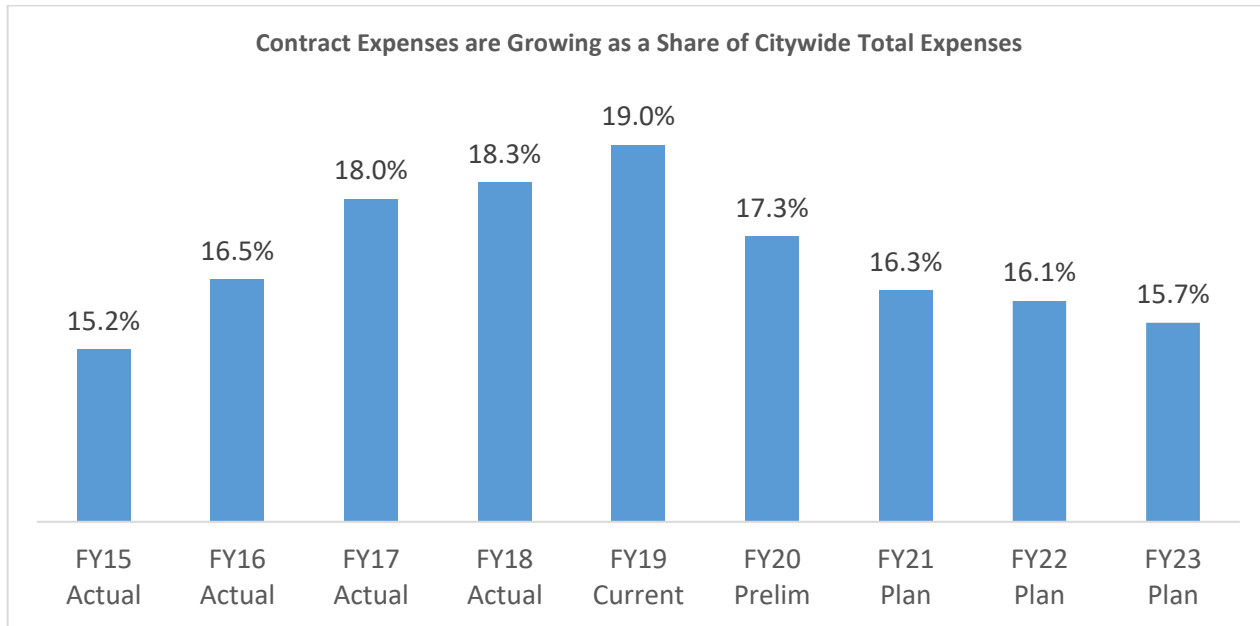
Medical Assistance is comprised almost entirely of direct payments from the City to Medicaid. Other direct operating costs include Heat; Light; and Power; Rent; and Supplies and Materials, comprising 12 percent of the OTPS budget. Lastly, the OTPS budget includes \$1.6 billion for public assistance services.



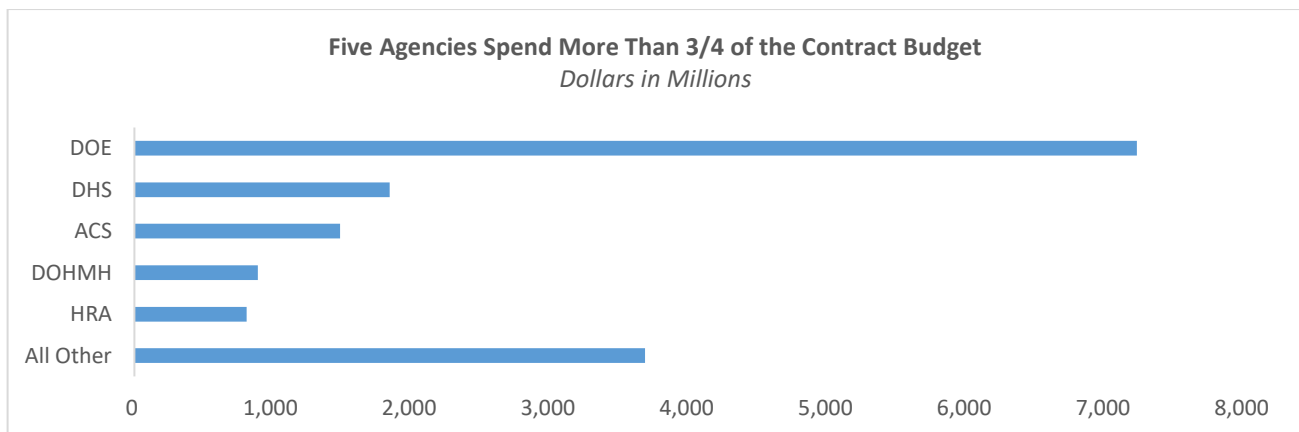
Contract Budget

The contract budget is a subset of the City's OTPS budget and represents the outsourcing of the delivery of public services such as education, child care, and employment training, as well as contractual services used to support the operation of the City government, such as information technology services, cleaning, and legal services. The Fiscal 2020 Preliminary Contract Budget totals a little more than \$15.9 billion, representing 17.3 percent of the City's total budget. Since the Fiscal 2019 Budget was adopted, the Contract Budget for Fiscal 2019 has increased by roughly \$883 million to \$17.5 billion. The increase is largely attributed to the recognition of federal and State grants, in addition to various technical adjustments in the contract budget across the agencies.

Over the last four years, actual contract spending has increased from roughly 15 percent of actual total expense spending to more than 18 percent, with the largest jumps occurring between Fiscal 2015 and Fiscal 2017. Some of the more significant increases are for Hurricane Sandy-related housing recovery, charter schools, homeless shelters, and the creation of the New York City School Support Services to provide school custodial services. The dip in contractual spending over the Preliminary Plan period relates to the inaccuracy of the Contract Budget; it is not reflective of a programmatic spending reduction.



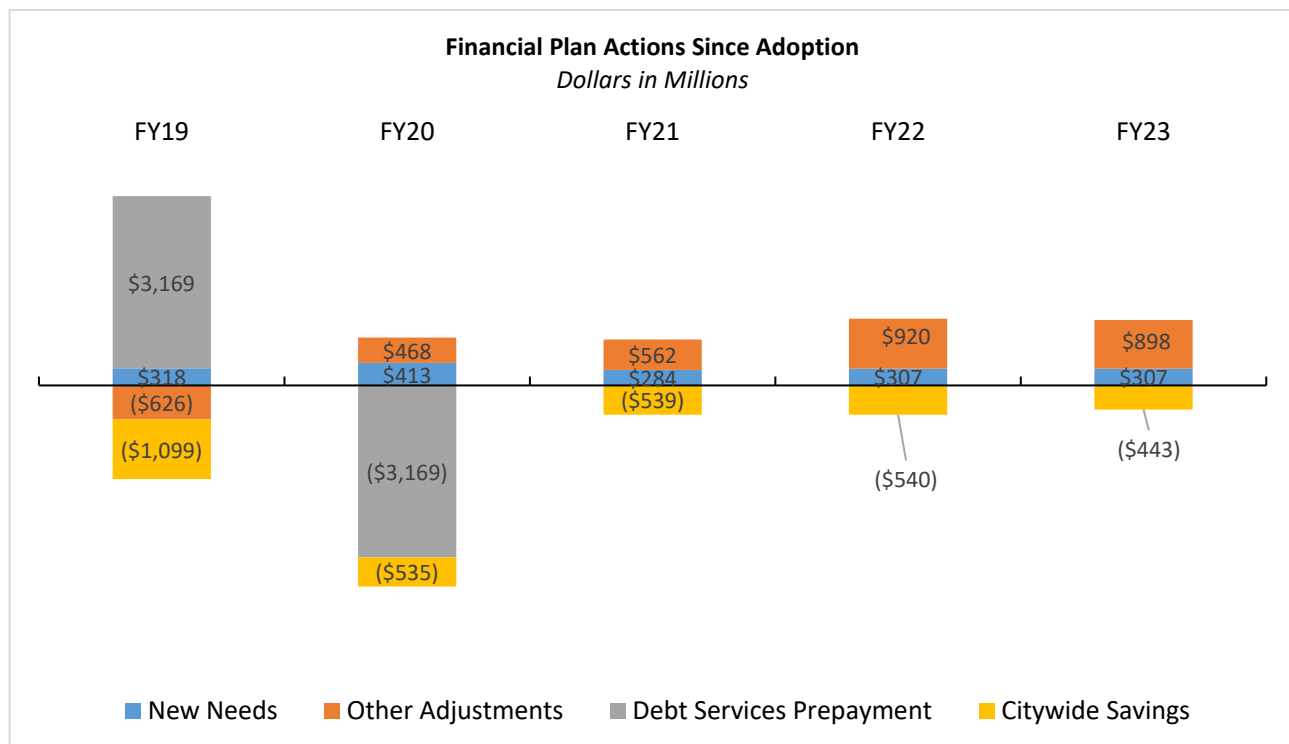
Five agencies account for the majority of the City's total contract budget for Fiscal 2020, providing either health and human services or public education, demonstrating the City's reliance on outsourcing to deliver these services to the public. The five agencies that house the largest contract budgets are the DOE, the Department of Homeless Services (DHS), ACS, the Department of Health and Mental Hygiene (DOHMH), and the Human Resources Administration (HRA). Collectively their contract budgets comprise 77 percent of the Contract Budget.



Financial Plan Actions since Adoption

Since the adoption of the Fiscal 2019 budget, the 2018 November and Fiscal 2020 Preliminary Plans introduce \$317.4 million in new needs for Fiscal 2019, offset by reduced spending of \$625.9 million due to other adjustments and \$1.1 billion in savings and additional revenues (including all funds). In Fiscal 2020, new needs total \$412.6 million while other adjustments add \$468.4 million. Debt service totaling \$3.2 billion due in Fiscal 2020 is pre-paid in Fiscal 2019 in order to close the budget gap. The largest new need across the five years of the Preliminary Plan will fund the NYC Care initiative guaranteeing healthcare access to all New Yorkers, adding \$300 million between Fiscal 2020 and Fiscal 2023.

Similar to the November 2018 Financial Plan, the changes in the Preliminary Plan are modest. The Preliminary Plan introduces \$301 million in new needs for Fiscal 2020, slightly declining to \$267 million in Fiscal 2023, while the savings booked in the Citywide Savings Plan total \$770.2 million for Fiscal 2020, ending at \$281.3 million by Fiscal 2023. Savings over the five years of the Preliminary Plan total roughly \$1.9 billion, while new needs total about \$1.4 billion. Other notable adjustments in the Preliminary Plan include the drawdown of both the General Reserve and the Capital Stabilization Reserve. The Fiscal 2019 General Reserve, which provides financial protection in the event of an economic downturn, has been drawn down by \$825 million in the Preliminary Plan to \$300 million. It should be noted, that reserves are typically used over the course of the fiscal year as it becomes clearer that they will not need to be used in the current period. The General Reserve is currently budgeted at \$1 billion in Fiscal 2020 through Fiscal 2023. Similarly, the Capital Stabilization Reserve has been drawn down by \$250 million in Fiscal 2019, and there is \$250 million budgeted annually between Fiscal 2020 through 2023.



Significant New Needs

NYC Care

The Fiscal 2020 Preliminary Budget added \$25 million for the H+H NYC Care program. This program will include health care access to 600,000 uninsured New Yorkers by increasing access to the City's public health insurance option, MetroPlus, and ensuring that anyone ineligible for insurance has direct access to services at H+H locations. All services will be provided on a sliding scale and NYC Care is expected to launch in summer 2019 in the Bronx. The City plans to expand across all five boroughs by 2021. Funding increases to \$75 million in Fiscal 2021, with the full cost totaling \$100 million in Fiscal 2022 and beyond.

Summer Youth Employment Program

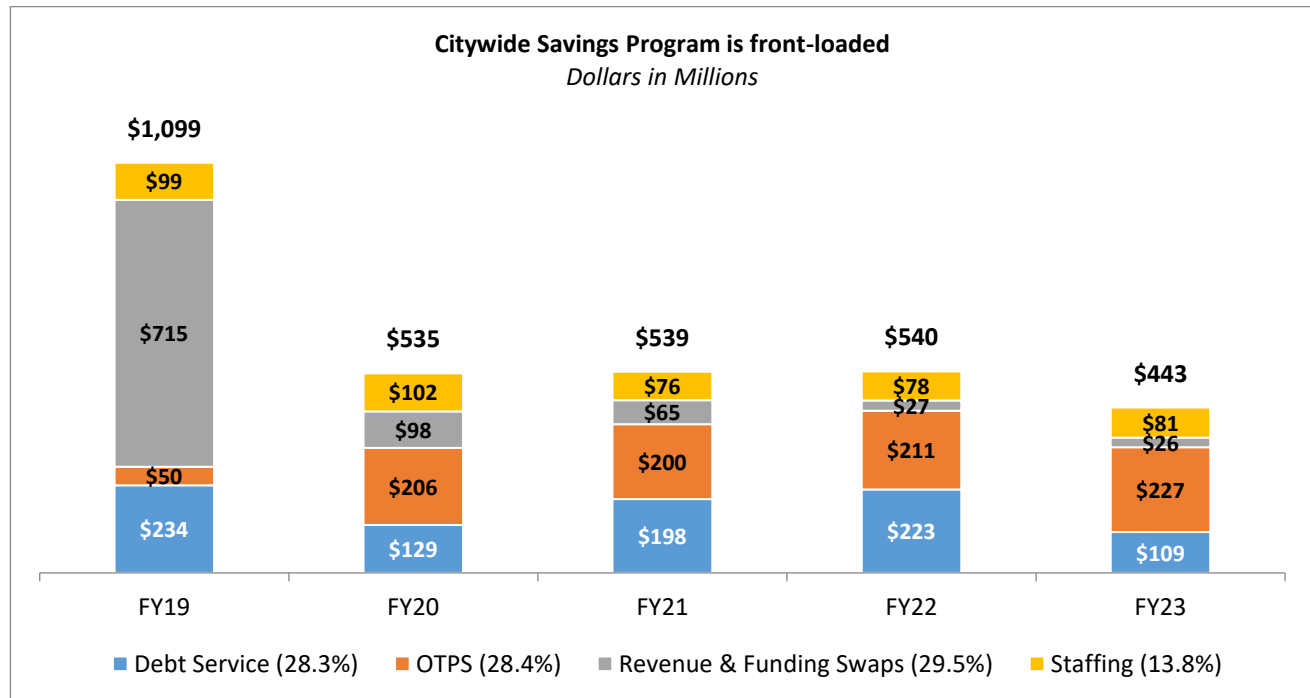
The Preliminary Plan adds \$32.7 million in Fiscal 2020, growing to \$36.7 million in Fiscal 2023 and the outyears, to support the new Summer Youth Employment Program's (SYEP) request for proposal. This funding will support ten new positions, minimum wage increases, and programmatic adjustments. According to the Department of Youth and Community Development (DYCD), these contracts will be awarded sometime in March 2019.

3K Expansion

An additional \$25.3 million is added to the Fiscal 2020 budget, growing to \$41 million in Fiscal 2022 and the outyears, to support the expansion of 3-K for All to two additional school districts: District 8 in the Bronx and District 32 in Brooklyn. This funding will support 630 3-K seats in Fiscal 2020, 1,300 in Fiscal 2021, and 1,900 when the program is fully rolled out across both districts in Fiscal 2022. Funding will support an additional headcount of 93 in Fiscal 2020 and an additional headcount of 20 in Fiscal 2022 when the program is at scale.

Citywide Savings Program

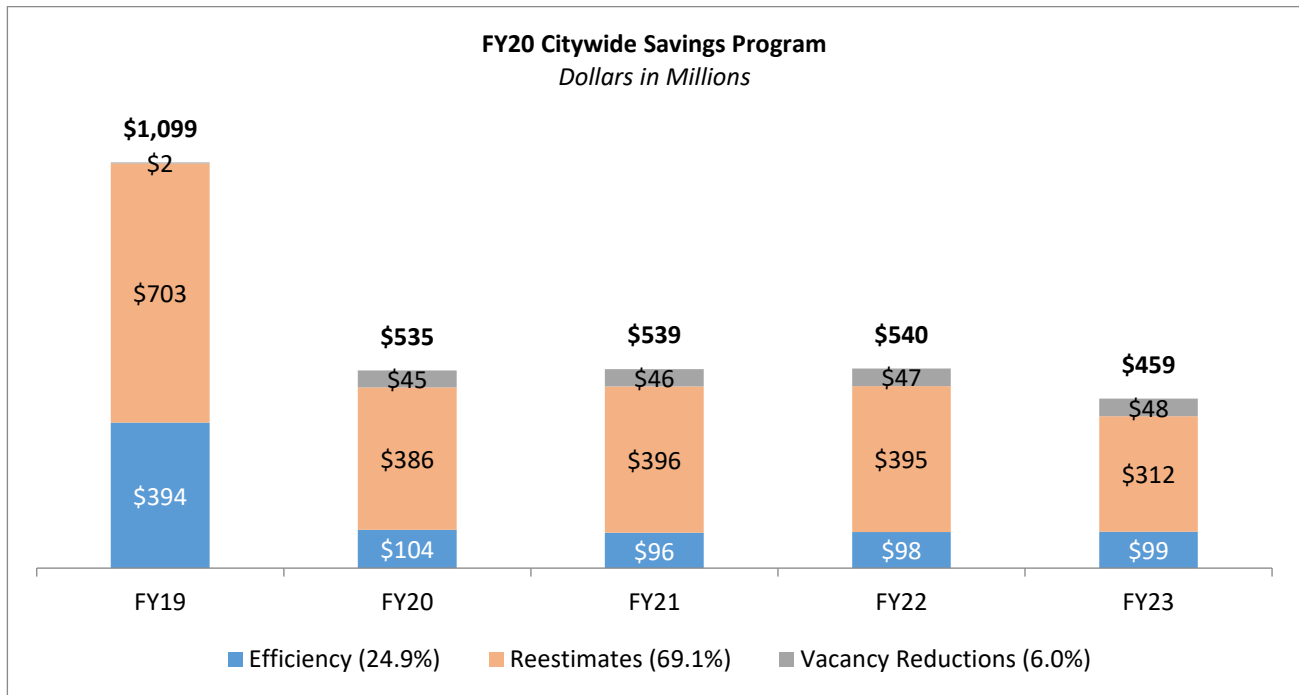
The Preliminary Plan includes a Citywide Savings Program that introduces a mix of efficiency savings, cost and revenue re-estimates, and permanent vacancy reductions of just under 1,000 positions. The Preliminary Plan introduces \$1.8 billion in budget savings over Fiscal 2019 to Fiscal 2023. When combined with the 2018 November Financial Plan Citywide Savings Program, the Fiscal 2020 Savings Plan totals \$3.2 billion across the same five-year period. Some of the savings initiatives in the Program were previously called for by the Council, including increased efforts to collect administrative fine debt and the aforementioned permanent vacancy reductions.



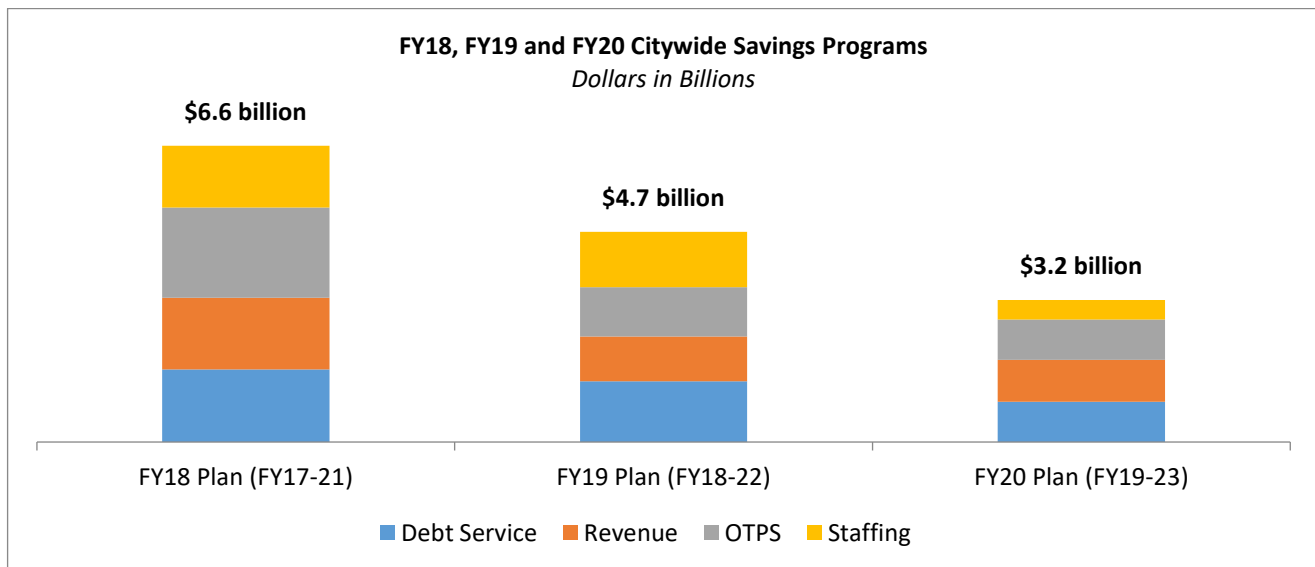
Reductions in planned debt service payments, increased revenue generation and funding swaps¹⁰, and OTPS savings each make up just under a third of savings in the November 2018 and Preliminary Financial Plans, constituting 28.3 percent, 29.5 percent, and 28.4 percent of the Citywide Savings Program, respectively. Savings from staffing make up only 13.8 percent of the Citywide Savings Program. However, of these staffing savings, 43.3 percent are a result of permanent reductions to headcount and associated fringe benefits. In the Fiscal 2019 Citywide Savings Program, vacancy reductions were only booked for the first year of the Program.

The Fiscal 2020 Citywide Savings Program as of the current plan establishes savings that are unusually concentrated in the first fiscal year of the program relative to previous fiscal years, with 34.8 percent of savings booked in Fiscal 2019. This is primarily due to a number of large one-time revenue increases, including \$372 million in reimbursements to the City from H+H and a number of other reimbursements for previously unpaid receivables.

¹⁰ "Revenue and Funding Swaps" includes Agency Revenue Generation (such as fine revenue or revenue from affirmative litigation), as well as Funding Swaps. Funding swaps are increases in State, Federal or Other Categorical funding that replaces City dollars (such as additional funding for fringe benefits). Agency Revenue Generation savings are \$298,640 in Fiscal 2019 and \$57,553 in Fiscal 2020, while Funding Swaps savings are \$416,578 in Fiscal 2019 and \$40,499 in Fiscal 2020.



To date, the Fiscal 2020 Citywide Savings Program is 70 percent the size of the Fiscal 2019 program, which totaled \$4.7 billion at adoption. In comparison, the Fiscal 2018 Citywide Savings Program totaled \$6.6 billion over five fiscal years (2017-2021). While the overall size of the Citywide Savings Program has been falling, an increasing share of savings are efficiencies and permanent budget reductions.



As in the previous four fiscal years, an additional Citywide Savings Program is expected with the release of the Fiscal 2020 Executive Plan. Differing from previous fiscal years under the de Blasio Administration, the Mayor has announced that he will introduce a Program to Eliminate the Gap (PEG) for the Fiscal 2020 Executive Plan. Under this PEG, all City agencies will be required to identify a yet undetermined savings target that must collectively add up to \$750 million. Those agencies that are unable to identify savings will have savings chosen for them by OMB. In addition, there will be a

continued hiring freeze that focuses on attrition, in which OMB will evaluate if a worker needs to be replaced after his or her departure.

The \$3.2 billion in savings in the Fiscal 2020 program to date represents a reduction in City funds spending of just one percent over the five-year plan. The Fiscal 2019 program reduced City funds spending by 1.4 percent and the Fiscal 2018 program reduced City funds by spending by just under two percent. By comparison, the Bloomberg Administration asked agencies to find savings equal to five percent of their City-funds budgets at the peak of that Administration's PEG.

New Citywide Initiatives

The Fiscal 2020 Citywide Savings Program includes three Citywide Initiatives, which aim to generate savings across agencies through improvements to operating efficiency. When first recognized in a financial plan, these initiatives are typically budgeted in a holding account. As City agencies develop savings implementation plans in consultation with OMB, more definitive savings estimates are moved into agency budgets. Of the \$3.2 billion in savings booked in the November 2018 Financial Plan and the Preliminary Plan, \$30.7 million are from Citywide Initiatives.¹¹

- **Auto Service Workers II.** An expansion of an initiative launched in Fiscal 2019 that seeks to reduce fleet maintenance costs by employing less costly workers to perform basic auto maintenance tasks. Expected savings are \$15.2 million between Fiscal 2019 and Fiscal 2023.
- **Consolidating Consultant Contracts.** Beginning in Fiscal 2021, the City plans to contract consulting services centrally instead of agency-by-agency, which is anticipated to reduce costs through improved contract terms, better oversight, and reducing work overlap. Expected savings are \$1.5 million between Fiscal 2021 and Fiscal 2023.
- **Lease Auditing.** The Department of Citywide Administrative Services (DCAS) is conducting lease audits that are resulting in the recoupment of funds previously identified as cost avoidance. Expected savings are \$14 million between Fiscal 2019 and Fiscal 2023.

All of the saving initiatives introduced in the 2018 November and Fiscal 2020 Preliminary Financial Plans are listed in the appendix "Citywide Savings Program: Savings by Agency" on page 24.

¹¹ In addition, the Preliminary Plan introduces savings of \$55.5 million related to procurement for Fiscal 2019 only. This procurement savings, which is a perennial component of the budget, is more accurately labeled a "takedown" of the inflation reserve.

Appendices

Budgeted Headcount

Budgeted Headcount by Agency			
	Full-Time Budgeted Headcount	Fiscal 2019	Fiscal 2020
Agency #	Agency	Total Headcount (All Funds)	Total Headcount (All Funds)
002	Mayorality	1,277	1,260
003	Board of Elections	517	517
004	Campaign Finance Board	109	103
008	Office of the Actuary	46	46
010	BP - Manhattan	56	56
011	BP - Bronx	69	69
012	BP - Brooklyn	62	62
013	BP - Queens	54	54
014	BP - Staten Island	45	45
015	Comptroller	788	788
017	Office of Emergency Management	193	70
021	Tax	46	47
025	Law	1,970	1,951
030	City Planning	397	379
032	Investigation	401	378
040	Department of Education - Peds	120,697	121,054
040	Department of Education - Civilian	12,337	12,399
042	C.U.N.Y. - Peds	4,441	4,441
042	C.U.N.Y. - Civilian	1,942	1,946
054	Civilian Complaint Review Board	183	187
056	Police - Civilian	15,566	15,704
056	Police - Uniform	36,113	36,118
057	Fire - Civilian	6,277	6,370
057	Fire - Uniform	10,951	10,951
063	Department of Veterans' Services	47	47
068	Admin. for Children's Svcs	7,168	7,350
069	Department of Social Services	14,684	14,640
071	Department of Homeless Services	2,659	2,623
072	Correction - Civilian	2,274	2,043
072	Correction - Uniform	10,226	10,063
073	Board of Correction	37	38
101	Public Advocate	45	45
102	City Council	463	329
103	City Clerk	74	70
125	Aging	330	330
126	Cultural Affairs	60	58
127	FISA	461	461
131	Payroll Administration	183	183
132	Independent Budget Office	38	38
133	Equal Employment Practices	13	14
134	Civil Service Commission	8	8
136	Landmarks Preservation	76	77
156	Taxi & Limousine	618	618
226	Human Rights Commission	157	160
260	Youth & Community Development	516	519
312	Conflicts of Interest Board	26	26
313	Collective Bargaining	17	17

Budgeted Headcount by Agency			
	Full-Time Budgeted Headcount	Fiscal 2019	Fiscal 2020
Agency #	Agency	Total Headcount (All Funds)	Total Headcount (All Funds)
499	Community Boards	156	156
781	Probation	1,228	1,219
801	SBS	360	331
806	HPD	2,601	2,595
810	Buildings	1,878	1,933
816	Health and Mental Hygiene	5,780	5,584
820	OATH	315	315
826	Environmental Protection	6,359	6,195
827	Sanitation - Civilian	2,308	2,308
827	Sanitation - Uniform	7,823	7,721
829	Business Integrity Commission	93	92
836	Finance	2,198	2,210
841	Transportation	5,491	5,439
846	Parks & Recreation	4,388	4,309
850	Design & Construction	1,581	1,489
856	Citywide Administrative Services	2,498	2,490
858	DoITT	1,837	1,887
860	DORIS	65	64
866	Consumer Affairs	450	450
901	DA - New York	1,003	1,003
902	DA - Bronx	942	942
903	DA - Brooklyn	919	919
904	DA - Queens	560	555
905	DA - Staten Island	141	141
906	Special Narcotics	218	218
941	PA - New York	12	12
942	PA - Bronx	8	8
943	PA - Brooklyn	13	13
944	PA - Queens	8	8
945	PA - Staten Island	5	5
	TOTAL	305,955	305,363

**Continued from previous page*

Citywide Savings Initiatives

Citywide Savings Initiatives, \$000s							
Plan Year	Savings Title	FY18	FY19	FY20	FY21	FY22	FY23
FY18	Fleet Optimization	(\$10,000)	(\$13,000)	(\$11,000)	(\$7,000)	(\$7,000)	(\$7,000)
FY18	Skilled Trades Overtime	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
FY18	Civilian Overtime Cap Waivers	(4,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
FY18	Space Management	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
FY18	Reverse Auctions	(1,700)	(5,000)	(10,000)	(10,000)	(10,000)	(10,000)
FY18	Paper Check Reform	(1,000)	(2,000)	(3,000)	(4,000)	(4,000)	(4,000)
FY18	Printing Reform	(1,000)	(1,000)	(2,000)	(2,000)	(2,000)	(2,000)
FY18	Procurement Reform	0	(20,000)	(30,000)	(40,000)	(40,000)	(40,000)
FY18	Enhanced Space Management	0	(10,000)	(15,000)	(20,000)	(20,000)	(20,000)
FY18	Redeploy	0	(2,000)	(5,000)	(10,000)	(10,000)	(10,000)
FY18	Centralized Skilled Trade Pool	0	0	(5,000)	(10,000)	(10,000)	(10,000)
FY19	Fleet Legal Coordination	0	(4,800)	(4,800)	(4,800)	(4,800)	(4,800)
FY19	Electric Vehicles	0	(1,938)	(2,263)	(2,589)	(2,914)	(2,914)
FY19	Agency Phone Plan Review	\$0	(\$1,575)	(\$3,500)	(\$3,500)	(\$3,500)	(\$3,500)
FY19	Enterprise Print Management	0	(1,227)	(3,000)	(5,000)	(10,000)	(10,000)
FY19	Standardize Travel Policies	0	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
FY19	Auto Service Workers	0	(686)	(686)	(945)	(945)	(945)
FY19	Energy Load Management	0	(553)	(1,092)	(2,463)	(4,667)	(4,667)
FY19	Paper Reduction	0	(250)	(800)	(3,000)	(4,500)	(4,500)
FY20	Auto Service Workers II	0	0	(1,414)	(2,814)	(4,621)	(6,369)
FY20	Consolidating Consultant Contracts	0	0	0	(500)	(500)	(500)
FY20	Lease Auditing	0	(2,000)	(3,000)	(3,000)	(3,000)	(3,000)
TOTAL		(\$30,700)	(\$88,029)	(\$123,555)	(\$153,611)	(\$164,447)	(\$166,195)

Citywide Savings Program: Savings by Agency

November & Preliminary Plans Citywide Savings, \$000's					
Agency/Savings Category	FY19	FY20	FY21	FY22	FY23
Administration for Children's Services	(\$37,745)	(\$2,764)	(\$2,764)	(\$2,764)	(\$2,764)
Board of Correction	0	(78)	(78)	(78)	(78)
City Clerk	(352)				
Conflicts of Interest Board	(25)	(25)			
Department for the Aging		(281)	(281)	(281)	(281)
Department of Buildings	(7,197)	(11,770)	(2,688)	(2,694)	(2,694)
Department of City Planning	(2,723)	(354)	(354)	(354)	(164)
Department of Citywide Administrative Services	(2,258)	(3,414)	(3,116)	(3,116)	(3,116)
Department of Consumer Affairs	(836)	(836)	(586)	(586)	(586)
Department of Correction	(27,948)	(37,853)	(16,402)	(16,402)	(16,402)
Department of Cultural Affairs	(202)	(337)	(142)	(142)	(142)
Department of Design and Construction		(\$17)	(\$17)	(\$17)	(\$17)
Department of Education	(57,689)	(133,587)	(133,587)	(95,587)	(95,587)
Department of Environmental Protection	(1,797)	(2,517)	(868)	(868)	(868)
Department of Finance	(4,266)	(24,630)	(19,511)	(19,486)	(19,466)
Department of Health and Mental Hygiene	(26,967)	(3,839)	(3,839)	(3,839)	(3,839)
Department of Homeless Services	(292)				
Department of Housing Preservation and Development	(5,026)	(4,200)			
Department of Information Technology and Telecommunications	(1,845)	(344)	(344)	(344)	(344)
Department of Investigation	(463)	(486)			
Department of Parks and Recreation	(7,500)	(6,224)	(2,264)	(2,264)	(2,264)
Department of Probation	(4,015)	(2,102)	(551)	(551)	(551)
Department of Records and Information Services	(155)	(31)	(31)	(31)	(31)
Department of Sanitation	(8,526)	(9,451)	(3,110)	(15,021)	(30,927)
Department of Small Business Services	(2,015)	(2,172)	(1,905)	(1,905)	(1,905)
Department of Social Services	(175,516)				
Department of Transportation	(24,971)	(17,527)	(7,398)	(7,408)	(6,316)
Department of Youth and Community Development	(4,900)	(548)	(548)	(548)	(548)
Financial Information Services Agency	(1,290)	(978)	(758)	(758)	(758)
Fire Department	(8,128)	(977)	(977)	(977)	(977)
Health and Hospitals	(152,319)				
Landmarks Preservation Commission	(194)	(190)	(190)	(190)	(190)
Law Department	(14,521)				
Mayoralty - Office of Labor Relations	(320)	(318)			
Mayoralty - Office of Management and Budget	(446)	(446)			
Mayoralty - Office of the Mayor	(6,474)				
NYC Emergency Management		(107)	(107)	(107)	(107)
NYC Taxi and Limousine Commission	(\$1,574)	(\$3,259)	(\$1,804)	(\$804)	(\$804)
Office of Administrative Tax Appeals	(161)	(262)	(180)	(180)	(180)
Office of Administrative Trials and Hearings					
Office of Payroll Administration	(329)	(643)	(523)	(523)	(523)
Office of the Actuary	(109)	(110)			
Queens County Public Administrator	(10)	(10)			
Citywide Initiatives	(2,000)	(4,414)	(6,314)	(8,121)	(9,869)
Debt Service	(234,451)	(128,570)	(197,568)	(223,470)	(125,193)
Miscellaneous	(271,007)	(18,397)	(18,720)	(19,586)	(20,417)
Procurement Savings		(111,038)	(111,038)	(111,038)	(111,038)
TOTAL	(\$1,098,562)	(\$535,106)	(\$538,563)	(\$540,040)	(\$458,946)