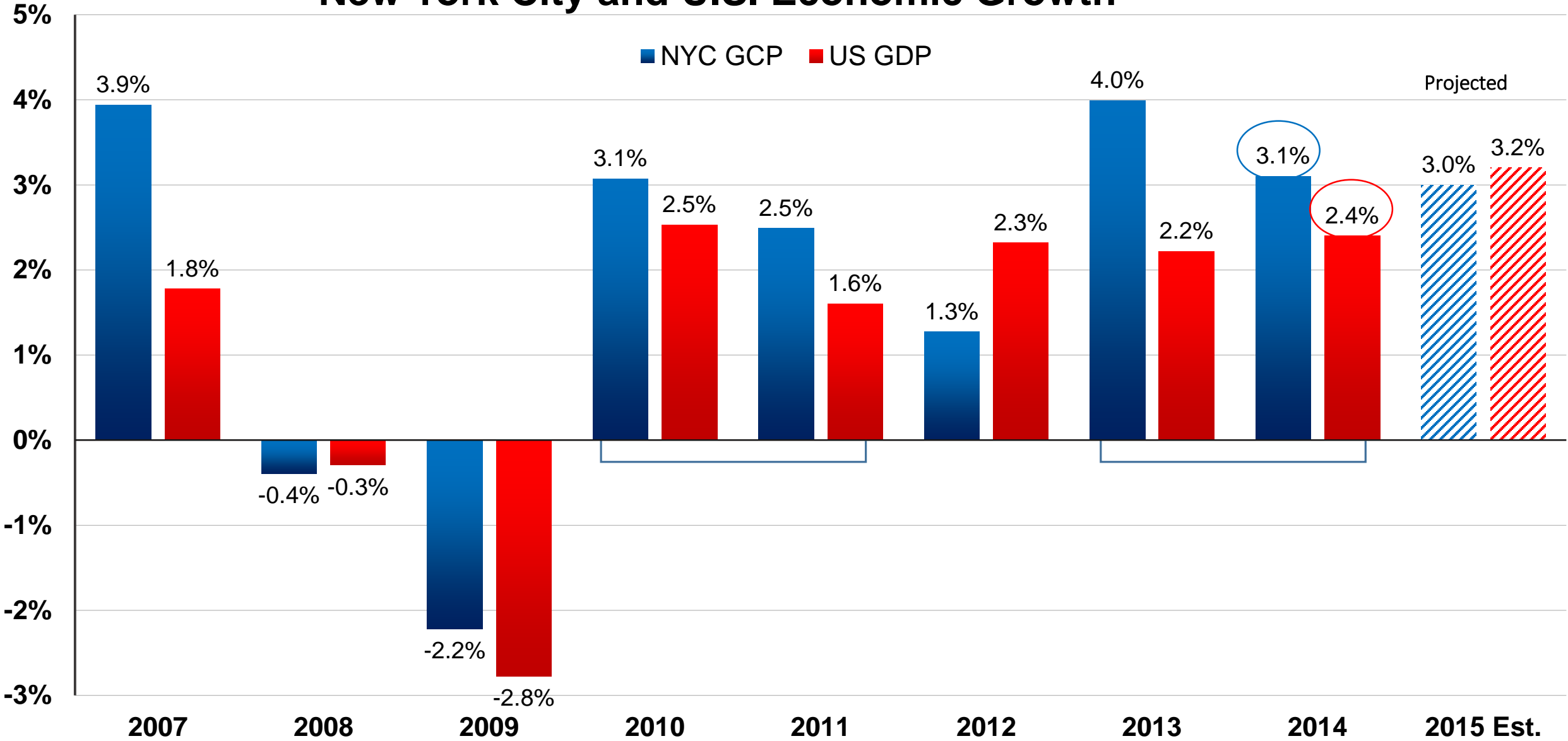




# The Economy

# New York City and U.S. Economic Growth



# NYC's Export Industries Performance in the Recovery

(measured by change in national employment share, 4Q2014 vs 4Q2009)

## NYC Industries that Gained Employment Share

- Motion Pictures & Sound Recording
- Advertising
- Colleges & Universities
- Computer Systems
- Accounting & Related Services
- Management & Technical Consulting
- Telecommunications
- Broadcasting
- Architectural and Engineering Services
- Publishing
- Finance & Insurance

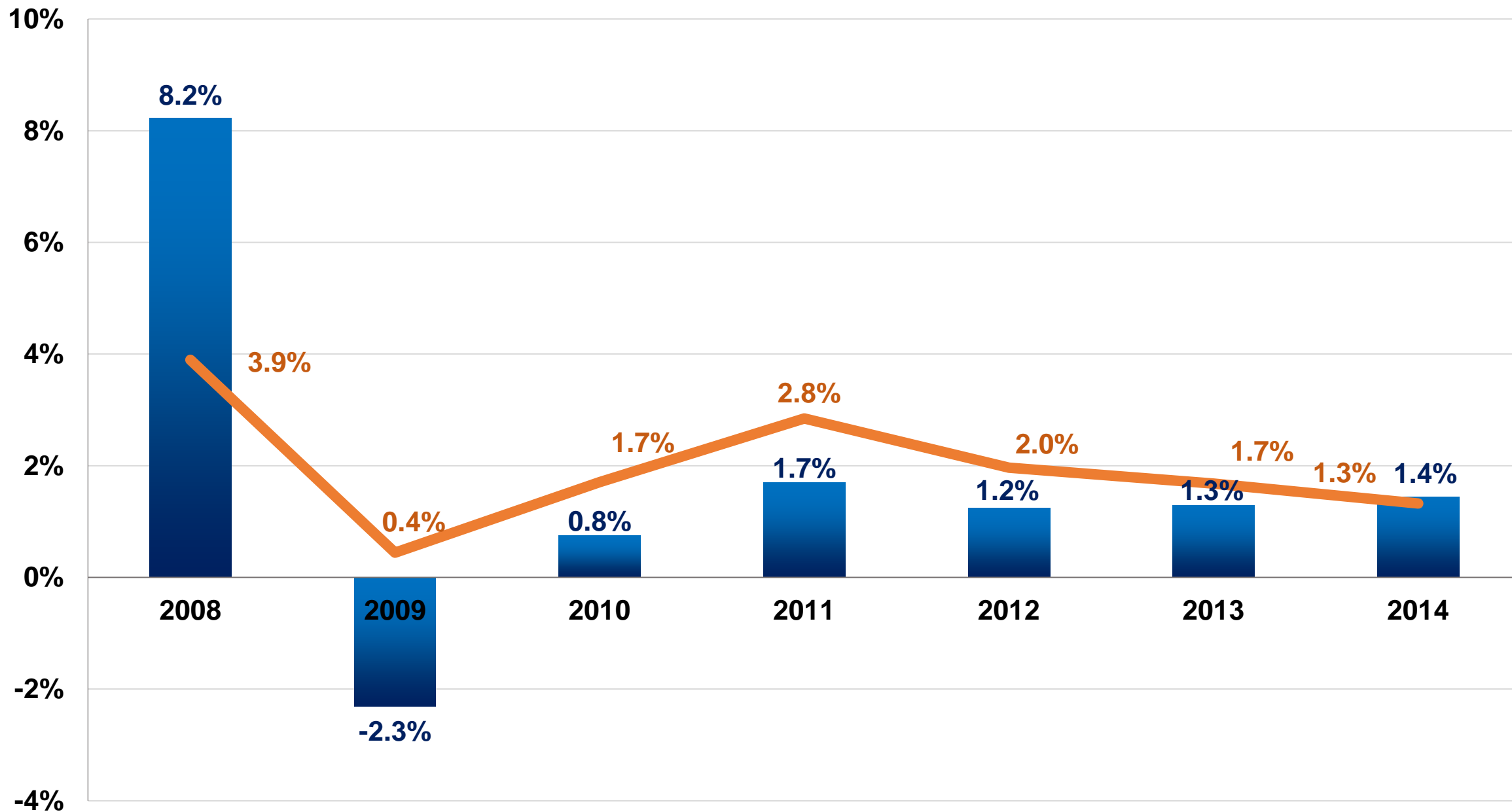
## NYC Industries that Lost Employment Share

- Manufacturing
- Legal Services



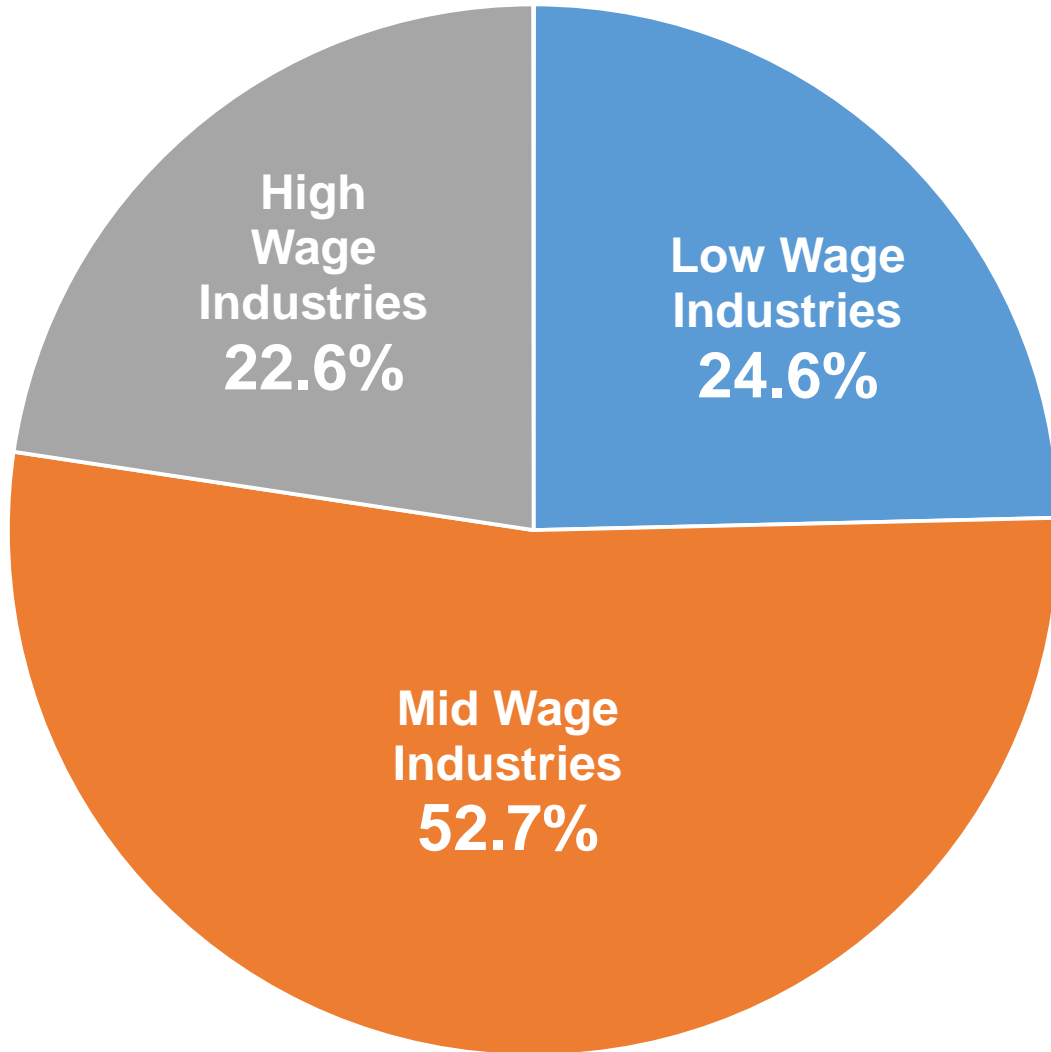
# NYC Wage Growth Compared to Metro Area Inflation Rate

■ NYC Wage Growth    — Metro Area Inflation Rate

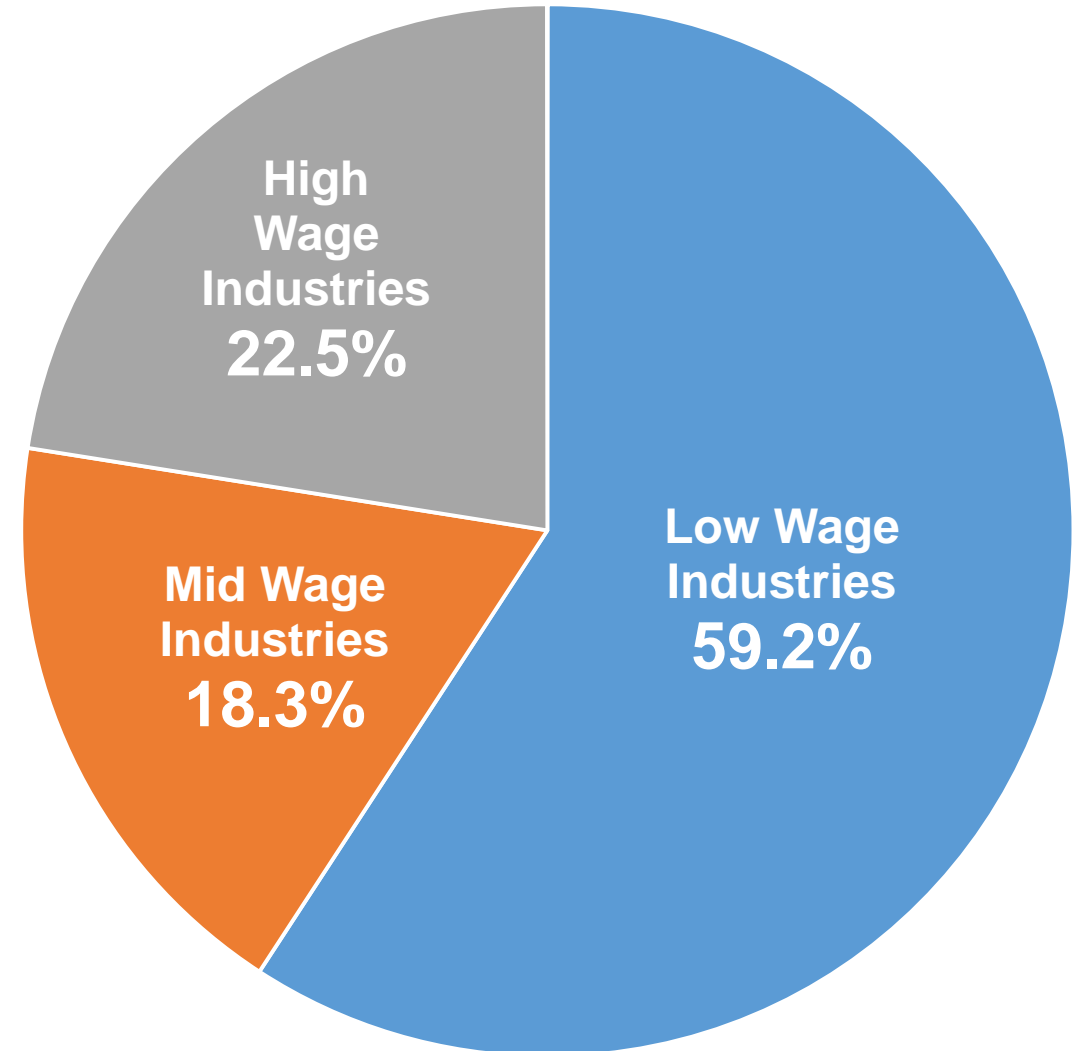


# Change in Composition of Job Creation in NYC

Job Distribution as of December 2009

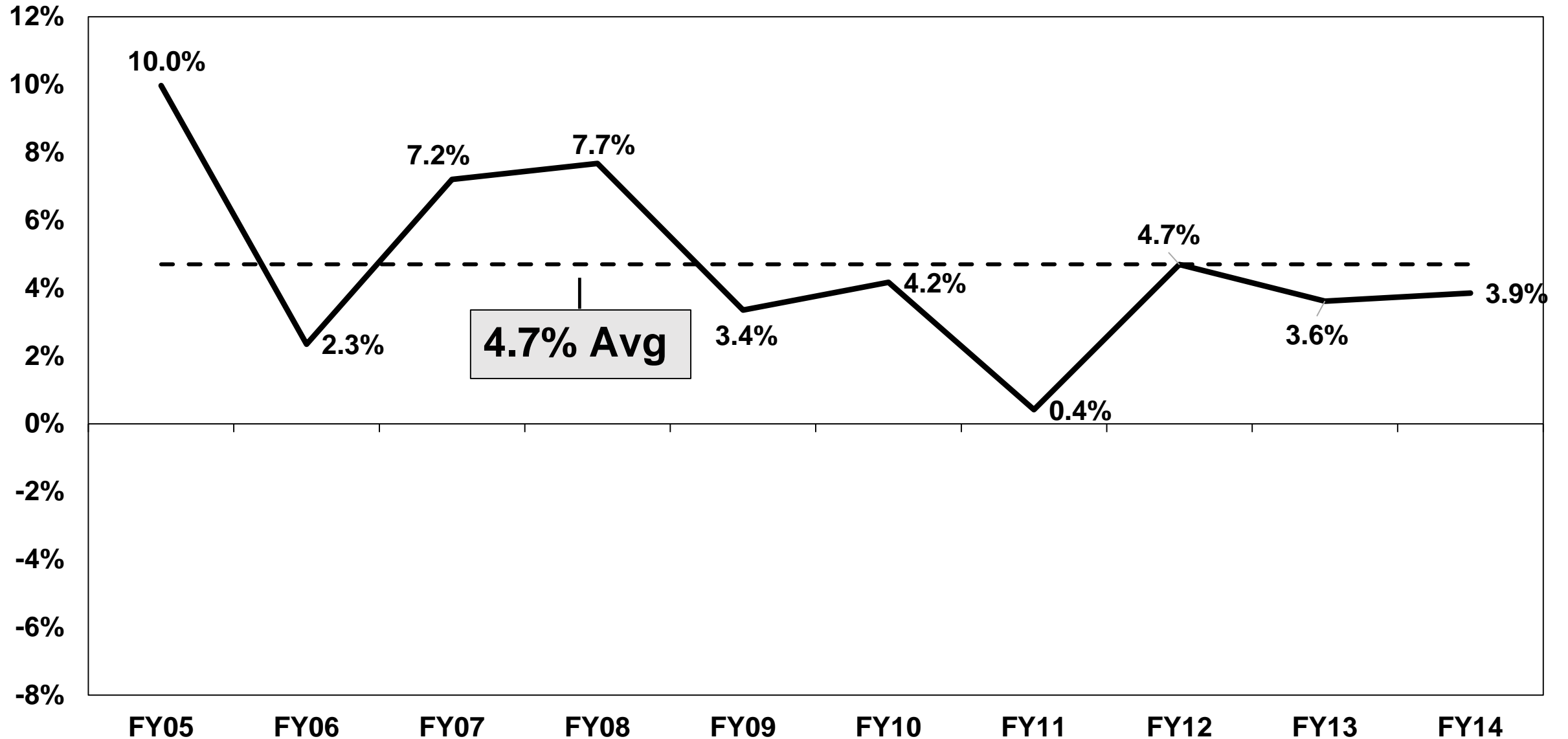


Job Growth Since December 2009 to Present

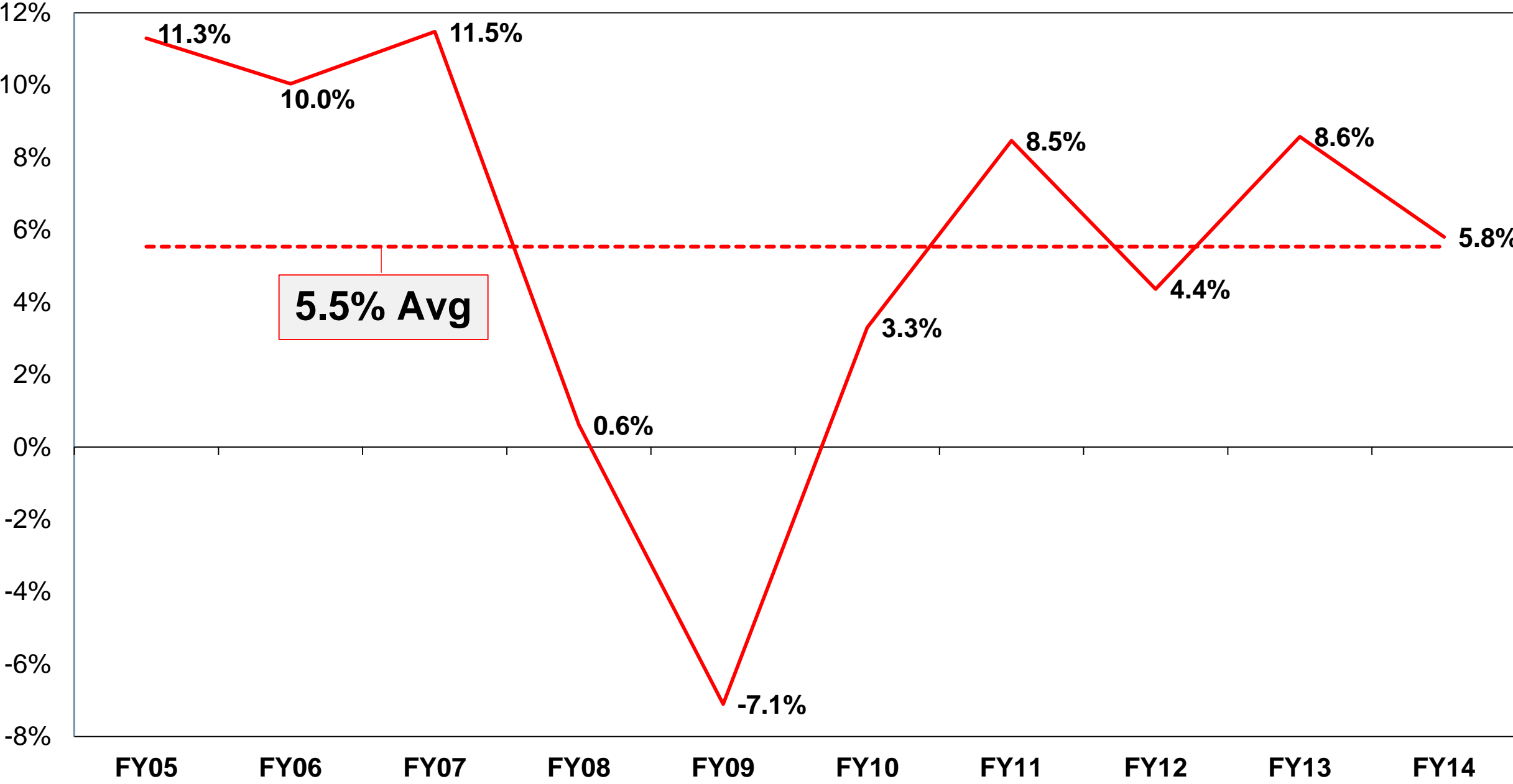


# The Budget

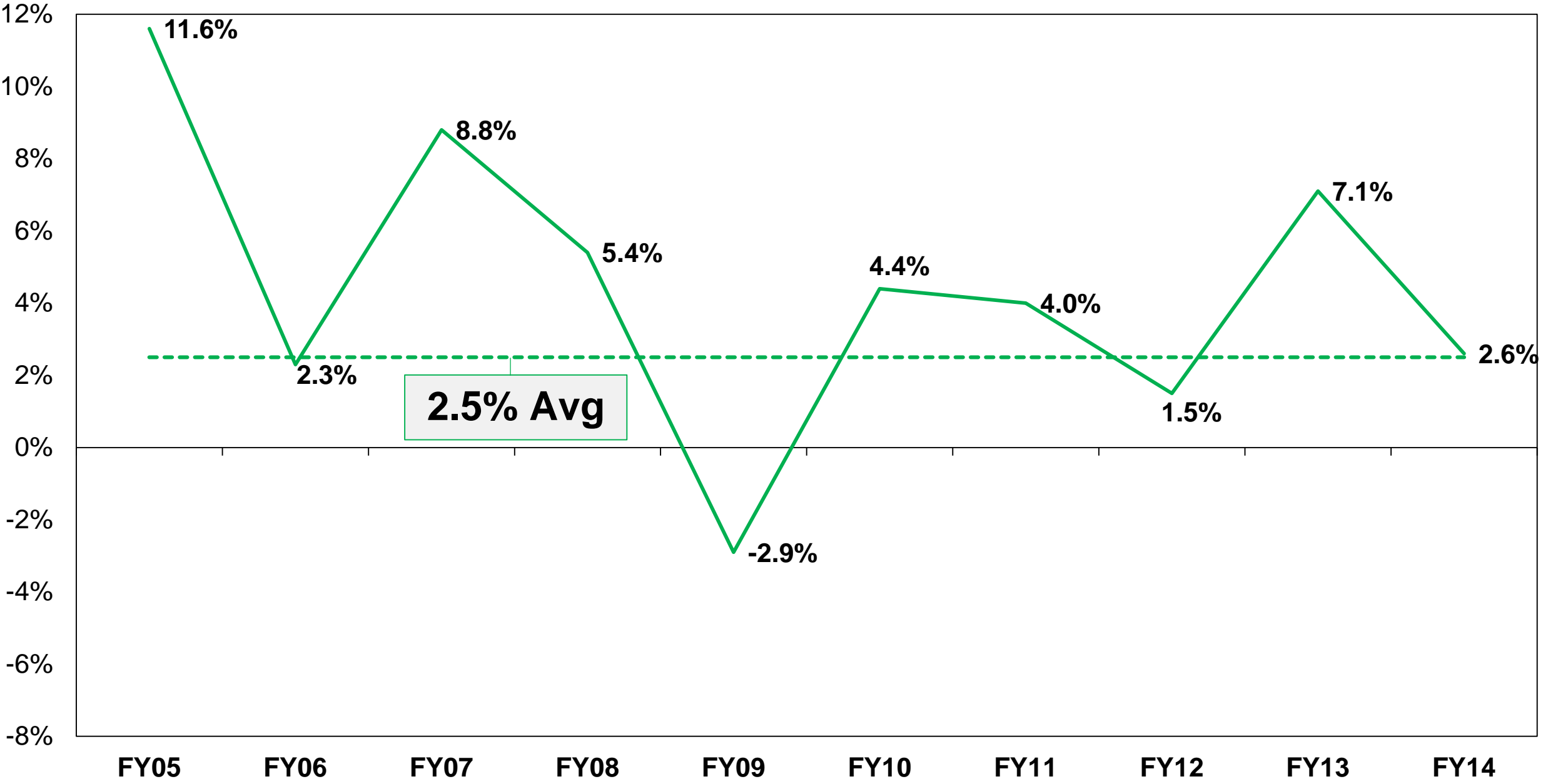
## Expenditure Growth Rate (Adjusted for Prior Year Resources)



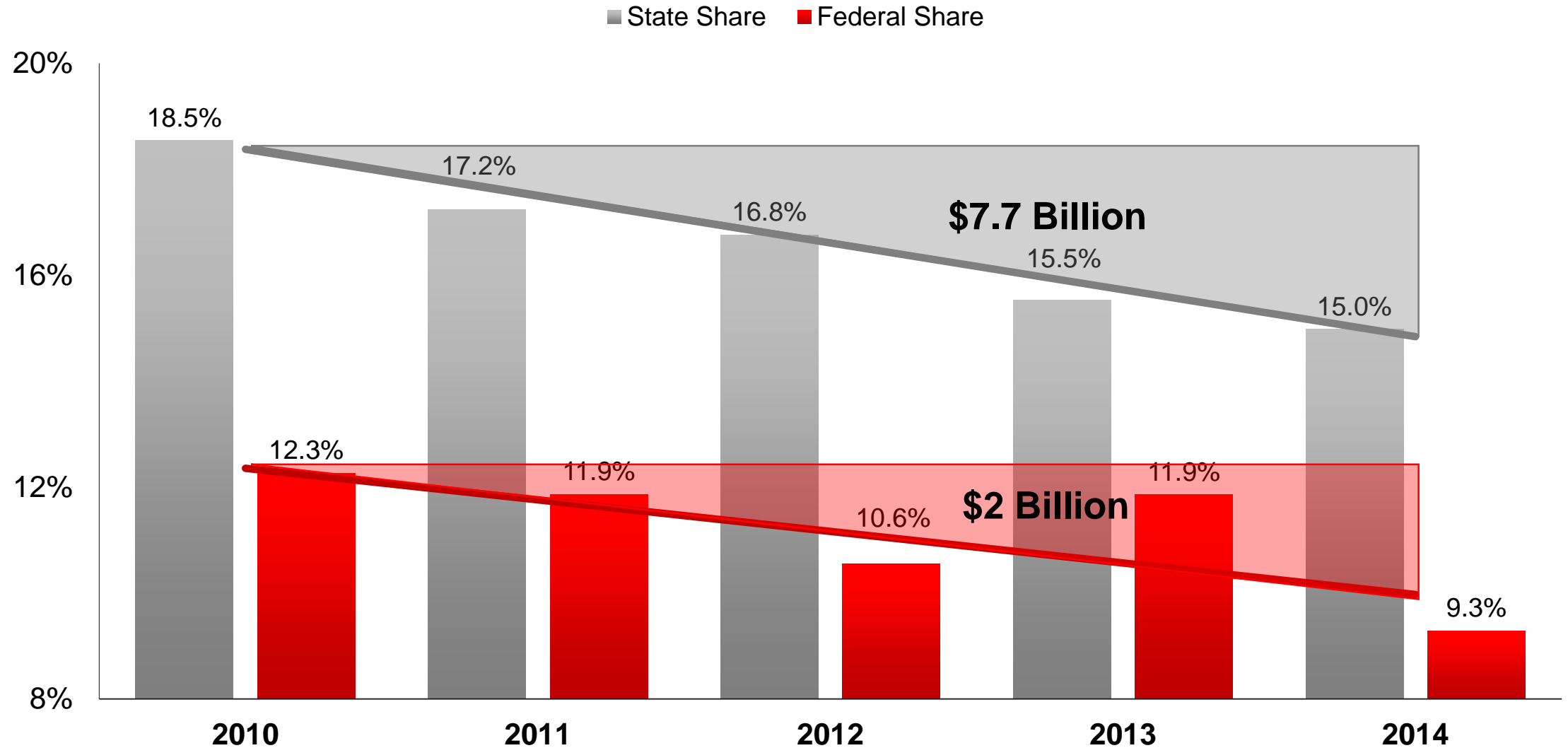
# Local Tax Revenue Growth Rate



# State and Federal Revenue Growth Rate



# The Proportion of State and Federal Aid in the City's Budget – Decline in our Fair Share of Federal and State Revenue

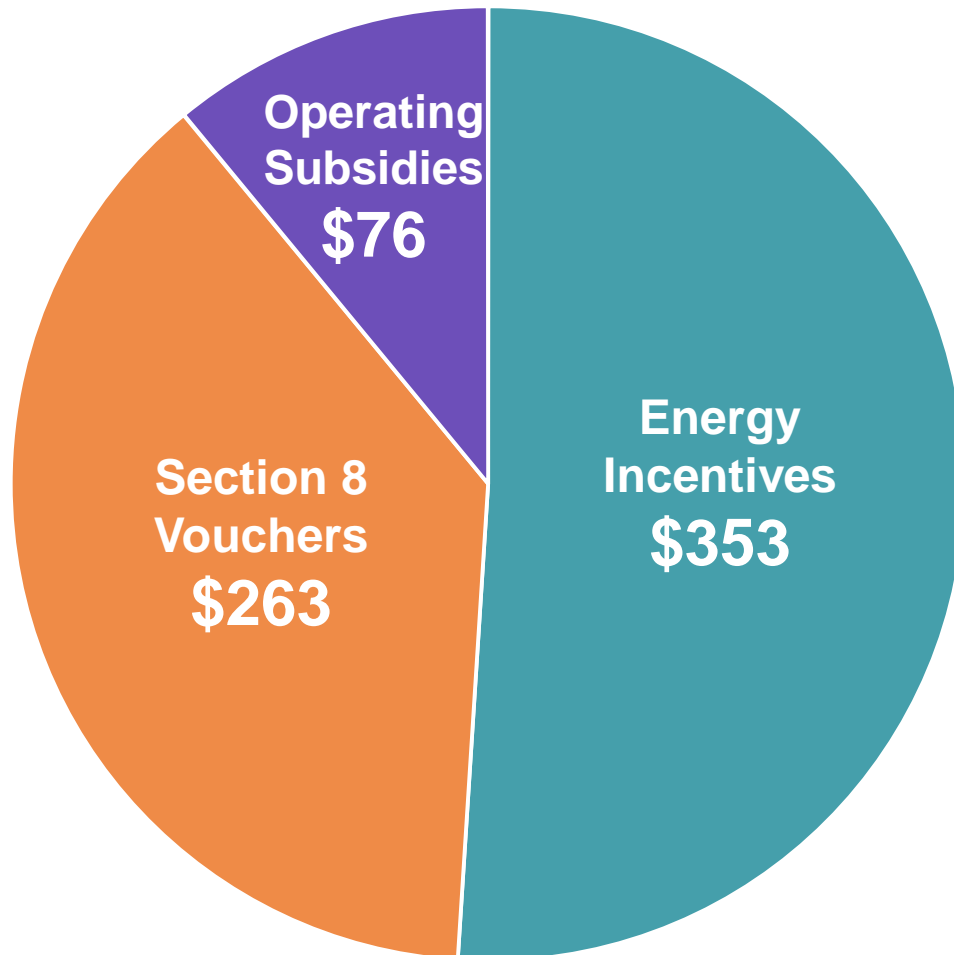


# Missed Opportunities – Money Left on the Table

## NYCHA

2006-2014

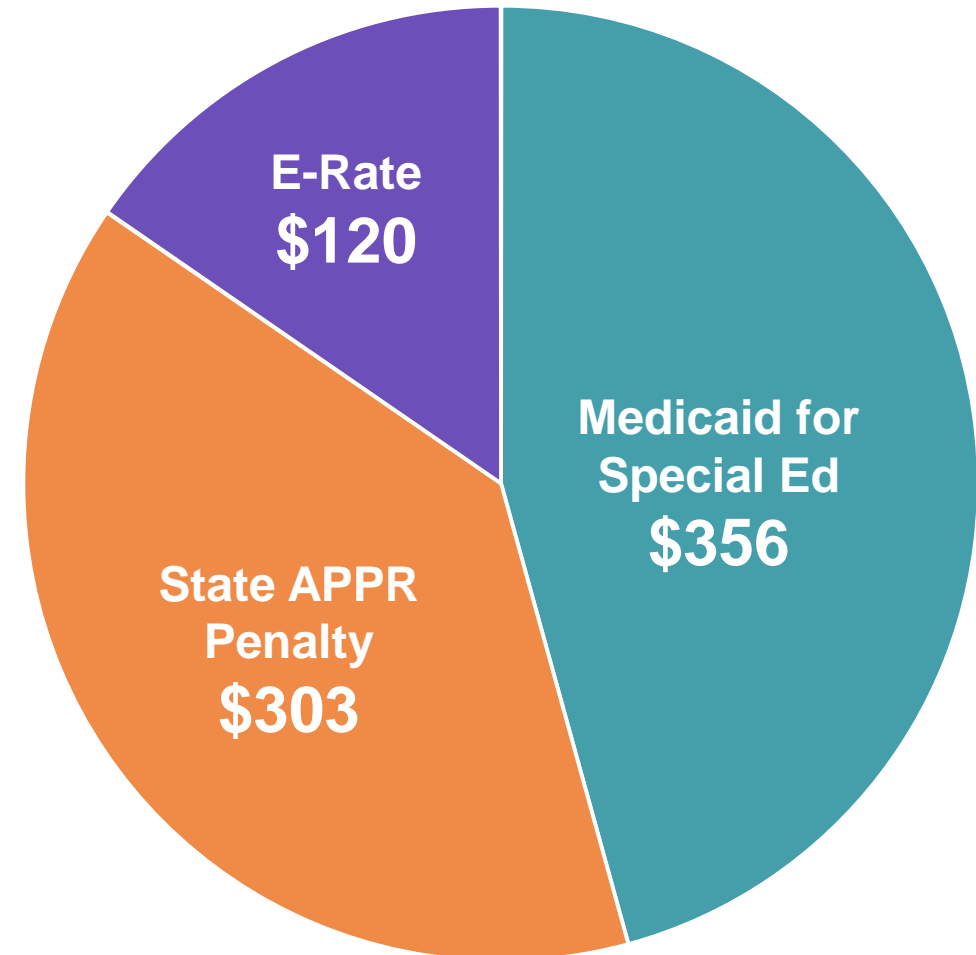
**\$692 million Cumulative**

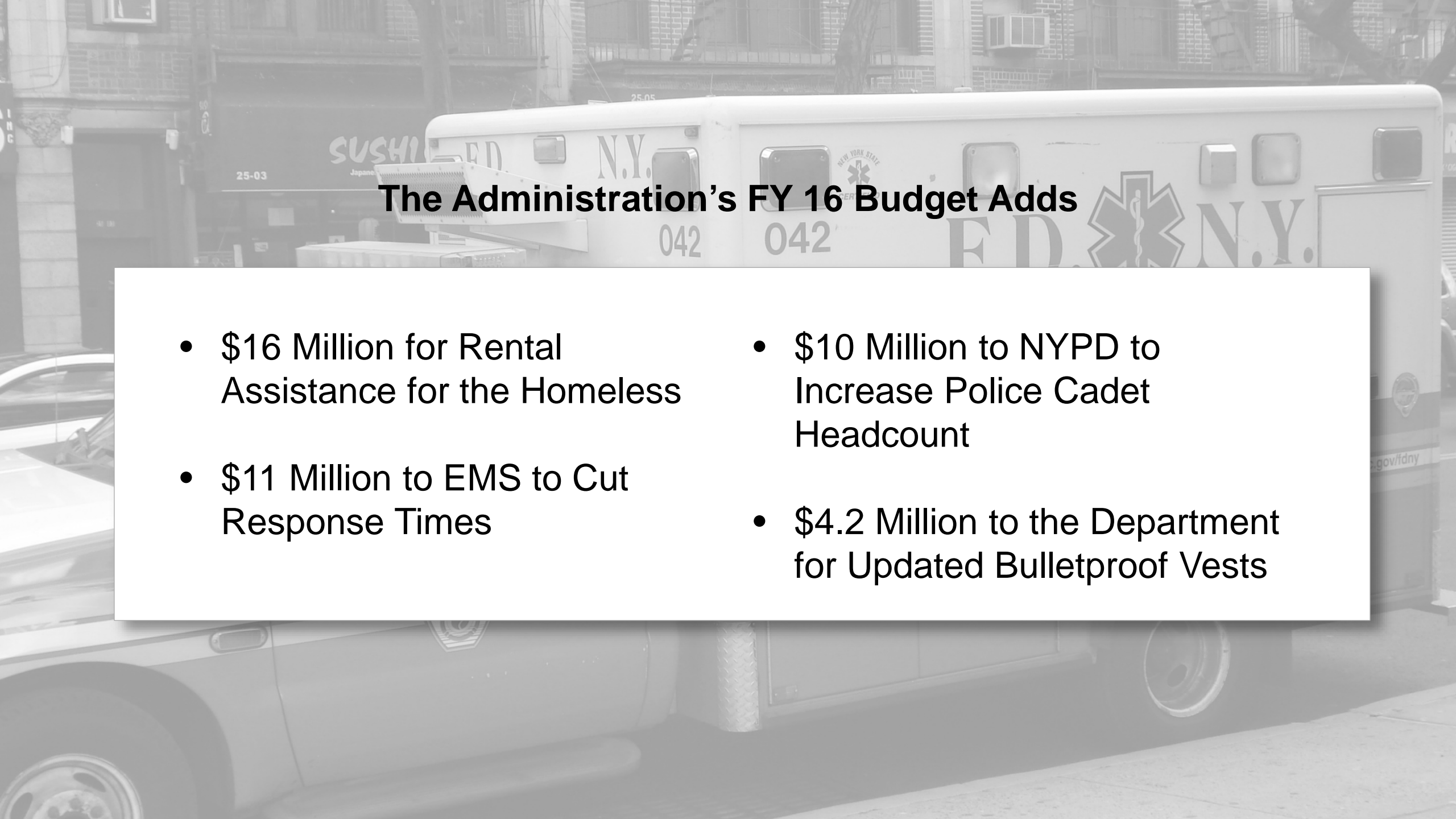


## DOE

2012-2014

**\$779 million Cumulative**





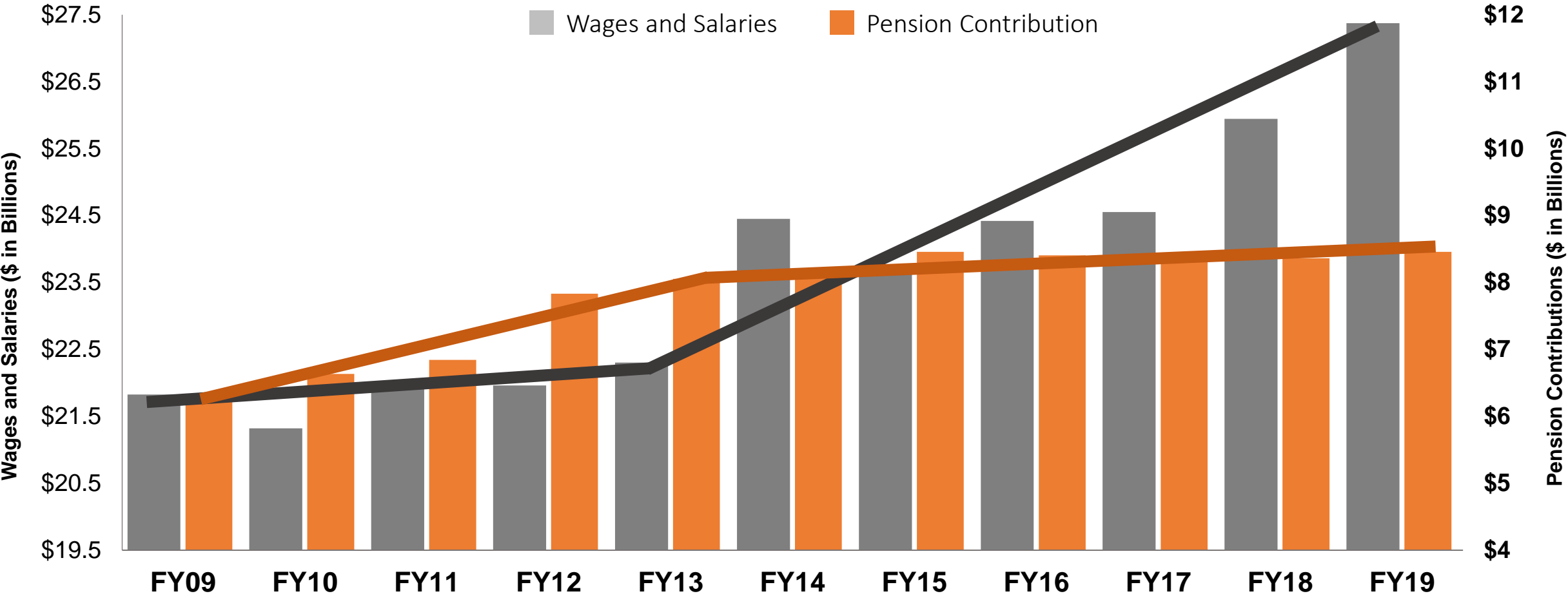
## The Administration's FY 16 Budget Adds

- \$16 Million for Rental Assistance for the Homeless
- \$11 Million to EMS to Cut Response Times
- \$10 Million to NYPD to Increase Police Cadet Headcount
- \$4.2 Million to the Department for Updated Bulletproof Vests

# Expenditures Adjusted for Pre-payments

(\$ in millions)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 15- 19	Annual Growth
Salaries and Wages	\$23,898	\$24,550	\$24,683	\$26,075	\$27,504	15.1%	3.6%
Debt Service	6,242	7,031	7,414	7,736	8,051	29.0%	6.6%
Health Insurance	5,206	5,577	5,923	6,327	6,849	31.6%	7.1%
Other Fringe Benefits	3,368	3,509	3,663	3,859	4,069	20.8%	4.8%
J & C	695	710	746	782	817	17.5%	4.1%
<b>Subtotal</b>	<b>\$39,409</b>	<b>\$41,376</b>	<b>\$42,429</b>	<b>\$44,749</b>	<b>\$47,255</b>	<b>20.0%</b>	<b>4.7%</b>
Pensions	\$8,455	\$8,405	\$8,375	\$8,360	\$8,457	0.0%	0.0%
Medicaid	6,447	6,415	6,415	6,415	6,415	-0.5%	-0.1%
Public Assistance	1,476	1,407	1,413	1,413	1,413	-4.3%	-1.1%
Other OTPS	23,304	22,042	22,256	22,643	22,728	-2.5%	-0.6%
<b>Subtotal</b>	<b>\$39,682</b>	<b>\$38,269</b>	<b>\$38,495</b>	<b>\$38,831</b>	<b>\$39,013</b>	<b>-1.7%</b>	<b>-0.4%</b>
<b>Total</b>	<b>\$79,091</b>	<b>\$79,646</b>	<b>\$80,888</b>	<b>\$83,610</b>	<b>\$86,304</b>	<b>9.1%</b>	<b>2.2%</b>

# Wages and Salary Growth Up As Pension Contribution Growth is Down

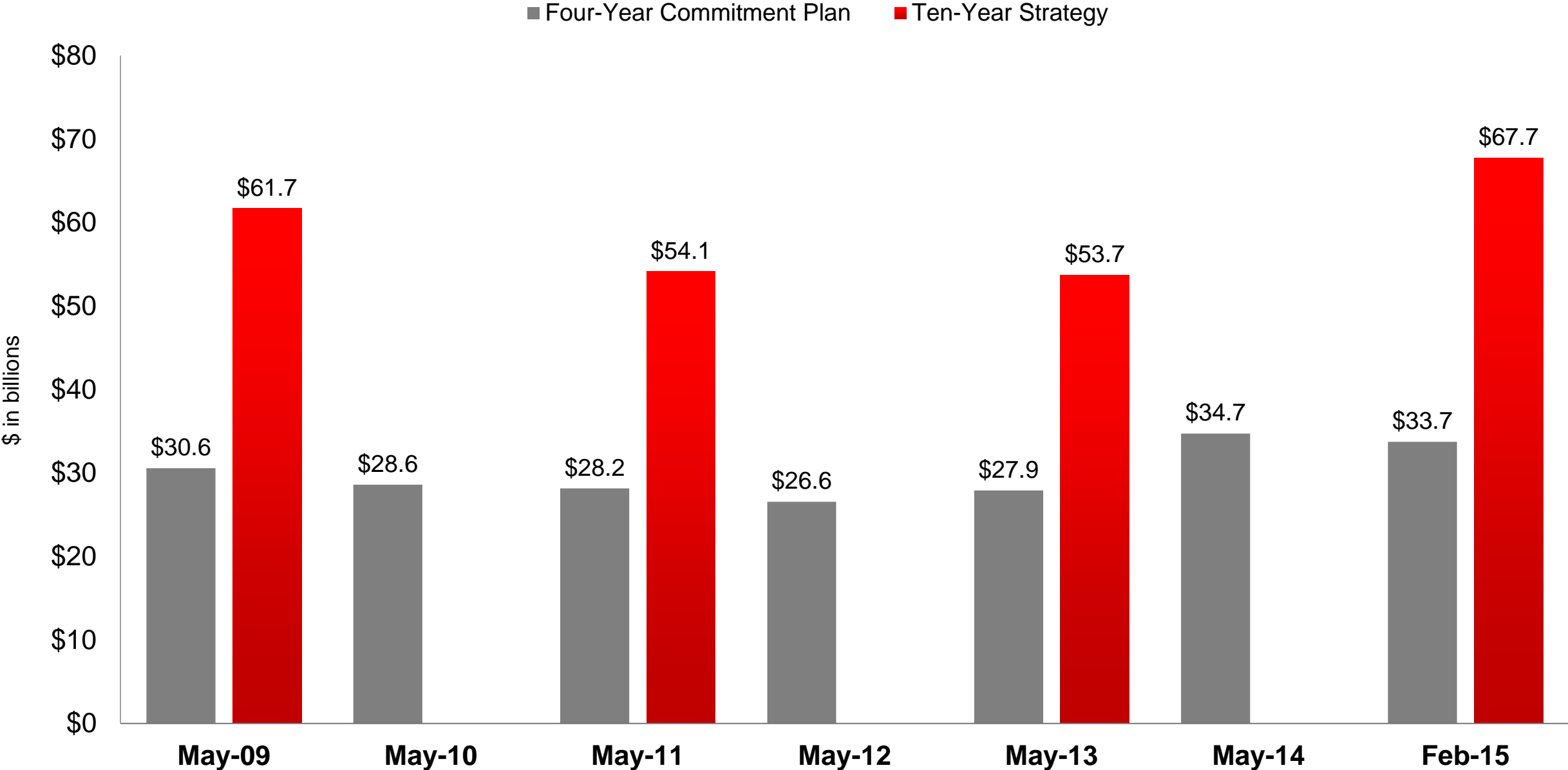


Average Growth (\$ in millions)		Salaries	Pensions	Salaries	Pensions	Change in Avg. Salary Growth	Change in Avg. Pension Growth
FY 2009 – FY 2013		\$120	\$447	0.5%	6.5%		
FY 2013 – FY 2019		\$867	\$67	3.6%	0.8%	\$747	(\$380)

## Citywide Efficiency Savings Program

- Following the fiscal crisis of the 1970s, the City regularly implemented gap closing programs - PEGs
- The City saved more than \$6.5 billion in FY14 from PEGs implemented between 2008 and 2013
- If the City implemented an agency efficiency program equivalent in scale to those of the past, we would save \$1 billion in FY16 alone
- If that program were continued, together with new savings initiatives each year, the cumulative impact over those years could be \$10 billion by FY19

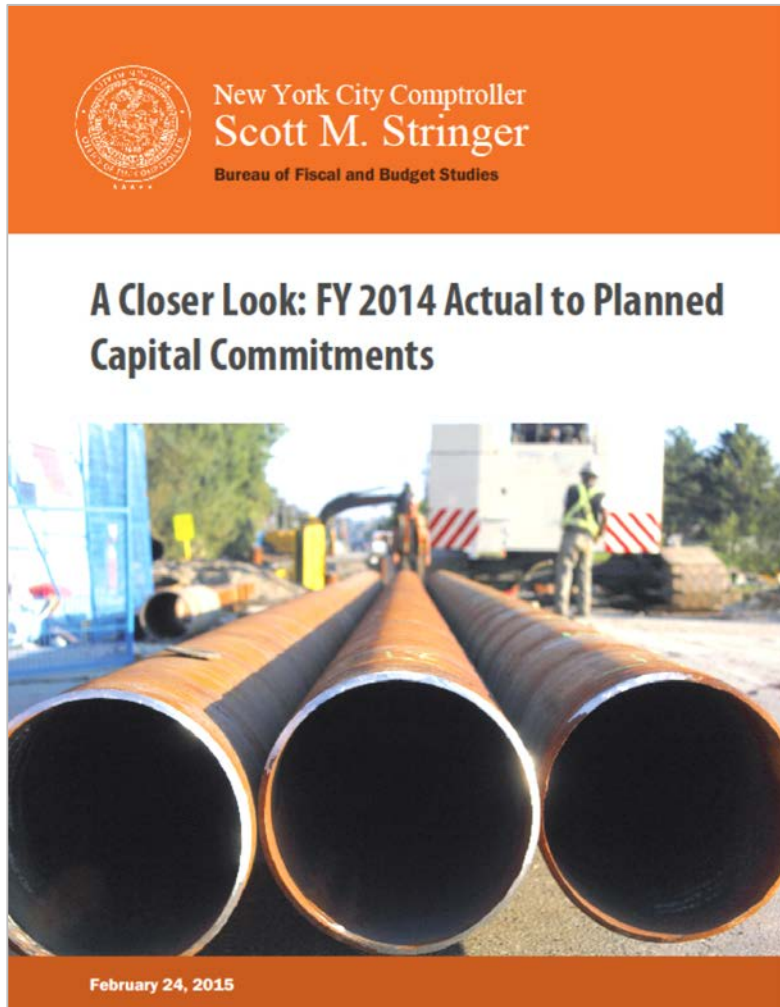
# Four-Year Commitment Plan and Ten Year Capital Strategy



## The Administration's Capital Strategy Additions

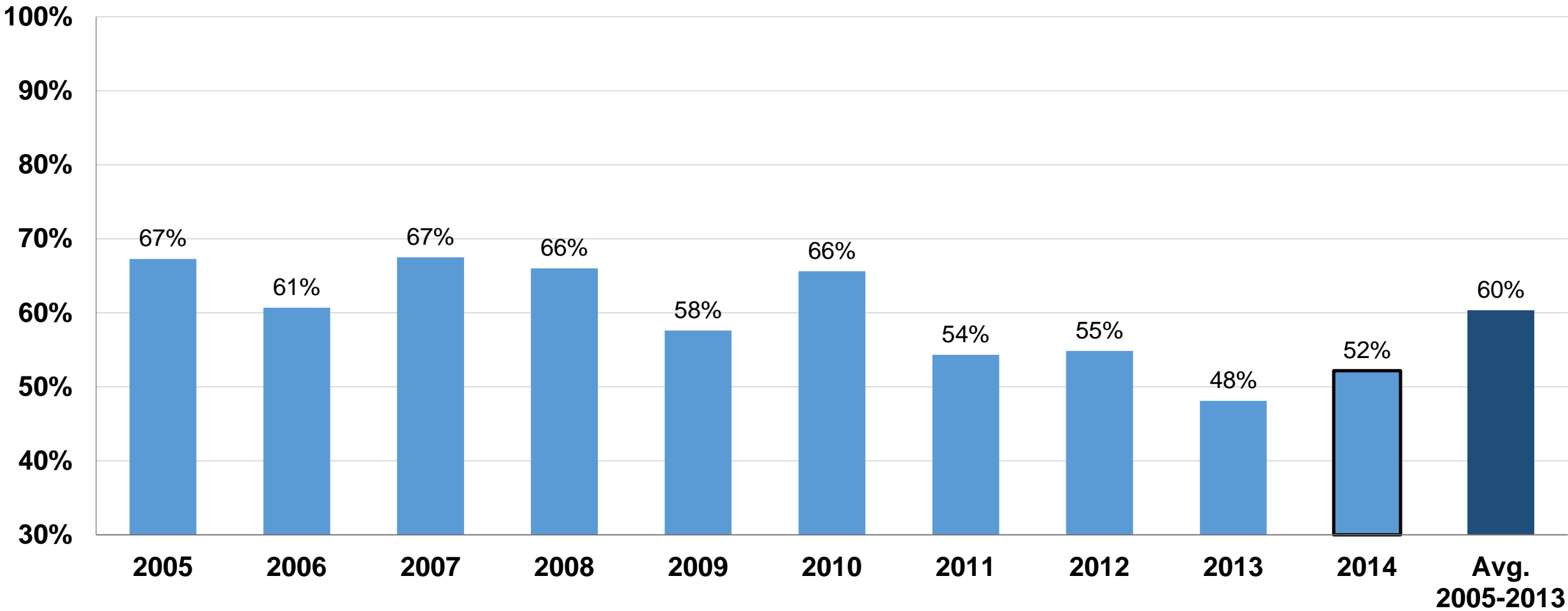
- \$5.3 Billion more for Education
- \$4.5 billion more for HPD
- \$851 million more for Economic Development and Business Services.
- NYCHA's City-funded capital budget, more than doubled – from \$63.5 million to \$145.7 million.

# FY 2014 Actual to Planned Capital Commitments



- The Report examined over \$14 billion of Planned Capital Commitments, 25 Agencies and over 1,600 budget lines
- Sanitation achieved 89 percent of its commitments
- Since FY 2005, the City had, on average, achieved 60 percent of its planned commitments
- Only 52 percent of Planned Capital Commitments were Achieved, the Second Lowest percentage over the Past Ten Years
- The Parks Department achieved 24 percent of its commitments, the lowest of all major City agencies

# Percent of Actual Commitments vs. Plan - All Funds



Note: The City existing measure of actual commitments is relative to total commitments after the reserve for unattained commitments. Using this measure, the FY 2014 percent achieved would be 68% compared to 52% as shown above.

# Five Best Performing Agencies in Achieving Capital Commitments

(With Planned Capital Commitments Greater Than \$100 Million)

\$ in millions

Agency	Actual FY 2014 Commitments	FY 2015 Executive Plan Commitments	Difference	% Achieved
Sanitation (DSNY)	277	310	(34)	89.4%
Education (DOE)	2,060	2,513	(453)	82.0%
Environmental Protection (DEP)	1,160	1,663	(503)	69.8%
Transportation (DOT)	837	1,351	(514)	62.0%
Housing Preservation & Development (HPD)*	439	747	(308)	58.8%

\*Includes commitment for New York City Housing Authority

# Five Worst Performing Agencies in Achieving Capital Commitments

(With Planned Capital Commitments Greater Than \$100 Million)

\$ in millions

Agency	Actual FY 2014 Commitments	FY 2015 Executive Plan Commitments	Difference	% Achieved
Parks and Recreation (DPR)	365	1,516	(1,151)	24.1%
Cultural Affairs (DCLA)	215	713	(498)	30.1%
Small Business Services (SBS)	278	892	(614)	31.2%
Health and Hospitals Corporation (HHC)	242	718	(476)	33.7%
Corrections (DOC)	125	282	(158)	44.3%

<b>Risks and Offsets (\$ in millions)</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>City Stated Gap</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,048)</b>	<b>(\$1,370)</b>	<b>(\$2,074)</b>
<b>Tax Revenues</b>					
Property Tax	\$0	\$113	\$320	\$210	\$1,050
Personal Income Tax	232	424	542	559	517
Business Taxes	(50)	(53)	(25)	60	50
Sales Tax	0	21	33	30	20
Real-Estate-Related Taxes	117	228	219	36	(137)
<b>Subtotal</b>	<b>\$299</b>	<b>\$733</b>	<b>\$1,089</b>	<b>\$895</b>	<b>\$1,500</b>
<b>Speed Camera Revenues</b>	<b>\$5</b>	<b>\$20</b>	<b>\$6</b>	<b>\$0</b>	<b>\$0</b>
<b>Expenditures</b>					
Overtime	(\$76)	(\$174)	(\$100)	(\$100)	(\$100)
DOE Medicaid Reimbursement	(60)	(80)	(80)	(80)	(80)
DOE Full Day UPK State Support	0	(40)	(40)	(42)	(42)
Variable Interest Rate Savings	100	50	0	0	0
General Reserve	300	0	0	0	0
Prior-Year Estimates Adjustment	500	0	0	0	0
<b>Subtotal</b>	<b>\$764</b>	<b>(\$244)</b>	<b>(\$220)</b>	<b>(\$222)</b>	<b>(\$222)</b>
<b>Total (Risks)/Offsets</b>	<b>\$1,068</b>	<b>\$509</b>	<b>\$875</b>	<b>\$673</b>	<b>\$1,278</b>
<b>Restated (Gap)/Surplus</b>	<b>\$1,068</b>	<b>\$509</b>	<b>(\$173)</b>	<b>(\$697)</b>	<b>(\$796)</b>

