Review of the Financial Plan of the City of New York

Report 10-2020

OFFICE OF THE NEW YORK STATE COMPTROLLER

Thomas P. DiNapoli, State Comptroller

Kenneth B. Bleiwas, Deputy Comptroller

December 2019

Message from the Comptroller

December 2019

As the State's chief financial officer, I have a constitutional and statutory responsibility to monitor the finances of the City of New York.

This report discusses the economic, fiscal and social challenges facing New York City in an effort to promote an informed discussion. I encourage every City stakeholder to learn more about these issues and to participate fully in the public debate.

Thomas P. DiNapoli
State Comptroller

Contents

I. Executive Summary

On November 22, 2019, the City of New York released a revised four-year financial plan for fiscal years 2020 through 2023 (the “November Plan”). The November Plan reflects an upward revision in the City’s revenue forecast for FY 2020, increased agency spending and a citywide savings program to narrow the FY 2021 budget gap.

Tax revenue (chiefly personal and business income tax collections) exceeded expectations during the first four months of the fiscal year, and accounted for three-quarters of the increase in the City’s revenue forecast for FY 2020 ($639 million). The upward revision reflects continued strength in the economy and conservative forecasts in the adopted budget.

Despite concerns that job growth would slow in 2019, the City is on pace to add 87,900 jobs in 2019, similar to last year. In total, the City added 820,400 jobs between 2009 and 2018, and the unemployment rate remains near its historic low. Tourism is also at record levels, wages are rising, Wall Street profits remain strong and consumer confidence is high. Notwithstanding these developments, the City did not raise its revenue forecast beyond the current fiscal year.

Expense reestimates increased City-funded spending by $313 million in FY 2020 and by an average of $374 million in subsequent years. The budgetary impact, however, was partly offset by the citywide savings program, which is expected to generate $224 million in FY 2020, $249 million in FY 2021 and smaller amounts in subsequent years.

After growing by more than 6 percent in each of fiscal years 2018 and 2019, City-funded spending (excluding reserves) is projected to increase by 4.9 percent, still more than twice as fast as inflation. Spending is driven by higher agency spending, the impact of State actions, and projected increases in health insurance costs and debt service. Staffing levels continue to rise, setting new records.

The City’s current ten-year capital strategy (the largest on record) could increase City-funded debt service by 41 percent between fiscal years 2019 and 2023. While the debt burden could rise to 12.9 percent of tax revenues, it would remain below the City’s ceiling of 15 percent.

Despite two agreements between the City and the municipal unions to produce health insurance savings to help fund wage agreements, City-funded health insurance costs are projected to reach nearly $7 billion by FY 2023, 43 percent more than in FY 2019. The unfunded liability for post-employment benefits other than pensions (OPEBs) also continues to grow, reaching nearly $108 billion at the end of FY 2019, an increase of $19 billion in two years.

The November Plan projects a surplus of $550 million in FY 2020, which the City intends to transfer to FY 2021 by prepaying certain expenses (see Figure 1). While this would reduce the FY 2021 budget gap to $3 billion, the out-year gaps have grown slightly, to nearly $3 billion in FY 2022 and $3.2 billion in FY 2023.

The Office of the State Comptroller (OSC) expects tax collections to exceed the City’s forecasts, assuming continued economic growth (see Figure 2). However, there is also the potential for unplanned spending, which could mitigate the budgetary benefit.

The general reserve currently stands at $1.15 billion in FY 2020 and $1 billion in each subsequent year. In addition, the capital stabilization reserve totals $250 million annually. If not needed for other purposes, the reserves could be used to narrow the projected budget gaps for fiscal years 2021 through 2023.[1]

[1] The Retiree Health Benefits Trust had a balance of nearly $4.7 billion at the end of FY 2019. While the trust is intended to help fund OPEBs, the City drew on its resources to help balance the budget during the Great Recession. The current balance is nearly $1.7 billion more than before the recession.

The November Plan also does not reflect the potential for savings from overestimating prior years' expenses. Over the past ten years, such savings have averaged more than $400 million annually.

Although the gaps are manageable under existing conditions, the current job expansion is in its record-tenth year, and changes in the business cycle are inevitable. While the November Plan assumes that the City's economy will slow during the financial plan period, it does not anticipate a recession. Although the likelihood of a recession in 2020 has eased since the summer, the risk remains elevated over the longer term.

Future State actions represent the most immediate and perhaps the most significant risk to the City's financial plan. According to the State Division of the Budget, the State's projected budget gap for State fiscal year (SFY) 2021, which begins April 1, 2020, has grown since August from $4 billion to $6.1 billion, largely because of unplanned Medicaid spending.

The Governor's executive budget, which is due in January 2020, is expected to include proposals to limit the growth in Medicaid spending and eliminate the projected budget gap for SFY 2021. It remains to be seen whether the steps taken by the State will have an adverse impact on the budgets of the City or the Health and Hospitals Corporation.

In closing, the City's economy is strong, and although the risk of a recession has eased in the near term, the City should continue to increase its reserves and scrutinize the budget for opportunities for savings given the risks on the horizon.

FIGURE 1
New York City Financial Plan
(in millions)

	FY 2020	FY 2021	FY 2022	FY 2023
Revenues				
Taxes				
General Property Tax	$ 29,622	$ 30,909	$ 32,150	$ 33,110
Other Taxes	33,282	33,391	34,358	35,289
Tax Audit Revenue	999	721	721	721
Subtotal: Taxes	$ 63,903	$ 65,021	$ 67,229	$ 69,120
Miscellaneous Revenues	7,398	7,020	7,024	7,042
Unrestricted Intergovernmental Aid	- - -	- - -	- - -	- - -
Less: Intra-City Revenue	(2,095)	(1,851)	(1,843)	(1,841)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)
Subtotal: City Funds	$ 69,191	$ 70,175	$ 72,395	$ 74,306
Other Categorical Grants	985	874	864	863
Inter-Fund Revenues	717	674	673	673
Federal Categorical Grants	8,013	7,081	6,994	6,962
State Categorical Grants	15,488	15,790	16,251	16,707
Total Revenues	**$ 94,394**	**$ 94,594**	**$ 97,177**	**$ 99,511**
Expenditures				
Personal Service				
Salaries and Wages	$ 30,071	$ 30,871	$ 30,730	$ 31,611
Pensions	9,965	10,113	10,538	10,575
Fringe Benefits	11,416	11,874	12,547	13,249
Subtotal: Personal Service	$ 51,452	$ 52,858	$ 53,815	$ 55,435
Other Than Personal Service				
Medical Assistance	5,915	5,915	5,915	5,915
Public Assistance	1,651	1,651	1,651	1,650
All Other	32,625	30,824	31,167	31,357
Subtotal: Other Than Personal Service	$ 40,191	$ 38,390	$ 38,733	$ 38,922
Debt Service	7,117	7,512	8,173	8,942
FY 2019 Budget Stabilization & Discretionary Transfers	(4,221)	- - -	- - -	- - -
FY 2020 Budget Stabilization	550	(550)	- - -	- - -
Capital Stabilization Reserve	250	250	250	250
General Reserve	1,150	1,000	1,000	1,000
Less: Intra-City Expenses	(2,095)	(1,851)	(1,843)	(1,841)
Total Expenditures	**$ 94,394**	**$ 97,609**	**$ 100,128**	**$ 102,708**
Gap to be Closed	**$ - - -**	**$ (3,015)**	**$ (2,951)**	**$ (3,197)**

Source: NYC Office of Management and Budget

FIGURE 2
Office of the State Comptroller (OSC)
Risk Assessment of the New York City Financial Plan
(in millions)

	Better/(Worse)			
	FY 2020	**FY 2021**	**FY 2022**	**FY 2023**
Gaps Per NYC Financial Plan	**$ - - -**	**$ (3,015)**	**$ (2,951)**	**$ (3,197)**
Tax Revenues	150	450	450	450
Miscellaneous Revenues	- - -	100	100	100
Debt Service	100	- - -	- - -	- - -
MTA Paratransit Funding	- - -	(100)	(100)	(100)
Uniformed Agency Overtime	(100)	(100)	(100)	(100)
Pupil Transportation	(75)	(75)	(75)	(75)
Fair Fares NYC Program	- - -	(212)	(212)	(212)
OSC Risk Assessment[2]	**75**	**63**	**63**	**63**
Potential Gaps Per OSC[3,4]	**$75**	**$ (2,952)**	**$ (2,888)**	**$ (3,134)**

[2] The November Plan does not include savings from overestimating prior years' expenses, which have averaged more than $400 million annually over the past ten years.

[3] The November Plan includes a general reserve of $1.15 billion in FY 2020 and $1 billion in each of fiscal years 2021 through 2023. In addition, the Capital Stabilization Reserve has a balance of $250 million in each of fiscal years 2020 through 2023. If not needed, these resources could be used to help close the projected budget gaps. The November Plan also includes reserves of $200 million in FY 2022 and $275 million in FY 2023 to fund potential changes in the actuarial assumptions and methodologies used to calculate employer pension contributions.

[4] The Retiree Health Benefits Trust, which the City has used in the past as a rainy-day fund, has a balance of $4.7 billion.

II. Changes Since the Beginning of the Fiscal Year

In June 2019, the City projected a balanced budget for FY 2020 and budget gaps of $3.5 billion in FY 2021, $2.9 billion in FY 2022 and $3.1 billion in FY 2023. In November, the City revised its revenue estimate for FY 2020 upwards, identified unplanned agency spending needs and proposed a citywide savings program to narrow the FY 2021 budget gap.

The City now forecasts a surplus of $550 million in FY 2020, based largely on the strength of revenue collections during the first four months of the fiscal year. Resources anticipated from the citywide savings program offset much of the unplanned spending in FY 2020.

The City intends to transfer the surplus to FY 2021 by prepaying expenses, such as debt service. While this would reduce the FY 2021 budget gap to $3 billion, the out-year gaps have grown slightly, to nearly $3 billion in FY 2022 and $3.2 billion in FY 2023 (see Figure 3).

Strong personal and business income tax collections ($466 million) were the driving forces behind the increase in the revenue forecast for FY 2020. Additional revenue from fines (mostly via speed cameras) and the sale of a City asset more than offset lower interest income from overnight investments. Despite the strength of tax collections, the City did not revise its tax forecast for fiscal years 2021 through 2023.

Expense reestimates increased City-funded spending by $313 million in FY 2020 and by an average of $374 million thereafter. Additional funding is needed, for example, to comply with new State discovery and bail reforms, and expansion of the supervised release program.

In addition, the City eliminated the cap on reimbursements to human services providers for certain administrative expenses. The City also agreed to fund increases in pay to certified early childhood education teachers and support staff employed by community-based organizations.

The balance of the new needs is concentrated within the Department of Transportation (e.g., to fund a number of initiatives, including an expansion of speed cameras) and the Health Department (to provide additional funding for crisis prevention and response).

The citywide savings program is expected to generate $224 million in FY 2020, $249 million in FY 2021 and smaller amounts in subsequent years. Nearly half of the savings in FY 2020 and almost one-fifth during the financial plan period will come from lower-than-anticipated interest rates for recently issued debt and variable-rate debt. The City estimates that efficiencies will account for 58 percent of the savings during the financial plan period.

Together, the departments of Education and Correction will be responsible for generating more than three-quarters of the savings from agency actions. The Department of Education has offered severance incentives to employees in the absent teacher pool, will reduce funding for professional development, and plans to achieve savings in procurement and food services. The Department of Correction will close two jails, reducing staffing by 840 uniformed officers through attrition.

The City also benefited from better-than-expected pension fund investment earnings in FY 2019. Last year, the funds earned 7.2 percent on their investments, compared to an expected gain of 7 percent. As a result, the City was able to reduce its planned pension contributions by $18 million in FY 2021, $36 million in FY 2022, and $54 million in FY 2023.

The City has not reduced its reserves. The general reserve remains at $1.15 billion in FY 2020 and $1 billion in each subsequent year. In addition, the capital stabilization reserve totals $250 million annually. If not needed for other purposes, the reserves could be used to narrow the projected budget gaps for fiscal years 2021 through 2023.

FIGURE 3
Financial Plan Reconciliation—City Funds
June 2019 Plan vs. November 2019 Plan
(in millions)

	Better/(Worse)			
	FY 2020	**FY 2021**	**FY 2022**	**FY 2023**
Projected Gaps Per June 2019 Plan	**$ - - -**	**$ (3,521)**	**$ (2,879)**	**$ (3,141)**
Tax Reestimates				
Personal Income	249	- - -	- - -	- - -
Business Taxes	217	- - -	- - -	- - -
Sales Taxes	24	- - -	- - -	- - -
Real Estate Transactions	9	- - -	- - -	- - -
General Property Taxes	7	- - -	- - -	- - -
Other Taxes	(24)	- - -	- - -	- - -
Subtotal	**482**	**- - -**	**- - -**	**- - -**
Non-tax Changes:				
Asset Sale	45	- - -	- - -	- - -
All Other	112	75	114	139
Subtotal	**157**	**75**	**114**	**139**
Total Revenue Changes	**639**	**75**	**114**	**139**
Expense Reestimates				
New Agency Needs	(252)	(328)	(360)	(366)
Pension Contributions	(2)	17	38	56
All Other	(59)	(57)	(62)	(59)
Subtotal	**(313)**	**(369)**	**(384)**	**(368)**
Citywide Savings Program				
Agency Actions	115	214	177	178
Debt Service	109	36	20	(4)
Subtotal	**224**	**249**	**197**	**173**
Total Expense Changes	**(89)**	**(119)**	**(187)**	**(195)**
Net Change	**550**	**(44)**	**(73)**	**(56)**
Gaps to Be Closed Before Prepayment	**$ 550**	**$ (3,565)**	**$ (2,951)**	**$ (3,197)**
FY 2020 Prepayment of FY 2021 Expenses	(550)	550	- - -	- - -
Gaps to Be Closed Per November 2019 Plan	**$ - - -**	**$ (3,015)**	**$ (2,951)**	**$ (3,197)**

Note: Columns may not add due to rounding.
Sources: NYC Office of Management and Budget; OSC analysis

III. Revenue Trends

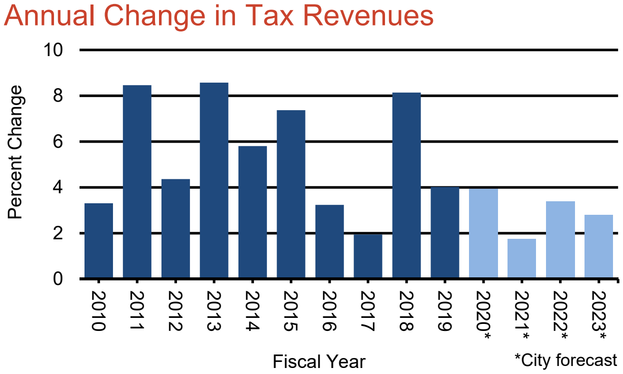
The November Plan assumes that revenues, including federal and State categorical aid, will total $94.4 billion in FY 2020. Of this amount, $69.2 billion will come from locally generated revenues (i.e., City funds), 2.1 percent more than in FY 2019 (see Appendix A).

Continued strength in the local economy is supporting the growth in tax collections, which account for the bulk of City fund revenues. As of October, the City was on pace to add 87,900 jobs in 2019, the record-tenth year of an expansion that already added 820,400 jobs between 2009 and 2018. The City's unemployment rate, at 4.1 percent in October 2019, remains near its historic low. In addition, tourism is at record levels, wages are rising, Wall Street profits remain strong and consumer confidence is high.

While the City raised its forecast for tax collections by $482 million to $63.9 billion, it did not raise its forecast for future years. Tax collections are forecast to grow at an average annual rate of 2.7 percent during fiscal years 2021 to 2023, compared with 3.9 percent in FY 2020 (see Figure 4).

Based on current trends, OSC believes that revenues are likely to exceed the City's forecast in FY 2020 and subsequent years. However, the risk of an economic setback during the financial plan period remains elevated and the City's conservative outlook is prudent.

FIGURE 4
Annual Change in Tax Revenues



Note: Includes revenue from tax audits.
Sources: NYC Office of Management and Budget; OSC analysis

1. General Property Tax

The November Plan assumes that general property tax collections will increase by 6.9 percent in FY 2020, reaching a record $29.6 billion. Growth continues to be driven by rising market values, which reached a record of more than $1.3 trillion.

The November Plan assumes that collections will increase by 4.3 percent in FY 2021 and then slow further in subsequent years. If the tentative property tax roll for FY 2021, which is scheduled to be released in January 2020, shows continued strength in property values, collections could exceed the City's estimate by more than $300 million annually.

Each year, the City sets aside a reserve for delinquencies, refunds and tax abatements. In recent years, the City has started the fiscal year with a larger reserve than was needed, allowing unused resources (averaging more than $478 million annually during fiscal years 2014 to 2018) to be freed up for other purposes.

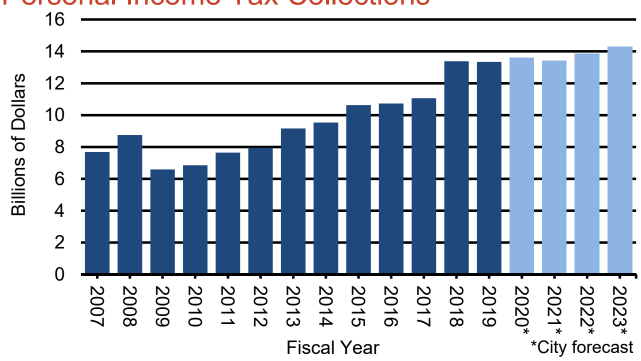
In FY 2019, the reserve totaled $1.9 billion, 24 percent more than the prior fiscal year and $86 million more than the start of the year. The November Plan includes a $2 billion reserve for FY 2020, the largest in absolute terms and as a share of the levy since FY 2013. As the factors that drove the increase last year are better understood by the City, it remains to be seen whether the FY 2020 reserve is appropriate.

The City and the State are currently the subject of a lawsuit concerning inequities in the City's property tax system. The Mayor and City Council Speaker have established an advisory commission to develop recommendations to make the City's property tax system simpler, clearer and fairer, while ensuring that there is no reduction in revenue. There are no new developments concerning the lawsuit or the commission thus far this fiscal year.

2. Personal Income Tax

Personal income tax collections are projected to increase by 2 percent in FY 2020, reaching $13.6 billion (see Figure 5). The small increase reflects the City's assumption of minimal growth in capital gains and Wall Street bonuses, and a slowdown in job and wage growth. It also assumes collections will decline by 1.4 percent in FY 2021 before growth resumes in FY 2022.

FIGURE 5
Personal Income Tax Collections



Sources: NYC Comptroller; NYC Office of Management and Budget; OSC analysis

However, collections have been stronger than the City expected in the adopted budget, rising by 6.4 percent in the first four months of FY 2020 compared with the same period last year. As a result, the City raised its forecast for the personal income tax by $249 million in FY 2020.

Most of the increase was associated with distribution payments from the State ($192 million). The State administers the personal income tax and remits to the City an estimate of its share each month. As the year progresses, the State makes adjustments based on a review of taxpayer patterns.

Although the City raised its forecast for distribution payments from the State, the November Plan still assumes payments will decline in FY 2020. However, payments were 15.5 percent higher during the first four months of the fiscal year compared with the same period last year. In addition, the State budget assumes that these payments will continue to grow during the financial plan period. As a result, OSC estimates that these payments could exceed the City's estimates by at least $100 million in FY 2020 and by $300 million annually in subsequent years.

Job growth has also been stronger than the City expected, and collections from withholding (i.e., the amount of tax taken from employees' paychecks) grew by 6.6 percent during the first four months of the fiscal year. Although the City raised its forecast in the November Plan by $96 million, OSC expects job growth to exceed the City's estimates for 2019 and 2020 (gains of 75,300 and 50,800, respectively), which could result in an additional $50 million in FY 2020.

In addition, the City has not revised its personal income tax withholding forecasts for fiscal years 2021 through 2023. Based on current trends, OSC believes collections could exceed the City's forecasts by $150 million annually.

3. Sales Tax

Sales tax collections were also strong during the first four months of FY 2020, rising by 7.1 percent.[5] The strength in sales tax collections can be attributed to continued job growth, higher wages and high consumer confidence, and an extension of the sales tax to internet marketplaces.[6] In addition, tourism continues to surge, with attendance at Broadway shows on

[5] State law requires the State Comptroller to transfer City sales tax collections of $14.2 million in FY 2019, $170 million in FY 2020 and increasing amounts in subsequent years to help fund the MTA's capital program. In calculating the growth rate, OSC added back these funds to more accurately measure economic activity.

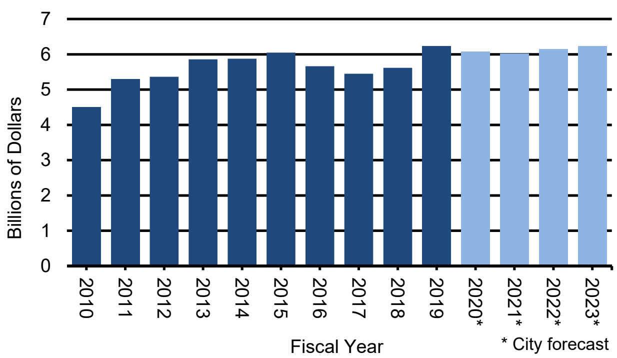
[6] The State extended the sales tax to cover third-party sellers on internet marketplaces, effective June 1, 2019, as part of its efforts to help fund the MTA's capital program.

pace to reach another record in 2019, and NYC & Company (the City's official tourism agency) forecasting a record 66.9 million visitors in 2019. The November Plan raised the City's forecast for sales tax collections slightly in FY 2020 to $8.3 billion.

4. Business Taxes

New York City levies both a business corporation tax and an unincorporated business tax. Collections were disrupted after the State enacted legislation in 2015 that merged the City's banking tax with the corporation tax, but the City now believes that businesses have adjusted to the new tax law and that payment patterns have normalized. Helped by strong Wall Street profits in 2018, collections reached a record $6.2 billion in FY 2019 (see Figure 6).

FIGURE 6
Business Tax Collections



Sources: NYC Comptroller; NYC Office of Management and Budget

Business tax collections remained strong in FY 2020, surging by 21 percent in the first four months compared to the same period last year. As a result, the City raised its forecast by $217 million. The City, however, believes that because the strong growth in FY 2019 was concentrated in the second half of the year, collections will be weaker in the second half of FY 2020, with full-year collections declining by 2.4 percent to $6.1 billion.

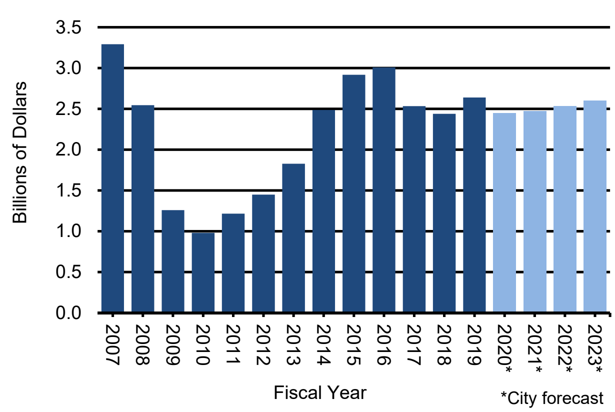
The November Plan assumes that securities industry profitability will decline by nearly 26 percent in 2019, but profits were up 10 percent in the first three-quarters of the year. While trade tensions and other factors could adversely affect profitability in the fourth quarter, Wall Street profits are likely to exceed the City's estimate for 2019, which could yield additional business tax revenue in the near term.

5. Real Estate Transaction Taxes

Real estate transaction tax collections were boosted in the final months of FY 2019 as taxpayers accelerated purchases in anticipation of a tax increase on sales of high-value residential properties, which began July 1, 2019 (the increase was dedicated to generating resources for the MTA). As a result, collections increased by 8.5 percent in FY 2019, reaching $2.6 billion (see Figure 7).

Transaction activity on high-priced residential units subsequently fell. During the first quarter of FY 2020, transaction tax collections declined by 10.2 percent compared to the first quarter of FY 2019. As a result, the November Plan now assumes that collections will decline by 7.2 percent in FY 2020, to $2.5 billion, and rise only gradually in subsequent years.

FIGURE 7
Real Estate Transaction Tax Collections



Sources: NYC Comptroller; NYC Office of Management and Budget

6. Audit Revenue

Each year, the Department of Finance conducts audits of individuals and businesses to ensure compliance with the tax code. The November Plan assumes that audit revenue will total $999 million in FY 2020, but then decline sharply. Based on current trends, OSC believes that audit revenue could exceed the City's forecast beginning in FY 2021.

7. Miscellaneous Revenues

The November Plan assumes that miscellaneous revenues will total $5.3 billion in FY 2020, $157 million more than expected at the beginning of the fiscal year.[7] The increase reflects proceeds from a one-time asset sale ($45 million),[8] as well as additional fine revenues ($119 million) that primarily reflect a State law that increased the number of speed-camera zones ($93 million). These increases were partially offset by a reduction in interest income ($80 million), mostly from lower interest rates for overnight investments.

In recent years, miscellaneous revenues (excluding one-time benefits such as asset sales) have exceeded the City's initial forecast at the start of the fiscal year by more than $200 million annually, with fines and licenses accounting for much of this additional revenue. At this point, OSC expects miscellaneous revenues to be $100 million higher than the City's forecasts for fiscal years 2021 through 2023.

[7] Excludes $9 million associated with the citywide savings program.

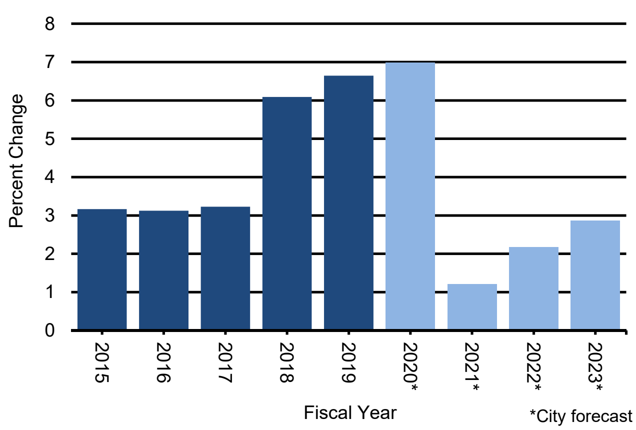
[8] The sale of an insurance liability (i.e., a loss portfolio transfer).

IV. Expenditure Trends

Expenditures are projected to total $94.4 billion in FY 2020, including programs funded with federal and State categorical grants. The portion funded with locally generated revenue (i.e., City funds) is expected to total $69.2 billion. After adjusting for surplus transfers, City-funded spending is projected to total $72.9 billion.

After averaging 3.2 percent during fiscal years 2015 through 2017, City-funded spending increased by 6.1 percent in FY 2018 and by 6.6 percent in FY 2019 (see Figure 8). The November Plan projects a 7 percent increase in FY 2020, although the growth rate would be reduced to 4.9 percent if $1.4 billion in reserves are not needed to cover unplanned spending.

FIGURE 8
Growth in City-Funded Expenditures



Note: Adjusted for surplus transfers.
Sources: NYC Office of Management and Budget; OSC analysis

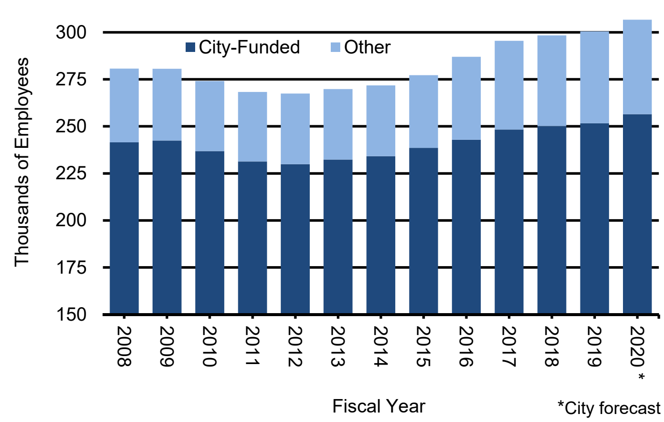
City-funded spending is driven in FY 2020 by costs associated with the current round of collective bargaining, projected increases in health insurance and debt service costs, and higher personal service costs (see Appendix B). While the November Plan recognizes $313 million in unplanned spending in FY 2020, much of the impact was offset by a citywide savings program ($224 million).

The City's full-time work force grew by 12.3 percent between fiscal years 2012 and 2019. The City added 33,019 employees during this period, bringing the full-time work force to a record level of 300,442 employees in June 2019 (see Figure 9).[9] Nearly half of the increase was concentrated in the Department of Education (for more detail, see Appendix C). The number of employees funded exclusively by the City grew by 9.4 percent since FY 2012, reaching a record level of 251,628 employees in June 2019.

The November Plan assumes the addition of 6,243 employees during FY 2020, with hiring concentrated in the health and welfare agencies, and in the Department of Education. However, the City fell far short of its hiring target during the first four months of FY 2020 (by 3,508 positions). The City could realize additional savings if it continues to fall short of its hiring targets.

Although overtime and pupil transportation costs could exceed planned levels, and debt service could be less than planned, the City's expenditure estimates for FY 2020 are generally reasonable. The November Plan, however, does not include funding for Fair Fares NYC beyond the current fiscal year or an increase in the City's contribution to the MTA's paratransit program as proposed by the MTA.

FIGURE 9
Full-Time Staffing Levels



Sources: NYC Office of Management and Budget; OSC analysis

[9] The City employed another 26,297 full-time-equivalent employees, including 24,445 that were City-funded.

1. Collective Bargaining

As of December 2019, about 70 percent of the municipal work force had reached new labor agreements with the City for the 2017-2021 round of bargaining. The City has a long history of pattern bargaining, and it expects the agreements with District Council 37 and the United Federation of Teachers to set the framework for negotiations with the remainder of the municipal work force for the 2017-2021 round of negotiation. These agreements call for wages to increase by 7.4 percent (compounded) over a 44-month period.[10]

None of the unions that represent uniformed employees have reached new agreements with the City. In March 2018, the Patrolmen's Benevolent Association (PBA), which represents police officers, filed a petition with the New York State Public Employment Relations Board requesting the appointment of a three-member arbitration panel. The panel was selected in September 2018, and proceedings are scheduled to begin in early 2020. According to State law, arbitration awards for disputes between the City and police officers are binding on both parties and limited to two years.

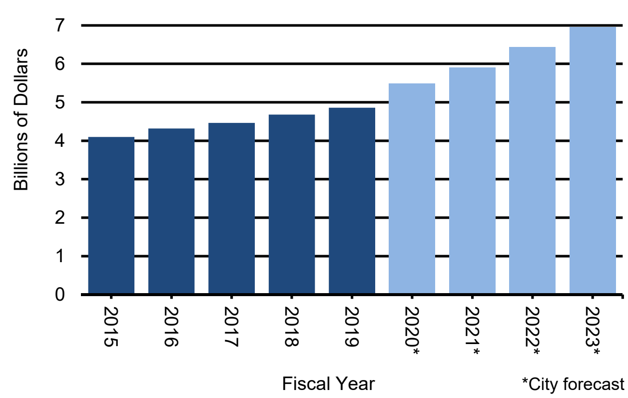
2. Health Insurance

In May 2014, the City and the Municipal Labor Committee (MLC) reached the first of two agreements to generate health insurance savings to help fund wage increases for municipal employees. Under the first agreement, the City and the unions agreed to generate $3.4 billion during fiscal years 2015 through 2018, and $1.3 billion in recurring savings beginning in FY 2019. In October 2018, the Commissioner of Labor Relations reported that the City exceeded the cumulative four-year target by $86 million. These savings were credited toward the second savings agreement that was announced in June 2018.

The City estimates that it realized budgetary savings of $200 million in FY 2019 from the second agreement, and the November Plan assumes savings of $300 million in FY 2020 and $600 million in FY 2021, plus recurring savings of $600 million beginning in FY 2022. These savings are guaranteed under the agreement and are enforceable through arbitration. The annual savings targets could be met with nonrecurring savings that may include drawing down resources from the health stabilization fund, which currently has a balance of $1.4 billion.

In total, the two agreements are expected to produce cumulative savings of $10.3 billion through FY 2022 and recurring savings of $1.9 billion beginning in FY 2022. Nonetheless, health insurance costs are projected to reach nearly $7 billion by FY 2023 (see Figure 10), 43 percent more than in FY 2019.

FIGURE 10
Health Insurance Costs
City-Funded



Sources: NYC Comptroller; NYC Office of Management and Budget; OSC analysis

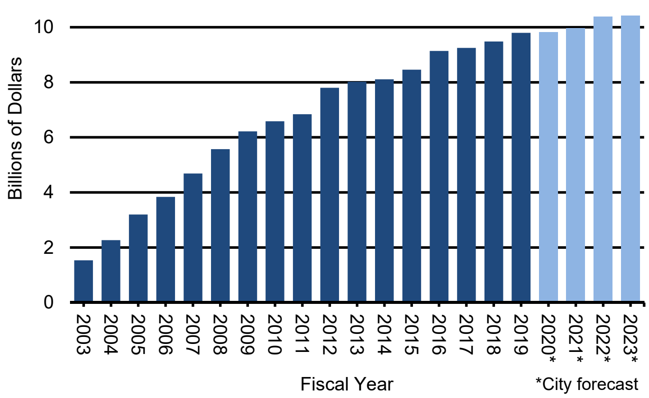
[10] Under an agreement between the Mayor and City Council reached in June 2019, the November Plan includes funding for salary increases to early childhood educators and support staff employed by community-based organizations ($18 million in FY 2020, rising to $62 million in FY 2023).

3. Pension Contributions

After growing quickly from fiscal years 2003 through 2012, pension costs have increased more slowly (see Figure 11). Nonetheless, pension contributions are projected to total $10.4 billion in FY 2023, accounting for 14 percent of City fund revenues.

The November Plan includes a reserve of $200 million in FY 2022 and $275 million in FY 2023 to fund future changes that may result from the next biennial independent review of the City's pension systems as mandated by the City Charter. The independent review is expected to be completed sometime in 2021.

FIGURE 11
Pension Contributions
City-Funded



Sources: NYC Comptroller; NYC Office of Management and Budget; OSC analysis

Although the financial markets were volatile during much of FY 2019, the City's pension systems slightly exceeded their annual investment earnings targets of 7 percent. As of November 30, 2019, the City's pension systems had earned an estimated 4.5 percent on their investments.[11]

FIGURE 12
Funded Status of the NYC Retirement Systems
(As of June 30, 2019)

Pension System	Funded Status
Board of Education Retirement System	94%
Police Pension Fund	82%
Teachers' Retirement System	79%
New York City Employees' Retirement System	79%
Fire Pension Fund	65%
All Systems	**79%**

Sources: NYC Retirement Systems; NYC Comptroller; OSC analysis

The financial condition of the City's five actuarial pension systems has improved since FY 2014, when the City adopted new, more transparent financial reporting standards.[12] In the aggregate, the pension systems had enough assets on hand to fund (on a market-value basis) 79 percent of their accrued pension liabilities at the end of FY 2019 (see Figure 12). Since FY 2013, the unfunded net liability for all five systems declined by $16.6 billion to $43.3 billion.

4. Post-Employment Benefits

The City's unfunded liability for post-employment benefits other than pensions (OPEBs) reached nearly $108 billion in FY 2019, an increase of $19 billion in two years. The City, like many employers, does not fund its OPEB liabilities on an actuarial basis but rather pays the annual cost of benefits to current retirees on a pay-as-you-go (PAYGO) basis. OPEB costs, on a PAYGO basis, are projected to rise from $2.5 billion in FY 2019 to $3 billion in FY 2023, an increase of 20 percent in four years.

[11] Since FY 2012, the pension funds have earned, on average, 7.9 percent on their investments.

[12] Governmental Accounting Standards Board, Statement No. 68.

5. Uniformed Agency Overtime

Overtime at the uniformed agencies accounts for nearly 80 percent of citywide overtime. After rising by 67 percent between fiscal years 2009 and 2015, overtime at the uniformed agencies has remained elevated at or near historic levels.

The November Plan assumes that overtime will decline by $212 million to less than $1.2 billion in FY 2020, and then remain at that level for the remainder of the financial plan period. However, overtime exceeded the City's forecast by $113 million during the first five months of FY 2020, and is likely to approach last year's level based on current trends. As in past years, unplanned overtime costs could be partially offset by savings in other areas or by the receipt of federal and State categorical grants, reducing the net liability to $100 million annually.

6. Debt Service

In April 2019, the City released its biennial ten-year capital strategy, which totals $116.9 billion, the largest on record. The City will fund $110.7 billion ($21.8 billion more than in 2017), with the balance funded by the federal and State governments.

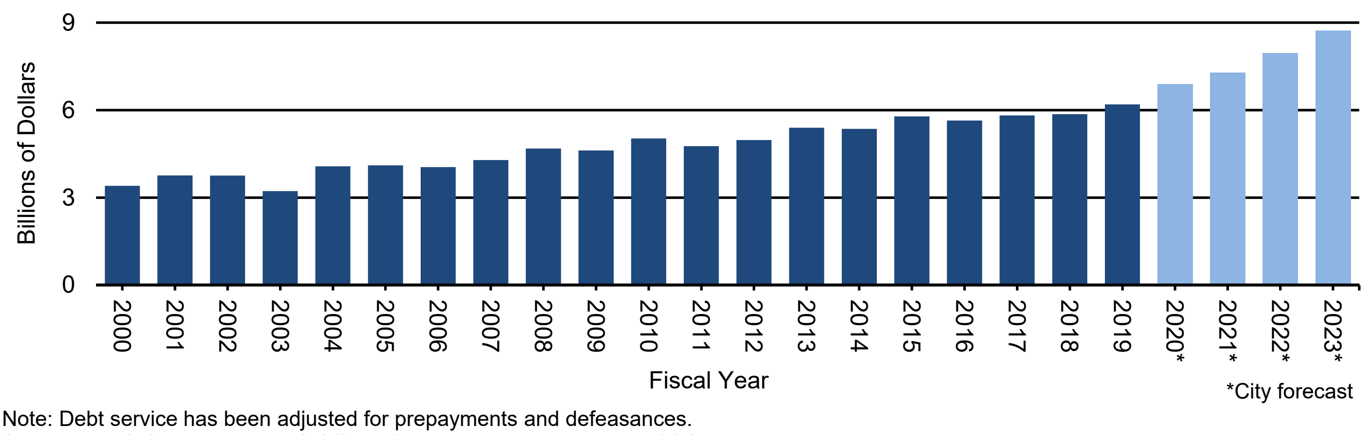
The November Plan reflects the impact of the capital strategy. As a result, City-funded debt service is projected to increase by 11 percent in FY 2020 and reach $8.7 billion by FY 2023 (see Figure 13), 41 percent higher than in FY 2019. However, debt service may grow more slowly because interest rates remain below the City's assumption and capital commitments have historically fallen short of their annual targets.

City-funded capital commitments are projected to total $15.5 billion in FY 2021 and higher amounts in subsequent years, which may be optimistic. The City committed $11.7 billion in FY 2019, and the November Plan assumes City-funded commitments of $12.3 billion in FY 2020.

Debt service as a share of tax revenue (i.e., the debt burden) fell from a post-recession peak of 13.7 percent in FY 2010 to 10.5 percent in FY 2019. The November Plan assumes that the burden will reach 12.9 percent by FY 2023 based on relatively conservative assumptions.

Although debt service is projected to account for a larger share of tax revenue, the share would remain well below the City's ceiling of 15 percent. To prevent the debt burden from rising too quickly in the event of a rapid hike in interest rates or a sharp decline in tax revenue, the City established a capital stabilization reserve in FY 2016. The reserve is valued at $250 million annually during fiscal years 2020 through 2023.

FIGURE 13
Debt Service
City-Funded



Note: Debt service has been adjusted for prepayments and defeasances.
Sources: NYC Comptroller; NYC Office of Management and Budget; OSC analysis

7. Medical Assistance

The November Plan assumes that the City-funded share of Medicaid will total $5.8 billion in FY 2020 (8 percent of City fund revenues) and remain at that level during the financial plan period. This forecast is based on the assumption that the terms of a State takeover of the growth in the local share of Medicaid costs will remain unchanged.

The State, however, is on track to exceed its Medicaid spending cap by $4 billion in State fiscal year (SFY) 2020 and by amounts ranging from $3.1 billion in the following year to $3.9 billion by SFY 2023. In response, the State Division of the Budget is developing a savings plan intended to avoid exceeding the spending cap to the extent practicable in the current year. The plan will include, at a minimum, permanent adjustment to the timing of Medicaid payments ($2.2 billion in SFY 2020) and as-yet unidentified cost-containment or other measures ($1.8 billion in SFY 2020).

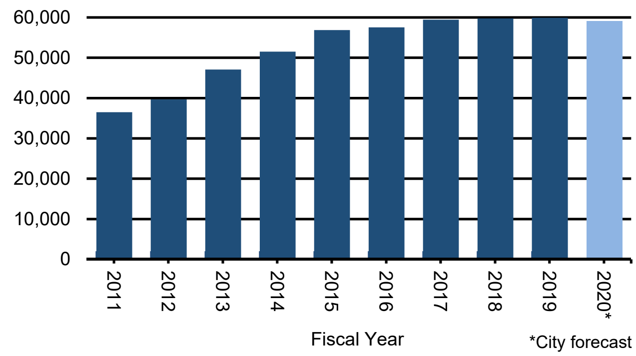
In addition to a permanent adjustment to the timing of certain Medicaid payments, the State may implement across-the-board reductions in rates paid to providers and health plans, reduce discretionary payments, and take other actions that can be executed administratively in the current fiscal year.

According to the State Division of the Budget, the State's projected budget gap for SFY 2021 has grown since the August update from $4 billion to $6.1 billion, largely because of unplanned Medicaid spending. The Governor's executive budget, which is due in January 2020, will describe the specific elements of the Medicaid savings plan and the proposals that will be advanced to eliminate the projected budget gap for SFY 2021. It remains to be seen whether the steps taken by the State to address these issues will have an adverse impact on the budgets of the City or the Health and Hospitals Corporation.

8. Homeless Services

The homeless population in shelters operated by the Department of Homeless Services (DHS) increased by 64 percent between fiscal years 2011 and 2019 (see Figure 14). The shelter population averaged 59,900 in FY 2019, a new record, and more than one-third of shelter residents were children.

FIGURE 14
Homeless Shelter Population



Note: FY 2020 data through October 2019.
Sources: NYC Department of Homeless Services; OSC analysis

While the average number of families living in shelters has declined since the end of FY 2017, families are staying in shelters longer. In addition, the number of single adults in shelters continues to increase (by 10 percent annually since FY 2012).

Costs at the DHS reached $2.2 billion in FY 2019, almost triple the FY 2011 level ($821 million). The November Plan assumes that the City-funded cost will total almost $1.3 billion in FY 2020, unchanged from FY 2019. However, this assumption may be optimistic given the continued growth in the single-adult shelter population.

9. Public Assistance

During the first three months of FY 2020, the public assistance caseload averaged 332,000 people, the lowest level since the early 1960s. The November Plan assumes the caseload will increase to about 339,000 people during the remaining months of the current fiscal year and remain at that level in subsequent years.

According to recent data from the U.S. Census Bureau's American Community Survey, the City's poverty rate also hit a historic low. In 2018, the poverty rate fell to 17.3 percent, the lowest rate recorded since the American Community Survey began in 2006, and the lowest rate since the 1970s as reported by other census data.

The November Plan estimates that public assistance costs will total $1.7 billion in FY 2020 ($855 million in City funds) and will remain relatively constant through the financial plan period. However, if recent trends hold and the public assistance caseload remains below the level assumed in the November Plan, the City could achieve some savings.

In December 2019, the U.S. Department of Agriculture issued new rules that further limit the states' ability to exempt able-bodied adults without dependents from work requirements under the Supplemental Nutrition Assistance Program (i.e., food stamps). The City estimates that nearly 50,000 residents will lose food stamps when the rule takes effect in April 2020.

10. Fair Fares

On January 4, 2019, the City launched a pilot program known as Fair Fares NYC to provide half-fares to low-income New Yorkers who use the subway or bus systems operated by the Metropolitan Transportation Authority (MTA).

The MTA has created a special Fair Fares MetroCard that allows the purchase of half-price 7-day or 30-day unlimited passes at MTA vending machines and subway station booths. The card also includes a pay-per-ride option. The City is paying for half of the cost of the new MetroCards, with eligible participants required to pay the other half.

An estimated 30,000 working New Yorkers who receive cash assistance benefits and 130,000 working New Yorkers who receive Supplemental Nutritional Assistance Program (SNAP) benefits are eligible to receive the new MetroCard. As of December 2, 2019, nearly 94,000 individuals had enrolled in the program.

The City intends to expand the program to include eligible residents at the New York City Housing Authority, enrolled students at the City University of New York, and veterans with incomes at or below the federal poverty line. In January 2020, the City also intends to launch an open enrollment process for eligible New Yorkers at or below the federal poverty line who do not have discounted transportation from the MTA or the City.

The program cost $25 million in the second half of FY 2019 (i.e., during the first six months of the program). While the November Plan includes $106 million in FY 2020, Fair Fares is not funded in subsequent years despite plans to expand the program. The City Council had previously estimated the cost of Fair Fares at $212 million annually when fully implemented.

V. Semi-Autonomous Entities

1. Department of Education

The cost of student transportation has exceeded the amounts budgeted in recent years. Since the department's bus contracts have expired, the City has been using emergency-contract extenders to operate school bus services until new contracts are approved. The City has added funds (averaging more than $75 million annually) to its student transportation budget in each of the past three fiscal years, and will likely be required to do so again in FY 2020.

Under federal law, school districts are required to provide appropriate services to students with disabilities through individualized education programs (IEPs). If the district cannot provide the required services itself, it must reimburse parents for private schools and/or outside services that are included in IEPs. Additionally, if a parent challenges the district's evaluation of their child in an IEP, the district may be required by an independent arbiter to fund additional services.

The November Plan assumes that the cost of providing such services will decline by $109 million in FY 2020 despite rapid growth in recent years. While the City has funded initiatives to slow the growth in the cost of this program, it is likely that additional funding will be required as it has in past years.

The City could also be required to increase funding for charter schools as required by State law. While the City added $88 million annually beginning in FY 2020, it did not reflect similar mandated increases in later years. Preliminary City estimates suggest that its costs could increase by an additional $150 million in FY 2021, $334 million in FY 2022 and $562 million in FY 2023 unless offset by increases in State education aid.

2. Metropolitan Transportation Authority

In November 2019, the MTA revised its four-year financial plan. Although the MTA projects balanced budgets for 2019 through 2021, it projects gaps of $212 million in 2022 and $426 million in 2023. These estimates, however, assume biennial fare and toll increases of 4 percent beginning in 2021, and successful implementation of the MTA's budget reduction program and its transformation plan.

The November Plan reduced the MTA's estimates of savings from the transformation plan and its budget reduction programs by about $150 million annually beginning in 2022. To mitigate this setback, the MTA assumes that the City will increase its funding for the paratransit program by $47 million in 2020 and by about $100 million annually beginning in 2021, funding that is not included in the City's November Plan.[13] In addition, the MTA assumes that its fare-evasion efforts will generate $50 million annually and that overtime costs will be reduced by another $44 million annually starting in 2020.

Together, the budget reduction program and the transformation plan are expected to reduce staffing by as many as 3,555 positions and reduce costs by $527 million in 2020, $777 million in 2021 and by about $800 million annually in subsequent years. Failure to achieve these savings or the realization of other MTA budget assumptions, including continued economic growth, could result in higher-than-planned fare and toll increases, or service reductions.

In December 2019, the MTA and the Transport Workers Union, the authority's largest union, reached a tentative labor agreement. The agreement, which is retroactive to May 2019,

[13] This translates into a potential liability of about $100 million annually on a City fiscal year basis beginning in FY 2021.

calls for annual wage increases of 2 percent, 2.25 percent, 2.5 percent and 2.75 percent over a four-year period. Since the MTA's financial plan had assumed annual wage increases of 2 percent, the agreement could increase the size of the MTA's out-year budget gaps unless other provisions fully mitigate the unplanned cost. The tentative agreement could set the pattern for negotiations with its other unions.

The State is required to provide $7.3 billion for the MTA's 2015-2019 capital program when all other MTA sources of funding are exhausted. According to the MTA, it has committed all of its own capital resources and has committed $4.6 billion against the State's obligation.

The MTA plans to issue bond anticipation notes to cover the State's obligation, which will be paid off with proceeds from long-term MTA bonds. The MTA assumes that the State will provide ongoing annual appropriations equal to the debt service on the long-term bonds. According to the MTA, the debt service on these bonds will total $29 million in 2020, rising to $251 million in 2023.

In total, the City is required to provide $2.7 billion for the 2015-2019 capital program, but so far it has allocated only $821 million. The City and the MTA are currently in discussions regarding the timing and the form of the remaining $1.8 billion.

In September 2019, the MTA Board approved a proposed $54.8 billion capital program for 2020-2024, by far the largest program in the MTA's history. The MTA, however, has not released its 20-year capital needs assessment (making it difficult to assess the MTA's progress toward a state of good repair), or specified the timing and cost of individual capital projects.

The MTA assumes that the 2020-2024 proposed capital program will be funded with $25 billion in capital contributions from newly enacted State revenues, including fees to enter the City's central business district (i.e., congestion pricing). The federal government is expected to provide $10.7 billion, including $2.9 billion for the next phase of the Second Avenue Subway, but federal funding for this project is uncertain.

The MTA also assumes that the State and the City will each contribute $3 billion, but neither has formally approved the request. The MTA is expected to pay for the remainder of the program ($13.1 billion) through bonding and pay-as-you-go operating budget contributions, but it has not reflected the full impact on its operating budget.

The MTA has sent the non-bridge-and-tunnel portion of the proposed capital program ($51.5 billion) to the Capital Program Review Board (CPRB) for its approval. The CPRB has until December 31, 2019, to veto the program, or it will become effective.

3. Health and Hospitals Corporation

The Health and Hospitals Corporation provides health and mental health services to about 1.1 million City residents. The Corporation faces significant challenges, including the declining use of services, reduced federal funding, and a large share of patients who lack health insurance.

Despite steps by the Corporation to improve its financial position, the City expects to increase its support from $1.1 billion in FY 2014 to $2 billion by FY 2022, which includes $100 million to help the Corporation's efforts to register people who are eligible for health insurance and to provide free or low-cost health care to uninsured people.

Despite the delay in the receipt of $800 million in supplemental Medicaid payments, the Corporation ended FY 2019 with a cash balance of $776 million because revenues were $300 million higher than planned, and the City prepaid $200 million in expenses and allowed the Corporation to postpone a $300 million payment to the City.[14]

The Corporation is still in the process of implementing its transformation plan, which is intended to reduce costs and increase revenues. While the Corporation reports progress, it fell short of its target by $226 million in FY 2019.

According the State Division of the Budget, the State's projected budget gap for next fiscal year, however, has grown since the August forecast from $4 billion to $6.1 billion, largely because of unplanned Medicaid spending. The Governor's executive budget, scheduled to be released in January 2020, is expected to include proposals to reduce Medicaid spending and to close the projected budget gap. It remains to be seen whether these proposals will have an adverse impact on the Corporation's budget.

4. New York City Housing Authority

The New York City Housing Authority (NYCHA) is an important component of the City's supply of affordable housing. NYCHA manages approximately 174,000 apartments that house more than 380,000 residents, which amounts to 8 percent of the City's rental apartments.

NYCHA is currently under the purview of a federal monitor pursuant to an agreement between the City, NYCHA, the secretary of the U.S. Department of Housing and Urban Development, and the Southern District of New York. The agreement is designed to remedy lead paint conditions as well as resolve deficiencies related to heat, mold, elevators and pests.

The agreement requires the City to provide $4 billion in capital funding to NYCHA during fiscal years 2018 through 2027. The City is also required to provide nearly $1 billion in operating assistance to NYCHA during those years. The November Plan includes the agreed-upon funding during the four-year financial plan period.

In 2017, NYCHA estimated that its capital needs totaled $31.8 billion over the next five years and $45.2 billion over the next 20 years. Despite the commitment of additional City and State funding, the amount of capital resources currently available to NYCHA in the period from 2019 through 2023 is only $6.4 billion, a fraction of the total needed.

NYCHA is seeking private developers to invest in certain NYCHA housing developments under the federal Rental Assistance Demonstration program. If fully realized, this initiative could address an additional $16 billion of NYCHA's capital needs over the next 10 years.

[14] The Corporation made the $300 million payment to the City in August 2019.

Appendix A: City-Fund Revenue Trends

(in millions)

	FY 2020	FY 2021	FY 2022	FY 2023
General Property Tax	$ 29,622	$ 30,909	$ 32,150	$ 33,110
Personal Income Tax	13,616	13,429	13,856	14,296
Sales Tax	8,291	8,553	8,852	9,134
Business Taxes	6,080	6,021	6,142	6,230
Real Estate Transaction Taxes	2,453	2,472	2,535	2,600
Other Taxes	2,842	2,916	2,973	3,029
Tax Audits	999	721	721	721
Subtotal: Taxes	**63,903**	**65,021**	**67,229**	**69,120**
Miscellaneous Revenues	5,303	5,169	5,181	5,201
Unrestricted Intergovernmental Aid	0	0	0	0
Grant Disallowances	(15)	(15)	(15)	(15)
Total	**$ 69,191**	**$ 70,175**	**$ 72,395**	**$ 74,306**

Annual Rate of Growth	FY 2020	FY 2021	FY 2022	FY 2023
General Property Tax	6.9%	4.3%	4.0%	3.0%
Personal Income Tax	2.0%	-1.4%	3.2%	3.2%
Sales Tax	6.2%	3.2%	3.5%	3.2%
Business Taxes	-2.4%	-1.0%	2.0%	1.4%
Real Estate Transaction Taxes	-7.2%	0.8%	2.5%	2.6%
Other Taxes	-3.5%	2.6%	2.0%	1.9%
Tax Audits	22.1%	-27.8%	0%	0%
Subtotal: Taxes	**3.9%**	**1.7%**	**3.4%**	**2.8%**
Miscellaneous Revenues	-11.6%	-2.5%	0.2%	0.4%
Unrestricted Intergovernmental Aid	N/A	N/A	N/A	N/A
Grant Disallowances	N/A	N/A	N/A	N/A
Total	**2.1%**	**1.4%**	**3.2%**	**2.6%**

Sources: NYC Office of Management and Budget; OSC analysis

Appendix B: City-Fund Expenditure Trends

(in millions)

	FY 2020	FY 2021	FY 2022	FY 2023
Salaries and Wages	$ 21,236	$ 21,897	$ 21,372	$ 21,902
Pension Contributions	9,821	9,969	10,394	10,431
Debt Service	6,889	7,290	7,954	8,728
Medicaid	5,813	5,813	5,813	5,813
Health Insurance	5,484	5,900	6,429	6,955
Other Fringe Benefits	3,282	3,381	3,535	3,687
Energy	798	819	837	867
Judgments and Claims	572	587	602	618
Public Assistance	856	856	855	855
Other	16,711	15,978	16,305	16,397
Subtotal	**71,462**	**72,490**	**74,096**	**76,253**
Retiree Health Benefits Trust	- - -	- - -	- - -	- - -
Prior Years' Expenses	- - -	- - -	- - -	- - -
General Reserve	1,150	1,000	1,000	1,000
Capital Stabilization Reserve	250	250	250	250
Total	**$ 72,862**	**$ 73,740**	**$ 75,346**	**$ 77,503**

Annual Rate of Growth	FY 2020	FY 2021	FY 2022	FY 2023
Salaries and Wages	5.1%	3.1%	-2.4%	2.5%
Pension Contributions	0.2%	1.5%	4.3%	0.4%
Debt Service	11.1%	5.8%	9.1%	9.7%
Medicaid	-4.1%	0.0%	0.0%	0.0%
Health Insurance	12.9%	7.6%	9.0%	8.2%
Other Fringe Benefits	7.3%	3.0%	4.6%	4.3%
Energy	1.7%	2.6%	2.2%	3.6%
Judgments and Claims	-2.6%	2.6%	2.6%	2.7%
Public Assistance	31.3%	0.0%	-0.1%	0.0%
Other	4.9%	-4.4%	2.0%	0.6%
Subtotal	**4.9%**	**1.4%**	**2.2%**	**2.9%**
Retiree Health Benefits Trust	N/A	N/A	N/A	N/A
Prior Years' Expenses	N/A	N/A	N/A	N/A
General Reserve	N/A	N/A	N/A	N/A
Capital Stabilization Reserve	N/A	N/A	N/A	N/A
Total	**7.0%**	**1.2%**	**2.2%**	**2.9%**

Note: Debt service and totals have been adjusted for surplus transfers.
Sources: NYC Office of Management and Budget; OSC analysis

Appendix C: Full-Time Staffing Levels by Agency

		Actual FY 2009	Actual FY 2012	Actual FY 2019	Forecast FY 2020	Plan FY 2021
Public Safety		**82,382**	**78,944**	**86,882**	**86,151**	**86,308**
Police	Uniformed	35,641	34,510	36,461	36,201	36,201
	Civilian	15,034	14,238	15,306	15,862	15,798
Fire	Uniformed	11,459	10,260	11,244	10,952	10,951
	Civilian	4,690	5,055	6,093	6,385	6,623
Correction	Uniformed	9,068	8,540	10,189	8,949	8,949
	Civilian	1,420	1,413	1,749	2,028	2,027
District Attys. & Prosecutors		3,911	3,941	4,652	4,522	4,507
Probation		1,147	976	1,159	1,214	1,214
Board of Correction		12	11	29	38	38
Health & Welfare		**29,459**	**27,004**	**28,358**	**30,780**	**30,902**
Social Services		14,093	13,918	12,614	14,578	14,592
Children's Services*		7,403	6,152	7,138	7,167	7,424
Health & Mental Hygiene		5,214	4,470	5,509	5,761	5,774
Homeless Services		2,026	1,818	2,318	2,383	2,226
Other		723	646	779	891	886
Environment & Infrastructure		**24,693**	**23,004**	**26,252**	**27,824**	**27,792**
Sanitation	Uniformed	7,612	6,991	7,893	7,842	7,805
	Civilian	2,019	1,854	2,127	2,239	2,237
Transportation		4,423	4,405	4,941	5,529	5,534
Parks & Recreation		3,760	3,095	4,064	4,483	4,415
Other		6,879	6,659	7,227	7,731	7,801
General Government		**9,733**	**9,348**	**12,292**	**13,545**	**13,383**
Finance		1,961	1,750	1,968	2,146	2,146
Law		1,277	1,265	1,714	1,916	1,914
Citywide Admin. Services		2,054	1,919	2,379	2,578	2,566
Taxi & Limo. Commission		378	435	561	597	597
Investigations		233	191	354	407	391
Board of Elections		340	340	544	517	517
Info. Tech. & Telecomm.		1,213	1,041	1,546	1,823	1,888
Other		2,277	2,407	3,226	3,561	3,364
Housing		**3,678**	**3,156**	**3,973**	**4,441**	**4,381**
Buildings		1,183	1,051	1,611	1,865	1,855
Housing Preservation		2,495	2,105	2,362	2,576	2,526
Department of Education		**123,726**	**118,716**	**133,616**	**134,606**	**136,713**
	Pedagogues	112,993	107,625	120,398	122,004	123,968
	Non-Pedagogues	10,733	11,091	13,218	12,602	12,745
City University of New York		**4,669**	**5,085**	**6,433**	**6,387**	**6,387**
	Pedagogues	2,993	3,362	4,599	4,441	4,441
	Non-Pedagogues	1,676	1,723	1,834	1,946	1,946
Elected Officials		**2,274**	**2,166**	**2,636**	**2,951**	**2,783**
Total		**280,614**	**267,423**	**300,442**	**306,685**	**308,649**

* FY 2009 data for the Administration for Children's Services includes the Department of Juvenile Justice for comparability with later years.

Sources: NYC Office of Management and Budget; OSC analysis

Contact

Office of the New York State Comptroller
110 State Street
Albany, New York 12236

(518) 474-4015

www.osc.state.ny.us

Prepared by the Office of the State Deputy Comptroller for the City of New York