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**FACT SHEET: MAYOR DE BLASIO RELEASES FISCAL YEAR 2016 EXECUTIVE BUDGET AND  
TEN YEAR CAPITAL STRATEGY**

*“The Executive Budget and Ten Year Capital Plan outline a strategic vision for our future – investing in the programs and infrastructure that will lift up New Yorkers across the five boroughs and ensure a stronger, safer, and more competitive city for decades to come. We are realistic when it comes to the risks ahead, so we’re investing wisely, boosting our reserves, and ensuring that this budget builds on the progressive, responsible, and honest foundation we’ve created.” – Mayor **Bill de Blasio***

Today, Mayor Bill de Blasio presented the Executive Budget for Fiscal Year 2016 and the Ten Year Capital Strategy.

The FY2016 Executive Budget – totaling \$78.3 billion – takes a strategic approach to strengthen the city’s future, boosting reserves and securing key agency efficiencies and savings to protect against economic uncertainty, while targeting investments in core programs and initiatives.

The Ten Year Capital Strategy – totaling \$83.8 billion – paints a realistic picture of the city’s long-term needs through 2025, making vital investments in infrastructure, housing, sustainability and resiliency, and more.

By funding an agenda to make the city stronger, safer, and more competitive, while attacking inequality head on, and protecting the City’s long-term fiscal health, the budget provides a strategic vision to guide New York City through uncertain times and prepare for the future.

Budget documents are available online [here](#).

### **ECONOMIC OVERVIEW**

The economy continues to grow, with New York City adding 120,000 private sector jobs in 2014 for a record 3.5 percent growth.

However, it’s very clear that most are still feeling the effects of the Great Recession, with only the wealthiest 5 percent seeing income gains during the recovery and the income gap continuing to grow – the largest since the 1920s. Nearly 46 percent of New Yorkers are living at or near poverty. In the current expansion, 66 percent of job growth has come from low-wage sectors, but these low-wage sectors have only received 25 percent of the earnings gain. Over half of New York City renters are considered “rent burdened,” spending over 30 percent of their income on housing.

There are also troubling signs on the horizon when it comes to the economy, including the second lowest U.S. GDP growth of all 11 post-war recoveries, the third slowest national job growth of all post-war recoveries, contracting federal employment for the first time during any post-war recovery, and weak wage growth and new home construction. The global economy also remains uncertain, imperiling our local economy when it comes to

finance, tourism, and retail. The current recovery is already 10 months longer than the average expansion – with this risk, and the potential for unexpected events, it's important to note that tax revenues and other funding have both declined during past downturns.

The City also faces significant uncertainties when it comes to federal and state support – a risk that will only grow in the event of an economic downturn. For example, federal transportation funding expires at the end of May, and Congress has proposed cuts to the Supplemental Nutrition Assistance Program and Medicaid. The State continues to fail to meet its school funding obligations under the Campaign for Fiscal Equity court decision, with a \$2.6 billion shortfall this year alone, while also slashing funding for mental health supportive housing by 50 percent this year.

## **PROTECTING OUR CITY'S FUTURE**

With those challenges in mind, the Mayor's FY2016 Executive Budget and Ten Year Capital Strategy take a cautious approach that is focused on targeted investments and aggressive savings.

Last year, every independent monitor and rating agency affirmed fiscal responsibility as a foundation of this administration; this year's budget continues to build on that strong foundation.

The Administration required agencies to find efficiencies and savings. In total, the Executive Budget recognizes over \$2.5 billion in savings across FY2015 and FY2016, including:

- \$530 million in agency efficiency savings.
  - This includes a number of significant savings initiatives across all major agencies.
  - For example, ACS will save \$1.1 million a year by in-sourcing 51 positions; DEP will save \$4.5 million by using wastewater treatment plant methane as fuel.
- \$125 million in revenue re-estimates.
- \$400 million in debt service savings.
- \$1.1 billion in health care savings.
- \$309 million in savings from HHC.
- \$83 million in savings from DOE.

The administration is also boosting reserves to unprecedented levels:

- The General Reserve has been increased to \$1 billion a year, which will provide the City with much-needed protection in the event of a downturn.
- The Retiree Health Benefit Trust Fund has been increased to \$2.6 billion, which will fully cover one year's worth of costs. The City plans to maintain this level year-to-year.
- The creation of the first-ever Capital Stabilization Reserve, which sets aside \$500 million to protect the City's ability to invest in infrastructure and other capital needs, allow the City to retire debt in a potential downturn, and pay for research to make capital projects more cost efficient.

Just as the Preliminary Budget did, the Executive Budget reflects the costs of the civilian and uniformed labor patterns applied to the full workforce. When Mayor de Blasio took office on January 1, 2014, all of the City's labor contracts were expired. Since then, the City has settled 76 percent of the expired contracts by reaching fiscally responsible agreements with both civilian and uniformed employees, while securing \$3.4 billion in unprecedented, guaranteed healthcare savings geared toward bending the cost curve. The Administration announced last month that it has already hit the FY2015 target of \$400 million.

## **HIGHLIGHTS: FY2016 EXPENSE BUDGET**

## **Protecting the Most Vulnerable**

- \$54 million in FY2016 – growing to \$78 million in FY2017 and out – for more effective, inclusive, and coordinated mental health services for the most vulnerable New Yorkers, including in Renewal and Community Schools, family shelters, and on Rikers Island.
- \$33 million a year to eliminate NYCHA’s annual Payment in Lieu of Taxes (PILOT). To date, the de Blasio Administration has provided \$200 million in new operational assistance to NYCHA, with another \$506 million planned through FY2019.
- \$100 million in FY2016 for homeless prevention and assistance, including rental support, anti-eviction legal services, and more. The budget also includes \$4.7 million in FY2016 to expand the number of shelter beds for runaway and homeless youth by another 100, while enhancing mental health services.
- Income adjustments for roughly 35,000 non-profit workers who will receive a 2.5 percent wage hike and make at least \$11.50/hour.

## **Keeping New Yorkers Safe and Healthy**

- \$36.4 million in FY2016 for the Department of Correction, funding a 14-point anti-violence plan for Rikers Island that includes initiatives such as a canine program to keep weapons and drugs out of the jail, a strategy to separate inmates likely to fight, and increased inmate services.
- \$1.8 million in FY2016 for the NYPD to expand the ShotSpotter gunshot detection program to 28 precincts total.
- \$5.2 million for the Department of Transportation to continue Vision Zero implementation, including for signal retiming, corridor and intersection redesign, and maintenance of roadway markings.
- \$2.9 million for the Department of Health and Mental Hygiene to expand to neighborhoods citywide a successful pilot program to eliminate rat reservoirs.

## **Supporting Economic Development**

- \$12.8 million for the Department of Small Business Services in FY2016 – a nearly 75 percent increase in city funding – to support local businesses and promote equitable growth, including support for women entrepreneurs, help existing businesses to expand, and support local manufacturing.
- \$4.9 million in FY2016 for the Department of Transportation to create half-hour service on the Staten Island Ferry 24 hours a day, seven days a week.

## **Investing in Our Future**

- \$50 million in FY2016 – growing to \$76 million in FY2017 and out – in new support for 130 Community and Renewal Schools, including for intensive tutoring, mental health and substance abuse counseling, summer programs, and more AP classes. In total, this will serve 63,000 children and bring the 130 schools to Fair Student Funding levels.
- \$114.3 million for Pre-K for All, complementing the \$300 million in State funding secured earlier this year and supporting 70,000 high-quality, full-day seats.

- \$163 million in FY2016 for an expansion of middle school after school programs, serving 107,000 middle schoolers.
- \$11 million in FY2016 for CUNY to expand the ASAP program with a focus on STEM education, serving 8,000 students.

## **HIGHLIGHTS: TEN YEAR CAPITAL STRATEGY**

### **Housing New York**

- \$7.5 billion toward building or preserving 200,000 units of affordable housing.
- Over \$1 billion for investments in neighborhoods where the City plans to permit greater density through zoning, and another \$1.17 billion in affordable housing infrastructure, creating a dedicated means to deliver infrastructure investments in conjunction with changes to land use and anticipated growth.

### **Transit, Roads, and Bridges**

- Increasing the City's contribution to the MTA Five Year Capital Program to \$657 million. This complements other City investments in the MTA, including \$200 million from the Vanderbilt Corridor Rezoning and approximately \$1 billion a year in operating expenses.
- \$12.6 billion to grow transportation infrastructure, including \$7.8 billion to restore and rehabilitate bridges. This also includes \$1.6 billion for road resurfacing, reflecting an over \$240 million increase that will allow the City to resurface 1,200 lane miles in FY2016 and 1,300 lane miles in FY2017, and increase the percentage of streets in a state of good repair from 71.3 percent to 80 percent by the end of FY2017.

### **Water and Sewers**

- \$14.7 billion for the Department of Environmental Protection to invest in the water and sewer system, including \$2.6 billion to maintain the reliability of the water supply and \$1.2 billion to mitigate flooding in Southeast Queens.
- This includes a further reduction in the projected water rate increase to 2.97 percent, the lowest rate increase in over a decade. This reduction is possible due to the City returning double the proposed rental payment (or 40 percent) to the water system. In total, the administration will return an unprecedented \$81 million dollars to the system in FY2016.

### **Education**

- \$13.5 billion for the Department of Education's Five Year Capital Plan.
- This includes \$3.3 billion in state-of-good-repair projects to keep schools physically sound.

### **Libraries**

- \$902 million for the City's public libraries, reflecting a \$300 million increase.
- This funding will allow the branches to address critical needs that include renovating buildings and expanding branches.

## **One City, Built to Last**

- \$1.8 billion for the Mayor's sweeping green buildings plan, allowing the City to lead by example and retrofit all public buildings with any significant energy use by 2025.
- This is part of the Mayor's broader plan to achieve an 80 percent reduction in emissions by 2050, making New York City the largest city in the world to make that commitment.

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