



THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, NY 10007

FOR IMMEDIATE RELEASE: November 25, 2014
CONTACT: pressoffice@cityhall.nyc.gov, (212) 788-2958

**MAYOR DE BLASIO RELEASES NOVEMBER FINANCIAL PLAN UPDATE, FURTHERING
ADMINISTRATION'S PRIORITIES WHILE PROTECTING CITY'S FISCAL HEALTH**

Out-year gaps have been significantly reduced since Adopted Budget, putting them well below historical averages

Administration launches cost savings initiative ahead of FY2016 Preliminary Budget, aimed at identifying efficiencies within each agency

NEW YORK—Today, Mayor Bill de Blasio released New York City's November Financial Plan Update for Fiscal Year 2015 and an updated four-year financial plan.

The plan moves forward the administration's key initiatives, while protecting the City's long-term fiscal health. While the November Financial Plan does reflect new initiatives that have been launched since June, it also includes significant savings over the Adopted Budget's projections. In fact, out-year gaps have been further reduced since the Adopted Budget in June, putting them well below historical levels (as noted by independent raters and monitors).

"I've said that budgets are statements of values—and our November Financial Plan Update is just that, moving forward a robust agenda aimed at reducing inequality and lifting up communities across the city, while bolstering our economy and protecting our fiscal health," said **Mayor de Blasio**. "Even as we advance key programs and initiatives, out-year gaps are well below historical averages and, in fact, are even smaller than in the Adopted Budget. Now, we'll work with agencies to identify cost savings and efficiencies as we look toward next year's budget, building on the fiscally responsible, progressive, and honest foundation we've established."

Since Mayor de Blasio's Executive Budget earlier this year, independent raters and monitors have all affirmed the City's prudent budgeting, with the City's ratings remaining strong and stable. Among others, Fitch Ratings cited the City's "highly effective budget management," while Standard and Poor's noted that "the City now has an element of certainty in its financial plan that it lacked in the past" thanks to the administration's labor agreements.

Read the [November Financial Plan Update](#) here.

The November Financial Plan continues to acknowledge the short- and long-term risks facing the City. That is why the administration is launching a cost savings initiative ahead of the Fiscal Year 2016 Preliminary Budget, working with all agencies to identify administrative efficiencies and savings throughout the entire financial plan period.

Those savings may be used as a reallocation of existing resources to cover new needs, and can be found through managerial and/or productivity initiatives, the elimination or reduction of costs for programs not proving effective, the consolidation or restructuring of programs, and the reduction in the use of consultants or outside contracting. The administration will not accept recommendations that will lead to a reduction in current service levels. The focus of this cost savings initiative is to better manage existing programs to free up funds that can be reinvested in enhanced services for New Yorkers.

Expense Budget Changes

The FY2015 Expense Budget has remained relatively stable from the June Adopted Budget (\$75.027 billion) to the November Financial Plan (\$76.937 billion). Nearly all of the change is the result of the City now being able to recognize approximately \$1.5 billion in federal funds (including Sandy recovery and resiliency funds) in the November Financial Plan.

The November Financial Plan also reflects a number of programmatic changes that move forward the administration's agenda. Highlights for FY2015 include:

- \$24.4 million to implement *One City, Built to Last*, the Mayor's sweeping plan to dramatically reduce greenhouse gas emissions from public and private buildings as the administration works towards an 80 percent reduction in emissions by 2050.
- \$1.6 million to expand the Department of Environmental Protection's Green Infrastructure program, which keeps neighborhoods safe by reducing storm water runoff and improving water quality.
- \$28.9 million for enhanced in-service training at the NYPD, as the department retrain approximately 20,000 uniformed members.
- \$13.7 million for Operation Summer All Out, which increased NYPD presence in the precincts that had seen the highest numbers of shootings in previous years.
- \$1.3 million for extended summer hours at NYCHA community centers, part of the administration's citywide plan to make neighborhoods safer and reduce violent crime in NYCHA developments.
- \$600,000 for the Department of Health and Mental Hygiene's Program Performance Improvement Initiative to continue to ensure pre-K programs meet the highest health and safety standards, given the major expansion of Pre-K for All earlier this year.
- \$3.4 million for the Department of Homeless Services to increase the number of shelter beds dedicated to street homeless individuals, complementing expanded outreach.
- \$11.5 million for the Human Resources Administration and the Department of Homeless Services to fund a rental assistance program for survivors of domestic violence.
- \$400,000 for the Department of Youth and Community Development to expand Drop-In Center hours to 24 hours a day, 7 days a week, with specialized services for LGBT youth.
- \$1 million for the first-ever Office of Technology and Innovation, which will develop and implement a coordinated citywide strategy and encourage collaboration across agencies and the broader NYC technology ecosystem.

The November Financial Plan also includes funds for the City's Ebola preparedness and response, which has spanned a number of agencies; the plan anticipates federal reimbursement.

Savings and Revenue

The November Financial Plan recognizes very strong revenue and savings, including:

- Higher-than-anticipated tax revenue collections. The plan also includes a realistic schedule for the sale of taxi medallions.
- Significant debt service savings of over \$1.1 billion above the Adopted Budget's projections, throughout the Financial Plan, as a result of strong refinancing and cautious forecasting.
- Strong returns on pension investments, resulting in reduced pension contributions.

As a result of these savings, out-year gaps have been significantly reduced since the Adopted Budget and remain well below historical averages when measured by both total value or as a percentage of revenues.

Additionally, the City's reserves remain at historic highs.

Labor Agreements

Earlier this year, Mayor de Blasio reached a landmark labor agreement with the United Federation of Teachers (UFT), which established a pattern for agreements with a City workforce that had been working for years without contracts. In June, the FY2015 Adopted Budget reflected the full cost of that pattern settlement applied across the entire City workforce.

To date, the City has reached agreements with 62 percent of its workforce, with all settlements conforming to the pattern—meaning that there are no new costs above what was budgeted for in June. The November Financial Plan reflects the continued transfer of funds from the Labor Reserve to the relevant City agencies for employees with whom the City has reached agreement.

###