

The City of New York
Executive Budget
Fiscal Year 2001
Rudolph W. Giuliani, Mayor

Office of Management and Budget
Adam L. Barsky, Director
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Analysis of Agency Budgets: Mayoral Agencies

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Analysis of Agency Budgets: Mayoral Agencies

ADMINISTRATION OF JUSTICE

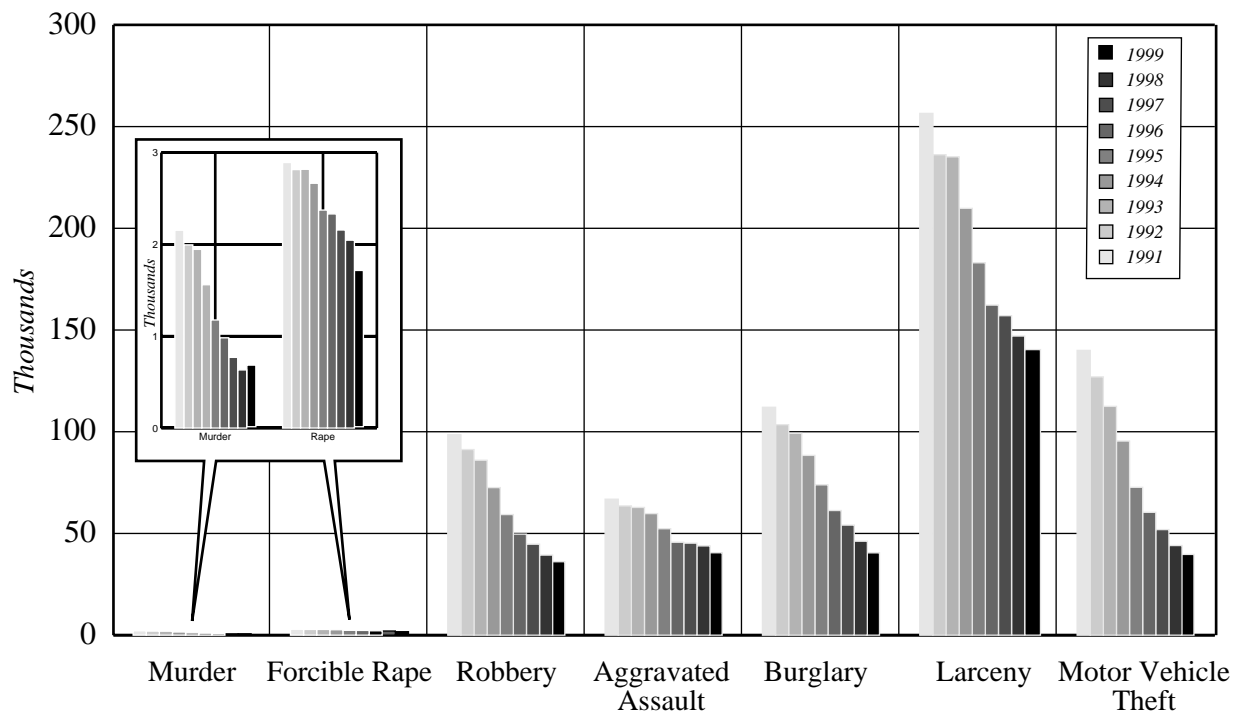
Overview

As a result of the Administration's focus on crime-fighting and quality-of-life issues, reported crime in New York City continues to dramatically decrease. From 1993 to 1999 FBI Index crimes declined overall by 50 percent. During this period, crime in all seven major categories declined significantly. Murder experienced the largest decrease (66 percent), followed by motor vehicle theft (65 percent), burglary (59 percent), robbery (58 percent), forcible rape (40 percent), larceny (40 percent) and aggravated assault (35 percent).

In addition, the FBI Crime Index for New York City showed a seven percent overall decrease from calendar years 1998 to 1999. The number of forcible rapes, burglaries, and motor vehicle thefts experienced the largest changes, decreasing 17 percent, 12 percent and 10 percent respectively. According to data compiled from 1993-1998, New York City accounts for almost 17 percent of the national reduction in crime.

NEW YORK CITY FBI INDEX CRIMES

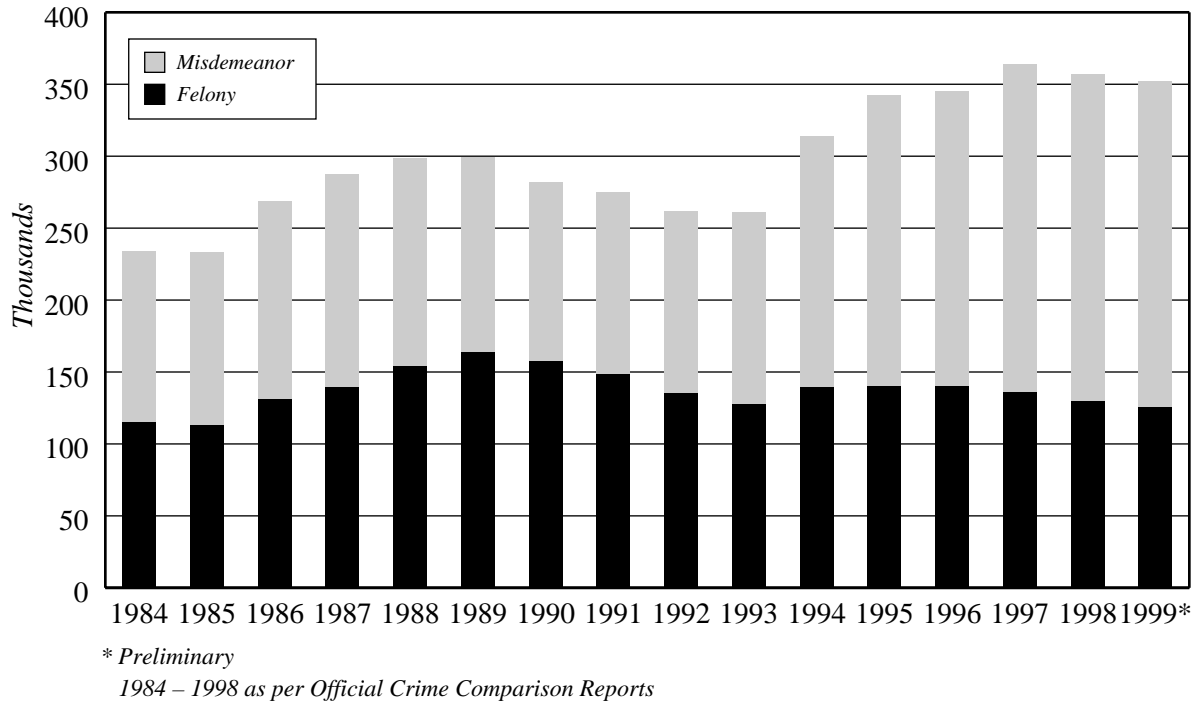
Calendar Years 1991-1999



Arrests totaled 363,090 in 1999, an increase of 37 percent from 1993. Misdemeanor arrests increased by 70 percent during the same period, from 133,446 in 1993 to 226,804 in 1999. The steady increase in misdemeanor arrests is reflective of the Mayor's focus on quality of life improvements.

NEW YORK CITY FELONY & MISDEMEANOR ARRESTS

Calendar Year 1984-1999



The average daily inmate population (ADP) decreased in 2000. From 1999 through March 2000 the ADP fell by 11.5 percent, from 17,897 to 15,836. The decrease in ADP can be primarily attributed to decreases in overall admissions and in the length of stay of detainees and alleged parole violators. Average length of stay of parole violators decreased by 37 percent during this period, from 112 days in 1999 to 70 days through March 2000. March year-to-date jail admissions declined by 4 percent, from 97,350 in 1999 to 93,530 in 2000.

Productivity Initiatives

CITY-WIDE DRUG INITIATIVE

Historically, crime experts have suggested that there is a strong correlation between drug activity and crime. Based on this theory, in the 1990's, the Administration developed a firm belief that drug activity in New York City was linked to neighborhood crime rates.

As a result, in early 1996, the Police Department implemented the Brooklyn North Initiative to fight drug trafficking. Based on the success of this program, the Department expanded the initiative each year so that it now encompasses 13 task forces and 39 precincts citywide. Funding for this initiative increased from \$61.8 million in 1998 to \$121 million in 1999 as the initiative expanded to target more neighborhoods. In 2000, funding grew to \$145 million to reflect uniformed promotions and increased supervisory span of control and in 2001 to \$155 million to fund salary increments.

POLICE

In 2001, the Department is projected to achieve a peak uniform headcount of 41,440 demonstrating the Administration's continued commitment to fighting crime and improving the quality of life for the people of New York City.

In 2000, the Police Department has taken steps to safeguard its critical technology operations, as well as respond to an increase in call volume at the Public Safety Answering Center. As part of this effort, the Department has secured funding for maintenance contracts for its software and hardware applications, as well as its Mobile Data Terminal (MDT) message switch. The Department will also contract for MIS disaster recovery services to ensure that data essential for arrest processing and police operations are secure in the event of a disaster. The Public Safety Answering Center, which houses the City's emergency 911 operations, will also benefit from increased staffing.

The Department has also initiated efforts to improve its facilities. The 2001 Executive Budget provides over \$4 million to address the deteriorating state of precincts and other buildings. These funds will provide for additional staff, repair and maintenance contracts, replacement of building systems, lead and asbestos abatement, and regular painting and cleaning.

The 2001 Capital Commitment Plan includes funding for the design and construction of a state-of-the-art DNA testing laboratory that will be operated by the Office of the Chief Medical Examiner on the Bellevue Hospital campus. After completion, the new facility will increase the number of pieces of casework evidence processed each year by over 400 percent. Moreover, the funding will double the number of cases processed by the planned high sensitivity laboratory that tests DNA evidence obtained from fingerprints and other materials that must be analyzed in a sterile environment.

CORRECTION

Beginning in July 2000, 300 new recruits will be trained and will begin to serve as correction officers in City jails. These recruits will replace attrition and will enable the Department to reduce overtime expenditures by \$13.2 million in 2000.

With an 11.5 percent decrease in population, City jails have remained under capacity for most of the year. This has enabled the Department to consolidate beds, lease beds, and close entire housing areas. By the end of 2000, the Department expects to have leased an average of 692 beds to the State of New York. In 2001, the Department will lease a minimum of 200 beds.

Population management strategies also enable the Department to close beds to perform necessary reconstruction and improvements. The Department expects to commit \$202 million for capital improvements to existing capacity in 2001. These projects improve the overall security, conditions, fire safety, and food service in the jails.

Other Criminal Justice Programs

The Department of Juvenile Justice (DJJ) is proceeding with the expansion of the Crossroads Juvenile Center in Brooklyn and the Horizon Juvenile Center in the Bronx to address the continued growth of the average daily population of youth housed in its facilities. With plans for design underway in 2000, funding totaling \$8 million is provided in 2001 for construction management services. In 2000, DJJ also completed improvements at the Bridges Juvenile Center totaling \$8.2 million, enabling the agency to accommodate higher population levels until the expansion of Crossroads and Horizon is completed.

In 2000, the Department of Probation, in coordination with the New York City Police Department, the Kings and Richmond County District Attorneys, the Corporation Counsel and the Courts, implemented a new initiative known as Operation Neighborhood Shield to provide enhanced community based supervision of probationers that are at highest risk of recommitting offenses. In 2001, \$2.0 million and 35 additional positions are provided for the operation of sites in Brooklyn and Staten Island.

POLICE DEPARTMENT

The principal mission of the Police Department is to maintain public safety and security, to respond to calls for emergency aid and to conduct investigations of criminal activity. In 2001, the Department will reach a peak uniform headcount level of 41,440, complemented by a planned civilian headcount of 8,513. These numbers include the personnel of forces in all operational, patrol, and support functions.

Financial Review

The New York Police Department's 2001 Executive Budget provides for an operating budget of \$3.168 billion, a decrease of \$43 million from the \$3.211 forecast in 2000. This decrease is due primarily to certain federal funds and private grants that are not yet reflected in the budget. Capital commitments in the Four-Year Plan total \$307.6 million.

Revenue Forecast

The Police Department collects revenue from fees charged for pistol licenses, rifle permits, fingerprint fees, accident records, tow fees, and unclaimed cash and property that is abandoned or confiscated as a consequence of the commission of a crime. The Department expects to collect \$36.8 million in 2001.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- In 1996, the City reached formal agreements with the Police Department and the six District Attorney Offices to cooperatively develop a program to reduce arrest processing times. As a result of these efforts, the citywide arrest to complaint times was reduced from an average of 10.8 hours in February 1996 to an average of 8.9 hours in November 1999. Processing times in Queens and Brooklyn are currently the lowest in the City, averaging 5.3 hours and 8.7 hours, respectively, in November 1999.
- The Department's 2001 Executive Budget includes \$5 million to hire additional civilian staff at the City's Public Safety Answering Center. The addition of 175 E911 call takers and radio dispatchers reflects the need to meet the rising demand of emergency calls. The increase in staff will improve public safety responsiveness and reliability.
- The Police Department has received funding to bring its precincts and other facilities to a state of enhanced cleanliness and good repair. The Department's budget includes \$4.5 million annually to fund additional civilian trades titles such as maintenance workers, plumbers, carpenters, and laborers. This funding will also provide for maintenance and repair contracts, electrical and HVAC system replacements, lead and asbestos abatement, and painting and cleaning efforts. The facility improvements will promote a clean, safe environment for the Department's employees and the public.
- The Department is taking positive steps to safeguard and improve its technology systems. In 1999, the NYPD began procuring a new Computer Aided Dispatch system for its Public Safety Answering Center and expects to award a contract in 2001. The Department has also received funding for maintenance of computer software and hardware systems, Mobile Digital Terminal Switches, and E911 Tape Logging Equipment. Furthermore, the Department will increase its emergency preparedness by funding a contract to house critical computer data off-site. This measure will ensure that vital police operations would continue to function in the event of a disaster.

- In order to continue to create a safer learning environment the Department will hire 635 additional School Safety Agents. Five hundred of these new agents will address needs resulting from the increased security at targeted schools, the expansion of scanning sites, security for annexes and mini-schools, and the increase in the number of public schools in the City. The remaining 135 agents will be utilized to expand the City's Truancy Reduction Alliance to Contact Kids (TRACK) program. TRACK is a multi-agency effort to help the City combat truancy and reduce daytime crime and youth victimization. The 2001 Executive Budget includes \$36 million to support these positions and the associated OTPS.

Strategic Policing

- The Department's 2001 Executive Budget includes \$3.8 million for the enhancement of the Hate Crimes Task Force to reduce hate crime in New York City. Task Force personnel will be deployed based upon reported bias incidents and emerging crime patterns. Funding will support the creation of a sophisticated hate crimes database and a prevention training program aimed at elementary and middle school students. The Task Force will coordinate its efforts with the City's five District Attorneys, who have been allocated \$1.2 million to prosecute hate crimes.
- In February 2000, the Department announced the expansion of its Domestic Violence Prevention Program to an additional 15 police precincts, for a total of 32 participating precincts citywide. This program expansion will enhance domestic violence investigations, apprehensions, and support services for victims.
- In 2001, the Department's School Safety Division, in conjunction with other City agencies, will expand the TRACK (Truancy Reduction Alliance to Contact Kids) program citywide in an effort to combat truancy and ensure the safety of youths.

Summary of Agency Financial Data

The following table compares the 2001 Executive Budget with the 2001 Preliminary Budget, and the 2000 forecast and actual expenditures for 1999.

Summary of Agency Financial Data

(\$000's)

			2001		Increase/(Decrease)	
	1999 Actual	2000 Forecast	Preliminary Budget	Executive Budget	2000 Forecast	2001 Preliminary Budget
<i>Expenditures</i>						
Personal Service	\$2,700,300	\$3,005,729	\$2,950,031	\$3,004,681	(\$1,048)	\$54,650
Other Than Personal Service	202,546	205,153	141,724	163,103	(42,050)	21,379
Total	<u>\$2,902,846</u>	<u>\$3,210,882</u>	<u>\$3,091,755</u>	<u>\$3,167,784</u>	<u>(\$43,098)</u>	<u>\$76,029</u>
<i>Funding</i>						
City	\$2,581,557	\$2,861,378	\$2,881,758	\$2,915,310	\$53,932	\$33,552
Other Categorical Grants	129,398	126,288	62,682	72,659	(53,629)	9,977
Capital IFA	1,797	1,797	1,797	1,797	—	—
State	12,703	17,419	5,800	5,800	(11,619)	—
Federal						
• JTPA	—	—	—	—	—	—
• CD	—	—	—	—	—	—
• Other	126,914	111,274	50,933	83,433	(27,841)	32,500
Intra-City Other	50,477	92,726	88,785	88,785	(3,941)	—
Total	<u>\$2,902,846</u>	<u>\$3,210,882</u>	<u>\$3,091,755</u>	<u>\$3,167,784</u>	<u>(\$43,098)</u>	<u>\$76,029</u>
<i>Personnel (at fiscal year-end)</i>						
City	47,288	48,715	48,471	48,650	(65)	179
Non-City						
• IFA	—	74	74	74	—	—
• CD	—	—	—	—	—	—
• Other	804	7	—	—	(7)	—
Total	<u>48,092</u>	<u>48,796</u>	<u>48,545</u>	<u>48,724</u>	<u>(72)</u>	<u>179</u>

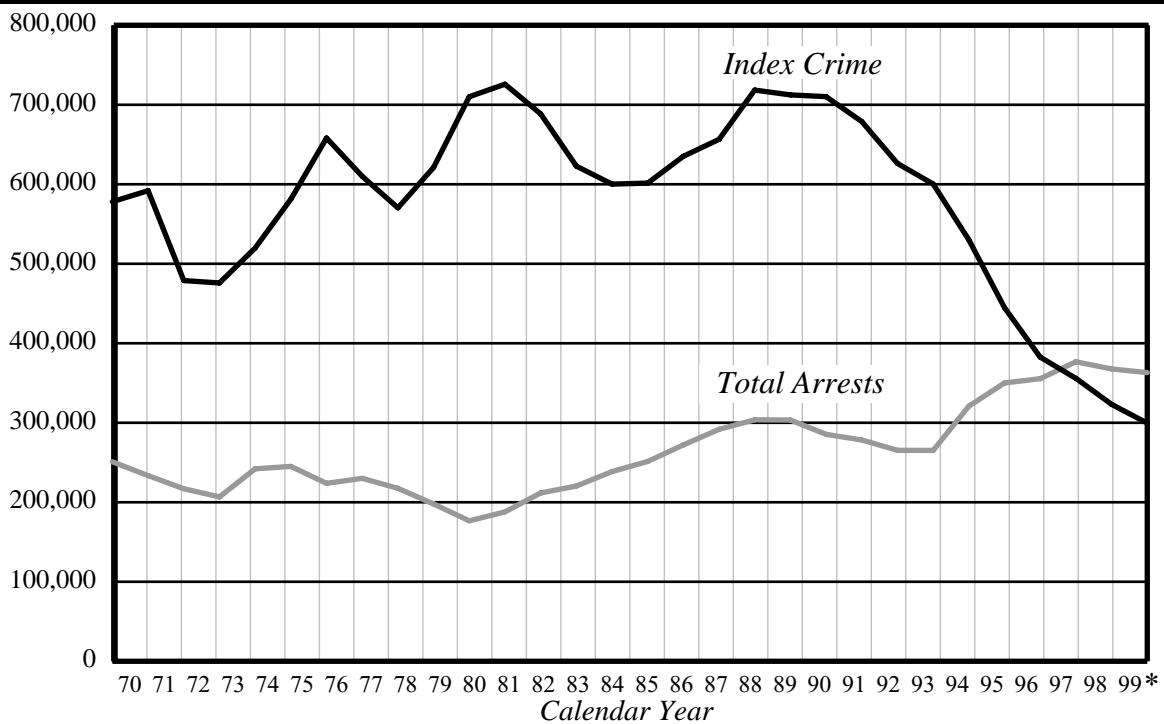
Programmatic Review

The 2001 Executive Budget reflects a continuing policy of improving the quality of life in the City by maintaining and enhancing the Department's crime fighting efforts through strategic deployment. In addition to uniformed presence, the Department uses a variety of investigative tactics to identify and prevent crime activities in the City.

In 2000, the Police Department will apply for additional Federal Crime Bill funding in an effort to expand uniformed headcount. The additional Federal funds will provide for a recruit class in September 2000. The increase in uniformed headcount will enable the Department to enhance its crime-fighting strategies citywide.

Crime rates reached an historic low in 1999. Complaints received for the seven major crimes in the FBI index totaled 299,523 in calendar year 1999, which is lower than any single reported year since 1970. According to preliminary data, arrests in 1999 totaled 363,090, an increase of 36.9 percent compared to 265,229 total arrests in 1993. While felony arrests are down, misdemeanor arrests have increased steadily since 1994. The increase in misdemeanor arrests is representative of the Mayor's focus on quality of life improvements.

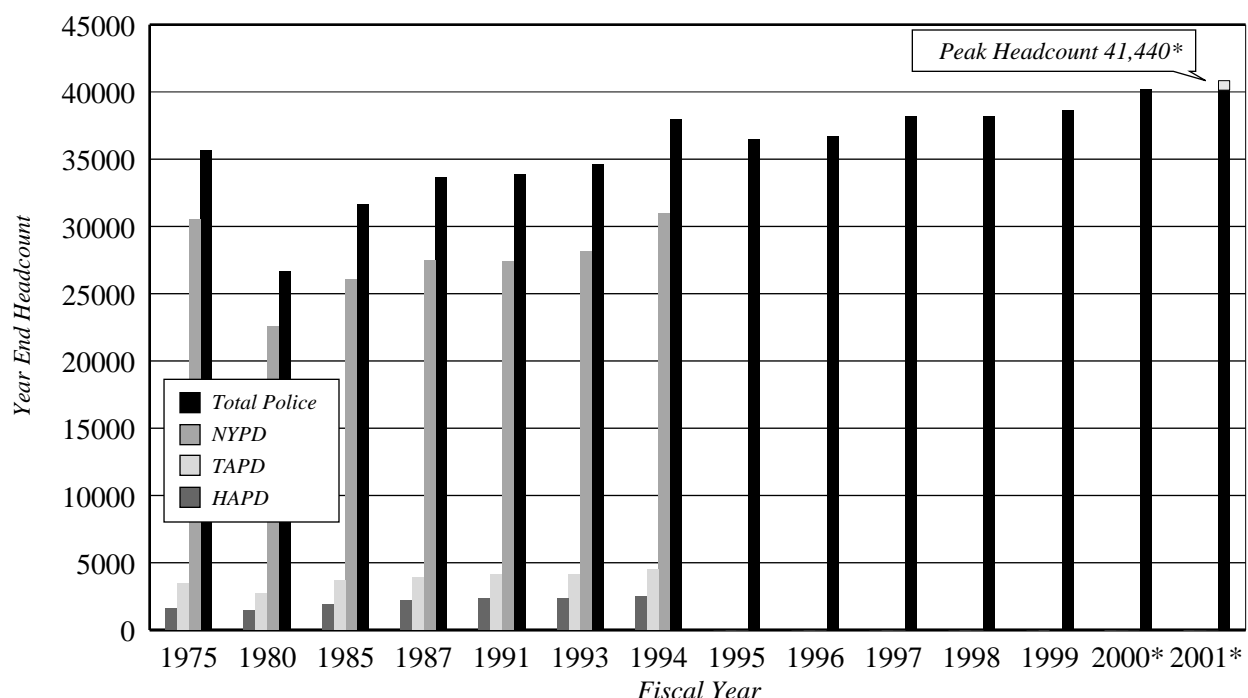
INCREASED ARRESTS AND REDUCED CRIME



Uniformed Headcount

The Department hired 1,200 recruits in July 1999 and 1,542 recruits in March 2000 and is expected to end the fiscal year with a uniform headcount level of 40,210. In 2001, the Department is projected to achieve a peak uniform headcount of 41,440. The expansion of the police force will allow the Department to strategically deploy officers while maintaining citywide enforcement efforts.

TOTAL CITY, TRANSIT AND HOUSING POLICE FORCE



Note: Merger of the TAPD and HAPD with NYPD was completed in FY 95.

The FY01 recruit class schedule results in an all time peak uniform headcount of 41,440 in September FY01. * Projection

Capital Review

The Four-Year Plan allocates \$307.6 million for the replacement, reconstruction and maintenance of facilities citywide; replacement and upgrade of computer and communications equipment; and the replacement of transportation equipment, including the Department's helicopters and boats.

The Four-Year Plan includes the following major items:

- construction of a second Public Safety Answering Center to ensure complete redundancy of emergency response and dispatching capabilities (\$48.5 million).
- design of the new 40th precinct in the Bronx (\$3 million); design and construction of the new 70th precinct in Brooklyn (\$13.2 million); construction of a new facility for the Queens South Task Force (\$4 million); site acquisition, design and construction of the new 66th precinct in Brooklyn (\$20.6 million).

- noise abatement at the Rodman's Neck Firing Range (\$3.4 million).
- lifecycle improvements of facility systems (\$17 million).
- rehabilitation of various floors at the Police Academy to add new classrooms (\$3.3 million).
- radio system replacement (\$42 million).

The table below shows capital plan commitments by program area over the 2000-2001 period.

Capital Commitments

(\$000's)

	1999 Actual		2000 Plan		2001 Plan		2002 Plan		2003 Plan		2004 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Police Facilities	34,071	34,071	36,216	14,916	52,874	52,874	9,020	9,020	30,875	30,875	17,390	17,390
Computer Equipment	7,618	7,618	3,359	3,359	4,766	24,766	2,270	2,270	2,143	2,143	8,775	8,775
Communications	4,811	4,811	5,002	5,002	54,520	67,901	18,467	18,467	15,657	15,657	16,441	16,441
Equipment	960	960	4,470	4,470	4,317	4,317	896	896	2,061	2,061	770	770
Vehicles	8,890	8,890	1,362	1,362	11,286	11,286	4,936	4,936	5,374	5,374	11,373	11,373
Total	<u>56,350</u>	<u>56,350</u>	<u>50,409</u>	<u>29,109</u>	<u>127,763</u>	<u>161,144</u>	<u>35,589</u>	<u>35,589</u>	<u>56,110</u>	<u>56,110</u>	<u>54,749</u>	<u>54,749</u>

The 2001 Capital Commitment Plan for the Police Department is \$161.1 million. The Plan includes the following major items:

- enhancement and lifecycle replacements of communications equipment (\$67.9 million).
- replacement of operational and support vehicles (\$11.3 million).
- replacement of the Computer Aided Dispatch system and upgrade of other computer equipment (\$24.8 million).
- various police facility improvements (\$52.9 million).

DEPARTMENT OF CORRECTION

The Department of Correction provides custody, care, and control of detainees awaiting trial or sentence; misdemeanants or felons sentenced to one year or less; State prisoners with court appearances in New York City; newly sentenced felons awaiting transportation to State correctional facilities; and alleged parole violators awaiting revocation hearings.

Financial Review

The 2001 Executive Budget for the Department of Correction provides for a total operating budget of \$860 million, an increase of \$13.8 million from the amount forecast in 2000. The increase is primarily due to service enhancements and collective bargaining funding. Capital commitments in the 2001 Four-Year Plan will total \$494.9 million.

Revenue Forecast

The Department of Correction collects revenue from prison commissary operations, vending machines, inmate fines and sundry accounts. In 2001, the Department expects to collect \$17 million from all revenue sources.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- Starting in July 2000, 300 new recruits will be trained and will begin to serve as Correction Officers in City jails. These new officers will replace attrition and will enable the Department to reduce overtime expenditures by \$13.2 million in 2001.
- In an effort to increase accountability and efficiency, the Department will add 28 officers to collect and report performance indicators to wardens and deputy wardens in command. The Department will use this information to enhance its Total Efficiency and Accountability Management System (TEAMS) to improve operations.
- In 2001, the Department will expand the provision of educational services at Riker's Island. Funding has been provided for additional classrooms and enhanced classroom and cell study security.
- The Department is currently hiring 72 new trades title positions in order to improve maintenance at its facilities. In addition to enhancing maintenance in the jails, the new positions will reduce overtime spending and result in \$641,000 in savings annually.
- The Department has initiated a community outreach program called Reducing Adolescent Problems (RAP) which demonstrates the realities of incarceration to "at risk" adolescents. RAP program correction officers make presentations in the community and conduct guided tours at Riker's Island.

Streamlining

- Through successful reforms carried out with the cooperation of the State, the Department of Correction has reduced the completion time of parole hearings at Riker's Island. These reforms resulted in a dramatic reduction in the parole violator population in the City jails and enable the Department to achieve savings of \$10.3 million in 2000 and another \$10.3 million in 2001.

- The recent decline in inmate population has provided the Department with an opportunity to reduce uniform overtime spending. In 2000, the Department reduced population-related overtime spending by \$8 million.
- The Department received \$30.3 million in 2000 through the U.S. Department of Justice State Criminal Alien Assistance Program. The reimbursement offsets costs associated with the jailing of illegal immigrants.
- Through March 2000, the Department had leased an average of 792 beds to the State to help alleviate the State's prison overcrowding problem. By the end of the year, the Department expects to maintain an average of 692 leased beds. In 2001, the Department plans to lease a minimum of 200 beds per day.

Summary of Agency Financial Data

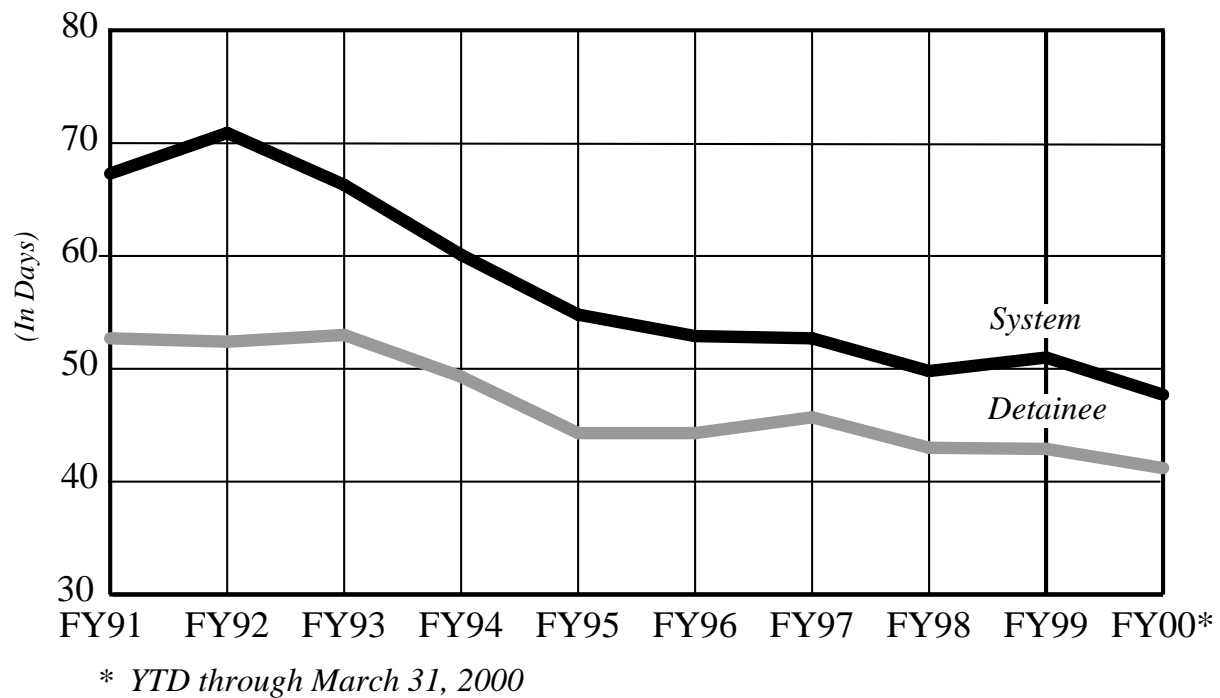
The following table compares the 2001 Executive Budget with the 2001 Preliminary Budget, the 2000 forecast and actual expenditures for 1999.

Summary of Agency Financial Data (\$000's)

					Increase/(Decrease)	
			2001		2000	2001
	1999 Actual	2000 Forecast	Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<i>Expenditures</i>						
Personal Service	\$734,046	\$741,896	\$751,867	\$751,977	\$10,081	\$110
Other Than Personal Service	100,504	104,668	103,230	108,389	3,721	5,159
Total	<u>\$834,550</u>	<u>\$846,564</u>	<u>\$855,097</u>	<u>\$860,366</u>	<u>\$13,802</u>	<u>\$5,269</u>
<i>Funding</i>						
City	\$732,469	\$756,725	\$811,259	\$816,528	\$59,803	\$5,269
Other Categorical Grants	488	328	—	—	(328)	—
Capital IFA	—	—	—	—	—	—
State	59,194	56,384	36,101	36,101	(20,283)	—
Federal						
• JTPA	—	—	—	—	—	—
• CD	—	—	—	—	—	—
• Other	40,397	32,372	6,982	6,982	(25,390)	—
Intra-City Other	2,002	755	755	755	—	—
Total	<u>\$834,550</u>	<u>\$846,564</u>	<u>\$855,097</u>	<u>\$860,366</u>	<u>\$13,802</u>	<u>\$5,269</u>
<i>Personnel (at fiscal year-end)</i>						
City	11,823	12,038	11,931	11,929	(109)	(2)
Non-City						
• JTPA	—	—	—	—	—	—
• CD	—	—	—	—	—	—
• Other	1,054	858	858	858	—	—
Total	<u>12,877</u>	<u>12,896</u>	<u>12,789</u>	<u>12,787</u>	<u>(109)</u>	<u>(2)</u>

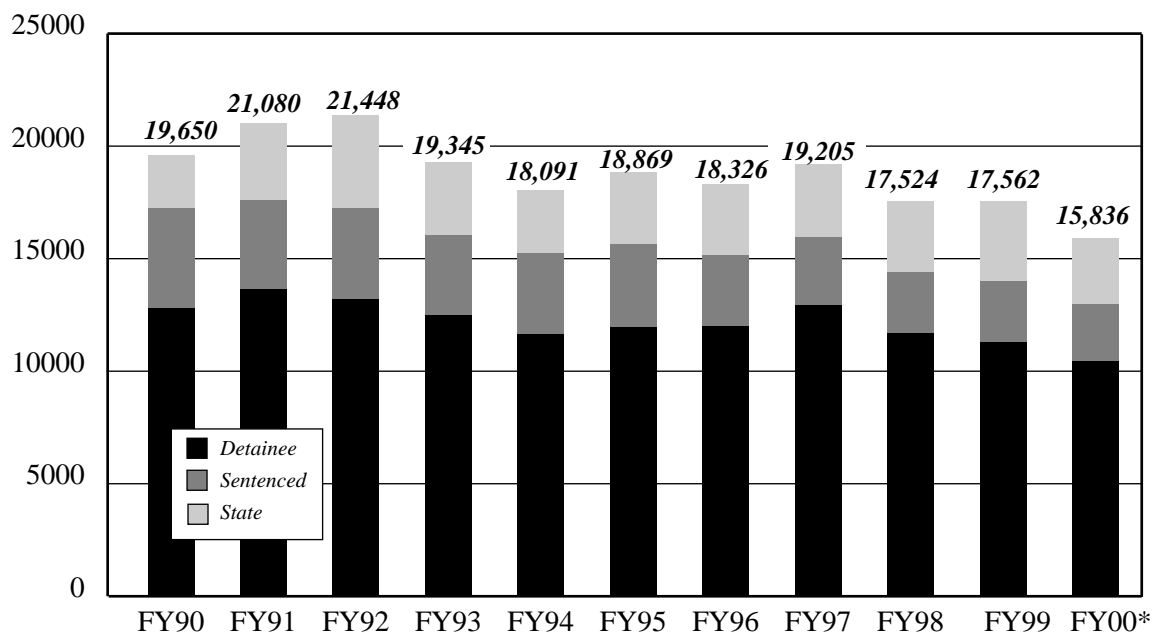
Programmatic Review

AVERAGE LENGTH OF STAY (By Fiscal Year)



AVERAGE DAILY INMATE POPULATION

By Fiscal Year



The average daily population through March 2000 was 15,836, a decrease of 11.5 percent over the same period last year. The populations of pretrial, City-sentenced, parole violator, court-returned, and state-ready inmates have declined significantly. The decrease in ADP can be primarily attributed to decreases in overall admissions and in the length of stay of detainees and alleged parole violators.

Due to the decrease in inmate population, City jails have remained under capacity for most of the year. Thus, the Department has been able to consolidate beds, lease beds, and close entire housing areas. These population management strategies enable the Department to perform necessary repairs and minimize taxpayer costs.

Capital Review

The Department's Four-Year Plan totals \$494.9 million. This amount includes \$329.9 million primarily for replacement of capacity, \$5.7 million for construction of support space, \$137.3 million for major overhaul of building systems and infrastructure, and \$22 million for acquisition of new equipment.

The table below shows capital plan commitments by program area over the 2000-2004 period:

Capital Commitments

(\$000's)

	1999 Actual		2000 Plan		2001 Plan		2002 Plan		2003 Plan		2004 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Capacity Replacement	6,046	6,046	(1,139)	(1,139)	106,949	106,949	83,000	83,000	16,632	16,632	123,318	123,318
Support Space	5,362	5,362	9,538	9,538	376	376	0	0	2,300	2,300	2,985	2,985
Building Systems and Infrastructure	45,450	56,542	92,506	96,256	95,435	95,435	15,600	15,600	18,980	18,980	7,286	7,286
Equipment	6,340	6,340	17,272	17,272	7,318	7,318	5,210	5,210	4,625	4,625	4,892	4,892
Total	<u>63,198</u>	<u>74,290</u>	<u>118,177</u>	<u>121,927</u>	<u>210,078</u>	<u>210,078</u>	<u>103,810</u>	<u>103,810</u>	<u>42,537</u>	<u>42,537</u>	<u>138,481</u>	<u>138,481</u>

Capacity Replacement

The Department's capital program funds the replacement of aging modular units and sprungs with permanent structures. The Four-Year Plan includes \$328.5 million for modular replacements. Commitments include:

- construction of a 448-cell addition at the George R. Vierno Center (\$98.3 million).
- design and construction of an 800-bed addition at the Rose M. Singer Center (\$69.0 million).
- design and construction for a 224-cell addition at the New York City Correctional Institute for Men (\$42.5 million).
- design and construction of a 448-cell addition at the George Motchin Detention Center (\$85 million).
- design and construction of a 200 bed addition to the Adolescent Reception and Detention Center (\$17.3 million).

Building Systems and Infrastructure

Population reductions will allow the Department to undertake significant improvements to building systems and infrastructure. Commitments in the Four-Year Plan include:

- completion of the upgrades to the fire safety systems in the borough houses and on Riker's Island (\$15.7 million).
- reconstruction of the James A. Thomas Center to extend the useful life of the oldest facility in the system (\$32.0 million).
- reconstruction of the Queens House of Detention (\$15.6 million).
- reconstruction of the Bronx House of Detention (\$14.9 million).

Equipment

The Four-Year Plan provides for upgrades and/or replacements of communications equipment, vehicles, computers, and security equipment. Commitments include:

- expansion of the DOCNet computer system and upgrade and replacement of existing computer equipment (\$7.2 million).
- replacement of vehicles for inmate transport (\$9.1 million).

DEPARTMENT OF SOCIAL SERVICES

The Department of Social Services provides a range of services and programs to assist individuals and families achieve independence and self-sufficiency. Eligible clients receive employment services, income support, medical assistance, and food stamps, as well as childcare and other support services. The Department also provides shelter, housing, and other assistance to victims of domestic violence, people with AIDS and HIV-illness, and frail and elderly adults.

Financial Review

The Department's 2001 Executive Budget provides for operating expenses of \$5.3 billion, of which \$3.3 billion are City funds.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- the Department will implement a comprehensive employment program designed to provide work, training, education, and supportive services to Public Assistance recipients and other low-income New Yorkers. This will greatly expand the employment services offered by the agency and will offer every Public Assistance recipient the opportunity to gain work experience and receive other services targeted to their employment needs. Contractors will conduct individualized skills assessments and work with clients to devise the combination of education, training, job readiness, and job search activities that will be most effective in helping individuals find and retain unsubsidized employment.
- the Department will implement the Medicaid Outreach Initiative to reduce the number of individuals and families without health insurance, with the goal of enrolling 40,000 people in Medicaid by the end of 2001. An additional \$16.2 million in 2001 will support outreach and Medical Assistance costs.
- an additional \$3.9 million in total funds will support an increase in the number of beds for victims of domestic violence, the development of a literacy program for domestic violence victims and their children, and the expansion of a program that partners schools and local domestic violence providers to address teen relationship abuse.

Restructuring and Streamlining

- the Department will continue to emphasize performance-based contracts to ensure that contractors meet selected performance criteria. Contractor payments will be contingent upon success in achieving agency objectives, such as placing clients in jobs at salaries above minimum wage and helping clients retain those jobs. This approach is expected to increase the quality of service and improve participant outcomes.
- the Department will continue to scan case records from paper files into an electronic database that will provide employees with on-line access to pertinent records. The Department will also bar-code closed paper files to facilitate retrieval. Both initiatives will substantially improve the Department's ability to manage cases and improve record keeping.

Summary of Agency Financial Data
(\$000's)

			2001		Increase/(Decrease)	
	1999 Actual	2000 Forecast	Preliminary Budget	Executive Budget	2000 Forecast	2001 Preliminary Budget
<i>Expenditures</i>						
Personal Service	\$496,339	\$554,133	\$543,979	\$544,029	(\$10,104)	\$50
Other Than Personal Service	4,684,911	4,916,998	4,702,180	4,785,775	(131,223)	83,595
Total	<u>\$5,181,250</u>	<u>\$5,471,131</u>	<u>\$5,246,159</u>	<u>\$5,329,804</u>	<u>(\$141,327)</u>	<u>\$83,645</u>
<i>Funding</i>						
City	\$3,236,204	\$3,284,208	\$3,355,603	\$3,285,090	\$882	(\$70,513)
Other Categorical Grants	3,359	3,676	—	—	(3,676)	—
Capital IFA	—	—	—	—	—	—
State	832,123	826,542	812,552	811,709	(14,833)	(843)
Federal						
• JTPA	—	—	—	—	—	—
• CD	739	3,838	2,286	2,286	(1,552)	—
• Other	1,107,886	1,319,925	1,075,380	1,230,644	(89,281)	155,264
Intra-City Other	939	32,942	338	75	(32,867)	(263)
Total	<u>\$5,181,250</u>	<u>\$5,471,131</u>	<u>\$5,246,159</u>	<u>\$5,329,804</u>	<u>(\$141,327)</u>	<u>\$83,645</u>
<i>Personnel (at fiscal year-end)</i>						
City	10,642	9,717	9,532	9,532	(185)	—
Non-City						
• JTPA	—	—	—	—	—	—
• CD	—	60	60	60	—	—
• Other	2,481	3,697	3,442	3,442	(255)	—
Total	<u>13,123</u>	<u>13,474</u>	<u>13,034</u>	<u>13,034</u>	<u>(440)</u>	<u>—</u>

Programmatic Review

Family Independence Administration

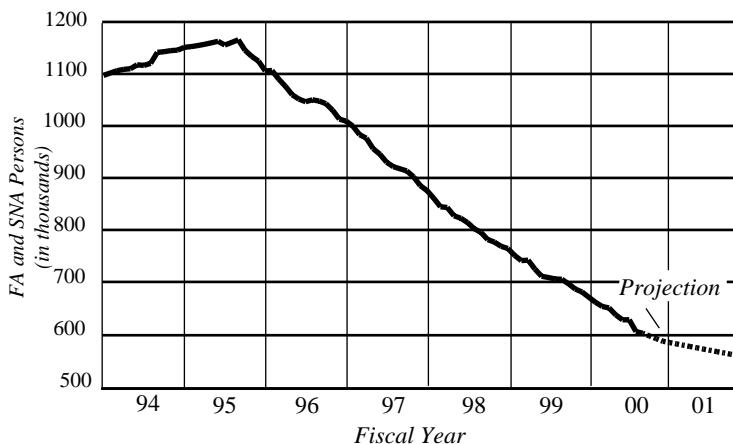
The Family Independence Administration (FIA) administers the Department's income support and employment services programs. These programs include Family Assistance (FA), Safety Net Assistance (SNA), and food stamps. FIA also provides participants with employment, training, and support services such as childcare, transportation assistance, and substance abuse treatment.

In 2001 the Department will help clients achieve independence through implementation of its "Ladders to Success" model, which consolidates employment and eligibility services into a seamless operation, in all Income Support and Job Centers. Public Assistance clients and other job seekers will have access to a range of services, including employment and training information, childcare, transportation assistance, computer-based learning labs, crisis services, and family violence counseling.

The Department is implementing new initiatives and continuing successful programs that address the unique needs of different populations. These programs include:

- a joint effort with OASAS (New York State Office of Alcohol and Substance Abuse Services) to expand vocational rehabilitation services at more than 30 treatment centers.
- a contracted Clinical Case Management program for substance abusing clients with significant medical, legal, housing, child welfare, or domestic violence problems.
- a contracted intensive case management service for substance abusing clients with multiple barriers to employment.
- a joint program with the Department of Probation to coordinate treatment and employment services for probationers on Public Assistance.
- a collaboration with CUNY to provide classes in parenting, stress management, basic education, and job readiness to pregnant clients.
- the INVEST program, a cooperative initiative with CUNY and the State Department of Labor, that provides vocational programs on evenings and weekends to raise the skills and earnings of employed Public Assistance recipients.
- the PRIDE program, which provides vocational rehabilitation services, work-based education, and counseling to persons with physical or developmental limitations.

PUBLIC ASSISTANCE CASELOAD 1994-2001



Total expenditures for FA and SNA, including Public Assistance payments as well as other related services, are projected to be \$1.3 billion, of which \$398 million are City funds. In 2001, 564,543 persons on average are projected to receive Public Assistance—a decline of 55,648 persons and 9.0% from 2000 levels.

Family Assistance will assist an average of 474,571 adults and children, compared with 521,386 for 2000. Expenditures for this program will be \$1.1 billion, of which \$264 million are City funds. An additional \$268 million, of which \$134 million are City funds, will be spent in the Safety Net program for 89,972 persons, compared to 98,805 in 2000.

Medical Assistance

The Medical Assistance Program (MAP) funds health care services through Medicaid for 1.8 million low-income New York City residents. Medicaid eligible recipients may receive a range of medical services including primary care, hospital inpatient, emergency room, physician, pharmacy, clinic, nursing home, home attendant, dental, rehabilitation, transportation, vision care, laboratory and x-ray.

In 2001 MAP will continue the Mayor's Outreach initiative to increase enrollment in the Medicaid program. MAP will conduct a multimedia outreach campaign and purchase advanced technology to facilitate eligibility determinations and enrollment. In addition, MAP has deployed eligibility specialists to Job Centers to provide direct enrollment assistance to clients moving from welfare to work. The Department has also formed a separate Child Health Insurance Plus (CHIP) eligibility unit to process applications and transfer eligible CHIP clients to Medicaid, and has extended hours at its Medicaid recertification office. MAP will continue to train and certify providers and community based organizations as Medicaid prescreening agencies. These agencies will identify families and individuals that meet initial Medicaid eligibility requirements and assist in the application process.

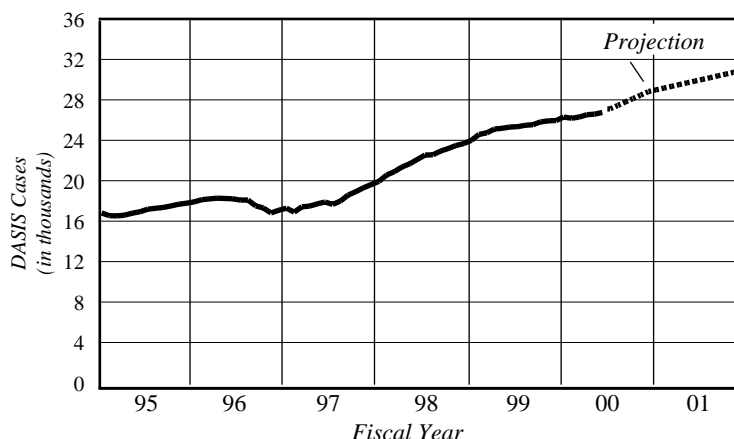
The 2001 Executive Budget for Medical Assistance is \$2.39 billion in City funds (excluding expenditures for the Health and Hospitals Corporation, the Department of the Health, and administrative costs). This represents an increase of \$97 million, excluding anticipated savings from federal actions, over the 2000 forecast. The primary factors contributing to the cost increases include:

- the continued rise of pharmacy costs due to greater utilization and higher prices (\$30.7 million).
- expected increases in expenditures for treatment at clinics and outpatient hospitals due to the increased use of outpatient settings for the provision of care (\$25.4 million).
- expected growth in hospital inpatient expenditures (\$20.9 million).

Division of AIDS Services and Income Support (DASIS)

The Division of AIDS Services and Income Support (DASIS) provides a full range of services to individuals with AIDS, as defined by the Centers for Disease Control, or with advanced HIV-illness, as defined by the New York State AIDS Institute. DASIS provides case management services as well as access to benefits including Public Assistance, Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI), and Medicaid. DASIS case managers place clients in a range of housing programs and make referrals to substance abuse/mental health counseling and treatment, as well as to other social services in the community. The DASIS caseload is projected to reach 28,557 by June 2000, and is expected to grow by seven percent to 30,621 by June 2001.

DIVISION OF AIDS SERVICES CASELOAD 1995-2001



DASIS provides emergency transitional housing for formerly homeless clients and permanent housing for more stabilized clients in congregate facilities and scattered-site apartments. Programs are operated by community based organizations that provide supportive services and case management. By June 2000, DASIS will have added 357 units of supportive congregate housing; another 260 units will be provided in 2001, for a total of 1,805. DASIS also operates 2,090 scattered-site apartment units through contracts. A new model will be piloted in 2001 under performance-based contracts to place 1,350 additional clients in apartments. This initiative will significantly increase the number of clients placed in scattered-site housing and should enable DASIS to reduce its use of commercial SRO's.

The Work Opportunity Program is a voluntary program affording DASIS clients the opportunity to enter or return to the workforce. Clients can participate in relevant vocational rehabilitation activities, develop marketable skills, and find employment while retaining necessary support services. Available services include pre-employment activities, career development planning, skills training, job counseling, job placement assistance, and other vocational rehabilitation services. Of the 350 clients who were participating by the end of January 2000, more than half had received employment counseling, nearly a third had completed some level of computer training and/or job readiness training, and nearly a quarter had participated in basic business skills training. Fifty-seven were also enrolled in paid internships, and 11 had been placed in paid jobs.

DASIS has implemented a Professional Training Academy to ensure that staff understand the medical and social issues related to HIV/AIDS illness and develop the social work skills required to address the needs of DASIS clients. Training of all staff will be complete by the end of 2000.

The Office of Domestic Violence and Emergency Intervention Services

The Office of Domestic Violence and Emergency Intervention Services (ODVEIS) is the Department's planning and coordinating arm for all major municipal emergencies such as snowstorms, hurricanes, and blackouts. ODVEIS is responsible for providing food, clothing, and shelter in emergency situations.

The Office of Domestic Violence Services

The Office of Domestic Violence Services supports contracted and directly operated programs for victims of domestic violence. Emergency and transitional housing is provided in shelters, safe homes, safe dwellings, and Tier II shelters. All programs provide a safe environment as well as counseling, advocacy, and referral services. The Department will increase its emergency shelter capacity by 67 beds by the end of 2000, bringing the total number of emergency beds to 1,365. In 2001, emergency shelter capacity will expand by an additional 122 beds.

The Department also maintains contracts with not-for-profit organizations to provide non-residential services, including a telephone hotline, counseling, information and referral, advocacy, and community outreach in all five boroughs. These programs have increased the resources available to victims of domestic violence, including those for whom language and cultural barriers pose difficulty in accessing assistance.

The Department is continuing to expand the range of services available to victims of domestic violence. The Alternative to Shelter Program enables victims to remain in their own homes with a personal emergency response system and a cell phone programmed to dial 911. The Adopt-a-School Initiative has provided counseling and other relationship abuse services to youth in five Bronx high schools since October 1999; the program will be implemented in other schools in 2001. The Department has also developed a program at seven facilities that will train substance abuse counselors to address the special needs of victims of domestic violence.

The Emergency Food Assistance Program (EFAP)

The Emergency Food Assistance Program (EFAP) will purchase and distribute more than 10 million pounds of food in 2001. The food will be delivered to over 680 food pantries and soup kitchens, which will serve between 25 and 30 million meals.

Protective Services for Adults

Protective Services for Adults (PSA) provides crisis counseling, financial management, eviction prevention assistance, and referrals to support services for adults. Each month PSA staff and contractors serve more than 5,000 clients who are unable to care for themselves due to physical or mental impairment and who are threatened with neglect, abuse, or exploitation. In 2001, several new initiatives will improve the quality and efficiency of PSA services, including:

- streamlining and automating the case management process.
- adding measurable performance outcomes to job descriptions.
- developing contract initiatives to enhance service delivery.
- upgrading facilities and equipment.
- improving collaboration with other City agencies and community organizations.

Capital Review

The Department's Four-Year Capital Plan totals \$63.8 million, including \$31.1 million for facilities maintenance and improvement, \$22.8 million for technology to enhance Department operations, and \$9.7 million for the installation of telecommunications equipment to facilitate data transmission, and \$0.2 million for the replacement of vans and trucks to support Department operations.

Capital Commitments

(\$000's)

	1999 Actual		2000 Plan		2001 Plan		2002 Plan		2003 Plan		2004 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Buildings	\$50,769	\$51,088	\$53,422	\$61,395	\$23,021	\$27,612	\$2,225	\$2,225	\$1,190	\$1,190	\$152	\$152
Computers	\$2,330	\$7,026	\$26,864	\$49,701	\$3,996	\$7,328	\$3,260	\$6,069	\$1,834	\$3,057	\$3,809	\$6,348
Telecommunications	\$361	\$1,622	\$5,455	\$9,469	\$1,493	\$2,488	\$800	\$1,334	\$1,500	\$2,500	\$2,000	\$3,333
Vehicles	\$55	\$186	\$33	\$55	\$30	\$50	\$33	\$55	\$33	\$55	\$30	\$50
Homeless Families	(\$3,718)	(\$3,718)	(\$1,100)	(\$1,100)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Homeless Individuals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	<u>\$49,797</u>	<u>\$56,204</u>	<u>\$84,674</u>	<u>\$119,520</u>	<u>\$28,540</u>	<u>\$37,478</u>	<u>\$6,318</u>	<u>\$9,683</u>	<u>\$4,557</u>	<u>\$6,802</u>	<u>\$5,991</u>	<u>\$9,883</u>

Highlights of the Four-Year Plan

- reconstruction and furnishing of existing facilities as part of the Job Center/Ladders to Success initiative (\$18.2 million).
- imaging projects to eliminate paper records and streamline Department operations (\$5.2 million).
- infrastructure and system upgrades at eight multi-service centers (\$6.0 million).
- continued development of LAN's and WAN's to provide greater connectivity among Department personnel, contract service providers and clients (\$20.9 million).

ADMINISTRATION FOR CHILDREN'S SERVICES

The Administration for Children's Services' (ACS) administers a broad range of programs with the primary mission of protecting and advancing the interests of children. The Department investigates allegations of child abuse and neglect, provides preventive services to families and children, and when necessary provides foster care or adoption services for children who cannot safely remain in their homes. ACS provides early childhood education through the Head Start program and subsidized childcare programs for eligible families. In addition, the Department operates the City's child support enforcement program.

Financial Review

The Department's 2001 Executive Budget provides for operating expenses of \$2.2 billion, \$682 million of which are City funds.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- an increase of 90 positions and \$6.4 million in total funds will enhance services for youth in directly run congregate care programs. New staff will be trained to handle mental health and substance abuse issues as well as to assist youngsters in finding employment and gaining life skills.
- an additional \$2.4 million in total funds will support 50 Child Evaluation Specialists to conduct case conferences where caseworkers, foster parents, birth parents and other concerned parties discuss permanency planning goals and appropriate placement.
- an additional \$5.3 million in total funds will increase preventive slots and meet special service needs identified in the conversion to neighborhood-based services.
- an increase of \$14.1 million in total funds will develop specialized congregate care programs to care for an increasing population of special-needs children.
- an additional \$3.2 million in total funds will support merit increases for outstanding child welfare workers.
- an increase of \$18.4 million in total funds will support additional training, access to specialized clinical consultation and expanded quality assurance reviews for department and contract agency child welfare staff.

Restructuring and Streamlining

- implementation of a neighborhood-based services system will ensure that children and families will receive services through local networks of providers familiar with the needs and resources of each community.
- the Safe and Timely Adoption and Reunification (STAR) Program will enable foster care providers who reduce children's length of stay in care to invest in additional services to improve outcomes for children and families.

Summary of Agency Financial Data
(\$000's)

			2001		Increase/(Decrease)	
	1999 Actual	2000 Forecast	Preliminary Budget	Executive Budget	2000 Forecast	2001 Preliminary Budget
<i>Expenditures</i>						
Personal Service	\$297,532	\$325,938	\$328,859	\$352,175	\$26,237	\$23,316
Other Than Personal Service	1,757,278	1,913,774	1,791,753	1,868,258	(45,516)	76,505
Total	<u>\$2,054,810</u>	<u>\$2,239,712</u>	<u>\$2,120,612</u>	<u>\$2,220,433</u>	<u>(\$19,279)</u>	<u>\$99,821</u>
<i>Funding</i>						
City	\$629,796	\$648,125	\$676,175	\$681,598	\$33,473	\$5,423
Other Categorical Grants	847	905	—	—	(905)	—
Capital IFA	—	—	—	—	—	—
State	473,139	507,891	494,453	496,666	(11,225)	2,213
Federal						
• JTPA	—	757	757	757	—	—
• CD	21,747	24,841	12,855	12,855	(11,986)	—
• Other	929,157	1,057,027	936,206	1,028,420	(28,607)	92,214
Intra-City Other	124	166	166	137	(29)	(29)
Total	<u>\$2,054,810</u>	<u>\$2,239,712</u>	<u>\$2,120,612</u>	<u>\$2,220,433</u>	<u>(\$19,279)</u>	<u>\$99,821</u>
<i>Personnel (at fiscal year-end)</i>						
City	7,140	7,323	7,358	7,373	50	15
Non-City						
• JTPA	—	—	—	—	—	—
• CD	12	7	7	7	—	—
• Other	93	155	155	155	—	—
Total	<u>7,245</u>	<u>7,485</u>	<u>7,520</u>	<u>7,535</u>	<u>50</u>	<u>15</u>

Note: An estimated \$57 million in federal Head Start funds will be added to the budget during FY 2001.

Programmatic Review

In accordance with its Reform Plan, ACS continues its efforts to significantly improve outcomes for children and families served by the child welfare system. New initiatives target issues that have the greatest impact on services, such as enhanced staff skills and supports, increased coordination with contract agencies, greater integration of child welfare goals and service delivery, and expanded management reporting and evaluation capabilities.

• **Protective Services for Children**

The 2001 Executive Budget includes \$116.8 million for Protective Services. The Agency projects an average of 52,657 reports of child abuse or neglect will be investigated in 2000 and that the number of reports will remain level in 2001. In order to improve outcomes for children, the use of 72-Hour Child Safety Conferences has been implemented citywide. These conferences bring together caseworkers, parents, relatives and service providers to ensure that service and placement decisions are fully informed by everyone involved in the child's life.

- **Preventive Services for Children and Families**

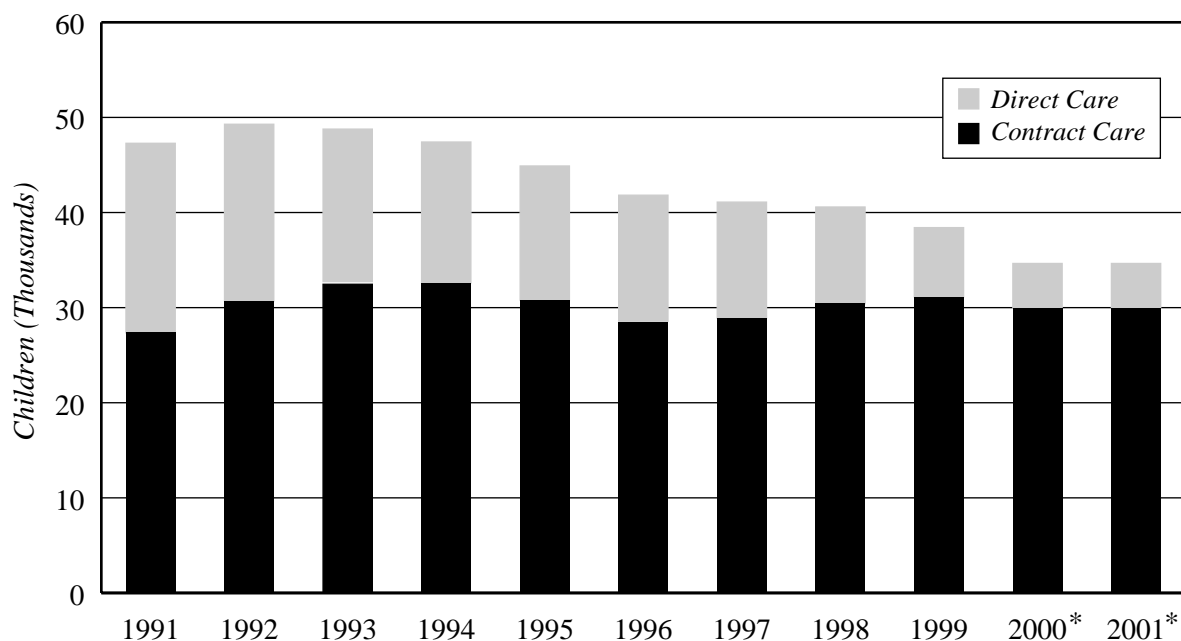
The 2001 Executive Budget for ACS includes \$158.5 million for preventive services. These services are designed to assist families in crisis or at risk of a foster care placement. The number of preventive service slots will increase from 9,153 in 2000 to 11,060 in 2001, including 1,180 intensive slots for families with substance abuse issues. Services also include \$29 million in contracts with community-based agencies to provide homemaking services and over \$6 million for the housing subsidy program.

- **Foster Care**

The 2001 Executive Budget for ACS contains \$925.7 million for foster care, including funding for special education services. Since 1994, the foster care population has declined 27 percent from 47,414 to a projected 34,645 in 2000. The population is expected to remain stable in 2001. While the population has declined, the portion of children requiring specialized care and treatment, including mental health and developmental services has increased. To address the needs of children in care, ACS is developing specialized congregate care programs and high service foster boarding home slots.

ACS is initiating several programs to enhance foster care service delivery. Neighborhood-based providers will work with local preventive service providers and other community resources to minimize disruption in the lives of children removed from their homes. A recently implemented Evaluation and Quality Improvement Protocol (EQUIP) will allow ACS to produce a comprehensive evaluation of provider performance on process, quality and outcome measures. The STAR Program will provide an opportunity for high performing foster care providers to redirect funds to aftercare or specialized services to improve permanency outcomes for children.

AVERAGE FOSTER CARE CASELOAD: 1991-2001



* Projected

Note: Beginning in 1996 the number of children in contract care is calculated using number of care-days rather than reported census.

- **Adoption**

The 2001 Executive Budget for ACS includes \$250 million for adoption services. Adoption provides a stable and nurturing environment to children who cannot be returned to their homes. The Agency's adoption recruitment efforts, including a recruitment hotline, adoption fairs and award winning public information campaigns have contributed to a 64% increase in annual adoptions, from 2,312 in 1994 to 3,800 in 1999. ACS has a goal of completing 4,500 adoptions in 2000 and 2001.

- **Head Start**

The Head Start program is funded at \$87 million for 2001 with \$57 million in additional Federal funds expected later in the year. Head Start is a federally-sponsored educational and developmental program for low-income three and four-year old children. The Head Start program, which requires significant parent involvement, is designed to improve a child's preparedness for the challenges of school and everyday life. In 2000, ACS funded 19,309 slots with 74 providers and two Board of Education sites.

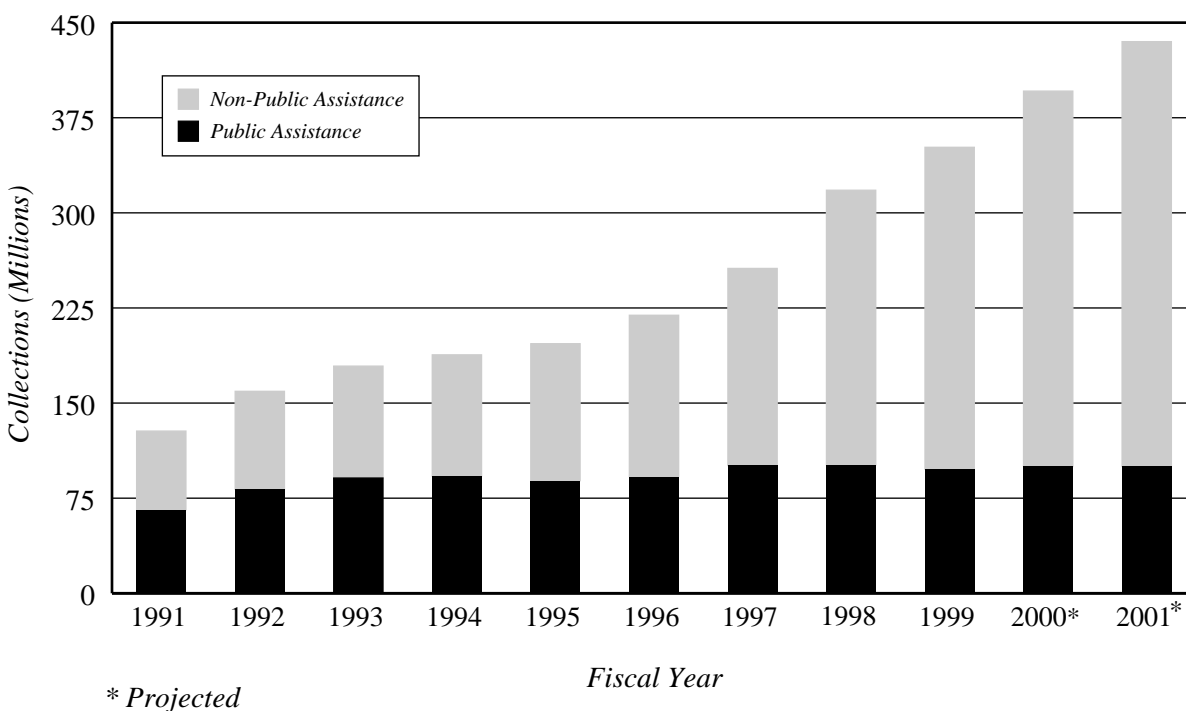
- **Agency for Child Development**

The 2001 Executive Budget for subsidized childcare services through the Agency for Child Development (ACD) is \$474.5 million. (An additional \$142 million is provided in the Department of Social Services for childcare.) ACD is responsible for providing high quality childcare services that enhance child development and assist in maintaining stable, self-sufficient families. Eligible families include public assistance recipients who are employed or engaged in work activities, low-income working families, and families in need of protective, preventive or foster care services. Care is provided in group centers and family day care homes, and is paid for through contracts and vouchers. Services are available for children ages 2 months through 12 years for up to 10 hours per day, 5 days per week, year round. ACD currently provides childcare to over 55,000 children and is projected to serve approximately 65,000 children in June 2001. The Agency works in collaboration with the Department of Social Services in planning and providing childcare for public assistance recipients.

- **Office of Child Support Enforcement**

The Office of Child Support Enforcement (OCSE) is funded at \$36.1 million. OCSE ensures that non-custodial parents provide financial support for their children. Services provided on behalf of both public assistance and non-public assistance families include establishment of paternity and support obligations; collection, accounting, and disbursement of support payments; and the enforcement of court-ordered support obligations. In 2000, it is projected that OCSE will collect \$100 million in child support for public assistance families and \$296 million on behalf of non-public assistance clients. The OCSE collection goals for 2001 are \$100 million for public assistance clients and \$335 million for non-public assistance clients.

CHILD SUPPORT COLLECTIONS



Four Year Capital Strategy

The Department's Four-Year Capital Plan totals \$38.1 million including \$10 million for renovation of congregate care facilities, \$7.8 million for construction and renovation of childcare facilities, \$9.4 million for renovation and furnishing of ACS program and administrative offices, and \$10.9 million for technology and telecommunications to streamline agency operations.

Capital Commitments

(\$000's)

	1999 Actual		2000 Plan		2001 Plan		2002 Plan		2003 Plan		2004 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Child Welfare	\$0	\$0	\$0	\$0	\$3,256	\$3,456	\$2,442	\$2,442	\$2,167	\$2,167	\$2,167	\$2,167
Day Care	\$0	\$0	\$0	\$0	\$1,967	\$1,967	\$2,776	\$2,776	\$0	\$0	\$3,075	\$3,075
Buildings	\$0	\$0	\$0	\$0	\$7,400	\$9,239	\$1,000	\$1,613	\$1,000	\$1,613	\$0	\$0
MIS	\$0	\$0	\$0	\$0	\$5,440	\$8,897	\$1,652	\$2,665	\$1,100	\$1,774	\$2,682	\$4,336
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$18,063</u>	<u>\$23,559</u>	<u>\$7,870</u>	<u>\$9,496</u>	<u>\$4,267</u>	<u>\$5,554</u>	<u>\$7,924</u>	<u>\$9,578</u>

Note: Funds for ACS capital projects prior to 2001 are included in the Department of Social Services capital plan.

Highlights of the Four-Year Plan

- construction of the Williamsburg Day Care Center in Brooklyn (\$1.9 million, in addition to \$3.5 million in the 2000 HRA capital plan) and the Seabury Day Center in the Bronx (\$2.8 million).
- continued development of local area networks (LAN's) and wide area networks (WAN's) in order to provide greater connectivity among agency personnel, contract service providers and clients (\$6.5 million).
- development of a data warehouse project to increase data storage capabilities, including secure storage of ACS financial and child welfare information (\$2 million).

DEPARTMENT OF HOMELESS SERVICES

Since its inception in July 1993, the Department of Homeless Services (DHS) has carried out its mandate to provide temporary housing and services to homeless families and single adults. In 2001, DHS will continue its commitment to providing quality services that enable homeless adults and families to attain self-sufficiency and return to independent living.

In January 2000, in recognition of the profound changes that have occurred in the transitional housing system, New START Centers were renamed: Self-sufficiency, Treatment, Addiction Control, Rehabilitation and Training. In 2001, DHS will continue to develop and maintain specialized services in New START Centers, including employment programs and mental health and substance abuse treatment.

Financial Review

The Department's 2001 Executive Budget provides for operating expenses of \$447.3 million, of which \$176.6 million are City funds.

Expense Budget Highlights

The Department continues to carry out its mission of providing services for eligible homeless families and individuals in a safe, supportive environment and of delivering services through a continuum of care, in which clients assume responsibility for achieving the goal of independent living.

Budgetary Priorities: Providing Core Services

- an additional \$654,000 will expand contracted and DHS City-operated outreach teams to provide 24-hour outreach coverage citywide. The teams connect homeless people in streets and public spaces with housing and services.
- an additional \$1.3 million will enhance safety and security for residents by the addition of peace officers at adult facilities.
- an increase of \$3.7 million will enable the Department to centralize intake where women entering the DHS system receive referrals to appropriate placements and enhanced psychiatric assessment services.

Restructuring and Streamlining

- the Agency will continue the incentive payment program that rewards providers financially for achieving excellence in areas such as making long-term placements outside of the New START Center system, reducing clients' return to the DHS system, and assisting clients in maintaining employment placements.
- DHS will continue its efforts to contract out directly operated facilities to not-for-profit providers. In 2001 the Department will begin the process of phasing out the 850-bed 30th Street Men's New START Center with smaller contracted facilities.
- services will be provided more efficiently through the use of new and improved technology, linking the Department with its contractors. Computerized programs will aid in client tracking, case management, and paying providers.

Summary of Agency Financial Data
(\$000's)

			2001		Increase/(Decrease)	
	1999 Actual	2000 Forecast	Preliminary Budget	Executive Budget	2000 Forecast	2001 Preliminary Budget
<i>Expenditures</i>						
Personal Service	\$84,181	\$89,993	\$89,666	\$92,184	\$2,191	\$2,518
Other Than Personal Service	308,729	353,962	351,658	355,067	1,105	3,409
Total	<u>\$392,910</u>	<u>\$443,955</u>	<u>\$441,324</u>	<u>\$447,251</u>	<u>\$3,296</u>	<u>\$5,927</u>
<i>Funding</i>						
City	\$149,992	\$188,352	\$180,966	\$176,585	(\$11,767)	(\$4,381)
Other Categorical Grants	—	—	—	—	—	—
Capital IFA	—	—	—	—	—	—
State	146,109	156,545	157,951	168,673	12,128	10,722
Federal						
• JTPA	—	—	—	—	—	—
• CD	570	1,142	—	—	(1,142)	—
• Other	93,574	95,416	102,407	101,993	6,577	(414)
Intra-City Other	2,666	2,500	—	—	(2,500)	—
Total	<u>\$392,910</u>	<u>\$443,955</u>	<u>\$441,324</u>	<u>\$447,251</u>	<u>\$3,296</u>	<u>\$5,927</u>
<i>Personnel (at fiscal year-end)</i>						
City	1,841	1,765	1,701	1,711	(54)	10
Non-City						
• JTPA	—	—	—	—	—	—
• CD	—	—	—	—	—	—
• Other	15	—	—	—	—	—
Total	<u>1,856</u>	<u>1,765</u>	<u>1,701</u>	<u>1,711</u>	<u>(54)</u>	<u>10</u>

Programmatic Review

Homeless Individuals

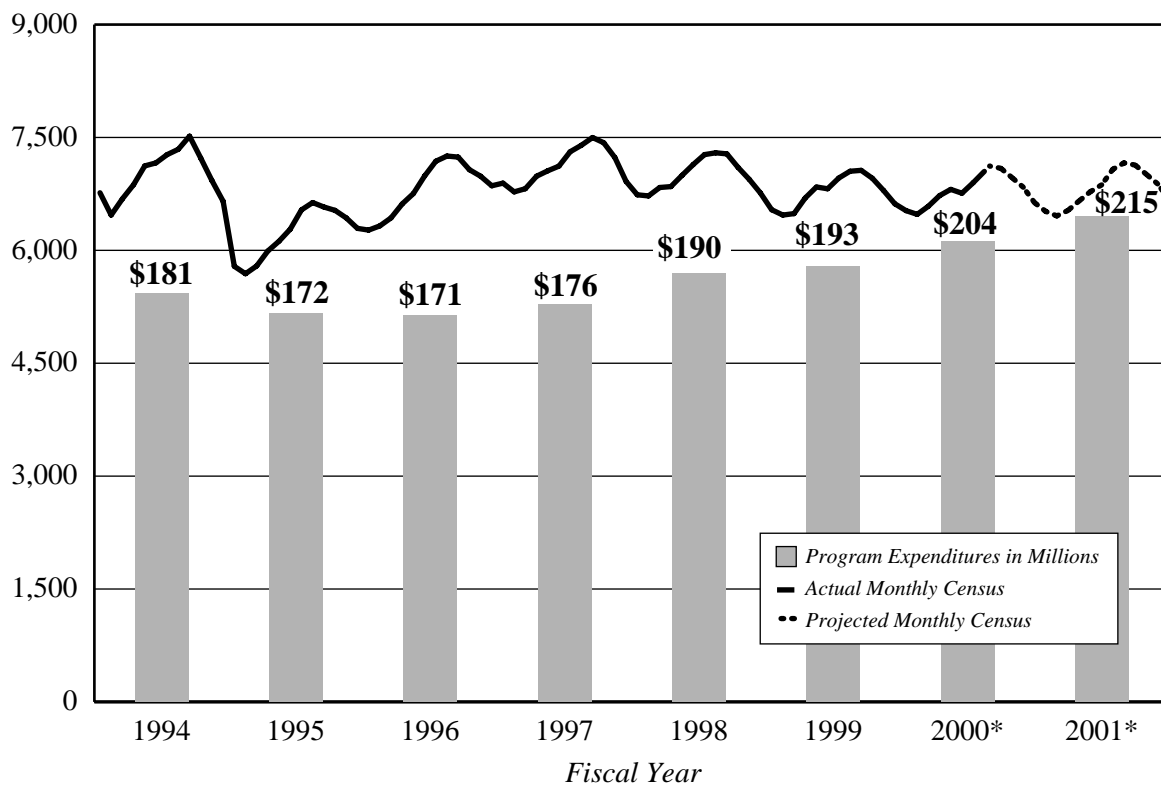
The Department provides a continuum of services to homeless individuals. These services include street outreach and drop-in centers for the hardest to serve, general and specialized New START Centers, and supportive housing. In 2000, DHS continued to improve and expand programs and services that provide homeless individuals with substance abuse and mental health treatment and help them secure and retain private sector employment. Eighty four percent of all adult New START Center beds offer program services. Permanent housing assistance, including referral to supportive SRO units, is also provided.

In 2001, DHS will implement new intake procedures and enhance psychiatric services for single adult women to improve population management and better assess client needs.

The Rental Assistance Program (RAP) will provide time-limited rent subsidies that decrease gradually as participants become increasingly self-sufficient as well as supportive services to employed, homeless individuals. RAP will enable approximately 200 homeless individuals to locate and retain permanent housing through the private market.

In 2000, the number of homeless individuals seeking temporary housing will decline slightly to a projected average of 6,756 per night. The projected census peak is 7,150 in February 2000. In 2001, the number of single adults in the New START Center system is expected to average 6,748 per night and peak during the year at 7,205. The cost of serving these individuals will be \$215.2 million, of which \$108.4 million are City funds.

HOMELESS INDIVIDUALS-SHELTER CENSUS AND PROGRAM EXPENDITURES: 1994-2001



Homeless Families

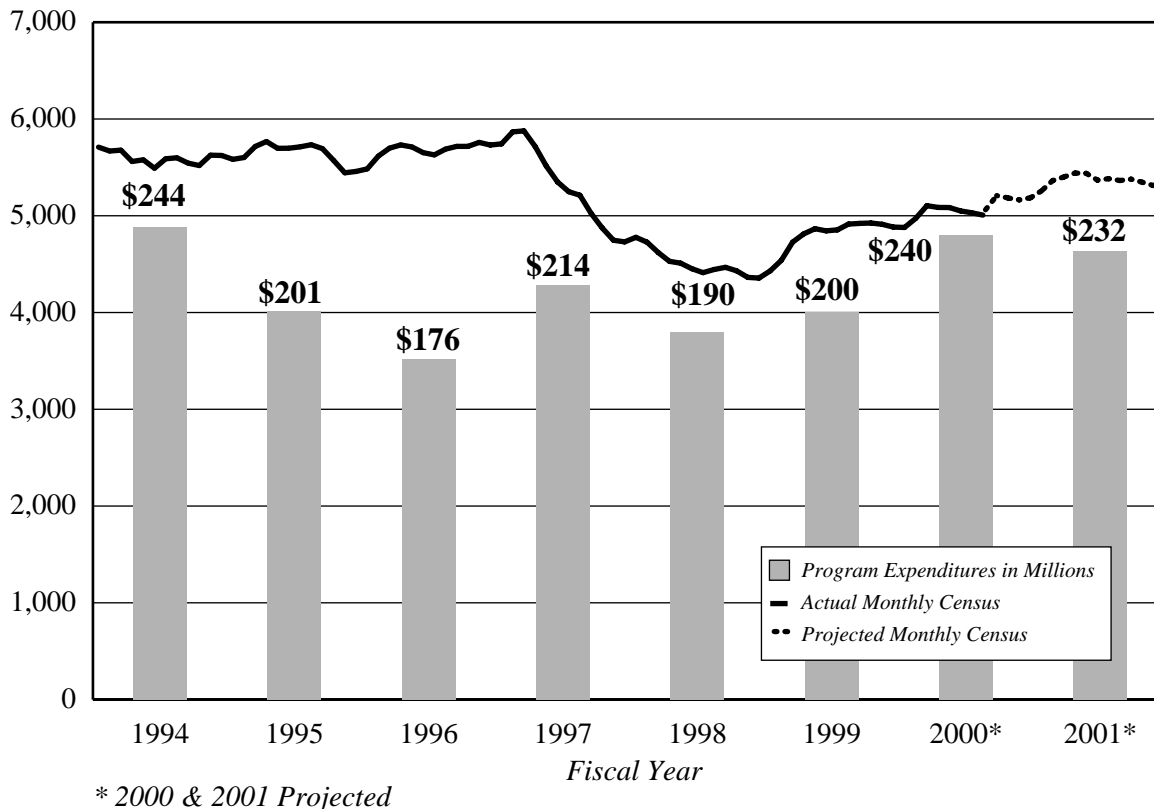
The Department provides services to homeless families through a network of transitional housing facilities. Transitional housing provides families with stable living situations and supportive social services designed to lead to self-sufficiency. Access to permanent housing and follow-up services are also provided to assist families in maintaining independence.

The Department will continue to provide families with children applying for temporary housing at the Emergency Assistance Unit by 10 P.M. with overnight sleeping accommodations. Increased staffing and facility changes have been made to accommodate this new use of facilities, including additional medical services and enhanced transportation.

The Family Rental Assistance Program (FRAP) will provide time-limited rent subsidies that decrease gradually as participants become increasingly self-sufficient. The program will also provide supportive services to employed, homeless families. FRAP will enable approximately 210 homeless families to locate and retain permanent housing through the private market.

The number of families in the DHS New START Center system is expected to average 5,049 per night in 2000 and peak at 5,105.¹ In 2001, the number of families is expected to increase to an average of 5,260 per night and peak at 5,335. The cost of housing these families will be \$232.1 million, of which \$68.2 million are City funds.

HOMELESS FAMILIES-CASELOAD AND PROGRAM EXPENDITURES: 1994-2001



¹ Census figures include approximately 420 families in HPD emergency facilities who may be referred from either the HPD or DHS systems.

Capital Review

The Department's Four-Year Capital Plan totals \$120.6 million, including \$33.6 million for facilities for homeless families and \$86.1 million for facilities for homeless individuals.

Capital Commitments

(\$000's)

	1999 Actual		2000 Plan		2001 Plan		2002 Plan		2003 Plan		2004 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Homeless Families	\$ 951	951	1,345	1,345	16,124	16,124	5,000	5,000	5,695	5,695	6,743	6,743
Homeless Individuals	\$ 10,324	10,324	7,028	7,028	40,815	40,815	25,730	25,730	6,181	6,181	13,450	13,450
Equipment and Vehicles . .	\$ 512	512	1,841	1,841	262	262	100	100	250	250	250	250
Administrative Facilities . .	\$ 0	0	5,000	5,000	0	0	0	0	0	0	0	0
Total.	\$ 11,787	\$11,787	\$15,214	\$15,214	\$57,201	\$57,201	\$30,830	\$30,830	\$12,126	\$12,126	\$20,443	\$20,443

Highlights of the Four-Year Plan

- development of a new adult facility on the Willow Avenue site to replace the existing, dilapidated building.
- building upgrade and repair projects at adult and family facilities, including \$7.0 million at 68 Lexington Avenue, \$3.3 million at Bedford Atlantic Armory, \$3.0 million at Franklin Armory, \$1.7 million at Dean Street, \$1.2 million at Jamaica Assessment Center, \$1.0 million at Palace South and \$1.0 million at Linden.
- code compliance renovation including projects at Camp LaGuardia, Kingsboro, Sumner Armory and Catherine Street New START Centers (\$15.0 million).
- an additional \$24 million for exterior repairs to various New START centers.
- fire safety projects at various sites, including work at Jamaica, Franklin, Charles Gay, Park Slope, Saratoga and John Heuss (\$8.5 million).
- permanent housing options through loans to not-for-profit organizations to develop Single Room Occupancy Residences (SROs) for single adults leaving the New START Center system (\$3.5 million).
- upgrades of existing SROs, including projects at Sirovich, Commonwealth Veterans, Miracle Maker and Mount Eden (\$5.5 million).

DEPARTMENT FOR THE AGING

The Department for the Aging (DFTA) administers a wide range of programs that enable senior citizens to maintain independence and improve their quality of life. Services include congregate and home-delivered meals, home care, employment counseling and placement, assistance for crime victims, social and legal services, transportation, and information and referral services. The Department also advocates for the City's older population through legislative activity and public policy initiatives.

Financial Review

The Department's 2001 Executive Budget provides for operating expenses of \$207.8 million, of which \$147.3 million are City funds.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- an additional \$3.2 million in City funds will support the creation of nine new senior centers in underserved areas.
- an additional \$4 million in City funds will fund Naturally Occurring Retirement Communities (NORCs). NORCs are residential buildings, complexes or neighborhoods which are home to a concentrated population of seniors who have aged into a community and may need on-site social services.
- two additional Adult Day Care programs will be developed in 2001. Adult Day Care provides a congregate environment for seniors who are physically or mentally frail and require some on-site supportive care and nutrition assistance.

Summary of Agency Financial Data
(\$000's)

					Increase/(Decrease)	
	1999 Actual	2000 Forecast	2001		2000	2001
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<i>Expenditures</i>						
Personal Service	\$18,717	\$20,491	\$19,891	\$19,891	(\$600)	\$—
Other Than Personal Service	172,957	205,077	186,709	187,978	(17,099)	1,269
Total	<u>\$191,674</u>	<u>\$225,568</u>	<u>\$206,600</u>	<u>\$207,869</u>	<u>(\$17,699)</u>	<u>\$1,269</u>
<i>Funding</i>						
City	\$123,615	\$154,068	\$145,687	\$147,345	(\$6,723)	\$1,658
Other Categorical Grants	9	—	—	—	—	—
Capital IFA	—	—	—	—	—	—
State	20,080	20,303	19,662	19,662	(641)	—
Federal						
• JTPA	156	—	—	—	—	—
• CD	909	1,162	741	362	(800)	(379)
• Other	46,282	49,346	40,031	40,031	(9,315)	—
Intra-City Other	623	689	479	469	(220)	(10)
Total	<u>\$191,674</u>	<u>\$225,568</u>	<u>\$206,600</u>	<u>\$207,869</u>	<u>(\$17,699)</u>	<u>\$1,269</u>
<i>Personnel (at fiscal year-end)</i>						
City	139	167	146	148	(19)	2
Non-City						
• JTPA	5	—	—	—	—	—
• CD	—	2	2	—	(2)	(2)
• Other	225	237	234	234	(3)	—
Total	<u>369</u>	<u>406</u>	<u>382</u>	<u>382</u>	<u>(24)</u>	<u>—</u>

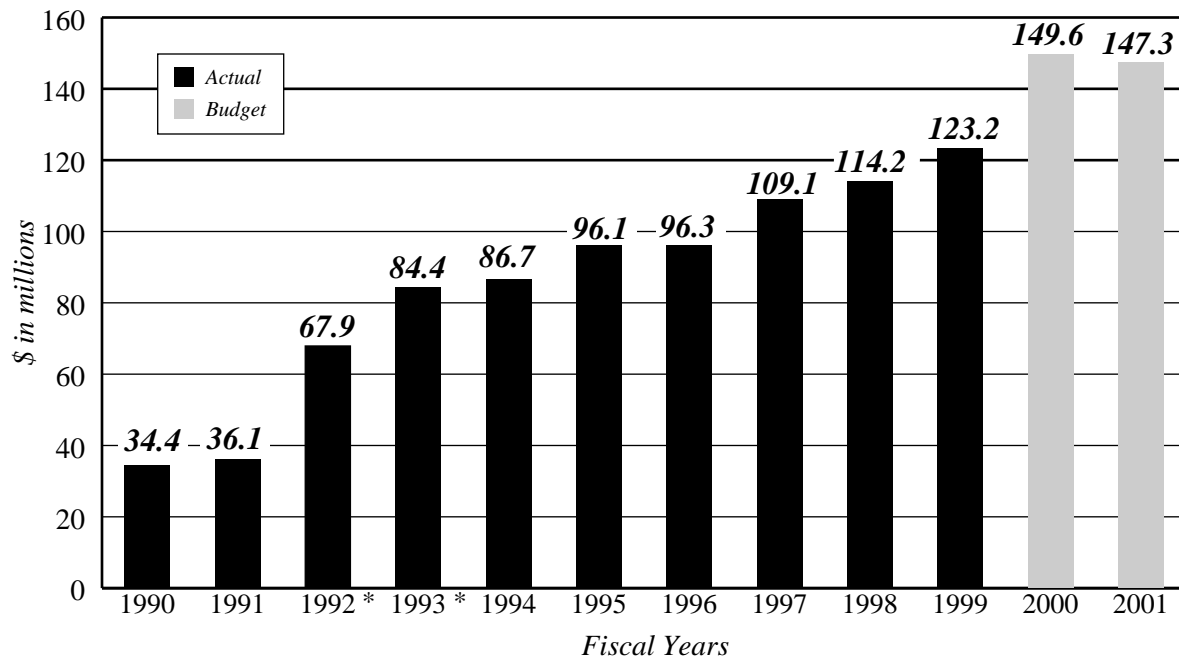
Programmatic Review

In 2001, DFTA will continue to provide services to elderly New Yorkers through a network of 340 senior centers, which serve over 165,000 of the City's elderly. The Department will also provide 14 million congregate and home-delivered meals throughout the five boroughs.

Over four million home-delivered meals (including over one million on weekends and holidays) and over nine million congregate meals will be served to seniors.

The Department administers the Senior Citizen Rent Increase Exemption Program (SCRIE), which serves over 45,000 households applying for or receiving exemptions from rent increases. SCRIE provides property tax abatements to the owners of more than 27,000 buildings participating in the program. In an ongoing effort to inform the public, the Department has distributed over 200,000 copies of "Your Guide to the Senior Citizen Rent Increase Exemption (SCRIE) Program" to tenants, building owners, elected officials, and community-based service organizations.

DEPARTMENT FOR THE AGING: HISTORICAL TAX - LEVY SPENDING



Capital Review

The Department's Four-Year Mayoral Capital Plan totals \$16.5 million. Capital projects include the rehabilitation of facilities that provide services to the elderly and the development of a computerized network to assist seniors to apply for entitlement and benefit programs directly at local senior centers.

Highlights of the Four-Year Plan

- renovations of senior centers citywide (\$13.7 million).
- support for computer systems projects including the Provider Data System (PDS) and Uni-Form Benefits Assessment System. These systems will streamline the application and certification process for senior citizen entitlement benefits. In addition, the system will provide the Department with a reliable client database (\$2.8 million).

Capital Commitments

(\$000's)

	1999 Actual		2000 Plan		2001 Plan		2002 Plan		2003 Plan		2004 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Electronic Data Processing	\$1,359	\$1,359	\$1,650	\$1,650	\$1,370	\$1,370	\$200	\$200	\$200	\$200	\$1,000	\$1,000
Building Reconstruction . .	\$1,569	\$1,569	\$3,472	\$3,472	\$5,724	\$5,724	\$2,352	\$2,352	\$3,231	\$3,231	\$2,403	\$2,403
Total	<u>\$2,928</u>	<u>\$2,928</u>	<u>\$5,122</u>	<u>\$5,122</u>	<u>\$7,094</u>	<u>\$7,094</u>	<u>\$2,552</u>	<u>\$2,552</u>	<u>\$3,431</u>	<u>3,431</u>	<u>\$3,403</u>	<u>\$3,403</u>

DEPARTMENT OF HEALTH

The Department of Health (DOH) promotes and protects the health and quality of life of New York City residents by enforcing compliance with the City Health Code and operating a broad range of public health services. These include disease monitoring, control, and prevention, as well as health education, environmental health, infant mortality reduction, early intervention, and child health. In addition, the Department's Health Access Division is responsible for overseeing the implementation of mandatory Medicaid managed care in New York City through the monitoring and enforcement of contracts with managed care plans.

Financial Review

The Department of Health's 2001 Executive Budget provides for \$814.3 million, which is \$7.6 million less than the 2000 forecast. Additional funds of approximately \$30 million will be modified during the fiscal year when Federal and State award notifications are received.

Revenue Forecast

The Department of Health generates revenue from licenses, permits, inspection and service fees, and fines for violations of the New York City Health Code. The Department will generate \$35.8 million in 2001.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- an increase of \$34.4 million to ensure the provision of clinical services for the increased number of children entering the Early Intervention Program.
- an increase of \$6.3 million that will enable the School Health Program to maintain current staffing levels at public and non-public schools and to provide services to newly-opened public schools and summer schools.
- an increase of \$4.4 million for a Comprehensive Arthropod-Borne Disease Control Program to prevent and contain diseases carried by mosquitoes and other insects.
- an increase of \$3.9 million to continue the Comprehensive Pest Control Initiative, which includes inspection, extermination, and cleaning in districts with the greatest need for abatement.
- an increase of \$3.9 million for a new High Sensitivity DNA Laboratory that will employ sophisticated techniques to identify individuals involved in property crimes using evidence samples with minute traces of DNA.
- an increase of \$2.9 million to offset the elimination of Federal grant funding for critical tuberculosis programs. These funds will enable the continuation of services such as evaluation, case management, education, and surveillance of tuberculosis patients, including inmates on Rikers Island.
- an increase of \$2 million to develop intervention strategies, including screening, early detection, and education initiatives, targeted to communities with a high incidence of breast cancer.
- an increase of \$1.3 million for a Child Health Initiative that will seek to reduce childhood morbidity in four targeted communities: Bedford Stuyvesant, Bushwick, Jamaica, and Washington Heights.

- an increase of \$732,000 to raise awareness of the City's HealthPass program, which will expand health insurance coverage by enabling small businesses to offer plans with a range of premium options to their employees. This funding will be used for a marketing campaign to promote HealthPass to small businesses, insurance brokers, and the public.

Summary of Agency Financial Data

(\$000's)

	1999 Actual	2000 Forecast	2001		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2000 Forecast	2001 Preliminary Budget
<i>Expenditures</i>						
Personal Service	\$186,386	\$209,006	\$213,299	\$217,704	\$8,698	\$4,405
Other Than Personal Service	315,978	612,861	453,357	596,575	(16,286)	143,218
Total	<u>\$502,364</u>	<u>\$821,867</u>	<u>\$666,656</u>	<u>\$814,279</u>	<u>(\$7,588)</u>	<u>\$147,623</u>
<i>Funding</i>						
City	\$237,681	\$378,397	\$358,573	\$406,294	\$27,897	\$47,721
Other Categorical Grants	4,816	77,066	81,852	88,219	11,153	6,367
Capital IFA	—	—	—	—	—	—
State	73,021	191,007	170,081	210,429	19,422	40,348
Federal						
• JTPA	—	—	—	—	—	—
• CD	—	—	—	—	—	—
• Other	186,461	174,322	55,538	108,725	(65,597)	53,187
Intra-City Other	385	1,075	612	612	(463)	—
Total	<u>\$502,364</u>	<u>\$821,867</u>	<u>\$666,656</u>	<u>\$814,279</u>	<u>(\$7,588)</u>	<u>\$147,623</u>
<i>Personnel (at fiscal year-end)</i>						
City	2,051	2,453	2,366	2,479	26	113
Non-City						
• JTPA	—	—	—	—	—	—
• CD	—	—	—	—	—	—
• Other	1,086	1,182	1,030	844	(338)	(186)
Total	<u>3,137</u>	<u>3,635</u>	<u>3,396</u>	<u>3,323</u>	<u>(312)</u>	<u>(73)</u>

Programmatic Review

The mission of the Department of Health is to protect and promote the health of the public through monitoring, prevention, and control activities for individuals, families, and communities in New York City. The Department prevents epidemics and the spread of diseases such as HIV/AIDS, sexually transmitted diseases, and tuberculosis; protects against environmental hazards; prevents unintentional injuries; promotes and encourages healthy behaviors; responds to disasters and assists communities in recovery, and; ensures the accessibility of health services.

Agency Initiatives

In 2001, the Department will continue its efforts to mobilize community partnerships to identify and solve health problems and to develop policies and plans that support individual and community health efforts.

The Department continues to expand the Childhood Asthma Initiative, which is now in its third year and is quickly becoming a national intervention model for urban settings. The initiative supports Citywide educational and media outreach efforts, comprehensive community-based intervention programs in high-risk neighborhoods, and surveillance and evaluation activities.

The Department is currently in the process of deploying the Critical Event Response System, a two-year pilot program serving asthmatic children in East Harlem. Critical asthma events, such as visits to school nurses or emergency rooms, will be identified and shared with those who are involved in the management of the child's asthma using a computerized tracking system. The program will commence operations in spring 2000 and will serve approximately 600 families.

In 2001, the Department will launch the Child Health Initiative, a program involving both Citywide and community-based efforts. The purpose of the Initiative is to reduce childhood morbidity through a coordinated, integrated response to lead poisoning, asthma, vaccine-preventable illnesses, injuries, and other diseases and conditions affecting children.

The Department will implement a Tobacco Control Plan for New York City in 2001. The program will be based upon the recommendations of the Federal Centers for Disease Control and Prevention (CDC) to reduce the health and economic burden of tobacco use by preventing smoking initiation among youth, promoting smoking cessation among adults and youth, and reducing exposure to second-hand smoke. The program will include both Citywide and community-level activities.

Disease Intervention Services

The Department will continue initiatives that prevent new cases of tuberculosis. The number of new tuberculosis cases decreased by 55 percent between 1994 and 1999. The Department is planning for 140,200 tuberculosis visits in 2001 and will ensure that 90 percent of drug-sensitive patients and 80 percent of harder-to-reach, multiple drug-resistant patients complete treatment.

The Department will continue its efforts to control AIDS and HIV infection. The number of deaths from AIDS in New York City decreased by more than 70 percent between 1994 and 1999, with a concomitant increase of almost 44,000 people living with AIDS. The Department provides an array of HIV/AIDS services and plans to respond to more than 77,000 calls to the AIDS Hotline and to provide in-depth prevention education for more than 7,000 persons.

The Department will implement the new State law requiring providers to report HIV- infected individuals, including their partners, and will offer HIV counseling and testing to those who are potentially at risk of HIV

infection. As a provider of clinical services, the Department itself will also begin reporting HIV-infected clients to the New York State Department of Health. The Department will also provide partner notification, counseling, and testing services to providers in the community upon referral of their clients for such services. The Department expects 50,000 visits to its testing sites requiring confidential counseling, testing, and partner notification. From March 2000 to February 2001, the Department will monitor the disbursement of \$107.6 million in Title I Ryan White Comprehensive AIDS Resources Emergency (CARE) funds.

Between 1995 and 1999, the number of new lead cases reported for New York City children dropped by 53 percent. In 2001, the Department will continue to work toward reducing the burden of lead poisoning in communities by: (1) conducting outreach and education; (2) providing medical case management for children reported as lead poisoned; (3) inspecting dwelling units where lead poisoned children spend significant time, and; (4) assuring compliance of abatement through follow-up inspections.

Through walk-in immunization clinics and collaboration with public and private partners, the Department provides vaccinations for all children who need them. In 2000, the Department maintained its goal of having 100 percent of all public and private hospitals reporting to the Citywide immunization registry and ensuring that providers track their patients' immunization histories. As of November 1999, 94 percent of private physicians, representing 906 sites, were reporting to the registry.

Family and Community Health Services

The Department provides public health services in all public elementary and intermediate schools. These services include vision and hearing screening, case management, and follow-up. The Department anticipates providing 7,000 new admission exams in 2001 and referring the majority of new school entrants to primary health care providers who will provide ongoing direct health care.

The Department will continue its efforts to reduce the infant mortality rate, which fell to a record low of 6.8 deaths per 1,000 births in 1998. The Department anticipates providing 33,000 callers to the Women's Healthline with information about women and infant health care and arranging 1,800 prenatal care appointments within three weeks of a pregnant woman's initial contact with the Department. The Department will also provide case management services to 1,410 high-risk pregnant women and infants.

The Department will ensure the provision of preventive services to children under the age of 18 through a contract with the Health and Hospitals Corporation (HHC). HHC plans to provide 163,200 child health clinic visits during 2001.

The Department will continue to administer the Early Intervention Program in partnership with the Department of Mental Health, Mental Retardation, and Alcoholism Services and HHC. This program is designed to: (1) create an efficient system for the early identification and referral of infants and toddlers under the age of three with developmental delays; (2) reduce the duplication of services; (3) provide more timely and efficient evaluation of young children, and; (4) provide comprehensive services in a more natural setting for each child. Since its inception in 1993, over 67,000 children have been referred to the Early Intervention Program. It is anticipated that approximately 15,500 additional children will be referred to the program in 2001.

Due to greater public awareness of the Early Intervention Program, children are being identified and referred to the program in larger numbers. As a result, the developmental potential of infants and toddlers is maximized.

In 2001, the Department anticipates an increase in the workload of its Day Care Program as a result of Universal Pre-Kindergarten legislation, which mandates that all four-year-old children in New York State have the opportunity to access pre-kindergarten services. The Department expects to issue an additional 1,000 group

day care permits and to maintain contacts with a total of 19,720 day care facilities. With funding from the State, the Department will increase the sample of family day care and group family day care facilities that it inspects from 10 percent to 20 percent in 2001.

Regulatory and Environmental Health Services

The Department is prepared to respond 24 hours a day to radiological, chemical, hazardous material, and food-borne illness emergencies.

In response to the West Nile virus outbreak in the summer of 1999, the Department has been developing a comprehensive insect-borne disease surveillance and control plan for the City. In 2001, the Department will continue to: (1) monitor infection and/or illness in humans and other animals, including birds, which may carry this infection; (2) eliminate or reduce potential mosquito-breeding sites, and; (3) reduce the mosquito population through the aggressive use of larvicide and the judicious use of pesticides against adult mosquitoes. The Department will also mount a wide-scale public and professional education and information campaign on the West Nile virus.

In 2001, the Department plans to conduct 21,200 initial restaurant inspections. The Department will continue to conduct inspections of food service establishments in the evenings and on weekends, enabling the Department to enforce the Smoke-Free Air Act and to maintain a consistent presence in establishments that operate during nontraditional business hours. The results of the Department's restaurant inspections will continue to be accessible by the public through NYC LINK.

In 2001, the Department will continue to implement the Comprehensive Pest Control Initiative, which identifies strategic geographic areas with rodent problems and develops customized plans to address rodent infestation. These areas are identified through complaints from citizens, elected officials, and community boards, or by the Department based on the results of inspections and/or information about known chronic problem areas. Site-specific plans are developed and implemented within an appropriate time frame after the identification of critical geographic areas. In 2001, the Department anticipates making 14,900 inspections in response to complaints.

Health Care Access

This division is responsible for developing, implementing, and monitoring various initiatives for expanding the availability of critical health services.

The Division of Health Care Access oversees New York City's Medicaid managed care program. Mandatory enrollment of Medicaid clients began in 2000 and will continue in 2001. The Department will continue to execute contracts and contract amendments with Medicaid managed care plans in the City; review, assess, and monitor the performance of these plans, and; enforce the terms and conditions of managed care contracts. The Department will work with the New York State Department of Health and the New York State AIDS Institute to develop Special Needs Plans (SNPs) for Medicaid recipients with AIDS. Implementation of these SNPs is expected in 2001.

The Department has also been working toward reducing barriers to health insurance coverage. The HealthPass program, which began in 2000 and is administered by the New York Health Purchasing Alliance, will continue in 2001 and will enable businesses with 50 or fewer employees to offer their staff a choice of health insurance plans and benefit options.

Correctional Health Services

The Department contracts with HHC to provide health services to approximately 16,000 inmates daily. Services include new admission examinations, infirmary services, sub-acute treatment, preventive care, dental services, and prenatal services. These services are provided to inmates on Rikers Island through a subcontract with St. Barnabas Hospital. In 2000, HHC, in conjunction with the Department of Correction, the Department of Health, and the Department of Mental Health, Mental Retardation, and Alcoholism Services, will issue a Request for Proposals (RFP) for a new subcontractor to provide correctional health services on Rikers Island. A total of 533,400 medical visits, 194,300 mental health visits, and 11,000 dental visits are anticipated in 2001.

Office of the Chief Medical Examiner

OCME operates an accredited Forensic Biology Laboratory that currently processes DNA evidence from 3,000 homicide and sexual assault cases. As of March 1999, the laboratory had produced 1,385 entries into the City's DNA databank. During 2000, the Forensic Biology Laboratory will add six evidence stations in a new annex at Bellevue Hospital that will greatly reduce the time required to process DNA evidence. These additional stations will also allow for expedited processing of high profile cases without disruption to regular casework. The goal of this facility is to reduce processing time to 30 days for regular cases and seven days for rush cases.

In 2001, OCME will expand its DNA laboratory by accepting up to 35,000 fingerprint cases in a new, specialized High Sensitivity Laboratory that will be constructed on two floors of the Administration Building at Bellevue Hospital. This high-throughput laboratory will isolate and profile DNA obtained from items of evidence typically encountered in property crimes using automated and semi-automated equipment. Evidence for testing will include fingerprints gathered from stolen vehicles, phones, doorknobs, or other items from crime scenes. The new laboratory will also include a program to train evidence collection teams from the New York City Police Department in methods of collecting DNA for high sensitivity analysis.

The High Sensitivity Laboratory is the first phase in an overall expansion of DNA testing. Construction of a permanent DNA facility will begin in 2001, with completion scheduled for 2004. This facility will consolidate the existing Forensic Biology Laboratory, its Bellevue Annex, and the planned High Sensitivity Laboratory and will include the addition or expansion of the following functions: (1) a new evidence delivery area capable of accepting over 100,000 pieces of evidence per year and high density storage systems to house 12 years of evidence as retained specimens; (2) an expanded casework laboratory to handle 16,000 cases annually, up from the current level of 3,000; (3) an expanded fingerprint laboratory capable of handling evidence from 70,000 property crime cases annually, up from the 35,000 cases to be processed in the new High Sensitivity Laboratory; (4) a high-volume, high-throughput exemplar laboratory to perform DNA profiling from blood and saliva taken from suspects, elimination samples, and postmortems; (5) a mitochondrial laboratory to perform DNA typing of hair samples in cases such as body identifications, where regular DNA from blood and semen is unavailable; (6) an in-situ laboratory that will use DNA testing of the brains and serum of deceased individuals to ascertain the level of pain, stress, or fear of homicide victims immediately before death, and; (7) training facilities and conference rooms essential for supporting programs on proper evidence collection.

Capital Review

The 2000-2004 Capital Plan totals \$92.8 million for facility renovations and equipment.

Capital Commitments

(\$000's)

	1999 Actual		2000 Plan		2001 Plan		2002 Plan		2003 Plan		2004 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Equipment	\$3,107	\$3,107	\$31,863	\$31,863	\$6,955	\$6,955	\$1,315	\$1,315	\$1,268	\$1,268	\$855	\$855
Renovation	4,643	4,643	18,588	18,588	10,907	10,907	10,864	10,864	3,425	3,425	6,804	6,804
Total	<u>\$7,750</u>	<u>\$7,750</u>	<u>\$50,451</u>	<u>\$50,451</u>	<u>\$17,862</u>	<u>\$17,862</u>	<u>\$12,179</u>	<u>\$12,179</u>	<u>\$4,693</u>	<u>\$4,693</u>	<u>\$7,659</u>	<u>\$7,659</u>

Highlights of the Four-Year Plan include:

- \$11.4 million for the construction of a new free standing OCME facility on the Kings County Hospital campus.
- \$10.8 million for the building of a new High Sensitivity DNA Laboratory for OCME.
- \$7.4 million to ensure that all facilities are in compliance with applicable codes, rules, and regulations.
- \$6.7 million to purchase and upgrade the Department's automation system for more efficient management of information.
- \$6.4 million to purchase required systems for surveillance, case management, and mandatory reporting of HIV/AIDS cases and their contacts.
- \$5.4 million for two projects for the Center for Animal Care and Control: \$3.3 million for the renovation of the Manhattan shelter and \$2.1 million for continued renovation of the Brooklyn shelter.
- \$2.2 million for elevator rehabilitation at various health centers.
- \$2 million for Phase II renovation of the Jamaica Health Center.

DEPARTMENT OF MENTAL HEALTH, MENTAL RETARDATION, AND ALCOHOLISM SERVICES

The Department of Mental Health, Mental Retardation, and Alcoholism Services (DMH) is a contracting and supervisory agency that plans, evaluates, and monitors mental health, mental retardation, alcoholism, and substance abuse services for New York City residents. The Department also provides court-ordered psychiatric evaluations through its criminal and family court mental health clinics. In addition, the Department funds public education, prevention services, and training while maintaining culturally responsive, cost-effective, and high quality care for its clients. The Department serves 353,000 clients annually through 300 contracts with voluntary mental hygiene service providers and Health and Hospitals Corporation (HHC) facilities.

Financial Review

The Department of Mental Health's 2001 Executive Budget provides for operating expenses of \$545.1 million, which is \$5.1 million more than the 2000 forecast.

Seventy nine percent of the Department's City tax levy budget funds programs provided by the voluntary service sector and HHC. The distribution of these funds among program areas is as follows: mental health, 35 percent; mental retardation, 15 percent, and; alcoholism and substance abuse, 29 percent. The remainder is allocated to prison mental health, family court, criminal court, and administration.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- an increase of \$6.7 million to implement court-ordered assisted outpatient treatment programs under the provisions of recently-passed State legislation known as Kendra's Law.

Summary of Agency Financial Data
(\$000's)

					Increase/(Decrease)	
	1999 Actual	2000 Forecast	2001		2000	2001
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<i>Expenditures</i>						
Personal Service	\$12,179	\$14,089	\$13,014	\$13,014	(\$1,075)	\$—
Other Than Personal Service	426,862	525,884	416,537	532,041	6,157	115,504
Total	<u>\$439,041</u>	<u>\$539,973</u>	<u>\$429,551</u>	<u>\$545,055</u>	<u>\$5,082</u>	<u>\$115,504</u>
<i>Funding</i>						
City	\$132,376	\$91,273	\$94,913	\$95,289	\$4,016	\$376
Other Categorical Grants	49,369	—	—	—	—	—
Capital IFA	—	—	—	—	—	—
State	234,545	176,094	123,780	162,858	(13,236)	39,078
Federal						
• JTPA	—	—	—	—	—	—
• CD	538	553	553	553	—	—
• Other	22,213	16,061	13,275	14,335	(1,726)	1,060
Intra-City Other	—	255,992	197,030	272,020	16,028	74,990
Total	<u>\$439,041</u>	<u>\$539,973</u>	<u>\$429,551</u>	<u>\$545,055</u>	<u>\$5,082</u>	<u>\$115,504</u>
<i>Personnel (at fiscal year-end)</i>						
City	141	159	159	159	—	—
Non-City						
• JTPA	—	—	—	—	—	—
• CD	—	—	—	—	—	—
• Other	82	113	80	70	(43)	(10)
Total	<u>223</u>	<u>272</u>	<u>239</u>	<u>229</u>	<u>(43)</u>	<u>(10)</u>

Programmatic Review

Mental Health

The Department plans and funds a variety of mental health services, including outpatient services to adults and families, outreach services, and services to special populations, including recent immigrants. The Department's priority services include programs for children and adolescents, the homeless, the severely and persistently mentally ill, and the mentally ill forensic population.

Mental Retardation and Developmental Disabilities

The Department plans and funds services for people with developmental disabilities, including mental retardation, cerebral palsy, epilepsy, autism, and other neurological impairments. The services provided to these populations include adult vocational programs, employment programs, diagnostic evaluations, clinic treatment programs, family support programs, counseling, after-school and weekend recreation and respite programs, special continuing education, sleep-away camp, transportation, information and referral, and public education.

Alcoholism

The Department plans and funds an array of services to assist individuals in need of alcoholism treatment, including inpatient detoxification, alcohol crisis centers, comprehensive outpatient services, and community residences. The priority populations include homeless persons, pregnant women, families, and adolescents.

Assisted Outpatient Treatment

In August 1999, Assisted Outpatient Treatment (AOT) legislation was signed into law, effective November 8, 1999. Also known as Kendra's Law, this statute requires county mental health departments to establish procedures through which courts determine if certain individuals must follow court-ordered outpatient treatment plans.

In order to meet this mandate, the Department has established borough-wide AOT teams at four HHC hospitals: Bellevue, North Central Bronx, Elmhurst, and Woodhull. These teams are responsible for all facets of the AOT process, including the receipt and investigation of referrals, the implementation of psychiatric evaluations, the development of treatment plans, the filing of petitions, the delivery of in-court testimony, and the monitoring of granted orders.

Community Reinvestment

The Department is utilizing \$9.7 million to enhance and establish 51 programs serving 1,961 individuals. These include vocational programs, programs serving children and adolescents and their families, supported housing programs, and forensic programs for adults.

Managed Care

The New York State Department of Health has received four responses to its Request for Proposals to operate Special Needs Plans (SNPs) for Medicaid recipients with severe mental illnesses in New York City. The State is expected to select three of these entities in April 2000. Contracts will then be negotiated by the Department, with voluntary enrollment projected to begin in July 2001.

Forensic LINK

The Department is developing three forensic LINK programs in Queens, Brooklyn, and the Bronx, which will serve a total of 1,100 clients. These programs will target adults 18 years and older who have been diagnosed with a mental illness which hinders their ability to function in the community without assistance or treatment. The goal of these programs is to ensure that clients successfully make the transition between confinement and community living.

FIRE DEPARTMENT

The Fire Department is responsible for protecting lives and property from fire, responding to non-fire emergencies, investigating suspicious fires, and providing ambulance and pre-hospital emergency medical services. Fire extinguishment and rescue services are provided through the staffing of 362 fire companies throughout the City. Fire prevention is accomplished through the enforcement of New York City's fire codes and the development of public education programs. Arson investigation is conducted by the Fire Department's fire marshals, who are responsible for determining the cause and origin of suspicious fires and apprehending arsonists. Ambulance transport and pre-hospital emergency medical care are provided by the Bureau of Emergency Medical Services (EMS), assisted by Certified First Responder - Defibrillation (CFR-D) trained personnel responding from Engine Companies. These missions are accomplished with the assistance of support units including Fire Communications, Fleet and Building Maintenance, the Division of Training, and the Bureau of Health Services.

Financial Review

The Fire Department's 2001 Executive Budget provides for operating expenses of \$1.06 billion, a decrease of \$17.6 million from the amount forecasted for 2000. This decrease is primarily due to over quota hiring of firefighters and computer remediation efforts funded in 2000 but no longer required in 2001. Capital commitments for 2001 of \$212.2 million are also provided for, an increase of \$60.0 million from the 2000 plan.

Revenue Forecast

The Fire Department issues permits and collects fees for the inspection of fire suppression and electrical systems, places of public assembly, laboratories, high-rise buildings, and the storage and use of combustible materials. In addition, revenues are received from a fee charged to out-of-state fire insurers doing business in New York City, and from fees charged to private fire alarm companies. In 2001, it is estimated that the Department will collect \$44.2 million.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- response to structural fires and non-fire emergencies (such as hazardous materials incidents) is enhanced in 2001 by increasing firefighter availability through hiring over quota.
- the Department will hire an additional 20 Communication Electricians to maintain the City's Fire Call Box Network.
- the Department will receive an allocation of \$2.8 million in 2001 for the procurement of infrared cameras to aid firefighters in detecting the source of a fire, thereby improving firefighting and search and rescue operations.
- one hundred twenty-five Fire Cadets were hired in order to improve minority recruitment and to enhance fire prevention programs citywide.
- as part of the Department's minority recruitment program, a total of 200 Emergency Medical Technicians, Paramedics and Fire Cadets will be promoted to the rank of Firefighter in 2001.
- firefighter re-certification training for the First Responder program will continue the CFR-D initiative, which responds to life-threatening medical incidents citywide

- the Department will provide \$0.5 million annually for operating expenses upon completed construction of the fire safety learning center at Rockefeller Plaza.

Streamlining

- seventy-five uniformed personnel on limited duty assignments for an extended period will retire and those positions will be replaced with seventy-five civilians.
- citywide Fire Marshal base operations were made more efficient as a result of eliminating five Administrative Fire Marshal vacancies and reassigning these responsibilities to Supervising Fire Marshals.

Summary of Agency Financial Data

(\$000's)

			2001		Increase/(Decrease)	
	1999 Actual	2000 Forecast	Preliminary Budget	Executive Budget	2000 Forecast	2001 Preliminary Budget
<i>Expenditures</i>						
Personal Service	\$949,555	\$983,728	\$979,620	\$979,091	(\$4,637)	(\$529)
Other Than Personal Service	78,892	94,015	79,575	81,091	(12,924)	1,516
Total	<u>\$1,028,447</u>	<u>\$1,077,743</u>	<u>\$1,059,195</u>	<u>\$1,060,182</u>	<u>(\$17,561)</u>	<u>\$987</u>
<i>Funding</i>						
City	\$950,463	\$1,000,969	\$982,947	\$983,934	(\$17,035)	\$987
Other Categorical Grants	75,031	74,007	73,481	73,481	(526)	—
Capital IFA	—	—	—	—	—	—
State	2,788	2,512	2,512	2,512	—	—
Federal						
• JTPA	—	—	—	—	—	—
• CD	—	—	—	—	—	—
• Other	165	255	255	255	—	—
Intra-City Other	—	—	—	—	—	—
Total	<u>\$1,028,447</u>	<u>\$1,077,743</u>	<u>\$1,059,195</u>	<u>\$1,060,182</u>	<u>(\$17,561)</u>	<u>\$987</u>
<i>Personnel (at fiscal year-end)</i>						
City	15,922	15,696	15,716	15,716	20	—
Non-City						
• JTPA	—	—	—	—	—	—
• CD	—	—	—	—	—	—
• Other	15	16	16	16	—	—
Total	<u>15,937</u>	<u>15,712</u>	<u>15,732</u>	<u>15,732</u>	<u>20</u>	<u>—</u>

Programmatic Review

The changing nature of the Fire Department's emergency responses continues to be evident. In 2001, it is expected that over half of the responses by the Department's fire companies will be to medical and other non-fire emergencies. The Department's ambulances are expected to respond to over one million medical incidents in 2001. Even with this increased response to medical and other non-fire emergencies, the Department's citywide response time to structural fires continues to be less than four and a half minutes.

Fire Extinguishment

The Fire Department provides extinguishment and rescue operations with 203 engine companies, 143 ladder companies, seven squads, five rescue units, three marine companies, and one hazardous materials unit.

All engine companies have received initial defibrillation training. Recertification training will continue throughout 2001 for those units whose initial certification will expire.

Emergency Medical Services

The Department continues to acquire sites throughout the City to be used as community-based EMS stations in order to increase ambulance availability. The increased use of technology, through the Global Positioning System (GPS) and Automatic Vehicle Locator (AVL), will further improve ambulance response time by allowing dispatchers to more effectively locate, monitor and dispatch ambulances. Additionally, medical care is improved through the provision of training in asthma treatment to all ambulance companies.

Fire Prevention

The Bureau of Fire Prevention is responsible for enforcing the City's fire codes through the inspection of public and private properties, and for providing fire safety education and community outreach. These services are being enhanced through the recruitment of 125 Fire Cadets who perform fire safety instruction as part of their responsibilities. In addition, the Department hosted the Mayor's multi-agency fire task force that addressed fire education and safety and recommended legislation (Local Law 10 of 1999) that requires sprinklers in certain types of dwellings.

Fire Investigation

The Bureau of Fire Investigation will be enhanced by the promotion of 25 Firefighters to the rank of Fire Marshal in 2001.

Capital Review

The Capital Commitment Plan provides \$376.5 million over the next four years for the purchase of firefighting apparatus, equipment and support vehicles; acquisition of ambulance stations; emergency medical equipment and communications systems related to the Bureau of EMS; the renovation and modernization of firehouses and training facilities; and the upgrade and replacement of computer and communications equipment, including the continued operation of the call box network.

The table below shows capital commitments by program area over the FY 1999-2004 period.

Capital Commitments

(\$000's)

	1999 Actual		2000 Plan		2001 Plan		2002 Plan		2003 Plan		2004 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Fire Alarm												
Communications	4,717	4,717	39,690	39,690	22,600	22,600	665	665	686	686	713	713
Electronic Data Processing	4,112	4,112	32,977	32,977	585	585	300	300	151	151	0	0
Reconstruction/Modernization												
of Facilities	21,384	21,384	54,033	54,033	150,199	150,199	26,532	26,532	20,245	20,245	19,474	19,474
Vehicles and Equipment . .	35,883	35,883	25,474	25,474	38,824	38,824	34,034	34,034	29,883	29,883	31,593	31,593
Total	<u>66,096</u>	<u>66,096</u>	<u>152,174</u>	<u>152,174</u>	<u>212,208</u>	<u>212,208</u>	<u>61,531</u>	<u>61,531</u>	<u>50,965</u>	<u>50,965</u>	<u>51,780</u>	<u>51,780</u>

Highlights of the Four-Year Capital Strategy and 2001 Executive Budget

- the replacement of front-line firefighting apparatus according to mandated replacement cycles and funding for support vehicles and equipment (\$134.3 million).
- the renovation of firehouse components such as apparatus doors, apparatus floors, boilers, electrical upgrades, kitchens, roofs, toilets, waterproofing, and windows (\$30.6 million).
- the complete restoration of twelve firehouses (\$49.2 million).
- the construction of a new joint firehouse and EMS station in Staten Island (\$7.5 million).
- the acquisition of ambulance stations (\$17.8 million).
- funding for classroom training facilities at Fort Totten, and an in-door fire simulation training facility with additional classroom space at Randall's Island (\$91.0 million).
- the purchase of communications equipment, including radio equipment for the five borough communication offices, the continued operation of the call box network and the procurement of a joint Fire/EMS Computer Aided Dispatching (CAD) system (\$24.7 million).
- the purchase and upgrade of computer equipment to support agency operations, including the expansion of the Department's Local Area Network (LAN), and various records management information systems (\$1.0 million).

The 2001 Plan for the Department totals \$212.2 million. It includes the following:

- the continued replacement of front-line firefighting apparatus and support vehicles and equipment (\$38.8 million).

- a continuing firehouse renovation program for the replacement and upgrade of essential building components (\$9.3 million), the complete rehabilitation of three firehouses (\$12.9 million), the design for the rehabilitation of three additional firehouses (\$1.0 million), the construction of a new joint firehouse and EMS station in Staten Island (\$7.5 million) and the acquisition of ambulance stations citywide (\$10.8 million).
- the acquisition of equipment to upgrade the Department's communications and dispatching systems including the procurement of a new joint Fire/EMS Computer Aided Dispatching (CAD) system (\$7.4 million).
- the purchase of new mobile radios for all front-line vehicles (\$15.0 million).
- the design and construction of new classroom training facilities at Fort Totten, and a new in-door fire training simulation facility along with additional classroom space at Randall's Island (\$91.0 million).
- the Department, in conjunction with the Fire Safety Education Fund, a not-for-profit foundation, is constructing a fire safety learning center to be located in Rockefeller Plaza (\$1.5 million).
- the continued maintenance of the current fire alarm box network (\$1.0 million).

DEPARTMENT OF SANITATION

The Department of Sanitation is responsible for protecting the public health by maintaining and enforcing sanitary conditions through the collection, management, and disposal of municipal solid waste. The Department is one of the oldest, largest, and most diverse public solid waste organizations in the United States providing collection service to residents in the City's 59 Community Districts. The Department collects refuse and recyclables, cleans streets, disposes of waste, processes recyclables, removes snow, and enforces portions of the City's health and administrative codes.

Financial Review

The Department of Sanitation's 2001 Executive Budget provides \$973.9 million for operating expenses, an increase of \$134.4 million from the amount forecasted in 2000. This increase is primarily attributed to the cost of exporting waste. Capital commitments of \$295.3 million are also provided in 2001, an increase of \$170.0 million from the 2000 Plan amount. This difference reflects changes of \$65.8 million of prior year adjustments and de-registrations of contracts related to Fresh Kills closure activities, a reforecast of the garage construction program, and changes to funding for equipment purchases.

Revenue Forecast

The Department of Sanitation generates revenues from privately bid contracts for the removal of abandoned vehicles from City streets and property; from concession fees on methane gas extracted from the Fresh Kills landfill; from the sale of recycled paper to private processors, and from an assortment of miscellaneous fees and minor sales. The Department's 2001 revenue estimate is \$10.7 million from these sources.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- the Department is exporting waste from the Bronx, parts of Brooklyn, Manhattan, and Staten Island and will continue its plan to export waste from Queens and the remainder of Brooklyn to close the Fresh Kills landfill by December 31, 2001.
- the 2001 Executive Budget allocation includes \$23.0 million to hire an additional 1,050 uniformed personnel to maintain the frequency of residential waste collection services due to operational changes associated with waste export.
- an additional 241 sanitation workers have been provided, as part of the 2001 budget allocation, for the successful implementation of weekly recycling collection services citywide.
- an additional \$0.4 million and six full-time personnel have been provided to the Permit and Inspection Unit to increase the frequency of inspections of private transfer stations to enforce regulatory compliance of these facilities.
- the Department maintains the ability to handle a major snow emergency.

Streamlining

- the Department continues its efforts to acquire dual-bin collection trucks for recycling collection in low-density communities to enhance collection productivity in these districts.

Restructuring

- the Department has successfully renegotiated its paper processing contracts so that the City does not have to pay for paper processing. In addition, the City will receive additional revenue from fees collected from paper processing vendors of approximately \$1.2 million a year.
- the Department of Sanitation has been improving its street cleaning routes to increase the frequency of commercial street cleaning and to reduce the time required for street cleaning operations. This restructuring has allowed the Department of Transportation to reduce street cleaning parking restrictions from one to three hours to 30 to 90 minutes.

Summary of Agency Financial Data

(\$000's)

					Increase/(Decrease)	
			2001		2000	2001
	1999 Actual	2000 Forecast	Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<i>Expenditures</i>						
Personal Service	\$535,682	\$585,603	\$574,387	\$592,674	\$7,071	\$18,287
Other Than Personal Service	179,946	253,902	318,112	381,183	127,281	63,071
Total	<u>\$715,628</u>	<u>\$839,505</u>	<u>\$892,499</u>	<u>\$973,857</u>	<u>\$134,352</u>	<u>\$81,358</u>
<i>Funding</i>						
City	\$696,168	\$819,216	\$872,270	\$950,647	\$131,431	\$78,377
Other Categorical Grants	201	20	—	—	(20)	—
Capital IFA	6,845	6,321	6,321	6,321	—	—
State	—	—	—	—	—	—
Federal						
• JTPA	—	—	—	—	—	—
• CD	9,414	10,408	10,368	10,364	(44)	(4)
• Other	—	—	—	—	—	—
Intra-City Other	3,000	3,540	3,540	6,525	2,985	2,985
Total	<u>\$715,628</u>	<u>\$839,505</u>	<u>\$892,499</u>	<u>\$973,857</u>	<u>\$134,352</u>	<u>\$81,358</u>
<i>Personnel (at fiscal year-end)</i>						
City	9,094	9,768	9,514	10,574	806	1,060
Non-City						
• IFA	98	125	125	124	(1)	(1)
• CD	208	227	227	227	—	—
• Other	—	—	—	—	—	—
Total	<u>9,400</u>	<u>10,120</u>	<u>9,866</u>	<u>10,925</u>	<u>805</u>	<u>1,059</u>

Programmatic Review

The Department's main administrative and planning divisions include the Bureau of Long Term Export, Financial Management and Administration, and the Bureau of Waste Prevention, Re-use, and Recycling. The two operational divisions are the Bureau of Cleaning and Collection (BCC) and the Bureau of Waste Disposal (BWD). The Bureau of Motor Equipment (BME) and the Bureau of Building Management (BBM) provide support operations.

Planning for the Closure of the Fresh Kills Landfill

In the spring of 1996, Mayor Rudolph W. Giuliani and Governor George F. Pataki announced that the Fresh Kills landfill would close by the end of 2001 and established a joint Task Force. The Fresh Kills Task Force explored various options available to the City to reduce the use of the Fresh Kills landfill and develop a plan for its closure. The Fresh Kills Task Force Report provided various recommendations regarding the City's waste management programs such as reducing waste disposed at Fresh Kills, reducing the City's waste stream, and various recycling initiatives. The Department has allocated resources to implement these recommendations and programs.

The Department of Sanitation (DOS) is responsible for administering the City's waste management programs. The Department has developed an interim and long-term plan to meet the Fresh Kills closure deadline. DOS was disposing approximately 13,000 tons of waste per day at Fresh Kills at the end of 1996. The interim plan is a phased reduction of waste disposed at Fresh Kills through the use of private contracts to receive, transfer, and transport waste to out-of-city sites. The Department began this program in fiscal year 1998 and to date has diverted a total of 7,900 tons, or 60 percent, of waste per day from the Fresh Kills landfill (21 percent above the scheduled tonnage recommended by the Fresh Kills Task Force Report). The budget has been continuously evaluated and updated to reallocate and increase funds required for this program. The 2001 Executive Budget includes a total of \$205.2 million for export contracts.

Long-Term Solid Waste Management

The Bureau of Long-Term Export is responsible for analyzing, planning, and developing long-term waste disposal strategies for the City's waste. The Comprehensive Solid Waste Management Plan (SWMP) of 1992 (updated in 1996) included the City's ten-year solid waste management plan. The City is required, as part of the long-term plan, to amend the SWMP to reflect how it will manage its future waste disposal due to the closure of the Fresh Kills landfill.

The Mayor submitted the Solid Waste Management Plan modification to the City Council for review in April 1998. The Department will release its final SWMP this spring to reflect the closure of the Fresh Kills landfill and its waste management strategies. Important elements of this plan are expanding waste prevention, recycling, and developing marine and rail based waste transportation options. The Staten Island Transfer Station project is currently in the design stage. This transfer station will provide the borough of Staten Island with the ability to transfer waste, collected by trucks, to freight containers for shipment out of New York City.

Bureau of Waste Prevention, Re-use, and Recycling

The Department continues its efforts to reduce the quantity of solid waste the City must dispose. The Department manages the largest and most aggressive recycling program in the United States.

The Bureau of Waste Prevention, Re-use, and Recycling studied and implemented many of the Fresh Kills Task Force recommendations including extensive educational outreach programs and the expansion of materials to be included in the City's recycling program. For example, the City expanded its recycling program to include

mixed paper and household metal bulk collection. Also, pursuant to Local Law 59 of 1998, the City has expanded alternate week recycling collection to a weekly collection schedule in an effort to augment recycling participation and waste diversion rates. In April 2000, the Department implemented the final phase of weekly recycling providing all New York City residents with weekly collection services. The Department also expanded its leaf and Christmas tree collection to increase composting.

These efforts are evident in the City's diversion rates. The citywide diversion rate was 19.2 percent of the residential and curbside waste stream and 32.8 percent of the total DOS managed waste stream (including recycled construction and demolition debris and tires) for the first four months of fiscal year 2000.

Bureau of Waste Disposal

The Bureau of Waste Disposal is responsible for the receipt, transfer, transportation, and final disposal of approximately 13,000 daily tons of residential and institutional waste through its marine transfer stations, barges, Fresh Kills, and waste export contracts. As refuse is diverted from the landfill, workload reductions have occurred at the marine transfer stations and at Fresh Kills. Staff levels at these facilities have been reduced through attrition and redeployment to other divisions.

BWD is also responsible for the Fresh Kills landfill closure activities. The Financial Plan includes funds for closure activities including the final capping of the landfill, leachate treatment and control, methane gas collection and flaring, maintenance and security of the site and waterways, and environmental monitoring.

The Bureau of Cleaning and Collection

The Bureau of Cleaning and Collection is primarily responsible for collecting household refuse and recyclables, cleaning City streets, and enforcing recycling regulations and portions of the City's health and administrative codes. BCC provides refuse collection services two or three times a week depending on the population density of the community. Additional resources have been provided to this Bureau due to increased travel time to export refuse to out-of-city transfer stations and to ensure that collection schedules are completed on time.

The Financial Plan includes additional resources to BCC for citywide weekly recycling collection. Due to the increase in recyclables collected, the Department will deploy additional trucks to ensure that collection schedules are completed. The Department's pilot study of dual bin collection trucks to pick up paper, metal, glass, and plastic in one collection truck has been successful in low tonnage districts. The Department will expand the use of dual bin trucks in fiscal year 2001 in low-density districts to improve collection productivity.

In order to maintain street cleanliness, BCC deploys mechanical street sweepers to clean over 6,000 miles of streets. The Department deploys Work Experience Program (WEP) participants to assist in the cleaning of City streets. This initiative has contributed to an improvement in citywide street cleanliness. The Department's street cleanliness rating for the first four months of fiscal 2000 rose to 89.3 percent acceptably clean from 84.9 percent from the previous year. BCC cleaning operations include supplemental cleaning of recreational areas and beaches (during the summer season), vacant lot cleaning, and the cleaning of illegal dumpsites.

The Department will continue the cleaning strategy embodied in Operation SLICE (Streets, Lots, Intensive Cleaning and Enforcement) to perform intensive street cleaning in problem areas citywide. In 2001, the Department will continue its enforcement efforts to maintain improved street and lot conditions and work closely with other City agencies to identify those properties that require better maintenance. Also, as part of the Mayor's ongoing effort to improve quality of life in the City, the Department implemented an Anti-Graffiti Program in 1999. The Department continues to keep all of its facilities, vehicles and equipment free of graffiti.

Support Bureaus

The Bureau of Motor Equipment provides services related to the acquisition, repair, and maintenance of the Department's motor equipment including collection trucks, street sweepers, salt spreaders, cranes, tractors, and other vehicles and equipment. BME operates an extensive repair and maintenance facility to ensure that equipment is available to implement the Department's operational functions. This Bureau researches and develops equipment specifications to improve productivity, vehicle design, and alternative fuel vehicles.

The Bureau of Building Maintenance continues to provide facility management services. BME provides maintenance and emergency repair work for the Department's 204 facilities.

Capital Review

The Department's 2001-2004 Four-Year Capital Plan totals approximately \$1.0 billion. The Four-Year Capital Plan provides the Department with funding to construct, rehabilitate, purchase, and develop the necessary infrastructure and assets to support refuse collection, recycling, cleaning, waste disposal, and support operations. The Department's Capital Budget consists of two major components – garage construction and rehabilitation, and equipment purchases. These two major programs represent 92 percent of the total 2001 Capital Budget allocation.

The Department supports its collection and cleaning operations through its garage program. The garage program will be expanded and developed to compliment the size of the Department's fleet and work force. Garages and facilities will be constructed and rehabilitated in all five boroughs. The Department continues to replace equipment, in accordance with established replacement schedules, including collection trucks, dual bin trucks, mechanical brooms, and salt spreaders in order to support operations.

The Department's Capital Plan includes funding for the rehabilitation of its marine infrastructure. Furthermore, the marine borer abatement program, which is necessary to implement New York City's long-term waste disposal plan, will ensure that these facilities are structurally sound and operationally safe.

In order to reduce the amount of solid waste disposed, the Department supports recycling projects. The Capital Plan provides funds to increase the City's composting capabilities by developing sites for composting.

The table below shows capital commitments by program area over the FY 1999-2004 period.

Capital Commitments

(\$000's)

	1999 Actual		2000 Plan		2001 Plan		2002 Plan		2003 Plan		2004 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Bureau of Waste Disposal	-17,691	-17,691	-65,785	-65,785	48,259	48,259	110	110	22,209	22,209	0	0
Solid Waste Management												
Plan	-5,779	-5,779	545	545	-2,655	3,595	0	0	2,505	2,505	0	0
Garages	20,787	20,787	44,004	44,004	120,694	120,694	156,625	156,625	109,875	109,875	175,685	175,685
Equipment	65,443	65,443	146,545	146,545	115,761	122,761	76,400	76,400	81,306	81,306	81,827	81,827
TOTAL	<u>62,760</u>	<u>62,760</u>	<u>125,309</u>	<u>125,309</u>	<u>282,059</u>	<u>295,309</u>	<u>233,135</u>	<u>233,135</u>	<u>215,895</u>	<u>215,895</u>	<u>257,512</u>	<u>257,512</u>

Highlights of the Four-Year Capital Strategy and FY 2001 Executive Capital Plan

- rehabilitation of and improvements to the Marine Transfer Stations including the construction of a marine borer protection system to extend the life of pilings that support piers and waste management facilities (\$14.6 million).
- construction of various garages (\$519.3 million), including the construction of the Queens 14 garage (\$32.6 million), Brooklyn 1 & 4 garage (\$75.6 million), Manhattan 4/4A/7 garage (\$101.5 million), and Manhattan 6/8/8A garage (\$123.9 million).
- rehabilitation of garages and various facilities (\$43.6 million).
- replacement of collection trucks and mechanical brooms in accordance with established replacement cycles (\$267.4 million in total funds).
- construction of new composting sites (\$6.1 million in total funds).

The 2001 Plan provides \$295.3 million (\$282.1 million City funds) including:

- replacement of collection trucks and mechanical brooms (\$94.0 million) and salt spreaders (\$4.3 million) in accordance with established replacement cycles.
- replacement of all other equipment (\$17.5 million).
- construction of Brooklyn District 1 and 4 garage (\$75.4 million).
- construction of Brooklyn District 14 garage (\$7.9 million).
- rehabilitation of multiple garages and facilities, Citywide (\$9.7 million).
- construction of salt sheds, Citywide (\$6.2 million).
- rehabilitation and improvements to the Marine Transfer Stations (\$6.5 million).
- construction of a marine borer protection system to extend the life of pilings that support piers and waste management facilities (\$5.6 million).
- construction of new composting sites (\$3.6 million in total funds).

DEPARTMENT OF PARKS AND RECREATION

The Department of Parks and Recreation maintains one of the oldest and largest municipal park systems in the country. The Department maintains 28,156 acres of developed, natural, and undeveloped parkland, which constitutes 13.7 percent of the City's landmass. The Department's responsibilities include maintenance and operation of 800 malls, triangles and public squares, 980 playgrounds, 614 ballfields, 35 recreation centers, 14 miles of beaches, 7.5 miles of boardwalks, 13 golf courses, three zoos, and three municipal stadia. The Department is also responsible for the care and cultivation of approximately two million park trees and 500,000 street trees.

The Department of Parks and Recreation provides recreation programs for all age groups at parks, playgrounds and indoor recreation centers citywide. Structured programs include basketball, track and field, softball, boxing and swimming instruction.

Financial Review

The 2001 Executive Budget for the Department of Parks and Recreation provides for operating expenses of \$184.6 million, which represents a net decrease of \$8.2 million from the amount forecasted in 2000. This decrease is primarily due to one-year grants and initiatives included in 2000, but not in 2001. Capital commitments for 2001 of \$242.3 million are also provided, an increase of \$8.2 million from the 2000 capital plan.

Revenue Forecast

The Department of Parks and Recreation collects revenue from fees for the use of City tennis courts, ball fields, skating rinks, stadium rentals and concessions on park property. In 2001, the Department will collect \$44.5 million from these sources, compared to \$46.3 million in 2000. Accounting for some of the changes are the increased stadium rent collections, and additional concession revenue.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- maintaining the City's parks, playgrounds, infrastructure, and safety equipment.
- operating pools and beaches, and providing instructional and recreational programs.
- maintaining and operating recreation centers citywide.
- new annual funding of \$465,000 in Community Development funds will be provided for the Hunts Point Teen Center in the Bronx, which will be completed in the fall of 2000.
- subsidizing the City's zoos: Flushing Meadows, Prospect Park, Central Park and Central Park Children's Zoo.
- maintaining a ten-year tree pruning cycle utilizing both in-house staff and private contractors.
- maintaining park cleanliness.
- staffing increase for the maintenance of City Hall Park and Foley Square.
- maintaining funds for the Central Park Conservancy as part of the public and private partnership initiative to maintain Central Park in a state of good repair.

Impact of Reducing the Size of Government

- reducing seasonal spending for maintenance while continuing to improve park condition ratings.
- reducing seasonal playground associates while continuing to provide recreational services to communities.
- reducing headcount through attrition with a fifty percent replacement of seasonal employees.

Summary of Agency Financial Data
(\$000's)

			2001		Increase/(Decrease)	
	1999 Actual	2000 Forecast	Preliminary Budget	Executive Budget	2000 Forecast	2001 Preliminary Budget
<i>Expenditures</i>						
Personal Service	\$137,164	\$141,395	\$134,315	\$136,820	(\$4,575)	\$2,505
Other Than Personal Service	49,137	51,417	44,172	47,805	(3,612)	3,633
Total	<u>\$186,301</u>	<u>\$192,812</u>	<u>\$178,487</u>	<u>\$184,625</u>	<u>(\$8,187)</u>	<u>\$6,138</u>
<i>Funding</i>						
City	\$156,618	\$159,124	\$149,226	\$148,447	(\$10,677)	(\$779)
Other Categorical Grants	3,023	3,439	—	—	(3,439)	—
Capital IFA	13,449	14,946	14,951	14,951	5	—
State	446	752	—	—	(752)	—
Federal						
• JTPA	—	—	—	—	—	—
• CD	3,803	4,786	4,746	5,433	647	687
• Other	178	201	—	—	(201)	—
Intra-City Other	8,784	9,564	9,564	15,794	6,230	6,230
Total	<u>\$186,301</u>	<u>\$192,812</u>	<u>\$178,487</u>	<u>\$184,625</u>	<u>(\$8,187)</u>	<u>\$6,138</u>
<i>Personnel (at fiscal year-end)</i>						
City	1,827	1,777	1,677	1,677	(100)	—
Non-City						
• IFA	237	296	296	296	—	—
• CD	37	61	61	76	15	15
• Other	—	—	—	—	—	—
Total	<u>2,101</u>	<u>2,134</u>	<u>2,034</u>	<u>2,049</u>	<u>(85)</u>	<u>15</u>

Programmatic Review

The Department of Parks and Recreation will focus on maintaining parks, playgrounds, beaches, pools and recreational facilities. It will continue to deploy two programs: the Work Experience Program, which will aid in litter removal and overall park maintenance; and the Parks Career Training Program, which will assist participants to develop skills necessary to acquire useful employment. The Department commits to improving the care of its street trees citywide by allocating expense funds for tree pruning personnel and private contracts for a ten-year pruning cycle, as well as by allocating capital funds to plant 14,000 new street trees each year.

The Department will continue to optimize its resources to improve cleanliness and acceptability ratings in parks and playgrounds citywide. Cleanliness and acceptability ratings for the overall condition of parks and playgrounds have reached 95 percent and 88 percent respectively in 2000. The Department will continue its use of capital requirements contracts in conjunction with the Work Experience Program and the Parks Career Training Program to provide safe and clean parks.

Capital Review

The Four-Year Plan totals \$468.4 million, including \$11.3 million of non-city funding. The table below shows capital commitments by program area over the 1999 - 2004 period.

Capital Commitments (\$000's)

	1999 Actual		2000 Plan		2001 Plan		2002 Plan		2003 Plan		2004 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Beaches and Boardwalks	953	953	3,178	3,178	2,185	2,185	0	0	500	500	500	500
Land Acquisition and Tree Planting	10,795	11,785	10,658	10,885	15,218	17,024	7,000	7,000	7,000	7,000	8,000	8,000
Major Recreation Facilities . .	15,613	15,613	23,763	23,788	16,504	17,012	13,067	13,067	3,437	3,437	6,303	6,303
Neighborhood Parks and Playgrounds	58,831	60,869	80,800	81,206	66,649	67,344	16,110	16,110	13,000	13,000	13,000	13,000
Vehicles, Equipment and Facility Reconstruction	14,391	14,391	26,287	26,287	9,241	9,241	9,400	9,400	8,895	8,895	11,070	11,070
Large, Major and Regional Park Reconstruction	58,720	67,929	74,177	88,729	121,258	129,513	93,590	93,590	5,400	5,400	9,760	9,760
Zoos	28	28	0	0	0	0	0	0	0	0	0	0
Total	<u>159,331</u>	<u>171,568</u>	<u>218,863</u>	<u>234,073</u>	<u>231,055</u>	<u>242,319</u>	<u>139,167</u>	<u>139,167</u>	<u>38,232</u>	<u>38,232</u>	<u>48,633</u>	<u>48,633</u>

Highlights of the Four-Year Capital Strategy and the 2001 Executive Budget

- planting an average of 14,000 street trees per year (\$28.0 million).
- reconstructing and replacing of safety surfaces, play equipment and paths (\$52.0 million).
- constructing Hudson River Park (\$98.0 million).
- reconstructing citywide park comfort stations (\$3.5 million).
- constructing an indoor pool in Flushing Meadows/Corona Park (\$14.6 million).
- reconstruction of park bridges (\$7.4 million).
- reconstruction of regional parks citywide (\$20.0 million).
- reconstruction and expansion of East River Park (\$5.0 million).
- constructing irrigation systems for 12 municipal golf courses (\$7.1 million).

- renovation of Yankee Stadium to provide better handicapped accessibility (\$6.8 million).
- reconstructing damaged pilings caused by marine borers at the Cromwell Recreation Center (\$11.2 million).
- reconstructing Columbus Circle Park Plaza (\$5.0 million).

DEPARTMENT OF ENVIRONMENTAL PROTECTION

The major functions of the Department of Environmental Protection (DEP) include the collection, storage and delivery of the City's water; the conveyance and treatment of storm water and sanitary flow; the enforcement of air, noise and water use regulations; water use billing, revenue collection and customer service; the management of environmental issues and natural resource protection; and the construction and reconstruction of the related infrastructure. The City is reimbursed for the costs of operating the water and sewer system by the New York City Water Board and the Department's capital program is financed through the New York City Municipal Water Finance Authority.

Financial Review

The Department of Environmental Protection's 2001 Executive Budget provides \$666.3 million in operating expenses, an increase of \$24.3 million from the amount forecast in 2000. It also provides capital commitments of \$6.2 billion in City funds and \$308 million in State funds for a total of \$6.5 billion to fund the Capital Four-Year Plan.

Revenue Forecast

The Department collects revenue from environmental quality permits, the sale of hydro-energy to upstate power utilities, property rentals, summonses adjudicated before the Environmental Control Board (ECB), and other fees. The revenue estimate for 2001 is \$44.6 million. DEP also collects the data used to generate bills for customers and collects water and sewer fees for the New York City Water Board.

The Bureau of Environmental Compliance, which deals with air, noise and hazardous materials, performs inspections, issues licenses and permits, and reviews technical plans related to asbestos control, air quality, and noise abatement laws. Combined, the 2001 revenue from these sources is projected at \$8.4 million. The Environmental Control Board will collect \$32.2 million in 2001, an increase of \$1.5 million from 2000. This increase is attributable to the expansion of street construction enforcement by the Police Department.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- to ensure compliance with Local Law 65/96, which mandates notification to property owners to connect to the sewer system and prohibits the discharge of sanitary flow into storm sewers, DEP will hire three additional engineers. DEP will also add three inspectors to enhance enforcement of grease regulations to mitigate sewer back-ups and potential odor disruptions.
- the Department will change its method for disinfecting in-City drinking water with chlorine gas to one utilizing the sodium hypochlorite. Ten maintenance positions will be added to support this function.
- three positions will be added to the effort to develop a Telemetry Unit that would increase the Agency's efficiency in the collection and analysis of multiple drinking water parameters.
- to assist in the design, construction and maintenance of natural resource areas used in support of 'Best Management Practice' (BMP) drainage facilities in the Bluebelt system in Staten Island, DEP will hire a landscape architect. The establishment of BMPs allows for the presence of a natural storm water drainage system that alleviates residents of problems associated with major sewer construction.

- to ensure a 24 hour/7 day a week patrol coverage at Kensico Shaft 18 (East of Hudson District), DEP will hire an additional watershed maintainer. Two additional watershed maintainers will also be hired for the overall maintenance of buildings, grounds, highways and the aqueduct in the Catskill District.
- the Agency will hire two foresters whose task will be to develop management plans for timber on City-owned land for the purpose of sustaining a healthy forest and higher water quality. Three positions will be added to the upstate engineering section to review stormwater mitigation plans.
- to improve the statistical method for identifying and determining the viability of pathogens in water, soil and sediments, DEP will hire three scientists.

Productivity and Restructuring Initiatives

- to enhance preventive and corrective maintenance at in-City wastewater treatment facilities through the addition of fifteen positions.
- DEP will continue the Waterfowl Management Program at the Kensico Reservoir. This innovative program has successfully reduced the number of birds that nest in, and pollute, the City's reservoir without harming the birds.
- DEP will continue a pilot program to improve catch basin cleaning productivity by increasing the number of sites at DEP facilities used to transfer the residuals to landfills.
- the Department will evaluate various interim strategies that ensure continued compliance with current State nitrogen discharge limits prior to implementation of the City's long-term Comprehensive Nitrogen Management Plan for its wastewater treatment facilities.

Public/Private Competition

- the Department will continue managing its successful program regarding the disposal of dewatered sludge (or biosolids) produced from the City's wastewater treatment plants (WTPs). Through private vendors, the biosolids are transported throughout the country for beneficial use (i.e. compost and fertilizer).
- in 2001 the City will continue funding maintenance contracts on the Third Water Tunnel for servicing pumps, valves, alarms, power and lighting as well as electrical and telemetry equipment, elevators, dehumidifiers, chlorination equipment and the ventilation system. The total annual cost of these contracts is approximately \$5.5 million.
- the Department will contract for sewer dragging services for Springfield Gardens in Queens and for Third Avenue in Brooklyn to alleviate the accumulation of silt at a cost of \$666,000 in 2001.
- DEP will continue to contract with the Watershed Agricultural Council to facilitate a forestry management program to help protect our upstate reservoirs.
- to evaluate process improvements at in-City WTPs that can result in enhanced nitrogen removals to be performed by the City University of New York (CUNY) during a two-year study. Additionally, the Department will acquire preventive and corrective maintenance services for equipment installed as part of biological nutrient removal retrofit projects at its WTPs.

- the Department will fund a contract for the service and repair of the Gowanus Flushing Tunnel pump.
- DEP is exploring an expansion of its program to privatize water meter readings via cooperative agreements with public utilities or other contractors that will incorporate water meter readings as part of their operations. The reading of customers' meters in Staten Island and the Bronx will continue to be performed by private vendors.

Summary of Agency Financial Data
(\$000's)

					Increase/(Decrease)	
	1999 Actual	2000 Forecast	2001		2000	2001
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<i>Expenditures</i>						
Personal Service	\$277,832	\$290,815	\$289,790	\$293,516	\$2,701	\$3,726
Other Than						
Personal Service	293,729	351,225	354,434	372,734	21,509	18,300
Total	<u>\$571,561</u>	<u>\$642,040</u>	<u>\$644,224</u>	<u>\$666,250</u>	<u>\$24,210</u>	<u>\$22,026</u>
<i>Funding</i>						
City	\$539,214	\$606,874	\$608,072	\$630,178	\$23,304	\$22,106
Other Categorical Grants	—	—	—	—	—	—
Capital IFA	32,277	33,355	35,580	35,580	2,225	—
State	—	301	—	—	(301)	—
Federal						
• JTPA	—	—	—	—	—	—
• CD	—	—	—	—	—	—
• Other	18	938	—	—	(938)	—
Intra-City Other	51	572	572	492	(80)	(80)
Total	<u>\$571,561</u>	<u>\$642,040</u>	<u>\$644,224</u>	<u>\$666,250</u>	<u>\$24,210</u>	<u>\$22,026</u>
<i>Personnel (at fiscal year-end)</i>						
City	272	286	286	286	—	—
Non-City						
• IFA	710	828	828	828	—	—
• CD	—	—	—	—	—	—
• Other	4,642	4,883	4,883	4,884	1	1
Total	<u>5,624</u>	<u>5,997</u>	<u>5,997</u>	<u>5,998</u>	<u>1</u>	<u>1</u>

Programmatic Review

Water Supply Strategies

The federally mandated Surface Water Treatment Rule (SWTR) requires all surface water providers to filter drinking water unless they can demonstrate that their supply meets increasingly strict federal standards without a filter system. In 1997, the U.S. Environmental Protection Agency (EPA) gave the City a five-year conditional waiver from a filtration mandate for the Catskill and Delaware water systems. A filtration plant for the Catskill and Delaware systems would cost an estimated \$4-8 billion to construct. DEP continues to implement an innovative strategy to protect and monitor both the upstate source waters and the in-City distribution system. To preserve the source waters, the Department's plan includes purchasing environmentally sensitive land around the City's reservoirs, increasing water quality monitoring, upgrading City-owned and non-City owned WTPs, enhancing laboratory analysis, and improving agricultural and resource management practices. Within the City, the Department has focused on various programs to improve the distribution system, by eliminating cross connections, improving valve maintenance, flushing mains, and increasing water sampling and laboratory analyses.

To aid with the enforcement of the Watershed Rules and Regulations, the City hired 70 new watershed police officers during the past year. Presently these officers are divided among the City's three watersheds where they are enhancing security by guarding the reservoirs and aqueducts from potential polluters.

The Croton system did not receive a waiver from filtration and the City is under federal and state mandate to construct a water filtration plant. In July 1999, the City Council approved the selection of the Mosholu Golf Course in the Bronx for the plant location. Construction is expected to begin in 2001 and the plant will be in operation by March 2007.

The water supply flows through three aqueducts on its way to the City: the New Croton, Catskill, and Delaware systems. Water from the Catskill and Delaware Aqueducts is delivered to the Hillview Reservoir, a balancing reservoir, where it enters the City through two underground tunnels; City Tunnel Number 1 and Number 2. The water tunnels connect to a 6,000 mile underground network of water mains that carries drinking water to buildings and homes throughout the City. In July 1998 Stage One of City Tunnel Number 3 began transporting drinking water to New York City residents for the first time. Work continues on Stage Two. When complete, the Tunnel will enhance and improve the adequacy and dependability of the entire water supply system and improve service and pressure to the outlying areas of the City. It will also provide the opportunity for the Department to inspect and repair the other two tunnels, which have been in continuous service since their respective completions in 1917 and 1936.

Wastewater Treatment Initiatives

The renegotiated federal consent order governing the disposal of New York City's dewatered sludge (or biosolids) allows the City to replace its prior management program with an improved and more cost-effective program. Beginning in 1999, under the new program, DEP's biosolids disposal strategy has realized annual cost savings of approximately \$45 million while obtaining greater environmental benefits through increased recycling or reuse. The Department will continue managing this successful program in 2001, with 100 percent of its dewatered sludge beneficially used at a projected cost of approximately \$50 million.

According to a recent Harbor Survey issued by the Department, water quality in New York Harbor and its surrounding rivers continues to improve. The Harbor Survey has provided ongoing monitoring of water quality at 53 sampling stations throughout the Harbor since 1909. For example, coliform bacterial counts, which are indicators of sewage pollution, have continued to decline and, since 1993, compliance with New York State standards continues at the highest levels recorded by this program. Improvements have also been realized in the measure of dissolved oxygen (DO) in the City's surrounding waters. DO is a universal indicator of overall water quality in aquatic systems and its concentrations in most areas of the Harbor have been notably higher throughout the 1990s than in the prior decade. These improvements are primarily in response to the following Department initiatives: continued wastewater treatment plant (WTP) construction and upgrades throughout the City; the abatement of illegal discharges; improved surveillance and sewer maintenance; and increased capture of wet weather flows.

Customer Service and Conservation Programs

The Department services approximately 826,000 water and sewer customer accounts. Of these, approximately 680,000 are billed for water and sewer services based on metered consumption and 146,000 are billed on an annual flat-rate system. The accounts billed on a flat-rate basis include approximately 20,000 properties, which are already metered, but are being billed flat-rate during a transition period.

As required by the NYS Department of Environmental Conservation and the NYC Water Board, the number of unmetered accounts has diminished each year as the Department progresses towards its goal of universally metering all properties. The major goals of universal metering include water conservation, improved water supply system management and rate equity. While most property owners have cooperated with the metering program, others have failed to comply. Owners of unmetered properties have been notified that if they have not made arrangements to have a meter installed by June 30, 2000 they will be billed a surcharge equal to 100 percent of their annual flat-rate water and sewer charges.

DEP has made significant progress in improving the quality of its water and sewer bills. The percentage of metered bills based on estimated consumption has been reduced from 42 percent to 17 percent over the past 3.5 years. Since customers are more likely to pay bills based on actual consumption, these improvements have helped DEP in exceeding its collection targets each year.

The Department has expanded the use of private contractors to read water meters. After a successful pilot program in Staten Island the contractor, Con Edison, is now reading all 160,000 meters located in Staten Island and the Bronx.

The Department's outreach program continues to offer communities an opportunity to have local meetings during which customers can speak directly with customer service representatives about their water and sewer bills, have inspections performed and billing adjustments made, and learn about water conservation. There have been 108 meetings servicing 4,525 accounts since the outreach effort began in December of 1996. Historically, the meetings have targeted customers from particular communities. Recently, meetings have focused on the needs of groups of customers with common concerns and interests including the needs of owners and managers of multiple dwellings, co-ops, and condos and non-English speaking customers.

DEP has made efforts in improving on convenience for customers paying their water and sewer bills by entering into an agreement with privately operated Neighborhood Payment Centers (NPCs). Previously, customers could pay by check or money order at one of the Department's five borough offices or by mailing their payments to a lockbox. Now they can make payments by cash, check, or money order at NPCs. There are currently 50 NPCs processing water/sewer payments, and by the end of calendar year 2000 there will be 250 in operation.

DEP has enhanced the capabilities of its Interactive Voice Response (IVR) system. Customers now hear key information about their specific accounts, such as current balance due, description of the last payment received, and information about the last meter reading. During the first quarter of 2001, the service will be further enhanced by allowing customers to key their meter readings into the billing system, which will help to preventing bills based on estimated consumption.

The Department's conservation programs will also conduct 12,000 surveys for water leaks on customers' properties and supply low-flow showerheads and faucet aerators at no cost to its customers. Where leaks are detected and promptly corrected, customers may qualify for a "forgiveness" program that reduces increased charges caused by the leaks. The program was recently expanded to service both residential and commercial properties.

Environmental Compliance

The Bureau of Environmental Compliance responds to hazardous material emergencies, maintains a Citywide database of facilities containing hazardous materials under its Right-to-Know Program (RTK), monitors emissions and environmental impacts from alternative fuel vehicles, inspects in-progress asbestos abatements for all City-owned properties, investigates air quality and noise complaints, maintains four air monitoring stations on Staten Island, and assists environmental economic development.

In December 1996, the RTK Program was consolidated into the Division of Emergency Response & Technical Assessment (DERTA). This Division responds to hazardous material emergencies and inspects chemical facilities and locations with associated hazardous substance risks. Inspectors identify facilities, conduct investigations, and issue violations to non-compliant facilities. The Department maintains a Citywide Facility Inventory database.

The Asbestos Control Program (ACP) was created to certify asbestos handlers, provide telephone response service to contractors and the public, provide laboratory analysis of asbestos materials, and inspect asbestos remediation projects. ACP also inspects the cleanup of parks containing soil and dust contaminated by lead-based paint (LBP) from nearby bridges.

Other Services

Working with local businesses, the Department fosters economic development and environmental protection via its Environmental Economic Development Assistance Unit (EEDAU). This program promotes environmentally sound business practices and offers assistance to City businesses on issues relating to compliance and pollution prevention.

The Department continues to maintain a 24-hour complaint and emergency Help Center, which responds to infrastructure-related and quality-of-life complaints and monitors the Department's response to emergencies. Complaints are entered into the automated complaint system and electronically routed to field offices.

Capital Review

Overview

In total, the Four-Year Capital Strategy provides \$6.5 billion from the following sources: \$6.1 billion in Water Finance Authority Funds; \$74 million in City funds; and \$308 million in State funds. The major elements of the Four-Year Capital Strategy include:

- continuing construction of Stage Two of City Tunnel Number 3 for \$532.6 million. Work on this stage of tunnel construction will be in Queens and Manhattan. Stage Two is expected to be operational in 2008. Stage One went into operation in July 1998.
- allocating \$369.0 million for the continuation of programs upstate, including the reconstruction of dams, watershed improvements, land acquisition and programs related to the Watershed Memorandum of Agreement to enhance water quality.
- constructing an EPA-mandated concrete cover over the Hillview Reservoir (\$224.0 million).
- replacing and extending trunk and distribution water mains (\$421.6 million).
- beginning construction of the Croton Water Filtration Plant (\$318.4 million) under the Mosholu Golf Course in the Bronx.
- replacing and constructing sewers to improve and expand the collection and transport of storm and waste water (\$585.7 million).
- upgrading the Newtown Creek Wastewater Treatment Plant to provide secondary treatment (\$1.2 billion).
- stabilizing in-City wastewater treatment facilities that are in need of system-wide reconstruction to ensure their continued compliance with mandated permit requirements (\$907.3 million).
- retrofitting wastewater treatment facilities and other related projects to reduce the amount of nitrogen discharged into New York Harbor, Jamaica Bay, and the Long Island Sound (\$112.0 million).
- reconstructing or replacing individual components at in-City wastewater treatment facilities to ensure their continuous and reliable operation (\$137.8 million).
- reconstructing in-City wastewater pumping stations, regulators, tide gates, and force mains to minimize leakage or back-ups in the sewer system (\$169.6 million).
- implementing initiatives that address water quality problems attributable to combined sewer overflow (CSO) discharges into the City's surrounding waterways during rainstorms (\$670.2 million). These include an estimated \$100.0 million in New York State funds, as part of the Clean Water/Clean Air Bond Act of 1996, for various water quality improvement projects that are included in the Four-Year Plan.

Major projects scheduled for 2001 include:

- continuing the upstate land purchase program which will protect environmentally sensitive land around the City's reservoirs (\$54.0 million).

- \$120.6 million for water main replacement and extension including: \$18.3 million for main replacement in Crescent Street, Brooklyn; \$18.0 million for main replacement in Redfern Avenue, Queens.
- construction of Hillview Chlorination Building for \$42.0 million.
- continuing the construction for Tunnel #3 Stage 2 (\$111.6 million).
- replacing and constructing sewers (\$213.8 million).
- upgrading portions of the Newtown Creek Wastewater Treatment Plant (\$775.7 million).
- retrofitting wastewater treatment facilities and other related projects to reduce the amount of nitrogen discharged into New York Harbor, Jamaica Bay, and the Long Island Sound (\$36.0 million).
- reconstructing or replacing individual components at in-City water pollution control wastewater treatment facilities to ensure their continuous and reliable operation (\$60.8 million).
- reconstructing in-City wastewater pumping stations, regulators, tide gates, and force mains (\$71.8 million).
- remediation of closed City-owned landfills at Pennsylvania and Fountain Avenues and Brookfield Avenue (\$74.1 million G.O. funds and \$203.2 State funds).
- forecasting \$25.0 million in New York State funds, as part of the Clean Water/Clean Air Bond Act of 1996, for water quality improvement projects that are scheduled in 2001.

The table below shows capital commitments by program area over the 1997-2002 period.

Capital Commitments
(\$000's)

	1999 Actual		2000 Plan		2001 Plan		2002 Plan		2003 Plan		2004 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Water Pollution	198,063	198,490	437,339	467,923	1,052,731	1,082,731	1,387,250	1,412,250	637,561	662,561	284,606	309,606
Water Mains	200,209	203,057	350,676	350,802	250,767	250,767	255,139	255,139	307,619	307,797	300,749	300,749
Sewers	185,207	185,207	265,475	265,537	216,992	216,992	164,976	164,976	105,568	105,568	98,229	98,229
Water Supply	4,236	4,236	109,286	109,286	194,100	194,100	235,814	235,814	323,530	323,530	154,000	154,000
Equipment	80,631	80,631	139,872	150,942	167,416	370,651	38,604	38,604	30,047	30,047	16,723	16,723
Total	<u>668,346</u>	<u>671,621</u>	<u>1,302,648</u>	<u>1,344,490</u>	<u>1,882,006</u>	<u>2,115,241</u>	<u>2,081,783</u>	<u>2,106,783</u>	<u>1,404,325</u>	<u>1,429,503</u>	<u>854,307</u>	<u>879,307</u>

The 2001-2004 Capital Strategy provides \$6.5 billion in funding. The major elements of the Four-Year Plan are described below in the context of the four major program areas.

Water Supply

DEP provides water for consumption and fire fighting in the City, and in many upstate communities, by maintaining 18 reservoirs and three controlled lakes in three watersheds, with a storage capacity of about 550 billion gallons. A network of three aqueducts, three City water tunnels, and 103,661 hydrants, 88,633 valves and 6,181 miles of water mains are or will be used to convey water from upstate to distribute this water within the

City and to several upstate communities. Highlights of the Four-Year Capital Plan include construction on Stages One and Two of City Tunnel Number 3, the replacement and construction of water mains and improvements to the water supply system upstate.

The Stage One portion of City Tunnel Number 3 is 13 miles long and directs water south from the Hillview Reservoir in Yonkers, under Central Park Reservoir in Manhattan, east under the East River and Roosevelt Island to Long Island City in Queens. Tunnel water rises via 14 supply shafts and feeds into the distribution system. Construction of Tunnel Number 3, Stage One for the Four-Year Plan is \$364.0 million and includes funds for the reconstruction of the Hillview Reservoir designed to improve both the flow and the quality of water entering City Tunnels. Additional projects under Stage 1 include: reconstruction of the chlorination building, reconstruction of chambers and the design and construction of a concrete cover over the surface of the reservoir, as mandated by the EPA. The Four-Year Plan forecasts \$532.6 million for continuation of the construction of Stage Two and consists of two sections: the Brooklyn/Queens section and the Manhattan section. The Brooklyn/Queens portion of Stage Two stretches from Redhook, Brooklyn to Maspeth, Queens. The Queens portion of Stage Two is being excavated. The remaining construction work is for various Shafts in Queens and Manhattan. Stage Two is expected to go into operation in 2008.

The Four-Year Plan includes \$318.4 million for the construction of the Croton Water Treatment Plant. The plant will filter water from the East-of-Hudson watershed, which furnishes ten percent of the City's total drinking water supply. The City will commence construction in September 2001 underneath the Mosholu Golf Course in the Bronx so that the plant can operate by March 2007.

The Four-Year Plan forecasts a total of \$421.6 million for the replacement and extension of trunk and distribution water mains. This effort will replace chronically failing six-inch mains in Brooklyn and Queens (Manhattan and the Bronx are largely completed and six-inch replacements in Staten Island are outside the years of this Plan) and will include \$50.0 million for trunk main extension to the former Jamaica Water Supply Company service area in Queens.

The Four-Year Plan provides an overall total of \$253.2 million for projects in the upstate watershed and also \$115.8 million for the reconstruction of various City-owned dams upstate. It earmarks approximately \$20.0 million for the reconstruction of upstate City-owned roads and bridges. The City will spend an additional \$117.7 million in the Four-Year Plan to acquire environmentally sensitive land in the Catskill and Delaware watershed regions, and \$4.0 million to acquire land in the Croton watershed region. The City is selectively acquiring land, either through outright purchase or through conservation easements, within the watershed that contains streams, wetlands, floodplains and other areas that are critical to maintaining high water quality. In total, the City has entered into option agreements to acquire 21,070 acres in the watershed. So far, 142 parcels totaling 9,276 acres have been purchased.

Sewers

DEP operates and maintains over 6,400 miles of sanitary, storm and combined sewers. Approximately 70 percent of the existing system is composed of combined sewers that carry both storm and wastewater to the City's 14 wastewater treatment plants for treatment. The sewage collection system, which is divided into 14 drainage areas, also includes 131,243 catch basins and approximately 5,000 seepage basins to prevent flooding and sewer backups.

For the Sewer program, the Four-Year Capital Plan allocates a total of \$585.7 million for the replacement, construction and expansion of the City's sewer system to improve the collection and transport of storm and wastewater. The Four-Year Capital Strategy provides \$26.4 million for the programmatic replacement and reconstruction of deteriorating sewers Citywide. \$52.7 million is scheduled for the replacement and augmentation of sewers to enhance capacity where required by population increases and economic development projects. As

required by the State's Clean Water Act, \$9.0 million is provided in 2002 for the construction of separate storm and sanitary sewers and the abatement of combined sewer overflows in the Coney Island drainage area. \$295 million is allocated for the replacement of sewers experiencing chronic malfunctions that may cause flooding and potential health hazards. The System will be extended into new areas that are currently underserved, primarily in Queens and Staten Island, for \$202.2 million.

Wastewater Treatment

DEP's Bureau of Wastewater Treatment operates 14 wastewater treatment plants (WTPs), one storm-overflow retention facility, 89 wastewater pumping stations, nine laboratories, eight sludge dewatering facilities and three inner-harbor sludge transport vessels. On average each day, these facilities treat approximately 1.3 billion gallons of dry-weather sewage and handle approximately 1,200 wet-tons of sludge. The Four-Year Plan for Wastewater Treatment projects is \$3.5 billion, including \$100.0 million of State funds.

Portions of the City's water bodies have been identified as having serious water quality problems resulting from combined sewer overflow (CSO) discharges. The Four-Year Plan provides \$670.2 million for the study, design and implementation of CSO abatement projects that includes the following: Flushing Bay; Paerdegat Basin; Hunts Point; Alley Creek; Jamaica Bay (26th Ward); and the Gowanus Canal. These include \$100.0 million that the Department is forecasting in State funds, as part of the Clean Water/Clean Air Bond Act of 1996, for various water quality improvement projects.

The Four-Year Plan has scheduled \$907.3 million for the stabilization of wastewater treatment facilities that are in need of system-wide reconstruction to ensure their continued compliance with mandated permit requirements into the future. These facilities include the Bowery Bay, Wards Island, 26th Ward, Tallman Island, Jamaica, and Hunts Point WPCPs and the Spring Creek storm overflow retention facility.

The Four-Year Plan provides \$137.8 million for the reconstruction or replacement of individual components at DEP's treatment facilities required for continued reliable operations. These components encompass valves, pumps, boilers, generators and other mechanical equipment.

The Four-Year Plan allocates \$169.6 million for the reconstruction of wastewater pumping stations, regulators, tide gates, and force mains. The System's 89 pumping stations are used to convey wastewater over long distances, to drain low-lying areas, and to lift flows to WTPs.

The Four-Year Plan includes \$1.4 billion for consent decree upgrading and construction projects for water pollution control facilities. The largest of these projects is \$1.2 billion for the upgrade of the Newtown Creek WTP to provide full secondary treatment. The Department will also complete work at the North River, Owls Head and Coney Island WTPs.

The Long Island Sound Study (LISS) is a joint federal-state-local (the states being New York and Connecticut) program to identify the Sound's major environmental problems and to develop an appropriate management plan. The United States Environmental Protection Agency (USEPA) is the lead agency in the LISS, which has identified hypoxia, or low levels of dissolved oxygen, as the issue of greatest concern in the Long Island Sound. Hypoxia is the result of a chain reaction beginning with high levels of nutrients, largely nitrogen. In addition to natural sources, other nutrient sources include: effluent from sewage treatment plants, storm water run-off carrying lawn and agricultural fertilizers, organic materials, and air-deposited nitrate substances. The first phase of the Study has been completed and a Comprehensive Conservation and Management Plan has been adopted by the participants to reverse the adverse impacts associated with hypoxia in the Long Island Sound. The City has entered into agreements as part of its State Pollution Discharge Elimination System (SPDES) permits to undertake certain measures to control nitrogen levels. The Four-Year Plan includes \$112.0 million for the Department's Biological

Nutrient Removal (BNR) program, which provides for the retrofitting of its facilities and other related projects to reduce the amount of nitrogen discharged into New York Harbor, Jamaica Bay and the Long Island Sound.

Equipment

The Four-Year Plan totals \$456.0 million for this category that is funded as follows: \$74.1 million in City General Obligation funding, \$203.2 million in State funds, and \$178.7 million in Water Authority funding. The plan includes the remediation of closed landfills, water meter installation, vehicles, computer equipment, facility purchase and the relocation of utility mains for sewer and water projects.

The Department will continue installing meters for all 826,000 residential and commercial customers and replacing 90,000 meters that were installed prior to the beginning of the Universal Metering Program in 1988 at a cost of \$22.4 million in the Four-Year Plan. The meter program allows the Department to charge customers for actual usage rather than on an estimated usage based on property characteristics, thus providing more equitable billing, encouraging water conservation, and allowing better water management.

DEP will remediate three landfills previously operated by the Department of Sanitation. As a result of past illegal dumping which occurred at these sites, they have been placed on the State list of inactive hazardous waste sites. DEP will supervise the remediation of Brookfield, Pennsylvania and Fountain Avenues, which are each in the design phase for landfill caps, landfill gas collection and disposal systems and stormwater management systems. Landfill remediation qualifies for up to 75 percent cost reimbursement from the State. The Four-Year Plan allocates a total of \$203.2 million in State funding and \$74.1 million in City General Obligation Funds. This program is scheduled for completion by 2002.

DEPARTMENT OF TRANSPORTATION

The Department of Transportation (DOT) reconstructs, maintains and operates City bridges, maintains and resurfaces City streets and arterial highways, plans for street reconstruction, maintains and collects revenue from parking meters, manages the streetlighting system and traffic signal network, operates parking facilities, helps regulate traffic flow, coordinates transportation planning, oversees subsidized bus and private ferry operations, manages street use franchises, and operates the Staten Island Ferry.

Financial Review

The Department's 2001 Executive Budget provides for operating expenses of \$469.3 million, a decrease of \$41.8 million from the amount forecast for 2000. This decrease is primarily the result of Federal and State grants expiring at the end of 2000, but which are expected to be renewed during 2001. Capital commitments of almost \$1.3 billion are also provided for 2001, including \$330.0 million in Federal and State funding.

Revenue Forecast

The Department of Transportation collects revenue from parking meters and garages, franchises, concessions, street opening permits, and ferry vehicle fares. In 2001, it is projected that the Department will collect \$150.4 million in revenue, \$3.9 million less than in 2000. The decrease is attributable to higher than average parking meter revenue in 2000 due to an unseasonably mild winter.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- an allocation of \$19.2 million for the maintenance of over 325,000 streetlights, citywide.
- funding of \$20.0 million for the maintenance of over 11,000 signalized intersections, citywide.
- approximately \$11.5 million in 2001 for the maintenance and cleaning of the City's arterial highways.
- an allocation of approximately \$9.0 million to repair hazardous, or potentially hazardous safety and structural conditions on bridges, known as bridge "flags."
- approximately \$1.3 million in City funds in 2001 for the planned drydocking of the American Legion, Lehman and Newhouse ferry boats.

Streamlining

- a savings of \$213,000 resulting from the exchange of obsolete automotive parts for parts required to maintain current automotive equipment.
- a decrease of \$144,000 in maintenance costs resulting from the installation of energy efficient Light Emitting Diodes (LED's) in Queens and Staten Island traffic signals.
- a reduction of \$73,000 from the expiration of the lease for two boom trucks utilized in the Bridge program, which are now being replaced with purchased equipment.

- a decrease of \$64,000 by replacing contract guard services with an alarm system at the Glen Street Maintenance and Repair facility on Staten Island.

Impact of Reducing Size of Government

- a decrease of five deckhands and \$129,000 resulting from privatizing the security function on the Hart Island Ferry.
- a savings of \$105,000 and the elimination of three positions resulting from program efficiencies within the Department's Communications Center.

Summary of Agency Financial Data

(\$000's)

			2001		Increase/(Decrease)	
	1999 Actual	2000 Forecast	Preliminary Budget	Executive Budget	2000 Forecast	2001 Preliminary Budget
<i>Expenditures</i>						
Personal Service	\$212,243	\$225,934	\$204,712	\$209,408	(\$16,526)	\$4,696
Other Than Personal Service	238,058	285,203	249,083	259,890	(25,313)	10,807
Total	<u>\$450,301</u>	<u>\$511,137</u>	<u>\$453,795</u>	<u>\$469,298</u>	<u>(\$41,839)</u>	<u>\$15,503</u>
<i>Funding</i>						
City	\$254,748	\$262,641	\$259,609	\$271,612	\$8,971	\$12,003
Other Categorical Grants	989	1,575	—	—	(1,575)	—
Capital IFA	56,434	79,138	77,701	81,201	2,063	3,500
State	67,814	66,388	37,474	37,474	(28,914)	—
Federal						
• JTPA	—	—	—	—	—	—
• CD	—	—	—	—	—	—
• Other	27,545	33,136	10,752	10,752	(22,384)	—
Intra-City Other	42,771	68,259	68,259	68,259	—	—
Total	<u>\$450,301</u>	<u>\$511,137</u>	<u>\$453,795</u>	<u>\$469,298</u>	<u>(\$41,839)</u>	<u>\$15,503</u>
<i>Personnel (at fiscal year-end)</i>						
City	2,037	2,067	1,966	1,960	(107)	(6)
Non-City						
• IFA	887	1,038	1,038	1,038	—	—
• CD	—	—	—	—	—	—
• Other	1,108	1,264	915	919	(345)	4
Total	<u>4,032</u>	<u>4,369</u>	<u>3,919</u>	<u>3,917</u>	<u>(452)</u>	<u>(2)</u>

Programmatic Review

Bridges

The Bureau of Bridges is responsible for the reconstruction, repair, maintenance and operation of 848 bridge and tunnel structures. In 2001, the Bureau of Bridges will be staffed with 829 positions and have an operating budget of \$57.0 million, a decrease of \$0.6 million from the amount forecast for 2000, due to the expiration of Federal grants which the City will re-apply for in 2001.

The Bridge program in the 2001 Executive Budget continues the City's commitment to preserve and maintain its infrastructure. The Bridge "Flag" Repair program corrects structural and safety deficiencies on bridges using both in-house forces and by contracting out. The Executive Budget provides \$9.0 million in 2001 for the "Flag" Repair program, of which \$5.0 million is provided for contracts to help reduce the backlog of "yellow" and "safety" flags and to keep current on all new occurrences of "flags", especially "red" flags. The in-house staff of over 170 positions for "flag" and corrective repair has been maintained at current levels. Flag Repair is also performed by the Department's Capital contractors doing large-scale reconstruction work on the East River Bridges. As a result of these combined strategies there is no backlog of the more serious "red" or emergency structural flags.

While the City is continuing to downsize its workforce, the preservation of its infrastructure remains a priority. The preventive maintenance program will have a workforce of over 240 positions for the oiling, sweeping, cleaning, washing, electrical maintenance and spot and salt splash zone painting of the City's bridges. Operating in conjunction with the expense-funded program, the Capital Budget also funds large-scale bridge protective coating programs.

To complement the City's commitment to the bridge program, the Federal government will continue to pay for preventive maintenance tasks on the Manhattan, Williamsburg, Queensborough and Brooklyn Bridges while these four bridges are under capital reconstruction.

This continuing commitment to the City's bridge program, in conjunction with a Four-Year Capital Plan of over \$2.8 billion, will result in an extensive bridge system in good condition, with lower capital reconstruction costs, fewer emergency repairs, and a more cost effective maintenance and repair program.

Highway Operations

The Bureau of Highway Operations is responsible for maintaining approximately 5,700 linear miles of City streets and arterial highways. In 2001, this Bureau will be staffed by 968 full time and over 230 seasonal positions with a budget totaling \$88.6 million, a decrease of \$5.8 million from the amount forecast for 2000. This decrease is primarily attributable to Federal and State grants which expire at the end of 2000, but which the City will re-apply for in 2001.

The City will continue to ensure that its streets remain smooth through its in-house and contract resurfacing programs, with 244.0 linear miles (811.0 lane miles) to be resurfaced in 2001. The City also intends to repair approximately 30,000 small street defects in 2001, in addition to other street defects addressed in the street resurfacing program. Currently, over 86 percent of the City's 5,700 linear miles of street surfaces are rated in good condition.

In an effort to maintain the arterial highways within the City and increase community participation, the Department will continue its successful Adopt-a-Highway Program, whereby a sponsor adopts a segment of highway and contributes funding for the cleaning and maintenance of the roadside. In conjunction with City and

private funding, the Department also utilizes State aid to perform both maintenance and safety structure repair activities. Currently, the Department cleans and maintains 200 miles of arterials annually with a staff of over 200. In addition, the Department utilizes the services of over 100 Work Experience Program workers to provide supplemental cleaning on the City's highway shoulders and service areas.

Traffic Operations

The Bureau of Traffic Operations maintains and collects revenue from approximately 71,600 metered spaces, operates 61 municipal parking facilities, and installs and maintains approximately one million traffic signs, approximately 11,000 signalized intersections, and over 325,000 streetlights. The 2001 Executive Budget provides for 1,046 positions and \$170.7 million, a decrease of \$26.5 million from the amount forecast for 2000. As with the Highway Operations budget, this decrease is a result of Federal and State grants temporarily expiring at the end of 2000. The 2001 Executive Budget provides \$39.4 million for the continued maintenance of streetlights and traffic signals.

Due to the success of the joint New York Power Authority/DOT pilot program for red Light Emitting Diodes (LED's) in Queens, the Department has decided to proceed with the installation of an additional 48,500 red and green LED's in over 3,000 signalized intersections in Queens and Staten Island. After these high-efficiency bulbs have been fully installed, the City will save approximately \$1.6 million per year.

In an ongoing effort to enhance traffic safety, the City will continue the Red Light Camera program in 2001. Designed to promote safe, responsible driving by photographing and fining vehicles "running" red lights, this program became fully operational in 1994 and was quickly expanded to its current level of 30 cameras.

Transit Operations

The Bureau of Transit Operations operates and maintains the Staten Island Ferry and its terminals, regulates private ferry operations, provides school bus service for disabled pre-kindergarten children, and manages the subsidized franchise bus program. The 2001 Executive Budget provides for 540 positions and an operating budget of \$106.6 million, a decrease of \$4.8 million from the 2000 forecast. This decrease is a result of current Federal and State grants expiring at the end of 2000.

The Staten Island Ferry is expected to carry over 19.2 million passengers and approximately 360,000 vehicles. In addition, the Department anticipates that the Ferry program will achieve an on-time performance rate of 96 percent.

The Bureau also manages the operating contracts, provides financial management and operating assistance, and administers the capital program for the subsidized franchise bus program. The program, which includes seven bus operators, provides local and express service in areas not covered by New York City Transit's bus network. This system is expected to carry over 100 million passengers in 2001.

Since the introduction of "One City, One Fare" on July 4, 1997, which eliminated two-fare zones and established free intermodal transfers between the subsidized franchise buses and the New York City Transit (NYCT) system, and the more recent introduction of fare discounts and fixed price transit passes, mass transit ridership has increased significantly. Ridership on the subsidized franchise buses has, on average, increased nearly seven percent annually, keeping pace with revenue from ridership on the NYCT system, which has also increased by approximately seven percent annually. The changes in fare policy have made mass transit more affordable for the riding public, and have improved the overall efficiency and usage of the City's transportation network.

The City currently owns two bus depots, located in College Point, Queens and in Southeast Brooklyn, that are equipped to fuel and maintain Compressed Natural Gas (CNG) buses. The City has committed to convert its entire bus fleet to CNG in efforts to minimize the environmental impact of diesel fuel emissions.

Capital Review

The Department's 2001-2004 Four-Year Capital Strategy totals \$4.5 billion for the reconstruction of transportation infrastructure, of which approximately 84 percent is City-funded. The table below shows commitments by program area over the 2001-2004 period.

Capital Commitments

(\$000's)

	1999 Actual		2000 Plan		2001 Plan		2002 Plan		2003 Plan		2004 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Highways and Streets	\$171,328	\$184,027	\$225,637	\$213,937	\$306,644	\$328,234	\$279,083	\$286,842	\$245,670	\$272,515	\$270,854	\$270,854
Highway Bridges	91,829	94,396	291,715	336,892	326,113	352,883	401,017	432,991	560,147	620,398	346,627	386,627
Waterway Bridges	176,518	354,513	122,967	128,016	209,801	326,287	87,738	157,738	0	0	474,243	548,565
Traffic	27,579	36,921	30,004	60,771	43,348	87,882	26,392	41,592	24,356	28,498	32,605	33,858
Vehicles/Equipment	16,598	16,598	8,528	8,528	18,339	18,339	14,768	14,768	4,903	4,903	6,513	6,513
Ferries	5,950	11,913	47,777	52,241	70,047	83,717	62,000	94,000	8,600	8,600	4,000	4,000
Franchise Transit	1,434	1,626	13,004	52,323	22,082	129,012	2,891	28,766	2,875	28,750	0	0
Total	\$491,236	\$699,994	\$739,632	\$852,708	\$996,374	\$1,326,354	\$873,889	\$1,056,697	\$846,551	\$963,664	\$1,134,842	\$1,250,417

The highlights of the Four-Year Capital Strategy include:

- the continued reconstruction/rehabilitation of the four East River Bridges and the complete reconstruction/rehabilitation of 145 bridge structures, and a program to resurface bridge decks, replace expansion joints and other bridge components, and apply protective coating treatments to prolong the useful life of City bridges (\$2.8 billion).
- the reconstruction and/or resurfacing of 987.3 linear miles (3,282.9 lane miles) of City streets to maintain and improve their condition, the installation of pedestrian ramps at 18,243 corners to increase accessibility for the handicapped, and the reconstruction of 13.8 million square feet of sidewalk (\$1.2 billion).
- the modernization and computerization of the City's traffic signal network to improve traffic flow, the upgrade of the streetlighting system, and the installation of pavement markings (\$191.8 million).
- the rehabilitation and replacement of three City-owned ferry boats, ferry terminal facilities, and selective slips and docks for use by private ferry operators (\$190.3 million).
- the purchase of CNG-fueled buses, equipment and the rehabilitation of bus facilities for the City's subsidized franchise transit program (\$185.3 million).
- the replacement of vehicles for field forces and the upgrading of computer equipment (\$44.5 million).

Bridges

The Four-Year Plan for the Bureau of Bridges totals almost \$2.8 billion, of which 85 percent is City-funded. The Plan includes \$766.9 million for the reconstruction of the East River Bridges, including \$207.7 million for the reconstruction of the Brooklyn Bridge, \$379.8 million for the reconstruction of the Manhattan Bridge, \$106.9 million for the reconstruction of the Williamsburg Bridge, and \$72.5 million for the completion of the reconstruction of the Queensboro Bridge.

The Plan also provides \$1.4 billion for the reconstruction of 11 bridge structures currently rated in “poor” condition and 92 structures rated “fair,” including the Willis Avenue Bridge over the Harlem River and six Belt Parkway bridges. The Life Extension Program, designed to address the capital needs of bridges before total capital reconstruction becomes necessary, will rehabilitate 42 bridge structures and replace selective bridge components at a total cost of over \$423.5 million. All bridge structures currently rated “poor” will be committed for reconstruction by the year 2003. In addition, \$174.0 million is provided to apply protective coating treatments to various highway and waterway bridges to preserve and enhance their condition.

The 2001 Capital Plan for Bridges totals \$679.7 million, including \$57.1 million for the protective coating of the Brooklyn Bridge, \$232.8 million for the rehabilitation of the East Main Span of the Manhattan Bridge, and \$259.1 million for the reconstruction of 3 “poor” and 18 “fair” rated bridge structures, including the Third Avenue Bridge over the Harlem River and the Cross Bay Boulevard Bridge over Conduit Avenue in Queens.

Highways

The Four-Year Plan for the Bureau of Highways totals \$1.2 billion of which 95 percent is City-funded. The Plan provides \$659.4 million for street reconstruction of 117.2 linear miles (382.3 lane miles), and \$295.4 million for street and arterial resurfacing of 870.1 linear miles (2,900.6 lane miles). The Plan also provides \$75.9 million for the installation of pedestrian ramps at 18,243 corners in addition to the \$30.0 million that will be committed in 2000 for this purpose. Another \$94.1 million is allocated for the replacement of over 13.8 million square feet of sidewalks, citywide.

The 2001 Capital Plan for Highways totals \$328.3 million and includes \$252.1 million for the reconstruction or resurfacing of 276.3 linear miles (914.9 lane miles) of streets, including Rockaway Boulevard in Queens, Bergen Avenue in Brooklyn, and Weed Avenue in Staten Island. In addition, the City is considering the possibility of constructing a second asphalt plant in order to realize savings in asphalt purchasing contracts, as well as to avoid a portion of the costs associated with the disposal of asphalt millings produced by our in-house resurfacing crews. A second asphalt plant would also provide the environmental benefit of recycling approximately 87,000 tons of millings annually in the production of new asphalt.

Traffic

The Four-Year Plan for Traffic totals \$191.8 million, of which 66 percent is City-funded. The Plan provides \$77.3 million for signal installation at 600 intersections, as well as the completion of the computerization and modernization of the City’s signals and controllers to improve the flow of traffic. The Plan also includes \$44.1 million for the installation and replacement of approximately 4,000 lampposts and luminaries for lighting and safety, \$42.6 million for signal and streetlight work associated with the highway and bridge reconstruction programs, \$5.8 million for the installation of approximately 12 million linear feet of thermoplastic markings and over 34,000 reflective pavement markers for traffic control in conjunction with the in-house resurfacing program, and \$10.3 million for the replacement of 123,000 linear feet of electrical distribution systems along the City’s streets. In addition, the Plan includes \$7.8 million for the rehabilitation of six municipal parking garages and eight parking lots.

The 2001 Capital Plan for Traffic totals \$86.4 million. This includes \$19.1 million for the installation of approximately 1,000 lampposts and luminaries, the installation of signals at 150 intersections, and the upgrade of 1,000 of the City's traffic signal controllers. It also provides \$11.3 million for signal and lighting work done in conjunction with the Highway reconstruction program, and \$2.6 million for the replacement of electrical distribution systems and pavement markings.

Transit Operations

The Four-Year Plan for Transit Operations totals \$375.6 million, including \$190.3 million for Ferries and \$185.3 million for Franchise Transit. The Plan for Ferries, which is 76 percent City-funded, provides \$56.4 million for the reconstruction of the St. George Ferry Terminal and other ferry facilities and over \$120.0 million for the replacement of three Kennedy Class ferryboats. The Whitehall Ferry Terminal is also scheduled for reconstruction under the management of the Economic Development Corporation. The Plan for the Franchise Transit program, of which 14 percent is City-funded, provides \$145.8 million for the purchase and inspection of 446 CNG buses, \$26.6 million for the construction and improvement of bus facilities, and \$12.9 million for other bus-related projects and miscellaneous equipment.

The 2001 Capital Plan for Ferries totals \$83.7 million, including approximately \$40.0 million for the shipyard construction of one Kennedy Class ferry boat, \$26.0 million for the continuing reconstruction of the St. George Terminal, and \$8.1 million for various necessary terminal improvements. The Plan also includes \$3.2 million for the reconstruction of the landing for private ferry service at East 34th Street in Manhattan.

The 2001 Capital Plan for the Franchise Transit program totals \$129.0 million, including \$89.5 million for the scheduled purchase and inspection of over 250 CNG buses, \$4.3 million for the construction of a vehicle emissions lab in Brooklyn, and \$8.5 million for other necessary bus-related improvements. The Plan also includes \$26.6 million for the modification of three bus facilities to make them CNG compatible, pursuant to the City's policy of reducing diesel fuel emissions from City-owned buses.

HOUSING PRESERVATION AND DEVELOPMENT

The Department of Housing Preservation and Development (HPD) is responsible for the preservation, rehabilitation and expansion of New York City's housing stock. HPD serves as a catalyst for private investment, and economic reintegration of communities with the greatest need. As reflected in the 2001 Executive Budget, the agency will spur the preservation and development of affordable housing through direct investment and the provision of loans and other forms of financial assistance. The agency will also continue to enforce compliance with housing quality standards and maximize neighborhood ownership and management of housing by soliciting local participation in its disposition and development programs. Four major divisions carry out the Department's programs.

The Office of Property Management maintains the City's in rem housing and, when necessary, privately-owned buildings. This office addresses repairs in privately-owned buildings in response to emergency violations (including lead paint) issued by code inspectors if the landlord fails to perform the repair. OPM includes the Division of Alternative Management Programs (DAMP), which administers "Building Blocks," the City's comprehensive neighborhood redevelopment initiative designed to spur neighborhood revival by returning City-owned in rem buildings to responsible private owners and providing funds for their renovation.

The Office of Housing Intervention and Resources implements the agency's PRO-Housing (Pathways to Responsible Ownership) initiative to prevent the abandonment and consequential City ownership of distressed buildings. This office also promotes the preservation of housing and community revitalization through a variety of local and City-wide initiatives.

The Office of Development promotes the construction of new homes and apartments on formerly City-owned vacant land and the sale and reconstruction of vacant and occupied buildings. It also provides loans for the preservation of private housing, supervises Mitchell-Lama housing and implements all urban renewal plans for the City.

The Office of Legal Affairs provides legal services in the Agency's pursuit of housing development and preservation. This office also includes the Division of Code Enforcement (DCE) which enforces the City's housing code and assists owners in correcting hazardous conditions and code violations.

The Office of Planning and Intergovernmental Affairs, the Office of Community Support Services and Equal Opportunity, and the Office of Administration and Technical Services provide support for the above programs.

Financial Review

The Department's 2001 Executive Budget provides for operating expenses of \$402 million as compared to \$445 million in 2000, a decrease of 10 percent due to one-time Federal grants. Of the total operating expenses, \$115 million is for personal services and the remaining \$287 million is for other than personal services. Concurrently, the Four Year Plan allocates \$1.5 billion in capital to the City's housing programs over the period 2001-2004.

Revenue Forecast

HPD collects revenue from residential and commercial tenants occupying in rem buildings, from auctions, and from negotiated sales. HPD also collects fees for processing tax abatement and exemption applications, multiple dwelling registrations, document searches, administrative costs, and the management of municipal and Mitchell-Lama loans. Revenues generated by the Department will be \$33 million in 2001, \$28.5 million less than the amount forecast for 2000. The decrease is attributable to non-recurring revenues collected in 2000 for negotiated land sales and from fees received from the 421-a Tax Exemption Program. Additional decreases reflect reductions in in rem rental income due to disposition of in rem units to the private sector.

Expense Budget Highlights

Priorities: Providing Core Services

The agency maintains core services in in rem property management, tenant-landlord assistance, housing maintenance code enforcement, the development of new affordable housing, and the preservation of privately-owned housing.

- Funding is maintained for HPD's Emergency Repair Program (ERP) to remove hazardous conditions in private buildings where landlords have been negligent in correcting violations detrimental to the life, health or safety of tenants.
- HPD's Narcotic Control Unit will continue to combat drug activities in City-owned buildings and serve as a liaison between tenants, community groups, and law enforcement agencies in drug-related cases.

In Rem Disposition

- In an effort to reduce future management costs and to improve the quality of occupied in rem housing, \$136 million is allocated in the capital budget for the Department's disposition programs in 2001. HPD has developed programmatic and financial mechanisms to accelerate the transfer of City-owned occupied buildings to tenants and neighborhood-based not-for-profit and for-profit housing organizations. These programs are Tenant Interim Lease (TIL), Neighborhood Entrepreneurs (NEP), Neighborhood Redevelopment (NRP) and Neighborhood Homes.

Summary of Agency Financial Data

(\$000's)

			2001		Increase/(Decrease)	
	1999 Actual	2000 Forecast	Preliminary Budget	Executive Budget	2000 Forecast	2001 Preliminary Budget
<i>Expenditures</i>						
Personal Service	\$107,713	\$113,790	\$112,835	\$114,948	\$1,158	\$2,113
Other Than Personal Service	279,060	331,004	204,558	287,517	(43,487)	82,959
Total	<u>\$386,773</u>	<u>\$444,794</u>	<u>\$317,393</u>	<u>\$402,465</u>	<u>(\$42,329)</u>	<u>\$85,072</u>
<i>Funding</i>						
City	\$55,669	\$62,434	\$49,197	\$55,095	(\$7,339)	\$5,898
Other Categorical Grants	—	3,650	—	—	(3,650)	—
Capital IFA	15,224	13,299	15,800	15,800	2,501	—
State	913	868	819	819	(49)	—
Federal						
• JTPA	—	—	—	—	—	—
• CD	145,699	198,887	175,346	175,398	(23,489)	52
• Other	155,919	154,640	66,267	145,366	(9,274)	79,099
Intra-City Other	13,349	11,016	9,964	9,987	(1,029)	23
Total	<u>\$386,773</u>	<u>\$444,794</u>	<u>\$317,393</u>	<u>\$402,465</u>	<u>(\$42,329)</u>	<u>\$85,072</u>
<i>Personnel (at fiscal year-end)</i>						
City	581	620	579	590	(30)	11
Non-City						
• IFA	276	373	373	373	—	—
• CD	1,225	1,354	1,348	1,348	(6)	—
• Other	466	406	403	403	(3)	—
Total	<u>2,548</u>	<u>2,753</u>	<u>2,703</u>	<u>2,714</u>	<u>(39)</u>	<u>11</u>

HPD's budgeted headcount of 2,714 positions is funded at \$115 million, \$27 million of which is City funds. Funding for other than personal services amounts to \$287 million, \$28 million of which is City funds.

Programmatic Review

Property Management

The Office of Property Management's (OPM) Division of Property Management (DPM) will maintain an average of 11,957 City-owned in rem residential units in occupied multiple dwellings and in occupied one- and two-family homes in 2001. The workload is expected to decline by approximately 1,064 units during 2001 through disposition initiatives and other outtake mechanisms. DPM also relocates households and businesses pursuant to approved urban renewal plans.

The Division of Alternative Management Programs (DAMP) within the Office of Property Management promotes the rehabilitation, management, and ownership of occupied City-owned buildings by tenant, not-for-

profit, and for-profit housing organizations. New emphasis has been placed on the privatization of City-owned housing units through a variety of sales and management mechanisms.

The OPM's Division of Maintenance (DOM) enforces the City's housing code, assists small property owners with financial and maintenance issues, and assists owners in removing hazardous conditions. DOM enforces compliance with the City's housing code by responding to heat, hot water, and the most critical non-heat emergency complaints from tenants. Under DOM's Emergency Repair Program, the City corrects immediately hazardous conditions in private buildings where landlords have been negligent and places liens on properties for the cost of repairs, fuel deliveries, window guard installations, and lead paint abatement. Funding is provided in 2001 to respond to an estimated 63,000 emergency certifications and to issue approximately 15,205 repair orders.

Housing Intervention and Resources

The Office of Housing Intervention and Resources (OHIR) is responsible for combatting the abandonment of privately-owned housing. OHIR includes the Division of Anti-Abandonment (DAA) which, through the passage of Local Law 37, identifies, monitors and recommends treatment for distressed buildings. DAA also coordinates the third party transfer process to convey distressed tax delinquent buildings to responsible new owners.

OHIR also provides funding to upgrade privately-owned buildings and those with court-appointed 7A administrators. Its Housing Litigation Division, working closely with DOM, pursues civil penalties against negligent landlords.

Development

The Office of Development is responsible for HPD's housing production functions. Its Division of New Construction promotes the construction of new homes and apartments on formerly vacant City-owned land. Activity for 2001 includes the construction of nearly 1,500 new one- to three-family homes, multiple dwellings and mixed-use multiple dwellings. These owner-occupied housing units will be built on City-owned land with City capital subsidies for construction and associated costs. Through the Alliance for Neighborhood Commerce, Home Ownership and Revitalization (ANCHOR), HPD combines retail development along targeted commercial corridors with new housing construction to generate economic activity and provide neighborhood services in revived residential communities. HPD will also continue the development of long-term, large-scale projects for both homeowners and rental tenants in selected neighborhoods in Brooklyn, the Bronx, Manhattan, and Queens over 2001-2004.

The Office of Development's Division of Housing Finance administers multi-family and small building disposition and loan programs. Through these programs, vacant City-owned buildings are rehabilitated and returned to the private housing market. This division is also responsible for the Supportive Housing program, which over 2001-2004 will implement the City's commitment for the production of at least 500 units of housing for mentally ill New Yorkers under the New York/New York II agreement.

Legal Affairs

The Office of Legal Affairs is responsible for enforcing the City's housing code and pursuing civil penalties against negligent landlords. The Division of Code Enforcement (DCE) supports housing court and the Division of Housing Litigation actions. DCE also provides emergency housing for victims of fires and other disasters. In 2001, field inspectors are projected to conduct an estimated 142,000 inspections, issue 310,000 violations (including over 10,000 lead paint violations), and reinspect 300,000 violations. In addition, DCE is budgeted at \$26 million in capital and expense funds to demolish and seal vacant and unsafe buildings.

Capital Review

The 2001-2004 Four Year Capital Plan for the Department is \$1.5 billion, including \$1.1 billion in City funding and \$361 million in non-City funds. HPD continues to use its City capital sources to leverage State and Federal funds as well as substantial private equity (which does not flow through the City's capital budget). The Four Year Plan reflects the City's continuing commitment to affordable housing by funding the creation and preservation of units in City-owned and privately-owned buildings.

Under the Four Year Plan, the City will continue to pursue the "Building Blocks" strategy: the rehabilitation and sale of City-owned in rem residential buildings to responsible private owners, including tenant cooperatives, not-for-profit organizations, and local entrepreneurs. A total of \$722 million is provided to fund the occupied in rem programs under this strategy, namely TIL, NEP, NRP, and Neighborhood Homes. This allocation will promote the disposition of nearly 11,000 housing units to private owners over 2001-2004. Through the use of asset sales and the tax exemption certificate program, HPD will be able to transfer additional housing units to the private sector.

Vacant buildings seized through tax foreclosure will be returned to the private sector through the CityHome, HomeWorks and StoreWorks programs. Ninety two million dollars budgeted over the Four Year period in these three programs will produce nearly 2,000 rehabilitated owner-occupied residential, rental residential, and rental retail units.

Concurrently, the City will enhance its efforts to prevent abandonment of privately-owned buildings and forestall their entry into City ownership by investing \$285 million in programs providing financial and technical assistance to private landlords. Programs such as Participation Loan (PLP), Article 7A (7A), Article 8A (8A), Small Homes Private (SHP), Home Improvement (HIP), and Senior Citizen Home Assistance (SCHAP), and provide loans for the maintenance and upgrading of privately-owned, low- and moderate-income housing.

The Four Year Plan also includes funds for new construction projects to promote homeownership to families at various income levels. New Homes (NYC Housing Partnership) and Nehemiah provide for the construction of one- to three-family homes. Along with ANCHOR, these programs form the basis for the new construction projects being built in conjunction with large-scale neighborhood redevelopment programs in Brooklyn, The Bronx, Manhattan, and Queens.

The \$1.5 billion Four Year Plan emphasizes the following goals:

- Treatment and disposition of occupied, City-owned buildings — rehabilitation begins for approximately 2,300 units in 2001 through the privatization initiatives (\$136 million); 10,900 units will be rehabilitated in the 2001-2004 period (\$722 million).
- Reconstruction of vacant buildings — treatment in the 2001-2004 period of 1,950 City-owned vacant units under the CityHome, HomeWorks and StoreWorks programs (\$92 million).
- Assistance to private owners — the PLP, 8A, 7A, SHP, HIP and SCHAP programs will allow the rehabilitation of 17,700 units in the private sector in the 2001-2004 period (\$285 million).
- Construction of new units — funding for the production of over 5,270 homeownership and rental units in the 2001-2004 period (\$175 million) under the new construction homeownership programs, including the large scale neighborhood projects.

- Production of supportive housing — funding for the creation of 1,150 units for homeless and low-income single adults and persons with AIDS in the 2001-2004 period (\$109 million). This includes funds for the second round of the jointly sponsored (City-State) New York/New York program, which provides single room occupancy supportive housing for homeless mentally ill individuals.

The table below shows capital commitments by Ten Year Plan category over the 2000-2004 period, including actual commitments for 1999.

Capital Commitments
(\$000's)

	1999 Actual		2000 Plan		2001 Plan		2002 Plan		2003 Plan		2004 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Occupied <i>In-Rem</i> Rehab/ Privatization	\$71,721	\$156,371	\$96,213	\$173,260	\$66,455	\$144,945	\$169,759	\$242,474	\$106,236	\$179,066	\$124,351	\$190,588
Vacant <i>In-Rem</i> Rehab	7,836	7,726	7,106	7,106	15,392	15,392	27,933	27,933	24,021	24,021	24,850	24,850
New Construction	15,337	15,337	37,078	37,078	29,555	29,555	15,510	15,510	10,025	10,025	8,600	8,600
Neighb. Initiatives	7,220	7,220	18,375	18,375	18,532	18,532	13,838	13,838	50,585	50,585	10,970	10,970
Assistance to Private Owners	33,616	47,132	75,452	128,825	90,667	114,994	102,319	115,062	89,967	105,119	71,963	90,346
Other Housing Support Investment	25,554	25,554	47,316	47,956	25,912	25,912	19,752	19,752	20,919	20,919	15,468	15,468
Total	<u>\$161,284</u>	<u>\$259,340</u>	<u>\$281,540</u>	<u>\$412,600</u>	<u>\$246,513</u>	<u>\$349,330</u>	<u>\$349,111</u>	<u>\$434,569</u>	<u>\$301,753</u>	<u>\$389,735</u>	<u>\$256,202</u>	<u>\$340,822</u>

DEPARTMENT OF CITYWIDE ADMINISTRATIVE SERVICES

The Department of Citywide Administrative Services (DCAS) was created in 1996 to consolidate and streamline the central administrative functions of the former Departments of General Services and Personnel. DCAS provides City agencies with various support services, including personnel services, real estate services, facilities management, and municipal supply services.

The Department's personnel services include personnel development and training; civil service administration; the classification of positions and salary levels; and the formulation and administration of civil service examinations and license tests. DCAS is also responsible for the administration of the citywide internship and fellowship programs; and the oversight of the Citywide Equal Employment Opportunity program.

Furthermore, the Department provides facilities management and maintenance services for 49 City owned buildings, including court facilities and City owned piers. The Division of Real Estate Services (DRES) is responsible for property enforcement functions and the management of the City's portfolio of leased properties, including the acquisition, leasing and sale of non-residential real property.

The Department provides municipal supply services to agencies, citywide. Municipal supply services include the acquisition, testing, and distribution of supplies and equipment; and citywide vehicle fleet administration. DCAS is also responsible for the management and oversight of citywide energy conservation programs. Additionally, the Department manages the CityStore bookstore and publishes the City Record, the Green Book and other official City publications.

Financial Review

The 2001 Executive Budget for the Department of Citywide Administrative Services provides \$589.4 million, an increase of \$16.8 million above the amount forecasted for 2000. This increase is primarily attributed to increases and adjustments in intra-city sales and one-time savings achieved in 2000. The \$243.9 million DCAS Capital Commitment Plan for 2001 includes \$226.7 million for the Public Buildings program and \$17.1 million for the Real Property program.

Revenue Forecast

In 2001, DCAS will collect \$75.7 million in revenue, \$13.6 million less than the amount forecasted in 2000. The decrease is attributable to non-recurring revenues collected in 2000 for property sales and rents. The Division of Real Estate Services (DRES), the largest revenue generating component of DCAS, will collect \$56.6 million from land sales, rentals, and mortgages to qualified purchasers of City owned property at City auctions. DRES will sell these mortgages to a qualified financial institution through a competitive offering in 2001.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- The Department's 2001 Executive Budget provides a total funded budget of \$589.4 million. This includes \$404.6 million for goods and services that agencies purchase from DCAS through intra-city agreements for utilities, municipal supplies, etc.
- The Department's 2001 Executive Budget provides a total of \$492.4 million for the Division of Facilities Management and Construction (DFMC). DFMC maintains and operates 49 public buildings, including court facilities, and provides citywide energy management services. Included in the \$492.4 million is

\$14.8 million in State funding, an increase of \$1.8 million from 2000, to provide cleaning services for court facilities.

- The Department's 2001 Executive Budget provides a total of \$13.6 million for the Division of Real Estate Services (DRES). DRES is continuing the Department's program of space consolidation for City agencies.
- DCAS is responsible for the provision of security services for its managed facilities. The 2001 Executive Budget provides \$0.5 million in 2001 for improved security services for DCAS managed properties and offices, citywide.

Summary of Agency Financial Data

(\$000's)

			2001		Increase/(Decrease)	
	1999 Actual	2000 Forecast	Preliminary Budget	Executive Budget	2000 Forecast	2001 Preliminary Budget
<i>Expenditures</i>						
Personal Service	\$76,422	\$80,819	\$76,795	\$80,868	\$49	\$4,073
Other Than Personal Service	441,357	491,798	480,048	508,547	16,749	28,499
Total	<u>\$517,779</u>	<u>\$572,617</u>	<u>\$556,843</u>	<u>\$589,415</u>	<u>\$16,798</u>	<u>\$32,572</u>
<i>Funding</i>						
City	\$98,020	\$117,232	\$111,129	\$115,835	(\$1,397)	\$4,706
Other Categorical Grants	41,695	45,373	44,900	46,158	785	1,258
Capital IFA	5,492	5,944	5,679	5,944	—	265
State	14,188	13,028	10,562	14,839	1,811	4,277
Federal						
• JTPA	85	—	—	—	—	—
• CD	37	313	—	—	(313)	—
• Other	2,180	2,417	2,000	2,000	(417)	—
Intra-City Other	356,081	388,310	382,573	404,639	16,329	22,066
Total	<u>\$517,779</u>	<u>\$572,617</u>	<u>\$556,843</u>	<u>\$589,415</u>	<u>\$16,798</u>	<u>\$32,572</u>
<i>Personnel (at fiscal year-end)</i>						
City	1,176	1,153	1,153	1,117	(36)	(36)
Non-City						
• IFA	105	121	121	121	—	—
• CD	—	—	—	—	—	—
• Other	232	278	278	314	36	36
Total	<u>1,513</u>	<u>1,552</u>	<u>1,552</u>	<u>1,552</u>	<u>—</u>	<u>—</u>

The Department is divided into the following major program divisions: the Division of Citywide Personnel Services (DCPS) and the Office of Citywide Equal Employment Opportunity (OCEEO), the Division of Municipal Supply Services (DMSS), the Division of Facilities Management and Construction (DFMC), the Division of Real Estate Services (DRES), and the Division of Financial and Administrative Services.

Division of Citywide Personnel Management Services

The Division of Citywide Personnel Services (DCPS) is responsible for the classification of positions and salaries, civil service administration, personnel development and training, citywide redeployment, and other special programs such as the Employee Blood Program, the Urban Corps, Public Service Corps and Leadership Institute programs. DCPS also offers Work Experience Program (WEP) participants the opportunity to learn clerical and office skills.

In order to simplify civil service job titles and streamline exam administration, DCPS is continuing its strategy to consolidate, reclassify, and broadband titles with overlapping functions. The Division continues its efforts to reduce, eliminate or combine civil service examinations for titles that require similar knowledge and skills. DCPS eliminated 19 competitive civil service titles thus far in 2000. In addition, the number of provisional employees Citywide has dropped from 35,937 in January 1994 to the current level of 25,082 - a reduction of 30 percent. Examinations are administered by DCPS for City and non-City entities such as the Metropolitan Transportation Authority and the New York City Housing Authority. The preliminary plan for examinations in 2001 includes 95 civil service examinations and 30 license examinations. As of March, 86 civil service and 19 license exams were administered in 2000.

The Office of Citywide Equal Employment Opportunity, an office within DCPS, monitors compliance with the Citywide Equal Employment Opportunity (EEO) policy. The EEO policy requires agencies to conduct specialized training programs and document workforce composition. City agencies are required to report annually to OCEEO on compliance with the EEO policy. OCEEO carries out its monitoring function through training initiatives, agency site visits, and interviewing City personnel.

Division of Real Estate Services

The Division of Real Estate Services (DRES) offers real property services including broker services, site searches, lease services, and property acquisition for client agencies. This division also provides architectural design and project management services for client agencies in both DCAS managed and privately owned space. The Division manages and oversees approximately 20 City leases as well as the leasing of City owned commercial properties. DRES manages and disposes of City owned commercial properties acquired through tax foreclosure, condemnation, and the transfer or surrender of City surplus properties.

In addition, the Division uses Tenant Broker Representatives to help locate space and negotiate leases with landlords. Tenant representatives have been successful in securing favorable real estate contracts for difficult to accommodate city tenants. DRES effectuated leases for space consolidations for the Department of Homeless Services at 60 Broad Street and the Human Resources Administration at 250 Church Street in 2000. Currently, DRES is coordinating the final stage of the space consolidation for the Department of Finance Manhattan Business Center, which will be completed by the end of 2001.

The Division also provides lease auditing for various client agencies to ensure proper lease billing and management. Over \$8.2 million in recoveries and credits from the Lease Audit Program have been realized since 1993.

Facilities Management and Construction

The Division of Facilities Management and Construction (DFMC) is responsible for maintaining and operating 49 City owned public buildings. This division provides technical engineering, architectural, and construction management services in order to provide facilities management, operation, and construction services. DFMC manages a program of over 2,380 WEP participants performing a variety of valuable tasks. The division provides many of the WEP participants the opportunity to learn various building custodial skills. This division also coordinates with the State Office of Court Administration to ensure proper maintenance of court facilities within the City.

The Office of Energy Conservation (OEC), an office within DFMC, is the City's primary energy management entity. This office develops and reports on the City's annual energy budget. OEC coordinates with utility companies and processes payments for the City's electric, gas and steam bills. In addition, OEC establishes, coordinates, and oversees energy conservation guidelines and programs. The Office participates in and administers the High Efficiency Lighting Program (HELP), the Energy Cost Reduction Program (ENCORE), and the Cafeteria Lighting Program (CLP).

Division of Municipal Supply Services

The Division of Municipal Supply Services (DMSS) is the City's chief procurement entity. DMSS procures, warehouses, and distributes supplies necessary for City agencies to fulfill their missions. Centralized contracting enables the City to utilize economies of scale to purchase various commodities at the most favorable market price. This division ensures the quality of goods purchased through inspections and operates the Central Storehouse which warehouses over 2,200 different items. This division is also responsible for the salvaging of surplus property through redistribution to other City agencies and auction.

Additionally, DMSS manages the Direct Delivery Program for office supplies for various client agencies. This program delivers office supplies from the vendor directly to City agencies, thereby reducing the waiting period for the receipt of goods and associated overhead costs. A program for the direct delivery of automotive parts will continue to maintain reduced levels of stock inventories and reduce vehicle downtime in 2001.

The Office of Fleet Administration (OFA), an office within DMSS, oversees citywide vehicle procurement, the alternative fuel vehicle program, and fleet maintenance for client agencies. Maintenance services are provided by contracts which have reduced costs by approximately sixty percent. A new fleet management system, the Maintenance Control and Management System (MCMS), will be completed in 2001 with the inclusion of the Department of Sanitation. The system will assist OFA and its client agencies with citywide fleet management.

Division of Financial and Administrative Services

The Division of Financial and Administrative Services is responsible for providing the Department with the necessary central leadership, management and coordination to carry out its mandate. This division includes the Executive Office, General Counsel's Office, Division of Financial Services including; budget control, audit and accounts, and State Court reimbursement, Internal Audit, Division of Management and Operations, and Management and Information Systems.

The Department is currently developing the Citywide Automated Personnel System (NYCAPS). NYCAPS will store personnel data, including information integrated from the Citywide Human Resources Management System (CHRMS), in a central location. The system will permit oversight agencies and agency personnel divisions, citywide, to share and access data easily. This will simplify workflow and system management resulting in more accurate personnel-related information. The Department has selected a software product and expects to complete the first phase by June 2001.

Office of External Affairs and Communications

The Office of External Affairs and Communications is responsible for the agency's public relations. The Office oversees the City Publishing Center and the CityStore. The City Publishing Center produces and publishes The City Record, The Green Book and other official City publications. CityStore is the City's bookstore and gift shop. The CityStore operates booths in both the Manhattan Municipal Building and the Times Square Visitor Center, as well as having an on-line store accessible through the City's website.

The Department is currently developing internet applications in order to provide the Green Book and The City Record through the City's website. The Department plans to have the Green Book and City Record on-line by the end of 2001.

Capital Review

The 2001-2004 Four-Year Capital Commitment Plan for the Department is \$468.9 million, with \$243.9 million provided in 2001. These amounts include State funding of \$3.6 million in the Four-Year Plan, all of which is scheduled for commitment in 2001.

The Department is responsible for capital improvements to all DCAS and client agency managed public buildings including office space, warehouses and courts; oversight and improvements to City leased properties; the sale, lease and acquisition of City owned non-residential waterfront and non-waterfront properties. The capital program responsibilities include compliance work for public safety and legal mandates; renovation, rehabilitation, construction, design and outfitting of various sites, including the purchase of furniture. The Department also purchases vehicles and various communications and technological equipment.

The table below shows capital commitments by program area over the 1999-2004 period.

Capital Commitments

(\$000's)

	1999 Actual		2000 Plan		2001 Plan		2002 Plan		2003 Plan		2004 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Legal Mandates and Correction of Unsafe Conditions	\$11,927	\$11,927	\$28,217	\$28,217	\$79,152	\$79,152	\$36,260	\$36,260	\$18,280	\$18,280	\$36,495	\$36,495
Renovation of Other City-owned Facilities ...	1,164	1,164	9,081	9,081	4,250	4,250	1,058	1,058	0	0	0	0
Renovation of Leased Space	2,953	2,953	17,802	18,292	38,549	38,608	3,071	3,071	17,750	17,750	824	824
Board of Elections	494	494	2,143	2,143	0	0	0	0	0	0	0	0
Communications Equipment	3,933	3,933	1,804	1,804	1,925	1,925	1,500	1,500	500	500	0	0
Rehabilitation of Court Facility System	1,010	3,219	3,984	5,081	1,042	4,542	0	0	0	0	0	0
Rehabilitation of City- Owned Office Space	40,897	40,897	61,280	61,280	97,915	97,915	35,982	35,982	24,041	24,041	26,110	26,110
Equipment and Interagency Services ...	2,670	2,670	9,711	9,711	339	339	300	300	300	300	300	300
Rehabilitation of Waterfront & Non-Waterfront Properties	7,574	7,574	8,586	8,586	17,125	17,125	8,420	8,420	8,420	8,420	5,420	5,420
TOTAL	<u>\$72,622</u>	<u>\$74,831</u>	<u>\$142,608</u>	<u>\$144,195</u>	<u>\$240,297</u>	<u>\$243,856</u>	<u>\$86,591</u>	<u>\$86,591</u>	<u>\$69,291</u>	<u>\$69,291</u>	<u>\$69,149</u>	<u>\$69,149</u>

The Four-Year Plan provides a total of \$468.9 million, including \$429.5 million for the renovation, reconstruction and outfitting of Public Buildings and \$39.4 million for Real Property.

Highlights of the Four-Year Plan include:

- reconstruction and rehabilitation of public buildings and City owned office space with the focus on the replacement of mechanical, electrical, plumbing and structural systems (\$184.0 million); including the construction of a Visitor Center and code compliance work at the Tweed Courthouse (\$45.8 million), reconstruction of the Brooklyn Municipal Building (\$28.4 million), renovation of Queens Borough Hall (\$13.6 million), Manhattan Municipal Building tenant alterations and electrical upgrade (\$11.5 million), initial outfitting of space at 280 Broadway (\$7.5 million), and the Manhattan Civic Center (\$5.1 million).
- rehabilitation of court facilities (\$4.5 million); which consists of the exterior reconstruction at 27 Madison Avenue (\$3.5 million in State funds).
- legal mandates (\$170.2 million); including vapor control and leak detection programs for fuel and heating oil tanks (\$92.2 million), lead and asbestos abatement (\$32.8 million), compliance with the Americans with Disabilities Act (\$20.6 million), fire safety improvements (\$6.0 million).
- construction of leased space (\$60.3 million); including the Manhattan Finance Business Center (\$16.3 million), renovation of various facilities for the Department of Probation (\$3.9 million) and the renovation of City Council offices (\$2.5 million).
- reconstruction of waterfront properties (\$6.6 million), including various pier improvements.
- reconstruction of non-waterfront properties (\$32.8 million); including reconstruction of the Kingsbridge Armory (\$20.0 million) and various real property improvements (\$8.7 million).

The 2001 Plan provides \$243.9 million and includes:

- reconstruction of public buildings and City owned office space (\$97.9 million); including the construction of a Visitor Center and code compliance work at the Tweed Courthouse (\$45.8 million), reconstruction at Queens Borough Hall (\$9.1 million), renovation of the Brooklyn Municipal Building (\$7.9 million), interior and exterior renovations at 49-51 Chambers Street (\$6.2 million), tenant alterations and renovations at the Manhattan Municipal Building (\$5.6 million), and interior reconstruction and elevator upgrades at 346 Broadway (\$3.4 million).
- legal mandates (\$79.2 million); including vapor control and leak detection equipment for petroleum underground storage tanks (\$53.7 million), lead and asbestos abatement (\$14.3 million), compliance with the Americans with Disabilities Act (\$1.6 million), and fire safety improvements (\$0.8 million).
- construction of leased space (\$38.6 million), including the construction of the Manhattan Finance Business Center at 66 John Street (\$16.3 million), and the renovation of City Council offices (\$2.5 million).
- reconstruction of waterfront properties (\$3.4 million) and non-waterfront properties (\$13.7 million); including reconstruction of the Kingsbridge Armory (\$5.0 million).

ECONOMIC DEVELOPMENT

Since 1992, two organizations, the Department of Business Services (DBS) and the Economic Development Corporation (EDC), have administered the City's economic development programs. DBS also provides administrative support to the Mayor's Office of Film, Theater, and Broadcasting (Film Office). City funds for EDC and the Film Office flow through the budget of DBS. In order to facilitate comprehensive service delivery to businesses, DBS and EDC are both located at 110 William Street, while the Film Office is located in the Midtown Entertainment District to be closer to the businesses it supports.

DBS provides services primarily to small businesses in New York City through technical assistance in procurement, contracting and local community development. DBS also assists small businesses in their interaction with other City agencies in order to ease the business development process. EDC, funded through a contract with DBS, serves as the City's corporate attraction and retention arm. In addition, EDC undertakes financing initiatives and develops and funds commercial and industrial projects. Waterfront, maritime and intermodal transportation development is also under EDC's purview.

Financial Review

The 2001 Executive Budget for Economic Development provides for operating expenses of \$113 million. More than half of this amount, \$66 million, represents revenues that EDC generates and uses to cover its operating expenses. The remainder, \$47 million, represents DBS's total expense budget. The DBS budget is divided between Federal funds of \$5 million and City funds of \$42 million. The total 2001 budget for DBS represents a \$7 million decrease from the 2000 forecast. The 2000 budget includes a one-time roll of unspent 1999 Empowerment Zone funds and funds for the Gambling Control Commission (GCC). The GCC will be moved to the Trade and Waste Commission at the end of 2000. City funded capital commitments of \$751 million are also forecast in the 2001-2004 capital plan. This amount represents an increase of \$195 million over the amount forecast in the 2000-2003 plan, due primarily to funds relating to the stabilization and redevelopment of New York's waterfront and port properties.

Revenue Forecast

The Department of Business Services collects revenues from the rental and sales of commercial, industrial, maritime and market properties administered by EDC, and other miscellaneous fees. Collected revenues are net of EDC operating expenses. DBS's 2001 revenue estimate for Economic Development is \$23 million.

Expense Budget Highlights

Priorities: Assistance to Small Businesses and New Business Development

- The DBS Vendor Initiative Division relocates unlicensed street vendors into City established alternative markets, provides free courses on business basics, offers free technical assistance, and enforces code regulations that decrease incidents of illegal vending along busy thoroughfares and congested business strips. The Division also operates a Storefront Relocation Program that matches interested micro-entrepreneurs with vacant storefronts in need of renovation. The Executive Budget includes \$210,000 in additional funds to enable the Division to expand its Storefront Relocation Program and Business Basics Program.
- The City Business Assistance Program (CBAP) provides technical assistance and ombudsman services to businesses in their interactions with other City agencies. CBAP agents visit commercial areas citywide to advise business owners on City rules and procedures governing stoopline and sidewalk laws, sidewalk

cleaning, and outside vending. CBAP represents DBS on the Mayor's Anti-Graffiti Task Force assisting local merchant associations with applications for graffiti removal material.

- The Emergency Response Unit (ERU) of CBAP works directly with the Mayor's Office of Emergency Management to respond to businesses affected by disasters occurring in the five boroughs. The ERU provides businesses with timely updates on building reopenings, facilitates the resolution of matters affecting day-to-day business operations, and compiles evidence to support business claims for assistance due to economic injury. During 2000, the ERU provided critical assistance to businesses affected by the blackout in Washington Heights, a sewer break in SoHo, and Hurricane Floyd. The unit also responded to a building collapse in Far Rockaway.
- In January of 1995, portions of Upper Manhattan and the South Bronx were designated an Empowerment Zone by the Federal government, entitling the City to an additional \$100 million in Federal aid over ten years. Both the City and New York State have committed funds matching this investment. These funds facilitate a variety of economic development initiatives by local development corporations and community-based organizations.

Improving New York's Competitiveness

- In 1999 the Staten Island Yankees completed their first season at the interim baseball facility located at the College of Staten Island. Attendance averaged approximately 3,100 baseball fans. In December 1999 the Uniform Land Use Review Procedure (ULURP) was completed, and plans for construction of the permanent stadium located in St. George, Staten Island, are on schedule for the facility to be open for the 2001 season. The required ULURP process has been completed for the proposed Mets minor league stadium located at Steeplechase Park in Brooklyn.
- In August 1999, the last development site of the College Point Corporate Park was opened, which consists of three major retailers, including two clothing stores, and one sporting goods store. The development of the retail sites created approximately 520 construction jobs and 1,000 permanent jobs. EDC also facilitated the construction of a parking garage for Jamaica Center, a proposed a mixed-use retail, office and entertainment project located in Queens.
- EDC continues its waterfront revitalization and stabilization efforts, including the redevelopment and expansion of the Midtown Ferry Terminal located at West 39th Street. The project will include a new ferry terminal, six new slips, public walkways, seating and viewing areas.

Summary of Agency Financial Data
(\$000's)

			2001		Increase/(Decrease)	
	1999 Actual	2000 Forecast	Preliminary Budget	Executive Budget	2000 Forecast	2001 Preliminary Budget
<i>Expenditures</i>						
Personal Service	\$6,824	\$7,360	\$6,789	\$6,801	(\$559)	\$12
Other Than Personal Service	26,130	46,923	33,280	40,083	(6,840)	6,803
Total	<u>\$32,954</u>	<u>\$54,283</u>	<u>\$40,069</u>	<u>\$46,884</u>	<u>(\$7,399)</u>	<u>\$6,815</u>
<i>Funding</i>						
City	\$27,688	\$48,666	\$34,936	\$41,539	(\$7,127)	\$6,603
Other Categorical Grants	142	146	—	—	(146)	—
Capital IFA	—	—	—	—	—	—
State	—	—	—	—	—	—
Federal						
• JTPA	—	—	—	—	—	—
• CD	4,978	5,290	5,123	5,335	45	212
• Other	147	171	—	—	(171)	—
Intra-City Other	—	10	10	10	—	—
Total	<u>\$32,954</u>	<u>\$54,283</u>	<u>\$40,069</u>	<u>\$46,884</u>	<u>(\$7,399)</u>	<u>\$6,815</u>
<i>Personnel (at fiscal year-end)</i>						
City	148	153	148	148	(5)	—
Non-City						
• JTPA	—	—	—	—	—	—
• CD	11	12	12	12	—	—
• Other	3	3	—	—	(3)	—
Total	<u>162</u>	<u>168</u>	<u>160</u>	<u>160</u>	<u>(8)</u>	<u>—</u>

Programmatic Review

Staffing Reductions

DBS will reduce its headcount in 2001 to 160 from its projected 2000 year-end level of 168. DBS will achieve a two-position reduction by transferring the Gambling Control Commission to the Trade and Waste Commission. The remaining decrease in headcount represents positions with grant funding that are not carried in the baseline.

Department of Business Services

The Department of Business Services (DBS) is responsible for providing direct services to New York City's business community. These services include technical assistance, neighborhood development, and guidance through the governmental contracting process. DBS is also responsible for facilitating legal and efficient activity at the City's wholesale markets. DBS supplies administrative support to both the Film Office and the federally designated Empowerment Zone, which promotes economic development in Harlem and the South Bronx.

- The Business Relocation Assistance Corporation, BRAC, continues to serve small and mid-size businesses by administering the Industrial Relocation Grant Program (IRG), which uses BRAC reserve funds. The IRG reimburses qualifying manufacturing firms up to \$30,000 for costs incurred in moving within the City. This assistance has already enabled the City to retain 1040 jobs.
- The Security and Enforcement Division is responsible for providing security, supervision and enforcement at the Fulton Fish Market and the Hunt's Point Market. The Division registers wholesalers at both markets and monitors two unions and a security firm. To date this year, the Division has registered 44 wholesalers at the Fulton Fish Market and 54 wholesalers at Hunts Point.
- The Lower Manhattan Energy Program, a portion of the Commercial Revitalization Program for Lower Manhattan, continues to process applications from buildings that anticipate offering prospective tenants lower energy costs. More large buildings have applied for participation in this program, including new office towers this year that represent over 41 million square feet of commercial space.

New York City Economic Development Corporation

The financing arm of EDC includes several small business lending, guarantee and bond issuance programs. The purpose of these programs is to create jobs and retain businesses through financial assistance offered at market or below market rates. EDC also contracts with the New York City Industrial Development Agency (IDA) to provide financing for larger industrial and marketing projects. The major programs are summarized below.

- Corporate Attraction and Retention: Since July 1, 1999, EDC has recruited 49 firms and has helped seven firms to expand within the City. These recruitment and retention efforts have generated 1,279 new jobs and \$7 million in City tax revenues. Through its Corporate Retention Unit, EDC has also retained 16 companies, including Quick & Reilly and International Masters Publishing, Inc. The Unit also recruited two other companies adding another 274 jobs. In total, EDC's activities have saved 9,469 jobs. Related employment growth is estimated at 22,031 jobs; related future City tax revenue is \$113 million.
- Small Business Financing Programs: Since July 1, 1999, EDC's small business financing programs assisted 33 firms with \$118 million in bond and other financing for expansion, renovation and new construction.
- Air Terminals: In order to maintain and to promote air passenger use of JFK Airport, the IDA issued \$1.3 billion in financing in December 1999 for an American Airlines terminal at the airport.
- Printer Relocations: The Executive Budget includes a total of \$8 million over 2000 and 2001 for activities associated with the relocation of printers from the west side of Manhattan to other areas in the five boroughs.

DBS contracts with EDC to administer the City's waterfront planning and development program, to market and sell City-owned land, and to act as managing agent for City-sponsored projects. Projects are divided into two main categories: Economic Development and Port Development. These projects are funded primarily through the capital budget, as described below.

Capital Review

The primary goal of the Four Year Capital Plan is to encourage development in order to create and retain jobs for New Yorkers and bolster the City's tax base. The 2001-2004 Four Year Plan totals \$751 million.

The following chart shows Capital commitments by major function over the 2001-2004 period:

Capital Commitments

(\$000's)

	1999 Actual		2000 Plan		2001 Plan		2002 Plan		2003 Plan		2004 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Commercial Development	\$ 8,042	\$ 8,042	\$99,134	\$99,134	\$235,847	\$235,847	\$118,788	\$118,788	\$33,400	\$33,400	\$5,139	\$5,139
Industrial Development . . .	26,157	26,157	39,737	40,443	40,553	40,553	17,623	17,623	10,403	10,403	9,643	9,643
Market Development	564	564	39,372	39,372	988	988	1,012	1,012	2,294	2,294	1,568	1,568
Neighborhood Revitaliz'n . .	2,565	2,565	9,045	9,445	2,750	2,750	1,945	1,945	0	0	0	0
Port Development	4,021	4,021	59,842	115,782	33,223	44,278	6,210	16,390	11,954	18,284	2,169	2,499
Rail Development	120	5,284	1,376	12,897	8,000	8,000	6,000	6,000	6,500	6,500	1,000	1,000
Waterfront Development . .	10,929	11,003	25,460	36,097	24,750	46,050	12,500	20,500	23,535	23,615	22,563	22,563
Aviation	218	218	1,612	6,987	3,500	5,300	0	0	0	0	0	0
Miscellaneous	1,044	1,044	12,893	14,608	30,180	32,080	8,700	8,700	7,000	7,000	0	0
Total	<u>\$ 53,660</u>	<u>\$ 58,898</u>	<u>\$288,471</u>	<u>\$374,765</u>	<u>\$379,791</u>	<u>\$415,846</u>	<u>\$172,778</u>	<u>\$190,958</u>	<u>\$95,086</u>	<u>\$101,496</u>	<u>\$42,082</u>	<u>\$42,412</u>

Highlights of the 2001-2004 Four Year Capital Plan are:

Economic and Port Development

- retention agreement for the New York Stock Exchange (\$240M).
- development of two minor league stadiums in Brooklyn and Staten Island (\$60.5M).
- infrastructure improvements and development at the Brooklyn Navy Yard (\$32M)
- citywide waterfront improvements (\$112M).
- reconstruction of the Whitehall Ferry Terminal (\$129M - \$47M in Non-City funds).
- reconstruction of the St. George Ferry Terminal (\$85M - \$20M in Non-City funds).
- redevelopment of Governors Island (\$15M).
- reconstruction of the Brooklyn Army Terminal Phase IV (\$15M).

LIBRARIES

The City of New York funds three independently operated public library systems, each administered by a distinct and separate board of trustees. The New York Public Library manages a three-borough library system: the Bronx with 34 branches, Manhattan with 37 branches and Staten Island with 12 branches. In addition, the New York Public Library oversees four Research Libraries: the Humanities and Social Sciences Library at 42nd Street and 5th Avenue (formerly the Central Research Library), the Library for the Performing Arts at Lincoln Center, the Schomburg Center for Research in Black Culture, and the Science, Industry, and Business Library. The Brooklyn Public Library oversees the operation of 58 branches, a Business Library and a Central Library and the Queens Borough Public Library encompasses 62 branches and a Central Library

Financial Review

The 2001 Executive Budget for Libraries provides total operating funds, including energy costs, of \$231.1 million, a decrease of \$.200 million in City funds from the 2000 forecast. The Executive Budget also provides for City funded capital commitments of \$60.2 million in 2001.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- The highest level of funding for public libraries in any Executive Budget is included in this year's budget. This demonstrates the Administration's strong commitment to public libraries and the services they provide.
- the Executive Budget maintains a high and stable level of funding. In 2001, there will be an operating subsidy of \$88.3 million to New York Public Library, \$14.5 million to New York Research Libraries, \$66.2 million to Brooklyn Public Library and \$62.1 million to Queens Borough Public Library.
- funding for the highest level of branch library service since 1947 has resulted in record levels of usage and book and material circulation.
- the regular operating subsidies in FY 2001 include an additional \$3.4 million for fringe benefit adjustments and longevity payments.

Streamlining and Public/Private Competition

- maintaining a high level of library service while encouraging efficiencies is part of the Administration's commitment to providing citywide educational services and centers. The City provides over 80 percent of the funding for the New York, Brooklyn, and Queens Libraries and approximately 20 percent of the funding for the New York Research Libraries.

Summary of Agency Financial Data
(\$000's)

					Increase/(Decrease)	
	1999 Actual	2000 Forecast	2001		2000 Forecast	2001 Preliminary Budget
<i>Expenditures</i>						
Personal Service	\$—	\$—	\$—	\$—	\$—	\$—
Other Than Personal Service	212,243	231,336	185,503	231,098	(238)	45,595
Total	<u>\$212,243</u>	<u>\$231,336</u>	<u>\$185,503</u>	<u>\$231,098</u>	<u>(238)</u>	<u>\$45,595</u>
<i>Funding</i>						
City	\$212,243	\$231,336	\$185,503	\$231,098	(238)	\$45,595
Other Categorical Grants	—	—	—	—	—	—
Capital IFA	—	—	—	—	—	—
State	—	—	—	—	—	—
Federal						
• JTPA	—	—	—	—	—	—
• CD	—	—	—	—	—	—
• Other	—	—	—	—	—	—
Intra-City Other	—	—	—	—	—	—
Total	<u>\$212,243</u>	<u>\$231,336</u>	<u>\$185,503</u>	<u>\$231,098</u>	<u>(238)</u>	<u>\$45,595</u>
<i>Personnel (at fiscal year-end)</i>						
City	—	—	—	—	—	—
Non-City						
• JTPA	—	—	—	—	—	—
• CD	—	—	—	—	—	—
• Other	—	—	—	—	—	—
Total	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

Programmatic Review

- the Libraries provide major services through the Connecting Libraries And Students Program (CLASP) and the Adult Literacy Initiatives. CLASP makes reading and books an integral part of the lives of schoolchildren through a series of programs that create new links among teachers, librarians, and parents. The Adult Literacy initiatives provide literacy instruction for adults 16 years and older.
- currently, the three library systems provide at least six-day a week service at all branches. Attendance and use at all systems is at record levels.
- the Libraries received \$7.8 million in increased funding for CLASP and \$1.6 million in increased funding for summer reading programs in FY 2000.
- all three library systems have well-developed computer systems. Brooklyn Public Library's On-line Public Access Catalog (OPAC) system delivers a range of services to their users. From any personal computer

with Internet access, at home or in the branches, patrons can search the catalogue, place or cancel reserves on materials, renew materials, identify items currently on loan, and determine fines owed. New York Public Library's Library Entrance On-Line (LEO) system and Queens Borough Public Library's OPAC system provide similar services.

Capital Review

The Libraries 2001-2004 Four Year Capital Strategy totals \$77.9 million in City funds. The table below shows capital commitments by program area over the 1999-2004 period.

Capital Commitments (\$000's)

	1999 Actual		2000 Plan		2001 Plan		2002 Plan		2003 Plan		2004 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
New York Research Library ..	335	335	15,052	15,052	23,213	23,213	4,088	4,088	771	771	0	0
New York Public Library	6,088	6,088	55,059	55,059	16,581	16,581	1,896	1,896	1,523	1,523	1,078	1,078
Brooklyn Public Library	7,312	7,312	19,543	19,543	11,300	11,300	2,032	2,032	1,648	1,648	2,621	2,621
Queens Public Library	4,134	4,134	7,995	7,995	9,109	9,109	745	745	957	957	351	351
Total	<u>17,869</u>	<u>17,869</u>	<u>97,649</u>	<u>97,649</u>	<u>60,203</u>	<u>60,203</u>	<u>8,761</u>	<u>8,761</u>	<u>4,899</u>	<u>4,899</u>	<u>4,050</u>	<u>4,050</u>

Major Highlights of the Libraries Four Year Strategy include:

- renovations at the Humanities and Social Services Library at 42nd Street (\$12.6 million) which include: \$1.5 million for renovations to the Map Division, \$3.4 million for creation of the Center for Scholars and Writers, \$2.6 million for renovation work at the U.S. History, Local History and Genealogy Division; \$1.8 million for construction of a Rare Books Room; and, \$2.7 million for renovation work to office and administrative space.
- redesign and renovations at the Library for the Performing Arts (\$18.7 million). The total estimated cost of this public-private partnership project is \$30 million.
- construction of the new Bronx Borough Center (\$10.4 million). Approximately \$1.5 million is for site acquisition.
- construction of a new Columbia Branch Library in Manhattan (\$3.5 million). This is a public-private partnership project between the New York Public Library, the City and Columbia University. This effort is a collaboration to build a multi-purpose building, residence hall and library.
- extensive renovation at the Williamsburg branch (\$3.2 million).
- renovations at the Brooklyn Public Library's Central Branch (\$2.5 million) which include: \$1.5 million for renovation of the entrance and \$1 million toward the installation of a sprinkler system for the Central Branch's book storage facility at Grand Army Plaza.
- system-wide roof replacement programs at the Brooklyn Public Library (\$1.2 million) and at the Queens Borough Public Library (\$1.3 million).

- construction of a new Kensington Library in Brooklyn (\$2.4 million).
- expansion of the computerized On-Line Public Access Catalog (OPAC) at the Brooklyn Public Library (\$0.5 million).
- replacement of heating systems at the Queens Borough Public Library (\$1.6 million).
- creation of a new Long Island City branch (\$3.5 million).
- construction of a new Cambria Heights branch (\$3.4 million).

THE DEPARTMENT OF CULTURAL AFFAIRS

The Department of Cultural Affairs (DCA) is responsible for sustaining and promoting the cultural quality of life throughout the City. DCA achieves these goals by administering a variety of financial, legal, capital construction, and managerial support services while monitoring functions essential to promoting efficient operations at the 34 City cultural institutions. The City cultural institutions include world-renowned organizations such as the Metropolitan Museum of Art; the Wildlife Conservation Society; the American Museum of Natural History; the Joseph Papp Public Theater/New York Shakespeare Festival; the Studio Museum in Harlem; the Brooklyn Museum of Art; and, the New York Botanical Garden. The City's institutions also include prominent regional institutions such as the Brooklyn Botanic Garden; the Staten Island Historical Society; the Queens Botanical Garden; the Bronx Museum of the Arts; the New York Hall of Science; El Museo del Barrio; and, the Brooklyn Children's Museum. Furthermore, DCA supports capital construction and improvement projects at distinguished cultural institutions, such as the Museum of Modern Art, the Center for Jewish History and the Roundabout Theater Company.

DCA is also instrumental in supporting arts organizations and cultural activities in all five boroughs through a variety of grants and support services. DCA provides grants to over 450 arts-related organizations citywide, including such widely diverse recipients as the Metropolitan Opera; the Children's Museum of Manhattan; the Alvin Ailey Dance Company; the Isamu Noguchi Garden; Ballet Hispanico of New York; the Boys Choir of Harlem; Aaron Davis Hall; Hostos Performing Arts Center; Staten Island Symphony; the Brooklyn Philharmonic; Dance Theater of Harlem; and, the Queens Council on the Arts. Finally, DCA administers a citywide Cultural Challenge Program that awards operating funds to cultural institutions and arts-related organizations. The Cultural Challenge Program bolsters the award recipients' programmatic capabilities and financial security by requiring them to leverage private matching funds.

Financial Review

The Department of Cultural Affairs 2001 Executive Budget provides for operating expenses, including energy costs, of \$99.7 million, a decrease of \$14.8 million in City funds from the 2000 forecast. It also provides for City funded capital commitments of \$148.5 million in 2001.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- the City's 34 cultural institutions will receive operating support of \$87.3 million, including energy subsidies. The Executive Budget maintains the high level of funding established in 2000, thus demonstrating the Administration's commitment to the City's many cultural assets.
- the Executive Budget contains an increase of \$2.5 million in energy subsidies and leases.
- the Executive Budget allocates \$5 million as a City funds match for the Cultural Challenge Program.
- various cultural organizations citywide will receive program grants totaling \$3.9 million.
- the Executive Budget contains \$3 million in operating funds for the Department of Cultural Affairs.

Public/Private Competition

- the Executive Budget includes \$5 million in City funds as a match for the Cultural Challenge Program. The \$5 million in City funds combined with the matching additional private “Challenge” funding will help offset the reduction to cultural programs by selectively adding City funds for the approved applicant proposals and strengthening grant recipients’ leveraging power.
- the reductions to the cultural program groups will require these organizations to diversify and strengthen their funding streams. In the process of raising additional private funds, these organizations will become stronger by becoming more self-reliant.

Summary of Agency Financial Data
(\$000’s)

					Increase/(Decrease)	
	1999 Actual	2000 Forecast	2001		2000	2001
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
<i>Expenditures</i>						
Personal Service	\$1,910	\$2,042	\$1,951	\$1,981	(\$61)	\$30
Other Than Personal Service	103,283	117,497	85,317	99,257	(18,240)	13,940
Total	<u>\$105,193</u>	<u>\$119,539</u>	<u>\$87,268</u>	<u>\$101,238</u>	<u>(\$18,301)</u>	<u>\$13,970</u>
<i>Funding</i>						
City	\$101,152	\$114,514	\$85,692	\$99,662	(\$14,852)	\$13,970
Other Categorical Grants	—	384	66	66	(318)	—
Capital IFA	43	41	41	41	—	—
State	—	—	—	—	—	—
Federal						
• JTPA	—	—	—	—	—	—
• CD	255	545	225	225	(320)	—
• Other	—	—	—	—	—	—
Intra-City Other	3,744	4,055	1,244	1,244	(2,811)	—
Total	<u>\$105,193</u>	<u>\$119,539</u>	<u>\$87,268</u>	<u>\$101,238</u>	<u>(\$18,301)</u>	<u>\$13,970</u>
<i>Personnel (at fiscal year-end)</i>						
City	30	32	32	32	—	—
Non-City						
• IFA	1	1	1	1	—	—
• CD	2	2	2	2	—	—
• Other	—	—	—	—	—	—
Total	<u>33</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>—</u>	<u>—</u>

Programmatic Review

Support for Cultural Programs and Institutions

In 2000, the DCA, through its major funding divisions - Cultural Institutions, Capital Projects, and Program Services - supported many different activities and projects throughout the New York City cultural community.

- the Rose Center for Earth and Space, the new, “cutting edge” planetarium at the American Museum of Natural History, opened in February, 2000. The City contributed \$45 million to this project.
- the Police Museum, an institution dedicated to the history of the Police Department and the field of law enforcement, opened in January, 2000. The City contributed \$1 million to the \$3.2 million project.
- the Congo Gorilla Forest, a spacious home of six and one half acres, for gorillas, okapi, red river hogs, and hundreds of other animals opened at the Bronx Zoo. The City contributed \$22.8 million to the \$43 million project.
- the renovated Flushing Town Hall opened in October, 1999 with a theater, gallery space, classroom, and studio in the historic building.

Capital Commitments

(\$000's)

	1999 Actual		2000 Plan		2001 Plan		2002 Plan		2003 Plan		2004 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Department of Cultural Affairs	62,512	64,149	237,973	249,430	148,543	152,465	76,513	76,513	43,262	43,262	37,340	37,340
Total	<u>62,512</u>	<u>64,149</u>	<u>237,973</u>	<u>249,430</u>	<u>148,543</u>	<u>152,465</u>	<u>76,513</u>	<u>76,513</u>	<u>43,262</u>	<u>43,262</u>	<u>37,340</u>	<u>37,340</u>

Capital Review

The Department's 2001-2004 Four-Year Capital Strategy totals \$305.6 million in City funds.

Major Highlights of the Four-Year Strategy:

- a Master Plan including extensive renovations and expansions at Lincoln Center for the Performing Arts (\$96 million). The overall Master Plan will cost approximately \$1.5 billion and take approximately 10 years to complete. The City will provide additional financial support beyond the Four-Year Plan period.
- major renovation and expansion of the Museum of Modern Art (\$30 million as well as \$35 million in 2000). A key feature will be an entire building dedicated to education and research. In addition, gallery space will be doubled, the Abby Aldrich Rockefeller Sculpture Garden will be renovated and restored, stores and restaurants will be expanded, and a state-of-the-art storage and study facility will be constructed.
- comprehensive reconstruction and expansion at the Metropolitan Museum of Art (\$20 million as well as \$5 million in 2000). Projects include, but are not limited to, the renovation of the Great Hall & the Fifth

Avenue Plaza, construction of a new Education Center, expansion of the Museum's Library, and reconstruction work in the Italian Sculpture, Egyptian, and Decorative Arts Galleries. The Master Plan for the Museum, including private funds, amounts to \$250 million.

- creation of a new wing for the Museum of Jewish Heritage (\$16 million as well as \$6 million in prior years). The \$22 million City contribution will be matched by \$22 million in private funds. The new building will contain a theater, special exhibition galleries, a Family History Center, classrooms, offices, a kosher dining facility, and a garden.
- infrastructure improvements at New York Botanical Garden (\$12.5 million in addition to the \$5 million in 2000) as part of a long-term \$300 million capital campaign. Projects in the Master Plan include, but are not limited to, the reconstruction of a new Visitors' Center, renovations to the Museum Building Interior, as well as garden-wide irrigation, the restoration of the Fountain of Life, expanded parking, road repairs, and night illumination.
- continual building improvements at the New York Hall of Science, including stabilization construction at the Rocket Park (\$32 million).
- expansion and improvements at the Center for Jewish History (\$7 million as well as \$3 million in 2000) as part of a \$50 million renovation project.
- construction of a new entrance at the Brooklyn Museum of Art (\$17.8 million as well as \$15.8 in 2000).
- capital improvements at the Children's Museum of Manhattan (\$0.9 million).
- construction of a permanent facility at the former Coliseum site for Jazz at Lincoln Center (\$3 million, as well as \$15 million in previous years) as part of a \$96.7 million project.
- construction of the Third Stage Theater, a mid-sized theater with an innovative stage and seating design, at Carnegie Hall (\$4.8 million, in addition to \$7.5 million in 2000). The total project cost, including private funds, is estimated to be \$62 million.

PENSIONS AND OTHER FRINGE BENEFITS

Pension Overview

The Executive Budget for 2001 provides for \$937 million in City pension contributions, an increase of \$190 million from the amount forecast for 2000. Of the total amount, \$888 million represents contributions to the City's five main actuarial retirement systems, \$27 million represents contributions to actuarial systems covering certain non-City employees of the City University, the library system, day care centers, and certain cultural institutions, and \$22 million represents "pay as you go" contributions to non-actuarial systems that are no longer open to active City employees.

Pension Expenditures and Funding Sources (\$000's)

	1999 Actual	2000 Forecast	2001		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2000 Forecast	Preliminary Budget
<i>Expenditures</i>						
Personal Service						
• City Actuarial	\$1,385,455	\$702,327	\$888,716	\$888,716	\$186,389	—
• Non-City Actuarial	19,892	23,147	27,012	27,012	3,865	—
• Non Actuarial	20,623	21,691	21,691	21,691	-	—
Total	<u>\$1,425,970</u>	<u>\$747,165</u>	<u>\$937,419</u>	<u>\$937,419</u>	<u>\$190,254</u>	<u>—</u>
<i>Funding</i>						
City	\$1,311,364	\$640,782	\$831,036	\$831,036	\$190,254	—
State	28,525	19,853	19,853	19,853	—	—
• JTPA	—	—	—	—	—	—
• CD	—	—	—	—	—	—
• Other	2,525	2,525	2,525	2,525	—	—
Intra-City Other	83,556	84,005	84,005	84,005	—	—
Total	<u>\$1,425,970</u>	<u>\$747,165</u>	<u>\$937,419</u>	<u>\$937,419</u>	<u>\$190,254</u>	<u>—</u>

The City's five main retirement systems include the New York City Employees' Retirement System, the New York City Teachers' Retirement System, the New York City Police Pension Fund, Subchapter Two, the New York City Fire Pension Fund, Subchapter Two, and the Board of Education Retirement System. These systems, as of June 30, 1998 data, cover approximately 564,000 employees, retirees and beneficiaries of the City, the Board of Education, and certain independent agencies.

Each of the five systems is managed by a board of trustees and functions in accordance with State and City laws. Pension liabilities and required contributions are actuarially determined and conform to Generally Accepted Accounting Principles (GAAP).

In connection with an independent actuarial audit performed by Watson Wyatt and Company, the Chief Actuary of the City has formulated a revised set of funding assumptions for estimating liabilities and determining contributions for the five City Systems. Together with the implementation of revised assumptions, commencing in fiscal year 2000, the Actuary intends to perform a market value restart. The City's budget and financial plan

are reflective of these revised assumptions as prepared by the Actuary. The Actuary has submitted his funding recommendations to the Trustees of the City's Pension Systems. Certain elements contained in the Actuary's recommendations require approval by the Trustees; other elements require State legislation.

Membership in any of the City's main retirement systems is grouped into certain categories, or "Tiers", which vary according to a member's entry-date into a system. Tier I members are employees who joined a City pension system prior to July, 1973. In general, other than the uniformed forces, Tier I members with 25 years of service may retire at age 55 and receive a benefit which is 55 percent of final year's salary. Members of the uniformed forces under Tier I are eligible to retire after 20 years of service on a half-pay retirement allowance.

Tier II covers all employees who joined City pension systems between July, 1973 and June, 1976. Tier II benefits are generally lower than Tier I benefits. For example, a member's benefit is calculated using a three-year average salary, rather than earnings over the twelve months preceding retirement.

Tier III legislation was enacted statewide in 1976 to cover employees joining pension systems on and after July 1, 1976, excluding uniformed police officers and firefighters, who continue to be members of Tier II. Tier III benefits are also based on a three-year average salary and include a Social Security offset to the benefit calculation.

Tier IV was enacted under Article 15 of the Laws of 1983, to supersede Tier III. All Tier III members with the exception of uniformed police, fire and correction employees were transferred to Tier IV effective September 1, 1983. The Tier IV plan is more costly than Tier III, predominantly because it eliminated the Social Security offset feature of Tier III. To partially offset the employer cost of this change, the Tier IV legislation, as compared to Tier III, provided for reduced death benefits, eliminated automatic cost-of-living adjustments to retirees, and eliminated the right to retire between ages 55 and 62 at reduced benefits. Tier IV also removed the immediate refund feature under Tier III for individuals who separated from City service. Tier IV requires such individuals to wait until age 62 (or death) to receive refunds of contributions.

On June 29, 1984, the New York Court of Appeals held that the provisions of the Tier IV legislation which eliminated the immediate refunding of terminated employees' contributions and reduced death benefits, could not be applied to Tier IV members who held membership in the Tier III plan before September 1, 1983. Subsequent court decisions indicate that Tier IV members who were former Tier III members have rights in certain cases to elect to receive benefits (which they may deem more favorable) originally provided under Tier III. In 1986, State legislation was enacted which further enhanced benefits to Tier IV plan participants. Specifically, ordinary death benefits were amended to become nearly identical to those received by Tier II members. It should be noted that this legislation is a reversal of reductions in these death benefits that were intended to partially offset the employer cost of the removal of the Social Security offset.

State legislation enacted in 1985 enables teachers hired since July, 1976 to retire with no reduction in benefits at age 55 provided they have 30 years of service. Similarly, in 1988, State legislation was enacted which entitles uniformed sanitation workers hired since July, 1976 to retire with no reduction in benefits at age 55 provided they have 30 years of service. An improved retirement plan for correction officers and sanitation workers was approved in 1990 and 1991, respectively. This plan allows correction officers and sanitation workers to retire with 20 years of service at half pay, with the provision that the members pay for the enhanced benefit through increased payroll deductions. Other improvements include State legislation enacted in 1989 and effective July 1, 1990, which allows non-vested Tier IV members who leave City service to withdraw their contributions upon termination of employment. And, in 1990, the State passed into law the ability for Tier III and Tier IV members to take loans on their pension contributions. In 1993, the State enacted legislation which extended the 1990 correction officers improved retirement plan, discussed above, to correction captains. Similar to the previous plan, the correction captains are now eligible to retire with 20 years of service at half pay with the provision that members pay for the enhanced benefit through increased payroll deductions.

Pursuant to an agreement between the City and the Municipal Labor Coalition, Chapter 96 of the Laws of 1995 was enacted to allow Tier II, III and IV civilian employees to purchase improved pension and health insurance benefits through increased payroll deductions. Participants must contribute an additional 4.35 percent of salary for all service rendered through the beginning of January 1998, and as a result of Chapter 422 of the laws of 1997, 2.85 percent thereafter. Chapter 96 granted existing pension members the option of joining an improved plan to receive pension payability upon attaining age 55 and 25 years of service. New employees are mandated into a separate plan that provides pension payability at age 57 with a 10 year minimum vesting requirement. In addition, eligible participants in physically taxing titles can retire at age 50 with 25 years of service for an additional 6.33 percent of salary as provided under Chapter 96, and 4.83 percent of salary as provided under Chapter 422.

State legislation enacted in 1998 under Chapters 389 and 266 provided for further improvements for Tier III and IV members of TRS, and certain civilian members of NYCERS and BERS. Chapter 389 provided for five year vesting and Chapter 266 provided members with a two percent service fraction for 20 or more years of service. Additional legislation passed into law granted a pre-retirement death benefit for Tier II, III and IV members.

Other Fringe Benefits

The City provides a number of fringe benefits to its employees, retirees and eligible dependents. Contribution levels and terms of coverage are governed by various contractual, legal and collective bargaining provisions.

The City's basic health insurance program provides comprehensive major medical and hospitalization benefits to its members. City payments on behalf of active employees and non-Medicare retirees are benchmarked to the HIP/HMO rate; while payments on behalf of Medicare eligible participants are benchmarked to the GHI Senior Care rate. In addition, the City makes annual contributions to union-administered Welfare Funds, which typically provide supplemental health insurance benefits for their members. Annual contribution levels conform with collective bargaining and labor agreements, including the payment in 2000 of certain monies deferred from 1996.

The City also participates in federal Social Security and makes the required employer contributions on behalf of covered employees. Under Worker's Compensation, the City provides statutory wage-replacement and medical benefits to employees who sustain on the job injuries, and under Unemployment Benefits, provides up to 26 weeks of wage-replacement benefits, up to state law maximum levels. The City also provides medical benefits to uniformed employees of the Police, Fire and Sanitation Departments who are injured in the line of duty.

In general, the City's Miscellaneous Budget contains the fringe benefit appropriations on behalf of employees and retirees of the mayoral agencies. Separate allocations are included in the Board of Education, the City University system, the Health and Hospitals Corporation, various other covered organizations, libraries and cultural institutions, for the fringe benefit costs of their active and retired employees.

The following table sets forth the fringe benefit amount carried in the Miscellaneous Budget.

Fringe Benefits

(\$ 000's)

	2000 Forecast	2001 Executive	Increase/ (Decrease)
Workers' Compensation	\$80,432	\$ 91,921	\$ 11,489
Health Insurance Plans	1,015,473	1,131,763	116,290
Social Security Contributions	580,272	594,099	13,827
Unemployment Insurance Benefits	10,423	11,007	584
Supplementary Employee Welfare Benefits	355,723	335,925	(19,798)
Workers' Compensation - Other	30,308	33,141	2,833
Total	<u>\$2,072,631</u>	<u>\$2,197,856</u>	<u>\$125,225</u>
Funding			
City	\$1,947,847	\$2,074,185	\$ 126,338
Other Categorical	—	—	—
State	43,989	42,989	(1,000)
Interfund Agreements	2,450	2,450	—
Federal			
• CD	19,908	20,795	887
• Other	58,437	57,437	(1,000)
Total	<u>\$2,072,631</u>	<u>\$2,197,856</u>	<u>\$ 125,225</u>

JUDGMENTS AND CLAIMS

The Executive Budget for 2001 provides an appropriation of \$442 million for Judgments and Claims. These expenditures represent the City's costs for tort and contract liability and are projected to reach \$508 million by 2004. Tort expenditures cover both personal injury and property damage claims, and account for approximately 97 percent of total costs.

The Office of Management and Budget (OMB) employs various statistical methods and financial models to estimate annual claim costs. Historical claim data contained on the Comptroller's Omnibus Automated Image Storage and Information System (OASIS) are analyzed to determine both annual settlement volumes and average claim costs. Total costs are the product of both the volume and average cost projections.

In addition, OMB consults the Law Department to provide cost estimates for cases that are expected to settle for \$1 million or greater. These are mainly serious personal injury cases that have been in litigation or on appeal for a considerable period of time. These cases represent about 30 percent of total tort costs, but their relatively small volumes do not lend themselves to statistical analysis.

Annual claim costs have grown dramatically over the last 10 years, from \$179 million in 1990 to \$420 million in 1999. This growth has been fueled by an increasing volume of claims filed against the City combined with higher jury awards.

In an effort to curb the growth in costs, the City is seeking Tort-Reform legislation that would include monetary caps and medical expense thresholds to limit recovery amounts. In addition, the City proposes that the Court of Claims have jurisdiction over City cases whereby it is expected that this venue would remove the costs of excessive jury verdicts while maintaining fair settlement amounts in an efficient manner. Currently, the City has adopted certain recommendations from an independent consultant to aggressively investigate and dispose of claims in their early stages with the expectation that long-term savings should materialize from improved coordination and defense of claims, identification of fraud, third party insurers and claims without liability.