



THE CITY OF NEW YORK
INDEPENDENT BUDGET OFFICE

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April 24, 2001

Michael Gary
Senior Project Advisor
A Cultural Blueprint for New York City

Dear Mr. Gary:

As you requested, the Independent Budget Office has analyzed recent trends in planned and actual capital commitments for the Department of Cultural Affairs (DCA). A capital commitment is defined as a rewarded contract registered with the City Comptroller; actual cash expenditures will depend on the specific terms of each contract and will not exactly correspond in time with commitments.

Based on adopted capital commitment plans for city fiscal years 1996 through 2000, we found that in general, while planned commitments have been rising, actual commitments have been falling, as shown in the attached figures. Over the last five years, actual capital commitments have totaled \$272.8 million, compared to planned commitments of \$877.4 million. This means that 31 percent of the plan has been actually committed.

Actual commitments are routinely below planned commitments in almost every city agency, reflecting an annual target level established by the Mayor's Office of Management and Budget (OMB). In fiscal year 2000, total actual capital commitments for all agencies were equal to 67 percent of planned commitments as reflected in the January 2000 capital commitment plan. Thus, although some shortfall is to be expected relative to the plan, the DCA capital program has fallen well short of the rate of commitment citywide.

The adopted capital commitment plan for Cultural Affairs includes funds allocated by the Administration, the City Council, and the Borough Presidents. Over the last five years, the Council's share of planned commitments has been about 41 percent, while those of the Administration and the Borough Presidents have been about 30 percent and 29 percent respectively. Actual commitments have roughly reflected these proportions; the City Council and Administration funded 43 percent and 29 percent of commitments respectively, while the Borough Presidents' share of actual commitments was 26 percent.

Over time, planned and actual commitments have increasingly diverged. From 1996 to 2000, there has been an overall increase in planned commitments of 119 percent while actual commitments have decreased by 50 percent.

If we can be of further assistance to you on this or any other issue, please do not hesitate to contact me at (212) 442-0220, or Elizabeth Zeldin, Assistant Budget and Policy Analyst with responsibility for Cultural Affairs, at (212) 442-0340.

Sincerely,

C. Preston Niblack
Deputy Director

EZ:CPN

Planned and Actual Commitments for Cultural Affairs, 1996-2000 (Millions of dollars)						
	1996	1997	1998	1999	2000	Total
Planned Commitments						
City Council	\$44.9	\$62.7	\$60.9	\$90.9	\$100.1	\$359.6
Borough Presidents	43.7	54.5	39.6	49.7	64.1	251.6
Mayor	35.4	34.3	39.0	50.1	107.5	266.2
Total	\$124.0	\$151.4	\$139.5	\$190.7	\$271.7	\$877.4
Actual Commitments						
City Council	\$12.3	\$35.2	\$18.4	\$36.8	\$13.8	\$116.5
Borough Presidents	13.0	30.5	11.7	13.8	1.1	70.1
Mayor	15.8	31.4	21.3	11.7	6.0	86.2
Total	\$41.1	\$97.1	\$51.4	\$62.3	\$20.9	\$272.8
NOTE: Planned commitments are based on the Adopted Capital Commitment Plans, except 2000, which is based on the January 2000 plan.						
SOURCES: IBO; OMB: Adopted Capital Commitment Plans, various years (except as noted); Monthly Transactions Analysis, Report 2, June of various years.						

