March 2016

Analysis of the Mayor's 2017 Preliminary Budget and Financial Plan Through 2020: Overview

When Mayor Bill de Blasio released his Preliminary Budget for 2017 and Financial Plan through 2020 in January, he described it as a "boring" budget. Some observers noted the lack of a signature initiative such as the expansion of pre-k or the affordable housing plan that were the hallmarks of budget presentations during his first two years in office.

But the Mayor's latest budget plan is not devoid of new spending. Although the Mayor peppered the presentation of his budget plan with warnings that the city was overdue for an economic downturn that would crimp tax revenues, his plan includes a number of new initiatives—for example, a $15 minimum wage for municipal employees and workers in programs under contract with the city—and funding to support components of previously introduced programs such as ThriveNYC and Vision Zero. Despite these new or expanded spending plans, the Mayor's budget retains substantial reserves in case of an economic slowdown. These reserves could be quickly depleted, even without a downturn, if some or all of Governor Cuomo's proposals requiring additional spending by the city are approved by the state Legislature.

This overview presents highlights of IBO's examination of the Mayor's preliminary budget and four-year financial plan. It includes key points from our latest economic forecast and tax revenue projections as well as our re-estimate of spending under the contours of the Mayor's budget proposals. Based on our latest revenue and spending projections, IBO expects the city will end the current fiscal year with a surplus of $2.5 billion, $216 million more than the de Blasio Administration's estimate. We project the city will end 2017 with a surplus of $490 million; our projections for the subsequent years of the financial plan find relatively modest shortfalls of less than $2 billion a year, budget gaps that are very small relative to city–generated revenues and could be substantially offset with funds currently held as general reserves. Among other key findings from our economic forecast, revenue projections, and expenditure re-estimates:

- IBO estimates the city will add 77,500 jobs this year, down from the extraordinary gains of more than 100,000 jobs in each of the last two calendar years.

Total Revenue and Expenditure Projections
Dollars in millions

	2016	2017	2018	2019	2020	Average Change
Total Revenue	**$82,011**	**$83,171**	**$85,638**	**$88,642**	**$91,949**	**2.9%**
Total Taxes	52,889	54,858	57,350	60,070	63,000	4.5%
Total Expenditures	**82,011**	**82,682**	**87,412**	**90,621**	**93,134**	**3.2%**
IBO Surplus/(Gap) Projections	**$0**	**$490**	**($1,774)**	**($1,980)**	**($1,185)**	
Adjusted for Prepayments and Debt Defeasances:						
Total Expenditures	$83,127	$85,193	$87,412	$90,621	$93,134	2.9%
City-Funded Expenditures	$59,724	$62,510	$64,812	$67,866	$70,110	4.1%

NOTES: IBO projects a surplus of $2.511 billion for 2016, $216 million above the de Blasio's Administration's forecast. The surplus is used to prepay some 2017 expenditures, leaving 2016 with a balanced budget. Figures may not add due to rounding.

New York City Independent Budget Office

IBO
New York City
Independent Budget Office
Ronnie Lowenstein, Director

110 William St., 14th floor
New York, NY 10038
Tel. (212) 442-0632

Fax (212) 442-0350
iboenews@ibo.nyc.ny.us
www.ibo.nyc.ny.us

Pricing Differences Between IBO and the de Blasio Administration *Items that Affect the Gap* *Dollars in millions*	2016	2017	2018	2019	2020
Gaps as Estimated by the Mayor	**$0**	**$0**	**($2,279)**	**($2,937)**	**($2,741)**
Revenue					
Taxes					
Property	$44	$293	$632	$881	$1,378
Personal Income	85	319	302	266	320
General Sales	(76)	(86)	(118)	(113)	(95)
General Corporation	68	(3)	(54)	48	55
Unincorporated Business	65	17	17	21	17
Real Property Transfer	57	5	22	18	(3)
Mortgage Recording	86	53	79	60	38
Utility	8	8	11	13	13
Hotel Occupancy	(0)	(5)	1	19	17
Commercial Rent	16	9	5	(12)	(29)
Cigarette	(1)	(2)	(3)	(5)	(6)
Other Taxes and Audits	6	-	-	-	-
Subtotal	**$346**	**$603**	**$894**	**$1,197**	**$1,705**
STaR Reimbursement	2	6	14	19	26
TOTAL REVENUE	**$348**	**$609**	**$908**	**$1,216**	**$1,732**
Expenditures					
Debt Service	$0	$75	$75	$75	$75
Health Insurance	21	33	52	180	221
Education	(146)	(204)	(236)	(281)	(255)
Homeless Services	-	(101)	(92)	(78)	(63)
Police	-	(50)	(50)	(50)	(50)
Fire	-	(25)	(25)	(25)	(25)
Correction	-	(15)	(15)	(15)	(15)
Board of Elections	-	(25)	(40)	(25)	(25)
Public Assistance	(7)	(23)	(23)	(23)	(23)
Campaign Finance Board	-	-	(40)	-	-
Small Business Services	-	-	(8)	(16)	(16)
TOTAL EXPENDITURES	**($132)**	**($335)**	**($403)**	**($258)**	**($176)**
TOTAL IBO PRICING DIFFERENCES	**$216**	**$274**	**$505**	**$958**	**$1,555**
IBO Prepayment Adjustment 2016/2017	(216)	216	-	-	-
IBO SURPLUS/(GAP) PROJECTIONS	**$0**	**$490**	**($1,774)**	**($1,980)**	**($1,185)**

NOTES: Negative pricing differences (in parentheses) widen the gaps, while positive pricing differences narrow the gaps. Remaining banking corporation tax revenue reported with general corporation tax. Figures may not add due to rounding.

New York City Independent Budget Office

- Of the nearly $2.0 billion in growth we project in tax revenues in fiscal year 2017, $1.6 billion is expected to come from increased property tax collections. By 2020, we estimate that property taxes will account for 46 percent of the city's tax revenues—in 2008, when income and property transfer taxes peaked, the property tax comprised 35 percent of city tax revenues.
- Over the 2016-2020 period, projected growth in tax revenues will continue to modestly outpace increases in spending as city-funded expenditures will grow at an average annual rate of 4.1 percent but tax revenues will grow at a rate of 4.5 percent.
- In 2017, city-funded spending to shelter homeless families and adults will cost $101 million more than currently budgeted under the de Blasio Administration's plan.

We will be releasing additional sections of our review of the Mayor's budget proposals in the weeks ahead, including more detailed looks at our economic forecast and revenue projections and closer scrutiny of some specific spending plans.

Economic & Tax Revenue Forecast

IBO's latest economic forecast assumes the nation's unusually long expansion continues, with moderate growth in gross domestic product and employment. Our forecast anticipates continued economic expansion in the city as well, although job growth is expected to slow considerably from the very high level of the past two years. Although in calendar years 2014 and 2015 the city added more than 100,000 jobs annually, IBO projects the job gain will dip to about 77,500 this year. The number of new jobs is expected to fall even further in 2017 through 2020, averaging about 50,000 annually.

Jobs in professional and business services and in health care services are expected to together account for about half the new jobs created in the city during the forecast period. Despite the strong dollar and overseas economic turbulence, we still anticipate tourism will remain an important driver of the local economy. As in the recent past, Wall Street's role in fueling the city's economy will continue to be diminished. While broker-dealer profits are projected to average about $15 billion annually in 2016-2020, they reach this level in large part because of the expectation of continued low borrowing costs as the Federal Reserve raises interest rates in very small increments.

Based on our economic forecast, tax revenues are projected to increase by $2.0 billion in fiscal year 2017 to reach $54.9 billion, $603 million more than the de Blasio Administration's estimate. Over the 2016-2020 forecast period, we project tax revenues will increase at an average annual rate of 4.5 percent, rising from $52.9 billion in 2016 to $63.0 billion in 2020. Much of this growth results from anticipated increases in property tax collections. With a combination of previous assessment growth that has yet to be phased into tax bills *plus* projections of increases in property values in the coming years, we estimate that property tax revenue will increase by $6.5 billion over the forecast period, rising from $22.6 billion this year to $29.1 billion in 2020—an average annual rate of 6.5 percent. By 2020, we project that the property tax will account for 46 percent of the city's tax revenues, which would slightly eclipse the previous highest property tax share for the period since the current property tax system was established in 1981.

Spending

Under IBO's re-estimate of the Mayor's preliminary budget for 2017 and financial plan, projected growth in tax revenues will continue to modestly outpace increases in spending. We estimate that spending will grow at an average annual rate of 3.2 percent, rising from just over $82 billion this year to $93.1 billion in 2020 (crossing the $90 billion threshold in 2019). Looking just at city-funded expenditures and after adjusting for the use of surpluses to make prepayments, we project city spending will rise at an average annual rate of 4.1 percent, increasing from nearly $60 billion this year to $70.1 billion in 2020.

What's Driving New Spending? The increase in projected city spending is largely driven by just a few factors. One factor is the de Blasio Administration's decision to aid the city's fiscally ailing public hospitals, now known as NYC Health + Hospitals. The Mayor is forgiving the hospital system $337 million it owes the city this year. But he has also decided to maintain the city's $204 million annual match of a federal funding stream even though the federal dollars are expected to decline because of changes in the health care payment system. The de Blasio Administration's plan for addressing the public hospital system's ongoing budget problems is scheduled to accompany the release of the Mayor's Executive Budget in April.

Another new expenditure is the need to increase the city's pension contribution by about $600 million annually beginning this year and through 2020. The additional city contribution results from actuarial changes such as estimates that retired city employees are living longer and therefore receiving pension payments for more years than in past projections. Spending on pensions for the municipal workforce is now expected to increase by a total of about $800 million over the financial plan period, growing from $9.3 billion in 2016 to $10.1 billion in 2020, an average annual increase of 2.0%.

Also pushing spending higher is debt service on the money the city borrows for capital expenditures such as buying police cars or building and repairing schools. Under the Mayor's plan, debt service is expected to grow from $6.3 billion this year to $8.1 billion in 2020, an annual average increase of 6.5 percent after adjusting for the use of budget surpluses to make prepayments. (For details on the Mayor's school construction plan, which increases the number of new seats under the five-year plan to 44,000, click here.)

A number of other measures, some new, some expanding or fully funding previously budgeted initiatives, are also contributing to the spending increase. Prior to the release of the preliminary budget the Mayor announced his intention of phasing in a $15 an hour minimum wage for city employees as well as agencies under contract with the city. This will increase spending by $5 million in 2017 and grows to a cost of $115 million in 2020, according to the de Blasio Administration's estimate. The Mayor has also budgeted additional funds to ramp up previously announced school curriculum and student services initiatives such as Algebra for All, Advanced Placement for All, College Visits, Single Shepard, and Universal Literacy. The plan, which is partly dependent upon the expectation of more education aid from Albany (an expectation that went unmet in the Governor's budget), anticipates spending on these programs to rise from $4.7 million this year to $164 million in 2020.

The Mayor has also added funds to the budget plan for ThriveNYC. Prior to the 2017 preliminary budget, the de Blasio Administration had budgeted $485 million for ThriveNYC-related initiatives. Another $333 million through fiscal year 2020 has now been added, almost entirely city funds. The new plan also includes operating funds for the 15,000 supportive housing units the Mayor intends to build over 15 years. The financial plan budgets $13.2 million in 2017 for running the first of the units to become available, and as more units are completed, operating costs grow to $108.3 million in 2020.

Additionally, the plan commits a total of about $250 million from this year through 2020 to make changes on Rikers Island as a result of the settlement of the *Nunez vs New York City* lawsuit. The settlement includes provisions such as finding a new site to house inmates under the age of 18 and the increased use of handheld and other cameras to help reduce violence in the jail complex. The financial plan budgets nearly $40 million this year, $58 million next year, and about $50 million in each of the following three years for these efforts.

Some Spending Is Under-Budgeted. Despite the overall growth in spending, IBO's review of the Mayor's financial plan finds that in a number of areas the budget comes up short of expected funding needs. As in past years, we find that the biggest shortfall in dollar terms is in the Department of Education, which we estimate will need $204 million more in city funds than currently budgeted for 2017 and $255 million more by 2020. The reason is twofold. The biggest shortfall results from under-funding expected charter school enrollment increases—we estimate the city will need to spend nearly $135 million more than now planned to cover charter school growth next year and $185 million in 2020. The remainder of the shortfall, about $70 million annually, results from our expectation that problems will persist with the information system the education department uses to seek reimbursements from Medicaid for a variety of special education services—leaving revenue below budgeted projections.

IBO also estimates additional funding will be needed for operating the city's homeless shelters. While Mayor de Blasio's budget adds funds for the current year, no additional support has been included for subsequent years. With the numbers of homeless in the city remaining high and the Mayor's rental subsidy program helping fewer people than expected to leave the shelters, IBO estimates that in 2017 it will cost just over $100 million more in city funds than now budgeted for sheltering families and single adults. Our projection of the need for additional city funds falls to about $63 million in 2020 as the rental subsidy programs and increased efforts to prevent homelessness reduce the shelter census.

Overtime in the police, fire, and correction departments will together total $90 million more than budgeted annually from 2017 through 2020. The police department accounts for more than half, or $50 million, of this annual additional cost. We also project that because of changes in city policies on work requirements, city-funded spending on public assistance will be about $23 million annually more than now budgeted for each year of the financial plan.

Spending Cuts, Funds in Reserve. Twenty-five Council Members sent a letter to the Mayor a few weeks before the preliminary budget was released urging that the plan include agency savings totaling 5 percent of the city-funded budget. Although the Mayor did not adopt that suggestion, the financial plan does include savings as well as substantial funds in reserve.

The budget for 2017 incorporates $1.5 billion in reserve funds, dollars that are not assigned for any specific purpose and can be used to fill gaps if new spending needs arise or tax revenues come in below expectations. There are two components of this reserve: a general reserve of $1 billion is included in each year of the financial plan, and another $500 million is included just for 2017. In addition to these two budgeted reserves, the Retiree Health Benefits Trust fund contains about $2.5 billion that can provide budget relief by using the trust to meet the city's health insurance spending obligations for current municipal retirees rather than allowing funds in the trust to accumulate to pay future retirees.

Although the Mayor did not propose the kind of savings measure promoted by the Council Members, his financial plan does contain savings totaling $804 million this year and $270 million in 2017 (and amounts under $300 million in each of the next three years). About $400 million of the 2016 savings derives from reduced spending on debt service—mostly because interest rates remained substantially below the levels assumed in prior budget plans. By budgeting on the assumption that interest rates are about to rise steeply, despite little evidence a spike is imminent, the de Blasio Administration (as the Bloomberg Administration also did) "manufactures" debt service savings and creates another budget reserve. Other savings in 2016 include $137 million due to the state and federal governments picking up a larger share of fringe benefit costs for certain municipal workers, $39 million in one-time state funding of some child health Medicaid expenditures, and $30 million in delayed Fresh Kills landfill closure costs.

Pressure Points. There are two factors that loom most immediately over the Mayor's spending plan: The Governor's budget contains several measures that, if adopted, would have a considerable impact on the city's fiscal resources; and the City Council has a number of priorities that are not addressed in the Mayor's budget proposals.

The Governor's executive budget would, just for the city, lift a statewide cap on New York City's local share of annual increases in Medicaid costs as well as recapture the savings the city had from the cap over the past five years. This change would cost the city nearly $300 million in 2017, more than $500 million in 2018, more than $630 million in 2019, and grow by an additional $130 million annually in the subsequent years.

The Governor's budget also proposes shifting $485 million of the state's annual subsidy for the City University of New York—from the state's ledger to the city's tab. Another proposal by the Governor would tap into the city's sales tax revenue to recapture for the state nearly $650 million in savings the city garnered by refinancing Sales Tax Asset Receivable Corporation bonds.

An additional proposal by the Governor would change the allocation and approval process for the use of private-activity bonds across the state. This last measure would not necessarily have a direct effect on the city budget, but these bonds have been an integral part of financing affordable housing construction in the city, and if the availability of the bonds becomes less certain it could undercut the de Blasio Administration's affordable housing strategy.

The Mayor's financial plan does not recognize the potential effects of these proposals on city funds. After initially pinning the motivation for some of these measures on the city's generally strong fiscal outlook, the Governor has more recently said the Medicaid and city university proposals would be revenue neutral for the city and are really aimed at leveraging efficiency savings. But Albany already controls decisions about Medicaid spending (within the parameters of federal regulations) and has a majority of seats on the city university board, so why the threat of shifting costs to the city is necessary to garner efficiency savings—rather than simply shifting burdens to the city—remains an unanswered question.

Also unanswered is whether there will be room in the budget for spending priorities outlined by some members of the City Council, including the chair of the Council's finance committee. One concern is the Mayor's decision not to continue funding the School's Out New York City program for middle school students as well as slots in several other summer programs for youth. Restoring 34,000 summer slots would cost about $28 million. Moreover, some Council Members have expressed the desire to see the Summer Youth Employment Program expanded to a universal, year-round initiative. A recent estimate by the Community Service Society pegged the cost of an all-year program at about $160 million. Another priority raised by Council Members is to maintain six-day service at the city's library systems. The Mayor included in the preliminary budget about half the funding needed to do this—roughly $21 million more is still needed.

Also needed is funding to cover three new city offices created through Council legislation: the Department of Veterans' Services, the Office of Civil Justice, and the Office of Labor Standards. The size and cost of these divisions have not yet been finalized but funding is expected to be included in the Mayor's Executive Budget in April.

Will the Good Times Roll On?

Based on IBO's economic and tax revenue forecast and our re-estimate of spending under the Mayor's 2017 preliminary budget and financial plan, New York City's fiscal outlook looks reasonably strong. We project a comparatively small surplus for 2017 and our projections for budget gaps in the subsequent years are modest by historical standards—3 percent or less of city-generated revenue each year. The general reserve carried in each year of the budget plan would eliminate half or more of each year's budget shortfall.

But a number of factors could quickly darken this fiscal picture. One such factor is the risk of a U.S. recession spurred by continuing problems in China and its effect on other nations that rely heavily on China as a trading partner. Whenever the next recession finally occurs, the city's economy may not fare as well as it did during the downturn in 2008-2009.

Among other factors that could sap the city's fiscal strength, one stands out as particularly debilitating. Despite his more recent assertions that the state budget will not cost the city overall, if the Governor's budget proposals are enacted they would burden the city with large and currently unfunded expenditures. If both the Medicaid and City University of New York measures pass, the city would be facing a combined $785 million in new expenditures for next year, a figure that grows to nearly $1 billion in 2018.

The city budget also continues to carry about $730 million in expected revenue from the sale of taxi medallions over several years, though the timing of the sales continues to be delayed. Given the turmoil in the industry, prospects for receiving this revenue seem increasingly unlikely.

Still, even as this medallion revenue seems less likely to materialize and the Governor's budget could squeeze city resources, the de Blasio Administration faces ongoing pressures to help the city's fiscally troubled public hospitals and public housing. And a federal Equal Employment Opportunities Commission ruling could leave the city on the hook for nearly $250 million in back wages and damages for administrative managers.

While the Mayor and City Council have maintained budget reserves that could absorb the cost of some of these factors, a multiplicity of these issues occurring simultaneously could quickly bring a halt to the city's relatively good fiscal times.

IBO Revenue Projections
Dollars in millions

	2016	2017	2018	2019	2020	Average Change
Tax Revenue						
Property	$22,600	$24,166	$25,777	$27,355	$29,100	6.5%
Personal Income	11,118	11,392	11,706	12,130	12,703	3.4%
General Sales	6,994	7,265	7,543	7,869	8,213	4.1%
General Corporation	4,039	4,157	4,212	4,393	4,496	2.7%
Unincorporated Business	2,072	2,089	2,181	2,277	2,374	3.5%
Real Property Transfer	1,626	1,611	1,647	1,701	1,731	1.6%
Mortgage Recording	1,114	1,108	1,144	1,155	1,160	1.0%
Utility	398	402	418	429	438	2.4%
Hotel Occupancy	548	545	564	588	597	2.4%
Commercial Rent	786	814	845	863	881	2.9%
Cigarette	47	45	43	40	38	-5.0%
Other Taxes and Audits	1,558	1,269	1,269	1,269	1,269	-4.9%
Total Taxes	**$52,889**	**$54,858**	**$57,350**	**$60,070**	**$63,000**	**4.5%**
Other Revenue						
STaR Reimbursement	$814	$803	$814	$823	$834	0.6%
Miscellaneous Revenue	4,916	4,843	4,890	5,008	5,105	0.9%
Unrestricted Intergovernmental Aid	4	-	-	-	-	n/a
Disallowances	(15)	(15)	(15)	(15)	(15)	n/a
Total Other Revenue	**$5,719**	**$5,631**	**$5,689**	**$5,816**	**$5,924**	**0.9%**
TOTAL CITY-FUNDED REVENUE	**$58,608**	**$60,489**	**$63,039**	**$65,886**	**$68,924**	**4.1%**
State Categorical Grants	$13,384	$13,575	$13,986	$14,349	$14,632	2.3%
Federal Categorical Grants	8,638	7,616	7,177	6,971	6,963	-5.2%
Other Categorical Aid	775	861	864	861	858	2.6%
Interfund Revenue	606	631	573	573	572	-1.4%
TOTAL REVENUE	**$82,011**	**$83,171**	**$85,638**	**$88,642**	**$91,949**	**2.9%**

NOTES: Remaining banking corporation tax revenue reported with general corporation tax. Figures may not add due to rounding.

New York City Independent Budget Office

IBO Expenditure Projections
Dollars in millions

	2016	2017	2018	2019	2020	Average Change
Agency Expenditures	**$56,826**	**$56,524**	**$57,137**	**$57,767**	**$58,076**	**0.5%**
Fringe Benefits	9,297	9,805	10,346	11,014	11,762	6.1%
Labor Reserve	996	537	1,320	2,388	2,758	n/a
Total Agency Expenditures	**$67,119**	**$66,866**	**$68,803**	**$71,168**	**$72,596**	**2.0%**
Other Expenditures						
Debt Service	$4,994	$4,132	$7,098	$7,603	$8,149	7.5%*
Pensions	9,343	9,399	9,554	9,734	10,107	2.0%
Judgments and Claims	695	746	782	817	855	5.3%
General Reserve	300	1,000	1,000	1,000	1,000	n/a
Capital Stabilization Reserve	-	500	-	-	-	n/a
Expenditure Adjustments	(440)	38	175	299	428	n/a
TOTAL EXPENDITURES	**$82,011**	**$82,682**	**$87,412**	**$90,621**	**$93,134**	**3.2%**

NOTES: *Represents the annual average change after adjusting for prepayments and debt defeasances. Expenditure adjustments include prior-year-payable, energy, lease, and nonlabor inflation adjustments. Figures may not add due to rounding.

New York City Independent Budget Office

IBO versus Mayor's Office of Management and Budget Economic Forecasts						
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
National Economy						
Real GDP Growth						
IBO	2.4	2.3	2.9	2.6	2.1	1.7
OMB	2.5	2.7	2.9	2.8	2.6	2.5
Inflation Rate						
IBO	0.1	1.3	3.1	3.0	2.8	2.5
OMB	0.1	1.5	2.8	2.4	2.4	2.5
Personal Income Growth						
IBO	4.5	5.0	6.3	6.4	4.7	3.8
OMB	4.5	4.4	5.4	5.4	5.1	5.0
Unemployment Rate						
IBO	5.3	4.9	4.7	4.7	4.7	4.9
OMB	5.3	4.9	4.8	4.8	4.8	4.7
10-Year Treasury Bond Rate						
IBO	2.1	2.6	3.8	4.0	4.0	4.0
OMB	2.1	2.8	3.0	3.5	3.8	3.8
Federal Funds Rate						
IBO	0.1	0.7	2.1	3.7	3.7	3.6
OMB	0.1	0.9	1.9	2.9	3.3	3.3
New York City Economy						
Annual Average Employment Change (thousands)						
IBO	119.1	74.3	56.3	52.9	48.8	44.6
OMB	99.0	61.0	50.0	49.0	51.0	51.0
Annual Average Employment Growth						
IBO	2.9	1.8	1.3	1.2	1.1	1.0
OMB	2.4	1.4	1.2	1.1	1.2	1.2
Inflation Rate (CPI-U-NY)						
IBO	0.1	2.0	2.9	3.2	3.0	2.6
OMB	0.2	1.7	2.9	2.6	2.5	2.6
Personal Income ($ billions)						
IBO	538.1	568.1	601.1	635.1	662.1	686.9
OMB	527.2	546.4	573.0	602.9	631.3	661.4
Personal Income Growth (percentage)						
IBO	6.4	5.6	5.8	5.6	4.3	3.8
OMB	3.9	3.6	4.9	5.2	4.7	4.8
Manhattan Office Rents ($/sq.ft)						
IBO	77.1	79.6	81.1	82.5	83.7	84.8
OMB	77.2	81.4	82.4	82.3	83.0	83.5

SOURCE: Mayor's Office of Management and Budget
NOTES: Rates reflect year-over-year percentage changes except for unemployment, 10-Year Treasury Bond Rate, Federal Funds Rate, and Manhattan Office Rents. The local price index for urban consumers (CPI-U-NY) covers the New York/Northern New Jersey region. Personal income is nominal. OMB's estimate of 2015 New York City employment predates the Bureau of Labor Statistic's annual revision.

New York City Independent Budget Office