



## Capital Budget Reform Slow in Coming

By Sally Goldenberg

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Shortly after Dean Fuleihan became New York City's budget director last year, he asked city agencies to redistribute funds in their capital budgets to more accurately reflect how much they spend on long-term construction and infrastructure projects.

A year later, Fuleihan has found the exercise, which was intended to bring transparency to an historically murky process, a difficult one.

He has made some progress as agencies have spread out planned expenses in the four-year capital budgets, making them more realistic than they were during the Bloomberg administration. However, by Fuleihan's own admission, reform is far from over.

"The city's capital budget is always front-ended. I actually last year said this was one of the things that we're trying to address," Fuleihan said in response to an audience question at a [Citizens Budget Commission breakfast](#) on Tuesday. "We're still trying to address (it); we haven't achieved complete success here, so there will be a roll, a significant roll, from [Fiscal Year] 15 into [Fiscal Year] 16."

The question, according to a video provided by the commission, came after Fuleihan delivered a speech on the mayor's Fiscal Year 2016 executive budget, which takes effect July 1.

Fuleihan acknowledged city agencies should better prioritize projects when drafting their budgets and omit the ones that are unlikely to begin that year.

"We're going to be working with the agencies through the summer to continue to try to get a more rational approach to this, so we can actually achieve results [and] tell somebody, here's the capital timeline, here's when it's actually going to happen and have it be achieved," he said. "That's not been the history of the city capital plan."

Indeed, the capital budgets, which are released three times throughout the year, were once even more lopsided.

In the adopted Fiscal Year 2013 capital budget released in October 2012, for instance, planned city spending dropped from \$15.4 billion in the first year to \$3.1 billion in the fourth.

The next spring, when Michael Bloomberg was still mayor, the Fiscal Year 2014 capital commitment plan showed projected city costs decreasing from \$9 billion in the first year to \$3.4 billion in the fourth.

By comparison, the plan released in October 2014 under Fuleihan showed a drop-off from \$13.9 billion in the first year to \$4.9 billion in the fourth.

The gap closed substantially in the Fiscal Year 2016 capital plan released earlier this month—from \$11.4 billion to \$7.8 billion over the four years.



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Inaccurate capital plans are somewhat ingrained in the city's budget process, as government-funded construction projects are often delayed.

When Fuleihan first broached this subject last April, he said agencies had spent about \$8 billion on capital projects that year, about half of what the city had budgeted based on their inaccurate projections.

"Last year, we started the process of rationalizing the city's capital strategy to ensure a more realistic picture of what agencies can realistically spend," Amy Spitalnick, a spokeswoman for Fuleihan, said in an email. "There has been important progress toward that goal."