Debt Management in New York City, 1978-2008

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Abstract: This paper is the third in a series of working papers on financial management in New York City after the fiscal crisis. The City's return to financial health after the fiscal crisis is a complex story, and one important theme is debt management. The paper outlines the steps the City took to regain market access and diversify the credits used to funds its massive capital needs. This narrative sheds light on some of the functions attributed to debt managers in the literature on debt policy and elsewhere. These functions include providing timely and complete funding for capital and cash flow needs, and keeping interest costs as low as possible. Debt managers are also concerned with the maintenance of a jurisdiction's credit ratings, and the City's credit ratings have improved to the AA range. On the whole, however, it appears that higher general obligation credit ratings have been achieved in spite of the City's debt policy, not because of it. However, if the bulk of the credit for higher ratings falls to the City's success in managing its budget, the debt managers have played an important, albeit supporting, role in that work. Debt has been used to drive up sewer and water fees, to produce refunding savings, to finance an operating deficit after September 11, and to allow the State to provide $2.5 billion in budget relief during that same post-emergency period. In short, the debt managers have played an important role in the City's financial recovery.

Debt Management in New York City, 1978-2008

This is the third in a series of working papers on financial management in New York City after the 1975 fiscal crisis. The period under review begins in 1978 with the replacement of Abe Beamed by Ed Koch as mayor, and ends in 2008 with the retirement of the last Municipal Assistance Corporation (MAC) bonds. During this period, the City came back from the brink of bankruptcy and ended up a AA credit, reflecting progress in many different arenas of financial management. One of those was the management of its debt, which is the topic of this paper. Previous working papers have described the City's unusual approach to cyclical budget management,[1] and outlined the interplay between the politics, economics and the institutions of financial management in the City.[2]

On the one hand, my objective in this next paper is simply to outline in narrative form the major milestones in debt management during this period. On the other hand, this narrative may also help us think analytically about the functions of debt managers in large local governments. I have not found much discussion of those functions, although the debate about debt policy sometimes highlights key responsibilities.[3] For now, it may suffice to suggest three key functions:

- Providing timely funding of a government's capital and cash flow needs;
- Keeping interest costs as low as possible; and
- Maintaining or improving the jurisdiction's credit ratings.

Debt managers are also involved in many other important activities, such a handling the details of complex bond transactions and supplying timely and accurate information to investors, elected officials and citizens. But this paper focuses on the functions which seem to me most important to the overall management of the government's finances.

Debt Management in New York City: the Narrative

The story of debt management between 1978 and 2008 is a subplot in the larger narrative of post-fiscal crisis financial management. For those who are unfamiliar with the broad dimensions of that story, it begins in 1975 when New York City almost defaults on its debt. The State of New York responds by subjecting the City to stringent new oversight and controls. Under the watchful eye of the State, the City achieves several key fiscal milestones. In 1981, it balances its budget under generally accepted accounting principles (GAAP), and has maintained budget balance in each year since. In recognition

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[1] Dall Forsythe, "Cyclical Budget Management in New York City," prepared for delivery at the Annual Meeting of the Public Budgeting and Finance Section of the Western Social Science Association, Phoenix, AZ, April 2006

[2] Forsythe, "Fixing the Mess: Financial Management After the Fiscal Crisis," prepared for delivery at the Annual Meeting of the Association for Budgeting and Financial Management, Washington, DC, October 2007.

[3] For helpful discussions of debt policy issues, see, for example, Ben Hayllar, *Government Finance Review*, "Preparing a Municipal Debt Policy Statement," June 1944 (v. 10, #3), p. 34+, or Richard Larkin and James Joseph, *Government Finance Review*, August 1991. "Developing Formal Debt Policies," (v. 7, #4) p. 11+.

of that and other accomplishments outlined below, the State agrees to relax oversight and "sunset" some financial controls. Over the course of time, all three of the rating agencies upgrade the City's credit, and it is now widely recognized for the successful management of its finances.

Since a key feature of the fiscal crisis was the City's loss of access to the debt markets, the steps it took to reestablish itself in the public borrowing markets are an important part of its fiscal recovery. In this short narrative, we will review those steps, describe the diversification of the City's borrowing mechanisms, and outline other important milestones in debt management.

Phase I: Shut Out of the Debt Markets

In the early 1970s, the City's borrowing increased rapidly and bankers began to question the accuracy of its financial records and its ability to repay its debt. These concerns were exacerbated in 1974, when the State Urban Development Corporation defaulted on some of its debt. In 1975, the banks lost confidence in the City's numbers and financial managers, and there were no bids for New York City notes and bonds. In short order, New York City lost all access to the long-term and short-term debt markets. During FY 1975, New York City had borrowed more that $8 billion in short term debt and had $4.5 million of notes outstanding at the end of the fiscal year. Moreover, New York City was funding $600 million (about 5% of its operating budget) through issuance of long-term bonds. When the markets closed to the City, it was unable to fund its cash flow needs; it was forced to halt its capital program; it could not finance the portion of its operating budget that had been funded by long-term debt; and it could no longer roll its accumulated deficit from year to year.

Phase II: Temporary Financing for New York City

New York State responded by accelerating $400 million in State aid payments and advancing the City another $800 million to meet immediate cash flow needs. It also created The Municipal Assistance Corporation (MAC) in June of 1975 to borrow on behalf of the City. The City's 4% sales tax was repealed and immediately reestablished as a state tax, and that tax, together with some more modest funding sources, was pledged to debt service on MAC bonds. Even with this robust flow of funds, MAC was limited in its ability to borrow because of doubts about the City's ability to manage its finances. In response, the State passed the Financial Emergency Act and created the Emergency Financial Control Board (EFCB) in September 1975. During the next month, the State secured its first Federal loan guarantees, and that backing, together with other statutory changes, allowed the City's funds to invest in MAC and City debt. This federal assistance was renewed and extended in the New York City Loan Guarantee Act of 1978. The State also forced noteholders to accept a "moratorium" on repayment of City notes in November 1975 and gave them MAC securities in exchange for their City notes. Later that month, the Federal government created a temporary program of seasonal loans to facilitate the City's cash flow borrowing.

Phase III: Re-entering the Public Markets

With the City's immediate financing needs funded, the State and the City began to move ahead on a broader financial management agenda. One important goal was the creation of a modern financial infrastructure for financial management in the City. A second goal was reentry to the public debt markets, and elimination of MAC as the primary financing mechanism for the City's capital program.

Audited financial statements for the City were a milestone in the development of that financial infrastructure. In 1978, the City published its first GAAP financial statements audited by an external public accounting firm. At the same time, new electronic financial accounting systems were developed by FISA, an agency jointly controlled by the Mayor and the City Comptroller. Between 1976 and 1981, the City reduced and eventually eliminated borrowing for operating expenses. The City also began to amortize its unfunded pension liabilities on a thirty year schedule. The culmination of these efforts, together with significant budget cuts and tax increases, was the City's first operating budget balanced on GAAP, achieved in FY 1981, one year ahead of the schedule established by the EFCB.

During those years, the City also gingerly began to approach the public bond markets for financing. The first successful step was the sale of $275 million in short-term cash flow notes in the winter of 1979. A year and a half later, after the announcement that its FY 1981 budget would be balanced, the City was able to issue $75 million in long-term general obligation (GO) debt. Over the next few years, the City was able to borrow in larger amounts, and in 1984 MAC issued its last new money bonds.

Phase III: Diversifying the City's Credits

With reliable market access assured, the City's debt managers turned its attention to other goals, including an innovative strategy of diversification to reduce the City's dependence on its GO credit. By 1986, the City was using debt to finance more than $1 billion in capital expenditures each year. Institutional investors and bond insurers establish target levels to keep their portfolios from overweighting securities from individual issuers. The City hoped that some new issuing authority distinct from the GO credit would allow those buyers to hold more City-related bonds. The result was the New York City Water Authority (NYW), a new revenue bond mechanism to share the burden of funding the capital program, backed by sewer and water fees. In years past, those capital needs had been funded by GO debt. NYW was established by State legislative action in 1985, and issued its first revenue bonds in 1986. The issuance of fee-backed debt fit with another objective in New York City Office of Management and Budget's (OMB) long-term agenda. Sewer and water fees in New York were lower than in most comparable cities, and a growing debt load would provide strong impetus to increase those fees. As the Water Authority's home page indicates, "The New York City Water Board sets water and sewer rates for New York City sufficient to pay the costs of operating and financing the System." As debt service increases, fees must also increase. By the end of FY 2008, the City had issued more than $19 billion in NYW revenue bonds.

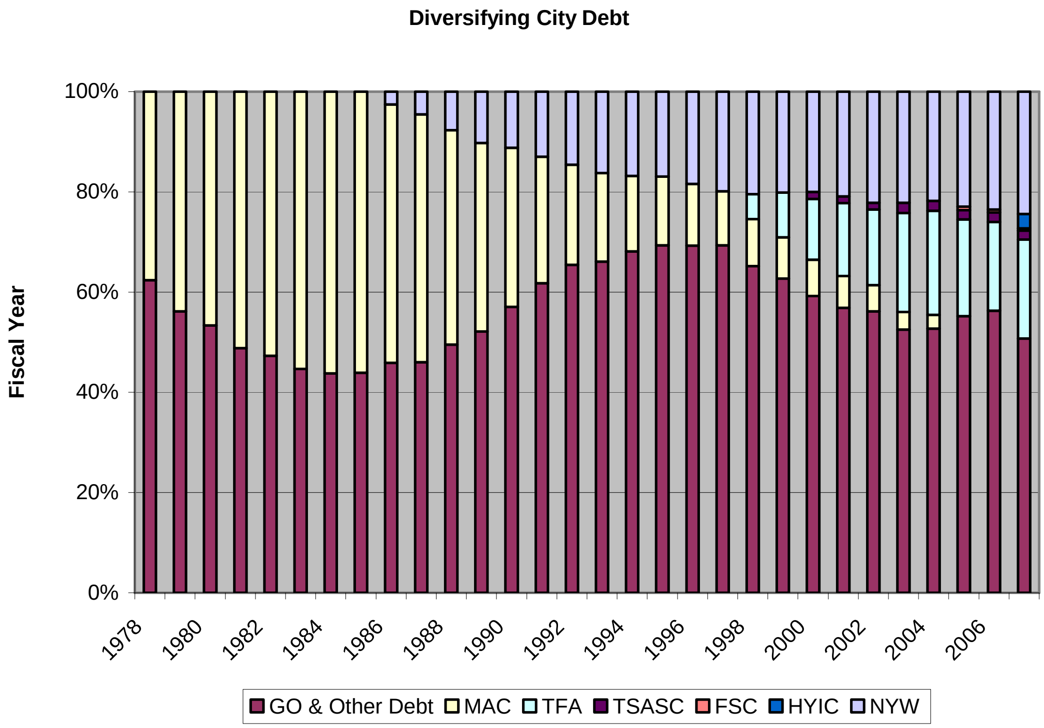
In 1997, the City requested and received statutory authority from the State to create another new bond financing mechanism, called the Transitional Finance Authority (TFA). Like MAC, TFA bonds were backed by a single important tax source. In the case of the TFA, the tax was the City's personal income tax (PIT). The TFA was originally designed to help the City issue debt beyond its constitutional debt limit, but over time it has become a workhorse credit for the City. $13.5 billion of PIT bonds were authorized and issued, and $11.3 billion in debt was outstanding at the end of FY 2008. The State also authorized $2.5 million of Recovery Bonds after September 11, 2001. Of that total, $2.0 billion were issued, and $1.5 billion were still outstanding at the end of FY 2008. In 2006, the State also authorized up to $9.4 billion in TFA bonds backed by State building aid to fund the City's school construction program. As of the end of FY 2008, the City had $2.0 billion of these Building Aid Revenue Bonds (BARBs) outstanding. By the end of FY 2007, NYW and TFA bonds constituted nearly 45% of outstanding City long-term debt, and GO debt as a share of total debt had been reduced to 51%.

Over the years, the City has also made opportunistic use of other special financing vehicles.

- For example, the Educational Construction Fund (ECF), now dormant, was established before the fiscal crisis and helped finance schools built on City land in conjunction with office and residential development projects. ECF has $110 million in bonds outstanding.
- In FY 2000, the City began issuing bonds securitizing tobacco settlement revenues. TSASC bonds were restructured in 2006, and $1.3 billion are still outstanding.
- In FY 2007, the City issued $2.1 billion in bonds backed by PILOTs and other revenues generated by development in the Hudson Yards area west of Penn Station. The City backstops current interest payments, but is not responsible for principal payments of the Hudson Yards Infrastructure Corporation (HYIC).

Chart 1 summarizes the shares of long-term debt outstanding in each fiscal year attributable to the major credits used by the city for its borrowing.

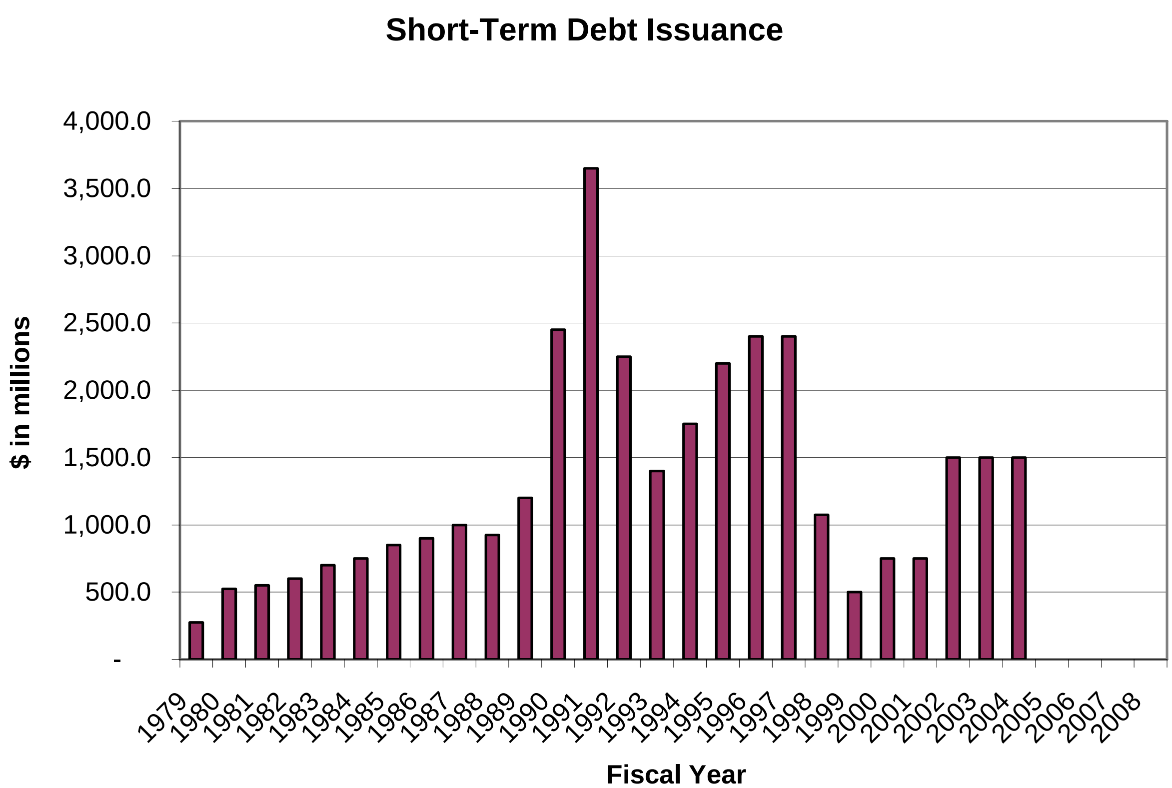
Chart 1



Short-term borrowing

Short-term debt has been a sensitive issue for the City of New York since the fiscal crisis, when its huge volume of note borrowing was an important element of its insolvency. As Chart 2 indicates, the City's short-term borrowing grew incrementally during the 1980s, and then ballooned after the recession of the early 1990s began. The State's severe fiscal problems during that period also contributed to the growth of the City's cash flow borrowing. In 1991, the State created its own new borrowing mechanism, the Local Government Assistance Corporation (LGAC), and began to issue long-term debt to refinance its own accumulated deficit. Proceeds of those borrowing were used to accelerate aid payments to New York and other localities, resulting in a much improved cash flow for the City. As a result, note borrowing declined to under $1 billion until after the recession and attacks of 2001, when it increased to $1.5 billion for three years. Since FY 2005, the City has not issued notes for cash flow purposes.

Chart 2



Functional Analysis Revisited

With the basic outlines of the City's debt management narrative in mind, we can usefully revisit the functions attributable to debt managers.

Provide Timely Funding of Capital and Cash Flow Needs

As outlined earlier, one key function is timely funding of all capital and cash flow financing needs. During the period under study, this was a demanding goal in New York City for three reasons. First, during the fiscal crisis the markets had closed to the City, so regular access could not be taken for granted during the early years after the fiscal crisis. Second, the City's financing needs are huge, and debt issuance occurs regularly throughout the year. Table 1 details the City's capital budget over the next five years.

Table 1[4]
New York City Capital Budget, 2008-2012
($ in millions)

	2008	2009	2010	2011	2012	Total
City Funds	5,823	7,239	9,013	8,501	7,589	38,165
Non-City Funding	2,863	3,055	1,001	2,053	1,976	10,948
Total Capital Expenditures	8,686	10,294	10,014	10,554	9,565	49,113

Of those planned expenditures, 22% are funded by state, federal and private dollars, and the rest will be financed by debt issuance. Table 2 shows expected annual debt issuance, the portion to be financed by City debt, and the primary vehicles for borrowing.

[4] "Message of the Mayor," FY 2009 Executive Budget, May 2008, p. 62

Table 2[5]
New York City Financing Plan, 2008-2012
($ in millions)

	2008	2009	2010	2011	2012	Total
GO Bonds	3,675	4,800	6,800	6,200	5,400	26,875
TFA Bonds	-	-	-	-	-	-
NYW Bonds	2,484	2,514	2,320	2,305	2,206	11,830
Total	6,159	7,314	9,120	8,505	7,606	38,705

Does not include $3.4 billion in state funded financing for education capital issued through DASNY or Building Aid Revenue Bonds (BARBS) issued by TFA for school capital purposes in the following amounts:

2008	2009	2010	2011	2012	
700	2,100	600	-	-	3,400

The City has proposed State legislation to increase the cap on TFA borrowing through its PIT-backed credit, and passage would allow the substitution in the plan of TFA debt for some GO debt. The amount of pay-as-you-go financing employed by the City during the last 30 years has been very small – less than $1 billion in total – and no pay-go capital is included in the five years of the current plan period.

A third factor complicating timely funding of the City's capital needs is the crowded market for New York municipal debt. New York City competes for lenders in the tax-exempt markets with other issuers of debt which is exempt from Federal, State and City taxes. Competitors include the State, the Dormitory Authority, the Metropolitan Transportation Authority (MTA) and the Port Authority of New York and New Jersey, just to mention the largest issuers. In fact, the traffic in the marketing of New York triple tax-exempt debt is so busy that issuers have created a Securities Coordinating Committee, chaired by the New York Comptroller,[6] to assign financing dates and keep bond issuers from predatory competition. As a result, a large bond issuer like New York City has little flexibility about its financing schedule.

Nonetheless, the city has been able to fund all of its capital needs timely and at increasing competitive interest rates.

[5] Ibid, p, 72
[6] See http://www.osc.state.ny.us/pension/debtsccindex.htm for additional information.

Minimize Interest Costs

Another proposed function of debt management was minimization of interest costs. As indicated above, the City has to issue debt on a regular schedule, and does not have the flexibility that many smaller jurisdictions do to wait for favorable market conditions to borrow. Its massive debt load and debt issuance also means that the City's debt service burden is high. Tracking the City's debt service is not easy, because debt service costs are often prepaid as part of the City's cyclical budget management strategy. However, the City estimates annual debt service costs during the 2008 to 2012 plan period of between $4.3 and $8.3 billion. At the high end of this range, debt service is equal to about 15% of total taxes, 9.5% of total revenues, or 1.5% of City Personal Income.[7]

The City uses floating rate debt aggressively to reduce its debt service costs. Through issuance of variable rate demand bonds (VRDBs), auction rate securities (ARS) and derivatives, the City maintains 19.6% of its debt in floating rate modalities. This allocation is well above the rules of thumb used by the rating agencies. To offset the raters' concerns, the City also includes information about its cash balances to demonstrate that the net floating rate exposure (liabilities offset by assets) is in fact less than indicated by the floating rate debt load. The City argues that this factor reduces its floating rate exposure to about 14% of total debt outstanding.

In 2008, floating rate municipal interest rates averaged 160 basis points below fixed rates, and the City saved $108 million in interest costs. Those savings were unusually low because the municipal markets during FY 2008 suffered major disruptions, with auction rate and other floating rate securities rising to record levels. This disruption has continued into FY 2009. In previous years, the spread between floating rates and the City's fixed rate debt was much larger, and so were savings from floating rate interest exposure. During FY 2006, for example, the City saved almost $150 million through the issuance of floating rate debt.[8]

[7] Message of the Mayor, FY 2009 Executive Budget, p. 73.
[8] Message of the Mayor, FY 2007 Executive Budget, p. 112.

Improve Bond Ratings

It was also suggested that debt managers care about the maintenance or improvement of credit ratings, and this is a commonplace in debt policy statements. The improvement in the City ratings during the period under study was steady and strong, as evidenced in Table 3.

Table 3

		S & P	Moody's	Fitch
1975	April	Suspended	A	
	October 2		Ba	
	October 29		Caa	
1977	May		B	
1981	March	BBB		
	November		Ba1	
1983	November		Baa	
1985	October			
	July	BBB+		
	December		Baa1	
1987	November	A-		
1988	May		A	
	July			
1990	July			
1991	February		Baa1	
	April			
1993	July			A-
1995	July	BBB+		
1998	February		A3	
	July	A-		
1999	March			A
2000	August		A2	
	September	A		
	September			A+
2005	April		A1	
	May	A+		
2006	May	AA-		
2007	June	AA		
	June			AA-
	July		Aa3	

In the case of New York City, however, the marked improvement in the City's GO credit ratings seems to been a reflection of the mayor's strong role in budget management, and the good results achieved over many years of budget management. To put the point more sharply, ratings increases may have happened in spite of the City's debt policy, not because of it. In their analysis, the rating agencies often cite the New York's overall debt load as a negative factor in their ratings. Its floating rate debt exposure is also high compared to other localities. Finally, the City's policy of minimizing pay-as-you-go financing for its capital program is typically a red flag in the credit analysis of municipalities, since it is unusual for a local government to fund nearly all of its capital needs with debt.

On the other hand, the debt manager's strategy of diversification has had a positive impact on the City's bond ratings. Each of the three main rating agencies agrees that the TFA PIT bonds should be rated higher than the GO credit, and all three agencies rate the NYW first resolution bonds better than the GO credit, while Fitch also gives the NYW junior lien bonds a higher rating. These strong ratings evidence the care with which each of these new financing vehicles was designed and implemented.

<u>Another Function – Budget Management</u>

Implicit in some of the discussion above is a fourth function not usually mentioned in the discussion of debt policy – assistance in the management of the jurisdiction's broader budget strategy. I do not mean simply the obvious short-term budget relief that results from using debt instead of pay-as-you-go capital, since over the long run, those "savings" are more than offset by future debt service costs. However, debt managers can also contribute to budget balance in other less obvious ways.

As I noted above, the New York Water Authority served as a tool to help push sewer and water rates to a level more characteristic of other large cities. NYW's debt burden, now more than $19 billion, and its lease agreement with New York City which gives it access to the ratepayers of the water and sewer system, have driven rates increases much higher than might have been expected under the normal budget and political processes.

During the period immediately after the attacks of September 11, 2001, debt managers also helped provide the City with needed financial flexibility. With the assent of State government, the TFA PIT bond structure provided a vehicle for deficit funding after September 11. The legislature authorized $2.5 billion in Recovery Bonds, and the City issued $2.03 billion of that total and spent the proceeds for recovery costs in first half of FY 2003. This was the first time since 1980 that the City had borrowed to pay operating costs, and the TFA structure allowed the City to argue to its auditors that this financing should not create a general fund deficit. In the wake of the September 11 attacks, however, this departure from settled doctrine elicited little public debate and did not affect the City's credit ratings.

New York State government also provided a temporary increase in aid to New York City after September 11, and employed an unusual debt structure to accomplish this goal. The State created the Sales Tax Asset Receivable Corporation (STAR), and issued $2.552 billion in bonds in November of 1994, to be repaid by $170 million annually appropriated by New York State for 30 years. The proceeds were used to economically defease the remaining MAC debt outstanding, relieving the City of $500 million in annual MAC debt service for FY 2004 through 2008. Although the City is not responsible for the debt service on STAR bonds, the Corporation's liabilities do sit uncomfortably on New York City's financial statements as debt of a component unit.

More routinely, the City has used the issuance of refunding bonds to provide debt relief over the course of the period under review. While these transactions were used aggressively in the middle years of the study period, an agreement between the New York City Office of Management and Budget (OMB) and the City Comptroller has limited the City's flexibility in the use of refunding savings. Nonetheless, these bond transactions continue to produce significant budget relief for the City. In FY 2008, of the $7.4 billion in debt issued, $4 billion were refunding bonds. These transactions produced present value savings of $131 million, and budget relief of $88 million in 2009 and 2010.[9]

Finally, the prepayment of debt is an important mechanism for cyclical budget management in New York City. In FY 2005, for example, the City rolled a surplus of $3.529 billion into future years as a budget reserve. Of that total, all but $645 million was accomplished by prepayments to the debt service fund or TFA debt service.[10] One important goal of this so-called "surplus roll" is to move funds forward into the next fiscal year without violating generally accepted accounting principals. The City's accountants and debt managers have demonstrated considerable creativity and technical sophistication in the creation of the debt-related mechanisms required to achieve this goal.

Conclusion

The City's return to financial health after the fiscal crisis is a complex story, and one important subplot is the management of the City's very sizable debt load. In telling that story, I looked for confirmation of some of the functions attributed to debt managers in the literature on debt policy and elsewhere. The goal of providing timely and complete funding for the City's massive capital and cash flow needs has been met since the phase-out of MAC bond issuance in 1984. City debt managers have also used floating rate debt aggressively to reduce interest expense. City credit ratings have improved, and the new non-GO credits established to share the financing load have in many cases garnered ratings higher than the City's GO bonds. On the whole, however, it appears that higher general obligation credit ratings have been achieved in spite of the City's debt policy, not because of it. However, if the bulk of the credit for higher ratings falls to the City's success in managing its budget, the debt managers have played an important, albeit supporting, role in that work. Debt has been used to drive up sewer and water fees, to produce refunding savings, to finance an operating deficit after September 11, and to allow the State to provide $2.5 billion in budget relief during that same post-emergency period. In short, the debt managers have played an important role in the story of the City's financial recovery.

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[9] Message of the Mayor, 2009 Executive Budget, p. 75.
[10] See Forsythe, "Cyclical Budget Management in New York City," p. 10. Prepared for delivery at the Annual Meeting of the Public Budgeting and Finance Section of the Western Social Science Association, Phoenix, AZ, April 20 2006

References

Digital copies of New York City's recent CAFRs are archived on the Comptroller's website at http://www.comptroller.nyc.gov/bureaus/acc/CAFR2007_Ins.shtm .

New York City posts New York Water Authority financial statements and other material at http://home2.nyc.gov/html/nyw/home.html.

MAC Annual Reports provide valuable commentary on the early years of the fiscal crisis. Many are available in digital form in Baruch College's Archive of Municipal Finance and Leadership at http://newman.baruch.cuny.edu/digital/2003/amfl/index.htm .

NYC OMB makes available extensive, indeed overwhelming, amounts of information at http://www.nyc.gov/html/omb/html/budpubs.html.

Earlier working papers by the author on New York City's financial recovery can be found at http://wagner.nyu.edu/faculty/publications/publications.php?fac=405 .

APPENDIX

TableA-1
Long-Term New York City Debt Outstanding at Year-End
($ in millions)

Fiscal Year	GO & Other Debt	MAC	TFA	TSASC	FSC	HYIC	NYW	Total Long Term Debt
1978	8,482	5,106						13,589
1979	7,582	5,925	-	-	-	-		13,507
1980	6,996	6,116	-	-	-	-		13,112
1981	6,461	6,770	-	-	-			13,231
1982	6,613	7,371	-	-	-	-		13,984
1983	6,175	7,655	-	-	-	-		13,830
1984	6,164	7,910	-	-	-	-		14,074
1985	6,360	8,130	-	-	-	-		14,490
1986	7,264	8,157	-	-	-	-	399	15,820
1987	7,775	8,370	-	-	-	-	761	16,906
1988	9,048	7,819	-	-	-	-	1,414	18,281
1989	10,466	7,537	-	-	-	-	2,060	20,063
1990	12,817	7,122	-	-	-	-	2,520	22,459
1991	16,399	6,705	-	-	-	-	3,446	26,550
1992	19,180	5,857	-	-	-	-	4,268	29,305
1993	20,482	5,463	-	-	-	-	5,038	30,983
1994	22,998	5,075	-	-	-	-	5,667	33,740
1995	24,748	4,882	-	-	-	-	6,050	35,680
1996	26,655	4,724	-	-	-	-	7,086	38,465
1997	28,439	4,424	-	-	-	-	8,155	41,018
1998	28,274	4,066	2,150	-	-	-	8,881	43,371
1999	29,210	3,832	4,150	-	-	-	9,372	46,564
2000	28,960	3,532	5,923	709	-	-	9,776	48,900
2001	28,918	3,217	7,386	704	-	-	10,622	50,847
2002	30,772	2,880	8,289	740	-	-	12,147	54,828
2003	31,943	2,151	12,024	1,258	-	-	13,483	60,859
2004	33,887	1,758	13,364	1,256	-	-	14,033	64,298
2005	37,149	-	12,977	1,283	460		15,434	67,303
2006	38,957	-	12,233	1,334	387	-	16,285	69,196
2007	37,563	-	14,607	1,317	337	2,100	18,071	73,995

Source: New York City Comprehensive Annual Financial Reports (CAFRs)
Notes: Under “GO and Other Debt, ” I included Capital Lease Obligations and Guaranteed Debt. STARC debt is not included, since the State pays all debt service. “FSC” is the Fiscal Year 2005 Securitization Corporation, a refinancing vehicle which gave the City access to $49 million no longer needed in an escrow fund.

Table A-2
Short-Term Borrowing
($ in millions)

Fiscal Year	Short-Term Borrowing
1978	-
1979	275.0
1980	525.0
1981	550.0
1982	600.0
1983	700.0
1984	750.0
1985	850.0
1986	900.0
1987	1,000.0
1988	925.0
1989	1,200.0
1990	2,450.0
1991	3,650.0
1992	2,250.0
1993	1,400.0
1994	1,750.0
1995	2,200.0
1996	2,400.0
1997	2,400.0
1998	1,075.0
1999	500.0
2000	750.0
2001	750.0
2002	1,500.0
2003	1,500.0
2004	1,500.0
2005	-
2006	-
2007	-
2008	-

Source: New York City CAFRs