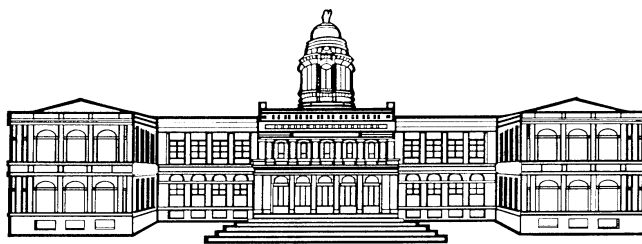


New York City Council



# BUDGET REPORT

Finance Division

March 2009

***Analysis of the  
Fiscal 2010 Preliminary Budget  
and  
Fiscal 2009 Preliminary Mayor's Management Report  
for the  
Campaign Finance Board  
Thursday, March 12, 2009***

**Hon. Christine C. Quinn**  
Speaker

**Hon. David I. Weprin**, Chair  
Committee on Finance

**Hon. Helen Sears**, Chair  
Committee on Governmental  
Operations

**Preston Niblack**, Director

**Jeffrey Rodus**, First Deputy Director

**Andy Grossman**, Deputy Director

## PREFACE

On March 12, 2009, at 10 am., the Committee on Governmental Operations, chaired by the Hon. Helen Sears will hold a hearing on the Mayor's Fiscal 2010 Preliminary Budget and Fiscal 2009 Preliminary Mayor's Management Report for the Campaign Finance Board.

Section 236 of the New York City Charter requires the Mayor to submit by January 16<sup>th</sup> a preliminary budget for the upcoming fiscal year.<sup>a</sup> In addition, under section 12 of the City Charter, the Mayor must make public and submit to the Council by January 30<sup>th</sup> the Preliminary Mayor's Management Report (PMMR) for the current fiscal year.<sup>b</sup> Among other things, the PMMR must contain "proposed program performance goals and measures for the next fiscal year reflecting budgetary decisions made as of the date of submission of the preliminary budget."<sup>c</sup> The Charter also requires the Council to hold hearings on the preliminary budget and to submit recommendations to the Mayor by March 25<sup>th</sup>.<sup>d</sup> This year, the Council will hold joint hearings on the Fiscal 2010 Preliminary Budget and the Fiscal 2009 Preliminary Mayor's Management Report.

Beginning with the Fiscal Year 2008 Adopted Budget, the Council and the Mayor's Office of Management and Budget agreed to an additional budget presentation, referred to by OMB as the budget function analysis, and by the Council as the program budget. Two agencies were initially presented in the program budget form. Beginning with the January 2008 Financial Plan (Fiscal 2009 Preliminary Budget), a total of 16 agencies are now in program budget form. The Campaign Finance Board is not a program budget agency.

This report was prepared by Andy Grossman, Deputy Director.

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<sup>a</sup> The Charter prescribes specific actions that are required as part of the annual budget submission process during a fiscal year. The Charter allows for changes, via local law, in the dates in the submission of the PMMR, as well as an extension for subsequent steps in the budget process. This year, Local Law 03 of 2009 changed the date for the submission of the Preliminary Budget to January 30th, and the date for the Council's Response to the Preliminary Budget to April 8<sup>th</sup>.

<sup>b</sup> Local Law 03 of 2009 changed the date of submission of the PMMR to February 13, 2009.

<sup>c</sup> New York City Charter, §12(b)(2).

<sup>d</sup> *See id.* at §247.

## Campaign Finance Board (004)

The Campaign Finance Board (The Board) or CFB is responsible for implementing the City's campaign finance program. The Board establishes regulations regarding contribution and expenditure limitations for candidates seeking election to the office of Mayor, Public Advocate, Comptroller, Borough President and City Council. The Board renders advisory opinions and initiates reviews and investigations to insure compliance with, and administration of, the New York City Campaign Finance Act. In addition, the Board publishes and distributes the Voter Guide.

### PROGRAM TO ELIMINATE THE GAP

Since the Fiscal 2009 Budget was adopted in June, the Office of Management and Budget has twice asked agency heads to submit Programs to Eliminate the Gap (PEGs) proposals. In the first round, in September, OMB sought PEG submissions equal to five percent of agency City tax-levy budgets for Fiscal 2010, with a further seven percent sought in December.

PEGs reduce the City's budget gap either by reducing an agency's City tax-levy Expense Budget spending, or by increasing City revenues. The chart below indicates the proposed PEG amounts for the CFB based on the Fiscal 2010 forecast at the time the Fiscal 2009 Budget was adopted (June 2008).

<b>November and January Plan PEGs for Fiscal 2010</b> <i>(in 000s)</i>	
<b>Fiscal 2010 Forecast at Fiscal 2009 Adoption (June 2008)</b>	<b>\$11,252</b>
Expense PEGs	(\$402)
Revenue PEGs	---
<b>Total Fiscal 2010 PEGs</b>	<b>(\$402)</b>
PEGs as a Percent of the Fiscal 2010 Forecast	3.57%

### PRELIMINARY BUDGET HIGHLIGHTS

**The Budget Submission Process Following Charter Reform.** The budget submission process for the Campaign Finance Board has changed significantly since Fiscal 1999. Following adoption of the Charter reform ballot proposal in the general election of 1998, the Campaign Finance Board's budget request is to be included, without change, in the Mayor's Executive Budget submission to the City Council. The Board's budget is submitted annually to the Mayor and the Speaker of the Council by March 10<sup>th</sup>. This year, an extender bill was passed by the Council giving the Board until March 24 to make its submission.

Due to the aforementioned Budget Submission Process, the CFB's Preliminary Fiscal 2010 budget doesn't necessarily reflect the calculated needs of the CFB. The CFB's budgetary needs change annually according to the election cycle. Driven by the legal requirement to give campaign matching funds to participating candidates, the agency requires budgetary resources proportional to the number of candidates who participate in any given election cycle.

### AGENCY FUNDING OVERVIEW

Agency Funding Sources	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget
City	\$11,752,217	\$11,752,217	\$11,079,943
Other Categorical	\$0	\$0	\$0
Capital IFA	\$0	\$0	\$0
State	\$0	\$0	\$0
Community Development	\$0	\$0	\$0
Federal-Other	\$0	\$0	\$0
Intra-City	\$0	\$0	\$0
<b>Total</b>	<b>\$11,752,217</b>	<b>\$11,752,217</b>	<b>\$11,079,943</b>

### HEADCOUNT OVERVIEW

Headcount (Uniform and Civilian)	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget
City	89	89	84
Non-City	0	0	0
<b>Total</b>	<b>89</b>	<b>89</b>	<b>84</b>

### UNITS OF APPROPRIATION

The operating budget of an agency is structured into several levels, each of which provides varying levels of detail on an agency's spending plans. The City Charter requires that U/A's represent the amount appropriated for personal services (i.e. salaries) or Other Than Personal Services (i.e. supplies) for a particular program, purpose, activity or institution. The table below presents the Campaign Finance Board budget, comparing the Fiscal 2009 Adopted Budget to the Fiscal 2010 Preliminary Budget. The Fiscal 2009 Modified Budget reflects this year's budget at the time this financial plan was released.

U/A#	U/A Name	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget	Percent Change from Adoption
001	Personal Services	\$6,430,217	\$6,430,217	\$6,257,943	-2.68%
002	Other Than Personal Services	\$3,822,000	\$3,822,000	\$3,822,000	0.00%
	<b>Total</b>	<b>\$10,252,217</b>	<b>\$10,252,217</b>	<b>\$10,079,943</b>	<b>-1.68%</b>

U/A#	U/A Name	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget	Percent Change from Adoption
003	Election Funding	\$1,500,000	\$1,500,000	\$1,000,000	-33.33%
	<b>Total</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,000,000</b>	<b>-33.33%</b>

## FUNDING ANALYSIS

### Personal Services

- **Vacancy Elimination.** The November Plan included proposed vacancy elimination savings of \$201,000 in Fiscal 2009 and \$402,000 annually thereafter. This action would lower the agency's headcount by five positions, from 89 to 85.
- **Fringe Benefit Reduction Offset.** In order to give the agency PEG credit, the action described above includes fringe benefit savings that should be properly accounted for not in the CFB's budget, but in the City's Miscellaneous Budget. To reflect the neutral impact on CFB's budget that would result from these fringe benefit savings, offsetting sums are being added back to the CFB's budget as an adjustment. These sums include \$33,000 in Fiscal 2009, \$68,000 in Fiscal 2010, increasing to \$75,000 by 2013.
- **Longevity & Service Increment Adjustment.** The November Plan included \$3,000 per year to the CFB's budget to reflect the costs of longevity pay and service increments.
- **Collective Bargaining Adjustment.** The January Plan includes a funding transfer from the Labor Reserve in the Miscellaneous Budget to the CFB to cover the costs associated with recently negotiated collective bargaining contracts. These amounts include \$104,000 in Fiscal 2009 and \$158,000 in Fiscal 2010 and the outyears.

### Other Than Personal Services

- **OTPS Reduction.** The January Plan includes a one-time reduction to the Board's Fiscal 2009 OTPS budget of \$225,000.

### Election Funding (Matching Funds)

No specific actions relating to the Election Funding unit of appropriation are included in the November or January Plans. Despite this, however, the Preliminary matching funds budget for Fiscal 2010 (\$1 million) is \$500,000 lower than the matching funds budget contained in the Adopted Budget for Fiscal 2009 (\$1.5 million). In any case, since Fiscal 2010 will include citywide elections, the matching funds budget will require significantly more funding. As discussed above, the CFB will forward its budget, including its matching funds budget, to the Mayor and the City Council by March 24.