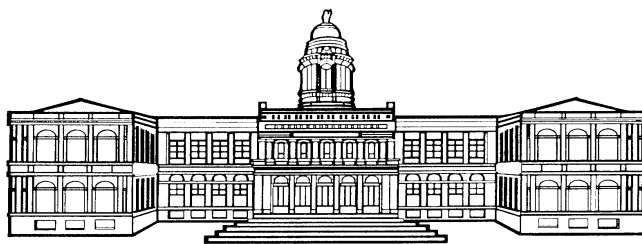


New York City Council



BUDGET REPORT

Finance Division

March 2009

***Analysis of the
Fiscal 2010 Preliminary Budget
and
Fiscal 2009 Preliminary Mayor's Management Report
for the
Human Rights Commission
Monday, March 16, 2009***

Hon. Christine C. Quinn
Speaker

Hon. David I. Weprin, Chair
Committee on Finance

Hon. Larry Seabrook, Chair
Committee on Civil Rights

Preston Niblack, Director

Jeffrey Rodus, First Deputy Director

Latonia McKinney, Deputy Director

Pakhi Sengupta, Senior Legislative
Financial Analyst

PREFACE

On March 16, 2009, at 12p.m., the Committee on Civil Rights, chaired by the Hon. Larry Seabrook, will hold a hearing on the Mayor's Fiscal 2010 Preliminary Budget and Fiscal 2009 Preliminary Mayor's Management Report for the Human Rights Commission.

Section 236 of the New York City Charter requires the Mayor to submit by January 16th a preliminary budget for the upcoming fiscal year.^a In addition, under section 12 of the City Charter, the Mayor must make public and submit to the Council by January 30th the Preliminary Mayor's Management Report (PMMR) for the current fiscal year.^b 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."^c The Charter also requires the Council to hold hearings on the preliminary budget and to submit recommendations to the Mayor by March 25th.^d 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 Human Rights Commission is not a program budget agency.

This report was prepared by Pakhi Sengupta, Senior Legislative Financial Analyst, under the supervision of Deputy Director Latonia R. McKinney.

^a 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 8th.

^b Local Law 03 of 2009 changed the date of submission of the PMMR to February 13, 2009.

^c New York City Charter, §12(b)(2).

^d *See id.* at §247.

Human Rights Commission (226)

The New York City Human Rights Law is one of the most comprehensive civil rights laws in the nation. The Law prohibits discrimination in employment, housing and public accommodations based on race, color, creed, age, national origin, alienage or citizenship status, gender (including gender identity and sexual harassment), sexual orientation, disability, and marital status. In addition, the Law affords protection against discrimination in employment based on arrest or conviction record and status as a victim of domestic violence, stalking and sex offenses. In housing, the Law affords additional protection based on lawful occupation and family status. The City Human Rights Law also prohibits retaliation and bias-related harassment. The New York City Commission on Human Rights is charged with the enforcement of Title 8 of the Administrative Code of the City of New York and educating the public and encouraging positive community relations. The Commission is divided into two major bureaus - Law Enforcement and Community Relations. The Law Enforcement Bureau is responsible for the intake, investigation, and prosecution of complaints alleging violations of the Law. The Community Relations Bureau helps cultivate understanding and respect among the City's many diverse communities through its borough-based Community Service Centers and numerous educational and outreach programs.

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 Human Rights Commission based on the Fiscal 2010 forecast at the time the Fiscal 2009 Budget was adopted (June 2008).

November and January Plan PEGs for Fiscal 2010 <i>(in 000s)</i>	
Fiscal 2010 Forecast at Fiscal 2009 Adoption (June 2008)	\$7,093,000
Expense PEGs	(\$211,000)
Revenue PEGs	\$0
Total Fiscal 2010 PEGs	(\$211,000)
PEGs as a Percent of the Fiscal 2010 Forecast	2.97%

PRELIMINARY BUDGET HIGHLIGHTS

Changes to the budget in the Fiscal 2010 Preliminary Plan for the Human Rights Commission (HRC) are minimal. Given its relatively small budget of approximately \$7 million and an overall agency headcount of less than 100, opportunities for budgetary cuts, even in a time of fiscal crisis, are scant. Additionally, 65 percent of funding for the HRC is from non-city sources. Hence, finding non-essential City funds within this agency's budget, remains very challenging. Nevertheless, for Fiscal 2010, the HRC will

experience a headcount reduction of three and an overall agency budget cut of approximately three percent. Details on these reductions are outlined in the Funding Analysis section of this report.

AGENCY FUNDING OVERVIEW

Agency Funding Sources	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget
City	\$2,667,141	\$2,667,141	\$2,436,303
Other Categorical	\$0	\$0	\$0
Capital IFA	\$0	\$0	\$0
State	\$0	\$14,570	\$0
Community Development	\$4,424,583	\$4,432,676	\$4,464,341
Federal-Other	\$0	\$39,500	\$0
Intra-City	\$0	\$0	\$0
Total	\$7,091,724	\$7,153,887	\$6,900,644

HEADCOUNT OVERVIEW

Headcount (Uniform and Civilian)	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget
City	14	14	11
Non-City	67	67	67
Total	81	81	78

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 Human Rights Commission 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	\$1,161,993	\$1,181,632	\$1,015,794	-12.58%
002	Other Than Personal Services	\$1,348,994	\$1,363,564	\$1,283,994	-4.82%
	Total	\$2,510,987	\$2,545,196	\$2,299,788	-8.41%

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	Community Development-PS	\$3,895,602	\$3,914,554	\$3,891,219	-0.11%
004	Community Development-OTPS	\$685,135	\$694,137	\$709,637	3.58%
	Total	\$4,580,737	\$4,608,691	\$4,600,856	0.44%

FUNDING ANALYSIS

Personal Services (PS)/ Other than Personal Services (OTPS) – U/A 001 & 002

These two units of appropriation include all funding related to personal services (salaries/fringe), and other than personal services (funding for supplies, materials, and other services supporting executive and administrative operations). HRC programs are designed to foster equal opportunity through investigation, prosecution, and adjudication of individual discrimination complaints, and to eliminate patterns of discrimination through enforcement efforts. The Fiscal 2010 Preliminary Budget includes two cuts to PS, the first is the elimination of one position generating savings of \$50,000 in City funds in Fiscal 2010 that slightly grows in the outyears, and second the elimination of surplus City tax-levy funds of \$36,000 in Fiscal 2010 and in the outyears. The HRC will fund 11 City tax-levy positions and 67 Community Development-funded positions for Fiscal 2010. Additionally, the Fiscal 2010 Preliminary Budget includes an across-the-board reduction saving \$10,000 in OTPS costs for Fiscal 2010 and in the outyears. This reduction represents approximately two percent of the agency's total OTPS budget.

Community Development (CD) – U/A 003 & 004

These two units of appropriation are comprised of funding related to all PS and OTPS spending for community development. The purpose of these funds is to foster mutual understanding and respect among all racial, religious, and ethnic groups in the City, through prevention, education and crisis intervention. The Community Development Unit is made up of the field services, bias, and research divisions. The Fiscal 2010 Preliminary Budget includes one PEG to the PS budget, which is essentially a funding shift. The agency will save \$55,000 in City funds in Fiscal 2010 and in the outyears by shifting funding for the agency's lease expenses. As Community Development Block Grant (CDBG) funding is flexible, it is possible to shift funding between PS and OTPS expenses, based on the needs of the agency. Due to attrition, \$55,000 in CDBG funding (formerly used for salaries) has accumulated and will now be used to partially pay the agency's lease expenses. Therefore, \$55,000 less will be taken from City tax-levy to pay for rent, thus achieving a savings in City funding. Conversely, there are no proposed cuts to community development OTPS funding. When compared to the Fiscal 2009 Adopted Budget, the Fiscal 2010 Preliminary Plan reflects a four percent increase in this area.

PRELIMINARY BUDGET ACTIONS (in 000s)

The following table is a summary of the Preliminary Plan actions for Fiscal 2009 and Fiscal 2010 that are described in the Program Budget section above. The Non-City actions include State, Federal, Other Categorical, Intra-City and Capital Inter-Fund Agreement (IFA) funding changes for the Human Rights Commission.

Description	Fiscal 2009			Fiscal 2010		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as per the November Plan	\$2,609	\$4,497	\$7,106	\$2,569	\$4,425	\$6,994
January Plan Programs to Eliminate the Gap (PEGs)						
Vacancy Reduction	\$0	\$0	\$0	(\$50)	\$0	(\$50)
PS Surplus Reduction	(\$36)	\$0	(\$36)	(\$36)	\$0	(\$36)
OTPS Reduction	\$0	\$0	\$0	(\$10)	\$0	(\$10)
Rent Funding Shift	\$0	\$0	\$0	(\$55)	\$0	(\$55)
Total PEGs	(\$36)	\$0	(\$36)	(\$151)	\$0	(\$151)
January Plan New Needs						
Total New Needs	\$0	\$0	\$0	\$0	\$0	\$0
January Plan Other Adjustments						
Collective Bargaining	\$3	\$62	\$65	\$4	\$94	\$98
Fringe Benefit Offset	\$0	\$0	\$0	\$13	\$0	\$13
Fund Transfer to CD Payroll	\$0	(\$14)	(\$14)	\$0	(\$14)	(\$14)
Technical Adjustment	\$0	(\$25)	(\$25)	\$0	(\$39)	(\$39)
Total Other Adjustments	\$3	\$23	\$51	\$17	\$41	\$97
Total January Plan Budget Changes	(\$33)	\$23	\$15	(\$134)	\$41	(\$54)
Agency Budget as per the January Plan	\$2,576	\$4,520	\$7,096	\$2,435	\$4,466	\$6,901