

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE

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April 14, 2010
Start: 10:55 am
Recess: 11:07 am

HELD AT: Council Chambers
City Hall

B E F O R E: DOMENIC M. RECCHIA, JR.
Chairperson

COUNCIL MEMBERS:
Domenic M. Recchia, Jr.
Gale A. Brewer
Leroy G. Comrie, Jr.
Lewis A. Fidler
Robert Jackson
G. Oliver Koppell
Darlene Mealy
Diana Reyna
Joel Rivera
Albert Vann
Fernando Cabrera
Julissa Ferreras
Karen Koslowitz
James G. Van Bramer
Vincent M. Ignizio
James S. Oddo
Larry B. Seabrook
James Vacca
Inez E. Dickens

A P P E A R A N C E S

Larian Angelo
Deputy Director
Office of Management and Budget

Photeine Anagnostopoulos
Chief Operating Officer
Department of Education

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2 CHAIRPERSON RECCHIA: Good morning
3 and welcome to today's Finance Committee meeting.
4 My name is Domenic M. Recchia, Jr., and I'm the
5 Chair of the Finance Committee.

6 Today we have two items on our
7 agenda. Our first item is legislation that
8 extends the dates for various actions relating to
9 the budget process for Fiscal 2011. The
10 Administration has asked us to extend the date for
11 submission of Fiscal Year 2011 Executive Budget
12 from April 26th to May 6th.

13 By providing the Administration
14 extra time to release the Executive Budget, the
15 Council will need extra time to hold its Executive
16 Budget hearings, which will now conclude no later
17 than June 10th rather than May 25th.

18 The first day of budget hearings is
19 tentatively scheduled for Thursday May 13th. This
20 legislation would also extend the other Charter
21 mandated dates relating to the Executive Budget
22 actions taken by other officials such as the
23 Independent Budget Office and the borough
24 presidents.

25 The legislation also changes the

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2 target budget adoption date, the date for the
3 Mayor's submission of the revenue estimate and the
4 date for fixing the tax rates from June 5th to
5 June 18th. So Friday, June 18th is our goal for
6 budget adoption.

7 Our last piece of legislation is an
8 Expense Budget modification. This mod is
9 different than past modifications because it only
10 deals with one agency, the Department of
11 Education. Funding for the Department of
12 Education in the adopted budget reflected
13 projections made by the DOE. Unfortunately,
14 projects in the area of special education were off
15 by approximately \$380 million.

16 This modification provides
17 realignment with actual spending needs in the area
18 of special education. Because this is a transfer
19 of funds within an agency, the net effect of this
20 modification is zero.

21 Representative from OMB and DOE are
22 here today to answer any questions you may have on
23 the Executive Budget extension and the
24 modification. Please identify yourself.

25 LARIAN ANGELO: Larian Angelo,

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2 Office of Management and Budget.

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PHOTEINE ANAGNOSTOPOULOS: Photeine Anagnostopoulos, Chief Operating Officer for the DOE.

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CHAIRPERSON RECCHIA: Do any members have any questions? Leroy Comrie.

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COUNCIL MEMBER COMRIE: Why are we moving the money from special ed to a general education fund? Does that meet all of the state and federal guidelines that's supposed to be used for special education money? If so, is there an opportunity to fill some other gaps in services that principals needed to cover their budgets with that money?

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LARIAN ANGELO: We're moving the money out of special education unit of appropriation because, as the Chairman said, every number in a budget is an estimate. When we adopted the budget last June this was our best estimate of the funding needed to supply special education students with all the services they would require.

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As the year goes on, you observe how the actual spending is going. So this

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2 modification really just moves the budget so that
3 it's in line with the actual spending. The
4 movement will make sure that there is sufficient
5 funding available in general education. I am
6 assured that all of the special education mandates
7 are met.

8 COUNCIL MEMBER COMRIE: You'll
9 still be within your legal confines to meet those
10 are. Is the special ed population going or did
11 you underestimate the population?

12 LARIAN ANGELO: I think we mis-
13 estimated the spending needed. Part of the issue
14 in special education is the spending will appear
15 in many units of appropriation. The one we're
16 talking about is what we call special in the
17 schools. There is special education related
18 services. There is special education in
19 transportation.

20 So it isn't necessarily the case
21 that total spending on special education is
22 declining. In fact, it's probably increasing. It
23 may just be showing up in different places.

24 COUNCIL MEMBER COMRIE: And that
25 money, once it's moved to OTPS and PS in the

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2 general ed, will that be able to make up some of
3 the shortfalls in the principals' budgets that are
4 trying to maintain critical staff? What is the
5 money going to be used for?

6 PHOTEINE ANAGNOSTOPOULOS: The
7 principals at this point have already budgeted
8 their money to make sure that they could cover
9 their needs. This money will allow them to do
10 that. So they have their own budgets by moving
11 the units of appropriation, the dollars within the
12 units of appropriation, it will get the money to
13 those allocations with the schools' budgets. So
14 it will cover the needs that the principals have
15 identified. That's the whole goal.

16 COUNCIL MEMBER COMRIE: It's
17 covering to fill money that the principals already
18 request, is that what you're saying?

19 PHOTEINE ANAGNOSTOPOULOS: Yes.
20 This will cover the budgets the principals have
21 already put into place.

22 COUNCIL MEMBER COMRIE: But isn't
23 it extra money that you didn't have?

24 PHOTEINE ANAGNOSTOPOULOS: No, it's
25 not extra money. The total pot is the same to the

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2 principals. It is just a matter that it was in a
3 different area from where it was needed. It's the
4 same total pot.

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COUNCIL MEMBER COMRIE: All right.

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I don't know if I buy that. Weren't the

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principals' budgets already fixed and allocated?

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So they were going to get that amount of money for

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personnel anyway? Can a principal hire another

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person with the money that's reallocated?

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PHOTEINE ANAGNOSTOPOULOS: We

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allocate out the budgets at the beginning of the

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based on the total dollars that we have. The

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principals themselves then budget individually.

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It is school-based budgeting. So it's not

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necessarily that the units of appropriation the

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way we've allocated at a very high level will

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match how the principals actually budgeted their

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money. As Larian said, this is putting this back

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in line with how the principals actually budgeted

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their money. There is no new money going in and

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no money being taken out. It's the same amount of

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money, it's just being moved so it matches with

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what the principals are spending the money on.

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COUNCIL MEMBER COMRIE: Okay.

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2 Thank you, Mr. Chairman.

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CHAIRPERSON RECCHIA: Before I ask the next Council Member to ask some questions, can I please ask everyone to keep down your private conversations? Before we move on, I'd like to recognize all of the members. Diana Reyna, Joel Rivera, Leroy Comrie, Jimmy Van Bramer, Gale Brewer, Fernando Cabrera, Larry Seabrook, Rosie Mendez, Inez Dickens, Al Vann, Karen Koslowitz, Jimmy Vacca, Oliver Koppell, Julissa Ferreras, Lew Fidler and Darlene Mealy. Did I miss anybody? Also, we have Vincent Ignizio. How could I miss you, you're right in front of me.

COUNCIL MEMBER VANN: Mr. Chairman, you're not as good as Leroy. He did a better job with that.

CHAIRPERSON RECCHIA: You know what, Al, I'm sorry I disappointed you. I'm going to make that up the next time. Gale Brewer has questions.

COUNCIL MEMBER BREWER: How does this change in date, if at all, impact the state? Does it have any impact at all with the state budget?

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2 LARIAN ANGELO: No, it will have no
3 impact on the state's actions. Part of the reason
4 we'd like to extend the date a little bit is to
5 have a greater chance of having a state budget.
6 We may or may not.

7 COUNCIL MEMBER BREWER: Thank you.

8 CHAIRPERSON RECCHIA: Lewis Fidler
9 is next.

10 [Pause]

11 LARIAN ANGELO: Generally speaking,
12 when we say realignment, what we mean is that when
13 we last did an action on the budget, which I think
14 this year was adoption, we put funding in units of
15 appropriation. That's the best estimate we have
16 at that moment. And then you observe how the
17 spending actually takes place. This happens in
18 every agency. But in DOE it's a special challenge
19 because the principals have control over their
20 budget and can decide PS, OTPS, et cetera. So
21 what we mean by realignment is that after
22 observing how the actual spending is going, we
23 believe that we needed to move money from special
24 education into general education PS and OTPS.

25 COUNCIL MEMBER FIDLER: Realignment

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2 is the purpose?

3 [Pause]

4 LARIAN ANGELO: I'm not sure I
5 understand the question.6 COUNCIL MEMBER FIDLER: Budget code
7 401 is for general education. Then it says
8 realigning to schools \$320 million.

9 LARIAN ANGELO: Correct.

10 [Pause]

11 COUNCIL MEMBER FIDLER: What you're
12 doing is realigning?13 LARIAN ANGELO: What we're doing is
14 realigning.15 COUNCIL MEMBER FIDLER: I just
16 wanted to make sure this isn't something to do
17 with school closings and moving money around.18 LARIAN ANGELO: No, not at all. It
19 was simple moving money to follow actual spending.

20 COUNCIL MEMBER FIDLER: Thank you.

21 CHAIRPERSON RECCHIA: Do any other
22 Council Members have questions? Without further
23 questions, both items will be couple for a vote.
24 Number one, Intro 0128, the Executive Budget
25 extender and number two is the MN-3 Expense Budget

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modification. Call the roll please.

WILLIAM MARTIN: William Martine,
Committee Clerk, roll calling the Committee on
Finance. Council Member Recchia?

CHAIRPERSON RECCHIA: Yes.

WILLIAM MARTIN: Rivera?

COUNCIL MEMBER RIVERA: I vote aye.

WILLIAM MARTIN: Reyna?

COUNCIL MEMBER REYNA: I vote aye.

WILLIAM MARTIN: Brewer?

COUNCIL MEMBER BREWER: Yes.

WILLIAM MARTIN: Comrie?

COUNCIL MEMBER COMRIE: [No
response].

WILLIAM MARTIN: Fidler?

COUNCIL MEMBER FIDLER: Aye.

WILLIAM MARTIN: Koppell?

COUNCIL MEMBER KOPPELL: Aye.

WILLIAM MARTIN: Vann?

COUNCIL MEMBER VANN: Yes.

WILLIAM MARTIN: Mealy?

COUNCIL MEMBER MEALY: Yes.

WILLIAM MARTIN: Ferreras?

COUNCIL MEMBER FERRERAS: Aye.

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2 WILLIAM MARTIN: Cabrera?

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3 COUNCIL MEMBER CABRERA: Yes.

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4 WILLIAM MARTIN: Koslowitz?

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5 COUNCIL MEMBER KOSLOWITZ: Aye.

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6 WILLIAM MARTIN: Van Bramer?

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7 COUNCIL MEMBER VAN BRAMER: Aye.

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8 WILLIAM MARTIN: Ignizio?

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9 COUNCIL MEMBER IGNIZIO: Yes.

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10 WILLIAM MARTIN: Council Member

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11 Jackson?

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12 COUNCIL MEMBER JACKSON: Aye on

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13 all.

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14 CHAIRPERSON RECCHIA: We'll keep

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15 the vote open for 30 minutes.

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16 WILLIAM MARTIN: The vote on the

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17 Committee on Finance is 14 in the affirmative,

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18 zero in the negative and no abstentions and will

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19 remain open by request of the chair.

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20 CHAIRPERSON RECCHIA: I'd like to

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21 thank the members of OMB and chancellors of the

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22 DOE for coming today. We look forward to working

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23 with you. Thank you very much

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24 PHOTEINE ANAGNOSTOPOULOS: Thank

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25 you.

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[Pause]

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WILLIAM MARTIN: Comrie?

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COUNCIL MEMBER COMRIE: Aye on all.

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WILLIAM MARTIN: Oddo?

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COUNCIL MEMBER ODDO: Yes.

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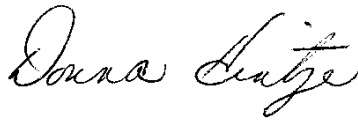
WILLIAM MARTIN: The vote now

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8 currently stands at 16 in the affirmative.

C E R T I F I C A T E

I, Donna Hintze certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.



Signature_____

Date April 28, 2010_____