



New York City Campaign Finance Board

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**Testimony of Amy Loprest
Executive Director
New York City Campaign Finance Board**

**City Council Committees on Finance and Governmental Operations
May 30, 2012**

Good afternoon, Chairpersons Brewer and Recchia, and committee members. I am Amy Loprest, Executive Director of the New York City Campaign Finance Board (CFB). With me today are General Counsel Sue Ellen Dodell, Operations and Budget Director Shauna Tarshis Denkensohn and External Affairs Director Eric Friedman.

As always, we thank you for your support of the Campaign Finance Program. The recent push for reforms to New York State's campaign finance system has focused on New York City's Program as a model for lawmakers to follow. The strength of our Program is due in large part to the participation of the City Council in the ongoing process of improving the Campaign Finance Act. We look forward to building on our strong working relationship in the coming year and beyond.

Pursuant to the New York City Charter, Section 1052(c), the Board submitted its budget for fiscal year 2013 to the Mayor on March 27, 2012. The Mayor included this in his Executive Budget. The budget is attached to this testimony.

The Board's fiscal year 2013 budget is \$55,076,598. Our allocation includes funds for matching payments to candidates and other expenses should the primary election date for 2013 be moved to June from September. As you know, earlier this year a U.S. District Court ruling moved the date of New York's primary elections for federal office to June, in compliance with the Military and Overseas Voter Empowerment (MOVE) Act. There has been discussion in the Legislature of moving state and local primary elections to June to create a single primary date for federal and state elections. In order to ensure that matching funds will be available to candidates in the event of a June primary, we are including an allocation of \$41,000,000 for the campaign finance fund.

The Board's budget request also includes \$3,700,000 for a Voter Guide for a potential June primary election date. As you know, the Board publishes and distributes the non-partisan Voter Guide to every New York City household with a registered voter. All candidates may publish information about their campaign in the Guide. It includes information on the citywide debate program, and guidance on how and where to vote. The Guides will be published in English, Spanish, Chinese, Korean, and Bengali and we anticipate producing 2.8 million of them for the 2013 primary.

The projected costs for the campaign finance fund and the Voter Guide are consistent with our experience in previous citywide primary elections and the number of candidates we project will participate in the Program in 2013. As in previous years, any funds remaining from these allocations after the primary elections are completed – or in the event the primary date is not moved forward to June – will be returned to the City’s General Fund.

In other areas, the CFB has made a significant effort to contain operating costs. Our personal service and OTPS allocation of \$10,367,000 represents a slight increase over fiscal year 2012, stemming from the CFB’s continuing effort to implement new mandates from the Charter amendments of 2010: voter assistance and disclosure of independent expenditures.

Our Voter Assistance Unit works closely with the members of our Voter Assistance Advisory Committee to increase voter registration and participation throughout the city. In March, along with the Commission on Women’s Issues and other partners, we launched the “Your Vote Counts” campaign aimed at increasing voter participation among women in New York City. The VAAC issued its annual report in April highlighting this and other partnerships we’ve created to increase voter participation throughout the city. On June 11, the VAAC will hold a public hearing to discuss programs to increase registration and voter turnout in elections this year and next.

The CFB continues to develop our effort to monitor independent expenditures in City elections, and ensure the disclosure process will be as simple and straightforward as possible for everyone involved. Our final rules for disclosure of independent expenditures were adopted in March, after an extensive public rule-making process. Our staff is working to prepare educational and training materials and online software that will be available to any organization that needs help understanding the disclosure requirements and how to meet them.

News coverage of this year's Presidential and Congressional campaigns has been dominated by stories of outside groups spending vast sums of money to influence the elections. The flood of spending has largely succeeded at overwhelming the federal disclosure requirements. As we prepare for the citywide elections next year, voters can be confident that complete information about independent spending in New York City elections will be broadly available and easily accessible for the very first time.

We continue work on the post-election audits of campaigns from the 2009 elections. To date, we have met the deadlines in the Act. We are always looking for ways to improve our operations. With the 2013 elections approaching, we are seeking ways to enhance the efficiency of the post-election process.

One improvement for the 2013 elections will make it easier for campaigns to comply with CFB disclosure requirements. Our new web-based disclosure application, Candidate Software for Managing and Reporting Transactions (C-SMART) Web, will give

campaigns more flexibility, stability and security when entering their information and filing disclosures with the Board. A number of campaigns are already using the new system, and the rest will transition to it in the coming months.

As always, the CFB looks forward to working closely with the Council to make our agency work more efficiently and effectively. Thank you for your time, and I am happy to answer any questions you may have.

**NEW YORK CITY CAMPAIGN FINANCE BOARD OPERATING BUDGET
FISCAL YEAR 2013**

	FISCAL 2012 ADOPTED	FISCAL 2013 CFB BUDGET	CHANGES FROM 2012 ADOPTED
PERSONAL SERVICES (PS)	\$6,943,691	\$ 7,074,598	\$130,907
OTHER THAN PERSONAL SERVICES (OTPS)			
OTPS	\$3,181,000	\$3,292,000	\$111,000
VOTER GUIDE	\$375,000	\$3,710,000	\$3,335,000
NYC CAMPAIGN FINANCE FUND	\$1,750,000	\$41,000,000	\$39,250,000
SUB TOTAL OTPS	\$5,306,000	\$48,002,000	\$42,696,000
TOTAL	\$12,249,691	\$ 55,076,598	\$42,826,907

HEADCOUNT	FY2012		FY2013		CHANGE	
	Full Time	Seasonal	Full Time	Seasonal	Full Time	Seasonal
	89	4	89	4	0	0

New York City Campaign Finance Board		
Fiscal Year 2013		
Operating Budget		
By Appropriation Code		
Personal Services		
Unit of Appropriation 001	\$	7,074,598
Other Than Personal Services		
Unit of Appropriation 002		\$3,292,000
CFB Core Operations		\$3,710,000
Voter Guide		
Sub total 002		\$7,002,000
NYC Election Fund		
Unit of Appropriation 003		\$41,000,000
TOTAL BUDGET		\$55,076,598

**Statement by Corporation Counsel Michael A. Cardozo to the City Council
in Connection with the Executive Budget for Fiscal Year 2013**

May 30, 2012

Good afternoon Chair Brewer and distinguished Members of the Government Operations Committee. It is a pleasure to come before you to discuss the Law Department's fiscal year 2013 Executive Budget.

The Corporation Counsel is the attorney for the City and its agencies and has responsibility for all litigation and other legal matters involving the City. The Department employs approximately 650 attorneys and 610 support staff. Let me add that of our 650 attorneys approximately 21% are members of minority groups and 58% are women. Nine years ago, at the beginning of the Bloomberg Administration, only 14% of our attorneys were minorities.

The Law Department consists of seventeen legal and three support divisions. We handle an extraordinary array of cases and non-litigation matters: from tort to tax, from environmental and administrative issues to economic development. We also represent the City as plaintiff in a wide variety of affirmative matters.

The Law Department spends the overwhelming majority of its time and budget in three particular activities: defending cases where money damages or lower property taxes are being sought against the City, bringing cases seeking damages or restitution, and prosecuting juveniles. The first two activities are directly related to protecting and enhancing the public fisc. The third is directly related to public safety. An additional major area of focus is bringing and defending cases involving major public policy and environmental challenges.

Our total proposed appropriation (PS and OTPS) for fiscal year 2013 is \$142,100,432. This is unchanged from the Preliminary Budget. Our proposed FY 2013 headcount is 1,322.

I have attached a copy of my statement to your Committee for the Preliminary 2013 Budget. I thank you for your support of the Law Department and look forward to our continued cooperation. I would be happy to answer any questions you may have.

**Statement by Corporation Counsel Michael A. Cardozo to the City Council
in Connection with the Preliminary Budget for Fiscal Year 2013**

March 29, 2012

Good afternoon Chair Brewer and distinguished Members of the Government Operations Committee. It is a pleasure to come before you to discuss the Law Department's fiscal year 2013 Preliminary Budget.

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I would like to highlight for you some of the major matters of the past year. In particular, I would like to update you on the Vulcans matter, involving a discrimination claim in the hiring of fire fighters, our ongoing efforts in connection with the defense of civil rights claims against police and correction officers, our promotion of City environmental policy, and our revenue collection and cost avoidance efforts. I would also like to bring to your attention one of the largest challenges we are facing: dealing with the exploding increase in, and the consequences of, electronic discovery in litigation.

The Vulcans Case

In 2007, the United States Department of Justice ("DOJ") challenged the City's use of two written examinations for the position of firefighter that were given in 1999 and 2002 on the ground that tests had a disparate impact upon blacks and Hispanics and that the tests were not "job related and consistent with business necessity" in violation of Title VII of the Civil Rights Act. The Vulcan Society intervened as plaintiffs and also asserted intentional discrimination claims. Judge Garaufis of the Brooklyn Federal Court granted plaintiffs' motions for summary judgment on the disparate impact claims in July 2009. In January, 2010, the Court granted the City's motion to dismiss the claims against Mayor Bloomberg and Commissioner Scoppetta.

However, the Court also found that the City had engaged in intentional discrimination because it had been deliberately indifferent to the tests' disparate impact.

As a remedy the Court determined that all of the approximately 7100 blacks and Hispanics who took the old tests, and who can show they would have been otherwise qualified to be firefighters, are entitled to a portion of the back wages and benefits that would have been paid to 293 blacks and Hispanics who should have been, but were not hired because of the tests' illegality. The Court also ruled that additional damages would be available to black applicants under the Vulcans intentional discrimination theory. In addition, the Court ordered that the City will need to hire up to 293 blacks and Hispanics who took the 1999 and/or 2002 exams and did not become firefighters, but who are currently qualified to hold the position.

In August 2010, the Court issued a decision finding the exam administered in 2007 invalid and enjoined the City from hiring from that exam unless it appointed firefighters in accordance with one of five options. Because each option involved a quota of some kind, the City decided to defer hiring firefighters until after a new exam was given and approved by the Court. The City has developed, in consultation with DOJ and the Vulcans, a new examination for firefighters under the supervision of a court-appointed Special Master, former United States Attorney Mary Jo White. Administration of that exam began on March 15 and is expected to continue until April 20 in order to accommodate the 60,000 applicants for the exam. The exam will be submitted to the Court for approval in late summer or early fall, after all the results are in and analyses are completed.

On December 8, 2011, the Court issued a Remedial Order and Injunction and appointed a Court Monitor to oversee, for at least the next ten years, the FDNY's EEO, recruitment and post examination screening processes for candidates. We have appealed the Remedial Order to the United States Court of Appeals for the Second Circuit, with briefing expected to be completed in early May. Because the injunction remains in effect until the appellate court rules otherwise, the City has complied with its obligations under the Remedial Order. Over the City's objection Judge Garaufis has recently approved, and directed the City to pay, the Court Monitor's first invoice, covering 52 days of work, a bill for more than \$310,000, at billing rates that extend to \$650 per hour.

On March 8, 2012, the Court issued a decision finding that the City would be liable for up to \$128,696,803 in back pay damages to black and Hispanic applicants who took the 1999 and 2002 tests, but ruled that the City will have the opportunity to reduce this amount significantly based on the applicants' interim earnings. The Court appointed four Special Masters, whose bills will also have to be paid by the City, to oversee and hold individual hearings on each eligible applicant's award. The Court has yet to rule on the amount of compensatory damages that black applicants are entitled to receive as a result of the finding of intentional discrimination.

Police and Correction Department Cases

As you know, the Law Department received funding and headcount for the enhanced defense of civil right cases brought against members of the Police and Correction Departments. I

am happy to report that this enhancement has had a beneficial effect on our ability to bring cases to trial and prevail.

For many years, the number of newly commenced federal civil rights cases increased with each year: there were 976 new cases in fiscal year 2008, 1,088 in fiscal year 2009, 1,172 in fiscal year 2010 and 1,510 new cases in fiscal year 2011, an increase of 28.82% over fiscal year 2010. The immediate goal of the trial initiative is to stem the tide of yearly increases in new filings with a long range aspiration to see the number of new filings decrease, as the plaintiffs and their lawyers realize that the City will increasingly takes cases to trial rather than settle.

Under this initiative, in fiscal year 2012 the City has taken a no pay position on many cases that some plaintiffs' counsel would like to settle for nuisance value. The immediate results have been the withdrawal of several cases, a substantial increase in trials and a projected leveling off, and perhaps even a decrease, in the number of new cases filed in fiscal year 2012 over fiscal year 2011. In the four fiscal years preceding 2012 the division averaged 12 trials per year. As of the end of March 2012, 24 cases will have been tried, with 14 additional trials currently scheduled to occur before the end of June 2012.

We have been quite successful trying these cases. In fact, I am proud to say that we prevailed in all 21 police and correction cases we tried in calendar year 2011. Moreover, we project that the number of new cases filed in fiscal year 2012 will be less than that in fiscal year 2011. As of the end of February, 2012, 960 new federal civil rights cases have been filed this fiscal year. If this paced is maintained, we will receive 1,440 new cases this fiscal year. While this is a modest decrease, it is a decrease which comes after many years of increased filings. As we are still in the early stages of this initiative, it is hoped that the continuation of these efforts will result in a sustained downward trend in new filings.

Electronic Discovery

On a going forward basis the biggest challenge the Law Department faces is dealing with the explosion in electronic discovery. Over the past several years, e-discovery has gone from being a relatively rare event to something that appears in virtually every sizeable federal case. This growth has meant that we now spend approximately \$8 million per year on e-discovery matters where five years ago, the number was closer to \$3 million.

This explosive growth is about to hit the state courts as well where most of our cases are based. Recent decisions have made it clear that the state judiciary is adopting the same approach to e-discovery as the federal bench, which is an aggressive attitude to litigation holds, setting e-discovery searches early in the litigation and a rule requiring the party whose documents are being searched pay the costs of e-discovery.

The consequence of all of this is that agencies must be made aware of -- and carry out -- their obligation not to destroy emails or other electronic documents once a party "reasonably anticipates" litigation and to produce that electronic discovery, at the City's cost, when such litigation is brought. In addition, the Law Department, as the lawyer for each agency, has the obligation to ensure that the electronic discovery demands are in fact met.

This all means that e-discovery costs will rise substantially. Those costs include personnel to maintain and search agency electronic records, the acquisition of software products to assist in those searches and the production of materials in litigation, and the use of outside vendors to create and maintain databases of relevant documents in ongoing litigation. In preparation for this e-discovery avalanche, the Law Department, earlier this month, hosted a meeting of General Counsels and Chief Information Officers of the agencies to discuss the latest developments in electronic discovery.

Revenue Generation

Cigarette Taxes

The Law Department continues its efforts to end illegal cigarette sales and the consequent tax losses to the City. We are seeking damages against Native American retailers of untaxed cigarettes, after we obtained injunctions against sales of unstamped cigarettes to non-tribe members in 2009. The City's litigation contributed to the state legislature's decision to amend the Tax Law in 2010 to expressly state that cigarette taxes are imposed on all cigarettes sold on reservations to non-tribe members. We also obtained an injunction against an out-of-state cigarette manufacturer preventing sales of unstamped cigarettes to Long Island Native American retailers, and sued a Kentucky-centered ring of individuals and companies that operated over the Internet, in violation of federal cigarette trafficking and racketeering statute, as significant sources of bootlegged cigarettes in New York City. Earlier this week the Manhattan federal court found our complaint against this cigarette ring was legally valid. Recently, we have focused on "roll-your-own" cigarette stores in the City, and, following the suit by us for cigarette tax evasion, entered into court-ordered consent decrees closing down their operations. In addition, the Law Department and the State Attorney General's office recently filed a joint federal lawsuit against roll-your-own stores in Brooklyn and Staten Island.

Medicaid Fraud

The City has so far recovered approximately \$32 million in cash from settlements with defendants in litigations involving Medicaid fraud by virtually all the major pharmaceutical companies. In August 2004, the Law Department filed a federal action against 44 pharmaceutical companies alleging that these companies reported grossly inflated "Average Wholesale Prices" (AWPs) and other prices of their drugs. Because Medicaid reimburses based on AWP, a higher AWP gives the retailer an incentive to purchase that company's drug over others. This fraud resulted in the City, State, and federal governments grossly overpaying for drugs. The City has recovered about \$3.9 million of the total so far in 2012.

Illegal Billboards

The City reached a \$3 million settlement with private company Lamar Advertising in December, 2011 over penalties the company had incurred for operating illegal billboards. Under the settlement, Lamar paid \$3 million to the City and agreed to remove over one thousand illegal signs, many in residential areas, and the structures used to support the signs. Removing the structures used to support the signs will prevent others from illegally posting signs and avoid

potential problems with graffiti and vandalism. This case is part of a larger effort to enhance public safety and quality of life by collecting penalties imposed on those who break City codes and rules. This project has so far yielded approximately \$8 million in collections for the City.

Asbestos

A 2011 payment of over \$2 million from the U.S. Mineral bankruptcy proceedings raised the total asbestos recoveries by the Law Department to more than \$135 million.

Cost Avoidance:

Judgments and Claims

I am happy to report that Judgments and Claims payouts for tort matters was again flat in fiscal year 2011 as compared to the prior nine years. The twenty-five year increase in these payouts has been firmly arrested thanks to the tremendous efforts of an understaffed tort division. By fiscal year 2003, Judgment and Claims payouts had grown to over twenty-three times the amount it had been in fiscal year 1977. Every year since 2003, the payout has been less than the 2003 figure. This represents a cost avoidance of hundreds of million of dollars.

We also have continued our efforts to achieve a reform of the State's plaintiff friendly tort laws. Unfortunately we have made little headway in persuading the Legislature to enact statutory changes. However, we aggressively litigate cases in the appellate courts that we believe may result in a clarification of the law in the City's favor. For example, in Valdez v. City of New York, we persuaded the Court of Appeals to reverse a judgment in excess of \$11 million in a personal injury action. This favorable ruling imposes a significant limit on municipal liability and is expected to save the City significant amounts of money in tort recoveries in the future.

City Environmental Policy Promotion

Air

Working with several states and other cities, the Law Department has participated in several litigations seeking to require EPA to more stringently regulate to improve air quality. Among others, the City was a plaintiff in *Massachusetts v. EPA*, the 2007 litigation in which the Supreme Court found that EPA had authority to regulate greenhouse cases. Subsequently, the City intervened to support EPA's resulting determination that greenhouse gas emissions from automobiles endanger the public health and welfare, the first step in regulating such emissions. That case was argued in February 2012. We have also joined states and cities in intervening to support EPA regulations controlling greenhouse gas emissions from light, medium and heavy duty trucks; requiring electrical generators to reduce emissions of pollutants that contribute to downwind states' inability to comply with air quality standards, including the NYC area; and requiring coal- and oil-fired power plants to reduce mercury and other toxic air emissions.

MTBE

When the Department of Environmental Protection found MTBE, a gasoline additive, in the City's groundwater well drinking water system in Southeast Queens, the City sued the petroleum refining industry for the cost of removing the MTBE. The City's case was one of several hundred cases brought by water suppliers throughout the country, and the first to go to trial. After an eleven week trial in federal court in Manhattan during late 2009, a jury awarded the City \$104 million against Exxon Mobil Corp., the only defendant which refused to settle. Exxon Mobil subsequently appealed the judgment and the case is awaiting oral argument in the Second Circuit.

Water Supply

In the City's upstate watershed, this Office's Environmental Law Division works closely with the Department of Environmental Protection to protect the City's drinking water supply. In the past year, among other things, Division lawyers helped ensure that natural gas production involving hydraulic fracturing is not allowed in the watershed of the City's upstate reservoirs or near City water supply infrastructure. The Division is also working with upstate community leaders to explore potential changes to existing watershed protection programs to enhance flood hazard mitigation in the watershed, which was devastated in Hurricane Irene. Division lawyers also help to enforce the City's watershed regulations that restrict activities in the watershed that could harm water quality.

Budget

Our total proposed appropriation (PS and OTPS) for fiscal year 2013 is \$141,725,146. That figure is \$292,297 less than the fiscal year 2012 budget, as modified, of \$142,017,443. Our proposed fiscal year 2013 headcount is 1,322, an increase of twenty-nine heads or 2% over our November Plan headcount.

Conclusion

I thank you for your support of the Law Department and look forward to our continued cooperation. I would be happy to answer any questions you may have.



**Statement by Linda May, Deputy Commissioner for Administration at the NYC
Office of Administrative Trials and Hearings, to the City Council in Connection
with the Executive Budget for Fiscal Year 2013**

May 30, 2012

Good afternoon Chairs Brewer and Recchia and members of the Committees on Governmental Operations and Finance. It is a pleasure to come before you on behalf of Commissioner & Chief Administrative Law Judge Suzanne Beddoe to discuss OATH's fiscal year 2013 Executive Budget. Today I will be speaking about the services OATH provides and the effects of last year's consolidation of tribunals.

Let me begin by providing you with some background. The New York City Office of Administrative Trials and Hearings ("OATH") is now the largest municipal administrative court in the nation. OATH oversees the operations of four different administrative tribunals and handles a wide variety of cases, conducting over 400,000 hearings annually.

OATH's four divisions include the OATH Tribunal, the OATH Health Tribunal, the OATH Taxi & Limousine Tribunal, and the Environmental Control Board (ECB). As an independent administrative court, OATH's sole mission is to provide fair and timely hearings to everyone who appears before our judges.

Innovation and Access to Justice for Respondents

OATH wants to eliminate barriers to obtaining convenient hearings and aims to encourage participation in the administrative justice process. It has done this by implementing "Access to Justice" initiatives that make it easier for New Yorkers to have their day in court. Through growth and change, OATH has maintained its superior level of service and has focused on implementing innovative programs with the goal of creating truly user-friendly courts. I invite you to review OATH's annual report for details but let me give you a quick summary.

During calendar year 2011, the Environmental Control Board introduced Hearings by Phone, One-Click (online) Hearings and opened a new hearing office in Brooklyn to better assist the public and improve the agency's efficiency.

During its first year managing the Health Tribunal (since July 2011), OATH increased the transparency of the tribunal's operations and access to justice by giving New Yorkers new ways to contest alleged violations. OATH implemented hearings online and hearings by phone; both programs incorporate the best practices from existing programs at ECB. OATH also opened the first Health Tribunal hearing office outside Manhattan, on Staten Island. Restaurant owners on Staten Island who would rather contest tickets at an in-person hearing now do not have to travel to Manhattan to have their cases heard in front of an OATH Health Tribunal judge. The Staten Island office

location was made possible by allowing DOHMH inspectors to testify using web-cam technology, saving both DOHMH and respondents time and expense. OATH is pleased to testify today that it is on track to open the third Health Tribunal location in the Bronx before the end of the current fiscal year and plans to open a fourth in fiscal year 2013.

Under OATH's management, the Taxi & Limousine Tribunal eliminated a backlog of 3,000 appeals cases. Many of the appellants had been waiting several years for a decision to be issued. We are also working to ensure that TLC licensees/drivers understand the court process by providing them with more informational materials and simplifying the process.

Consolidation of Tribunals in FY 2012

The process of consolidating other City administrative tribunals into OATH started with the Council's adoption of Local Law 35 of 2008, which transferred administration of ECB from the Department of Environmental Protection to OATH. In 2010, recognizing the success of that reform, the Charter Revision Commission proposed, and voters approved, a Charter amendment allowing the Mayor by executive order to transfer other administrative tribunals to OATH. Effective July 3, 2011, OATH took over the management of the administrative tribunals that were traditionally operated by the Taxi and Limousine Commissioner (TLC) and the Department of Health and Mental Hygiene (DOHMH). The transfer is expected to increase the number of cases which OATH handles by approximately 150,000 each year. The reason for transferring these tribunals to OATH is simple: it allows these administrative courts to be managed by an agency where the sole purpose is the timely administration of justice and the core focus is on providing access to fair hearings. The transfer increases the public's perception of fairness since the tribunals are now separate from the enforcement agencies that issue the violations.

The transferred tribunals were in need of greater oversight, accountability and transparency than had occurred in their previous agencies, where tribunal functions are not core agency missions. Consequently, OATH is dedicating significant efforts to achieve the results to which the public is entitled. The level of professionalism, quality of services and the introduction of innovative programs that have come with OATH's management have significantly enhanced the administration of justice at these tribunals already.

Headcount

With consolidation, the agency's headcount increased from 172 employees in Fiscal Year 2011 to 247 in Fiscal Year 2012 due to the transfer of personnel by MOU from TLC and DOHMH to OATH. The increase of 150,000 cases filed with OATH after the consolidation coincided with an increased headcount of only 75. OATH looks forward to continuing its work modernizing its divisions and making it easier for all New Yorkers to have their day in court.

Revenue

As an administrative court, cases that are handled by OATH do not carry criminal charges however they may carry civil penalties. When the facts show that a violation has occurred, OATH judges apply monetary penalties as mandated by the applicable laws. The amounts of these fines are established by the enforcement agencies that issue the violations. Planned revenue in fiscal year 2012 from payment of these fines is \$87.33M for ECB, \$45.24M for the Health Tribunal and \$8.4M at the Taxi & Limousine Tribunal. There is a \$53.6M increase in planned revenue from fiscal year 2011 to fiscal year 2012 due to the addition of the two tribunals.

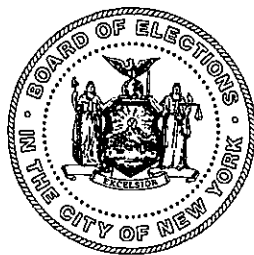
Of course, any increased case load at OATH in fiscal year 2013 will be the direct result of increased enforcement by the City agencies that issue violations returnable to one of OATH's divisions. Because OATH does not control policies or practices at the enforcement agencies, revenue projections are outside of OATH's purview.

Budget

OATH's total proposed Executive Budget for fiscal year 2013 is \$35.4M, which represents an increase of \$1.5M from the current fiscal year's budget. Of the \$35.4M, \$28M is PS and \$7.4M is OTPS. As I mentioned previously, OATH plans on expanding the Health Tribunal to the outer boroughs in the next fiscal year and has plans to modernize the operations at the tribunals that were recently consolidated with OATH.

Conclusion

I thank you for your support of OATH and look forward to our continued cooperation. I would be happy to answer any questions you may have.



MARIA R. GUASTELLA
PRESIDENT

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SECRETARY

JOSE MIGUEL ARAUJO
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EXECUTIVE DIRECTOR

DAWN SANDOW
DEPUTY EXECUTIVE DIRECTOR

PAMELA GREEN PERKINS
ADMINISTRATIVE MANAGER

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**Testimony of
Dawn Sandow
Deputy Executive Director
Board of Elections in the City of New York
before the
Committees on Finance and
Governmental Operations
Council of the City of New York
on the
Fiscal Year 2013 Executive Budget**

May 30th, 2012

Chairs Recchia, Brewer, and members of the Council's Committees on Finance and Governmental Operations, I want to acknowledge the assistance your committees have given to the Board of Elections in the City of New York.

Thank you for giving us the opportunity to appear before you this afternoon on behalf of the Board of Elections. For the record, my name is Dawn Sandow and I am the Deputy Executive Director of the Board. With us today are Commissioner J.C. Polanco of the Bronx, Commissioner Julie Dent of Brooklyn and Commissioner Jose Araujo of Queens.

Joining me here at the table are the Board's:

- Administrative Manager, Pamela Perkins
- General Counsel, Steven H. Richman
- Finance Officer, John Ward

Also present at today's hearing are the Board's

- Director of Management Information Systems, Steve Ferguson
- Director of Communications and Public Affairs, Valerie Vazquez-Rivera
- Director of Electronic Voting Systems, John Naudus
- Director of Campaign Financial Reporting Enforcement, Raphael Savino
- Agency Chief Contracting Officer, John Luisi
- Chief Voting Machine Technician, John P. O'Grady
- Coordinator of Language Assistance, Rachel Knipel
- HAVA Training Specialist, Stephen Thompson
- Ballot Coordinator, Thomas Sattie

I would like to thank you for passing the two city-wide Modified Needs (MN) that contained funding for the Board of Elections for FY12. In addition, the Executive Budget released May 3rd contained \$5 million additional dollars for the Personal Services (PS) allocation. This \$5 million dollars along with unspent poll worker funding due to Commissioner and Executive Management cost savings measures will, in all likelihood, eliminate the PS deficit for FY12.

While having a city-wide election in the last week of the fiscal year does complicate things, we are on track to return over \$12 million dollars in Other Than Personal Services (OTPS) funding well in excess of the current OTPS Program to Eliminate the Gap (PEG) balance. In addition, we will return \$4.3 million dollars in unused reimbursable grant funding. In FY12, the Board of Elections has been careful and conservative with spending while performing our legally-mandated responsibilities.

However, the news for FY13 is bleak; none of our new needs were included in the Executive Budget. We are again submitting a list of needs (not a wish list) that are essential to ensure a smooth process in a Presidential Election year that will, in all likelihood, have the potential for record turnout.

To meet our legal obligations under the Voting Rights Act, the Board must include Bengali in the mandated voter information notice. Beginning in 2010, the notice has included basic information on how to use the poll site voting system. In order to produce a five-language voter-friendly mailer that also details each voter's new poll site and districts, the Board estimates that an additional \$500,000 is required to produce this comprehensive informational and educational notice.

In the FY13 Executive Budget, the Board's sole additional allocation is \$138,000 for the 4 positions associated with the addition of the Bengali language in parts of Queens. We are in the process of hiring the required 2 administrative assistants for translation and outreach as well as the required 2 clerks for the phone bank and outreach. This brings the number of Board of Elections' permanent full-time positions to 355.

As you know, voter participation in recent elections in the City of New York has been low. Although the Board of Elections is not responsible for voter turnout, we have serious concerns that we will see a reverse in this trend for the Presidential Election this year. The potential effects of this are a pressing matter that must be addressed.

Due to the fact that election events must take place early in the fiscal year, we may run into difficulties earlier than other agencies that have a more linear spending pattern. Thus it is important that the Board receive funding for FY13 in a timely manner so that we are able to serve the voters of New York.

The Board has a chronic PS deficit as a result of initial underfunding. As such, this deficit is not the responsibility of the Commissioners of the Board of Elections in the City of New York. This PS deficit is composed of staff and poll worker payrolls.

In the case of reimbursable grant funding, while the City has to provide the financial support, the City is reimbursed for more than 95% of the funds in the fiscal year in which it is spent.

Preparing for the future, we realize that if next year's municipal primary is moved from September 2013 to June 2013, we will have at least one additional unfunded city-wide election event in FY13, and possibly two in the event of a run-off.

Mayor's Executive Budget for Fiscal Year 2013

Looking forward to the coming year, I would now like to address the budgetary needs of the Board of Elections in the City of New York for the Fiscal Year ending June 30, 2013. In order for the Board to fulfill its constitutional and statutory mission, the City of New York **needs to provide significant additional resources.**

The Mayor's Executive Budget for FY13 contains a projected shortfall of \$24 million dollars in PS funding and almost \$24 million dollars in OTPS funding including \$8.8 million dollars in a non-itemized Program to Eliminate the Gap (PEG) reduction and \$4.3 million in reimbursable grant funding. This \$48 million dollar shortfall is particularly alarming in light

of the fact that FY13 is the year that New Yorkers will vote for President of the United States.

Unlike many other agencies, virtually all of the Board's duties, responsibilities, and activities are prescribed by Federal, State, and Local law. The Board does not have the discretion to delay or cancel an election based on municipal budget shortfalls.

First, we urge the City to re-appropriate to the Board for FY13, the approximately \$4.3 million dollars remaining from the funds that have been allocated to the Board for reimbursement under the HAVA grants funded by both the Federal and State governments. These grants enable the Board to make expenditures to improve poll site accessibility both on a permanent and temporary basis as well as to undertake certain poll worker training and public education activities.

The Federal and State grant programs have been extended through the 2012 election cycle and the Board anticipates fully utilizing these funds during the Presidential Election year.

I am going to take a few minutes to briefly highlight the five key areas where the Board requires additional resources to ensure a successful 2012 election cycle.

Poll Workers and Election Day Activities

As you are aware, our poll workers (due to an IRS ruling) are considered New York City employees. As a result of this, they are paid out of the PS allocation. The FY13 allocation for poll workers (budget code 300) is \$14.7 million dollars. We believe that is \$9.7 million dollars short of the amount needed to train and deploy over 35,000 poll workers for 2 events in the fall of 2012 including the Presidential General Election.

Without yearly funding for the \$75 performance incentive bonus, the Board feels we will have a difficult time retaining poll workers through a full election cycle as well as attracting new applicants. These poll workers are working longer hours on a relatively new system (over 17 hours on Election Day). Poll workers must attend a six hour training class, pass the exam, and work two or more elections per year to be eligible for this performance incentive bonus.

In 2010 this bonus was set at \$100. In 2011, the Board reduced it to \$75. Without additional funding in 2012, we will have to reduce the bonus to \$35. At \$35, the Board will likely lose experienced staff critical to running a smooth election and diminish our ability to recruit new poll workers.

It is our goal to encourage the poll workers to meet the criteria for this performance incentive bonus, which will give us poll sites that are staffed with trained and experienced poll workers on Election Day. The Board intends that this figure of \$75 for the bonus shall stand as the baseline through which we retain and attract poll workers in both this fiscal year and the out years. Please see Attachment 1 of the Appendix for a summary of Total Poll Worker Costs.

In addition to the compensation for our vital Election Day human resources, the Board will incur additional costs relating to facilities used for training poll workers. With the dramatic change in the way we train poll workers (smaller class size and hands-on training with new equipment), last year the Board needed and will continue to require a greater number of sites with adequate space to accommodate the hands-on component. The Board is working with the New York City Department of Education to utilize public schools as poll worker training sites. However, these facilities are not cost-free. The Board estimates the need for an additional \$400,000 dollars in rent money to secure these training sites. Furthermore, we feel that this new need should be base lined in our poll site/training site budget going forward.

Poll workers and poll sites are obviously an essential part of the voting experience. The Board continues to ask the City for support to ensure that it has the resources in advance to adequately train the poll workers.

Information Technology

The Board's Management Information Systems (MIS) department continues to maintain, develop, and operate all major systems, which the Board of Elections depends on to meet its mandated responsibilities to the voters of the City of New York. The applications, which are integrated in the S-Elect/AVID system, are listed below:

Voter Registration, Candidate Processing, Poll Worker Personnel and Payment Applications, Facilities (Poll & Training Sites) Management, Election Operations – Ballots & Results Processing & Certification, Affidavit and Absentee Ballots Tracking and Reporting, Candidate Financials Tracking & Reporting, Voting Equipment and Supplies Inventory and Distribution Application, Inventory Management, Election Day Problem Reporting and Resolution Sub Systems and the electronic information interface with the voting public.

All these systems require continuous maintenance, upgrading, expansion, and new application developments to meet new and changing requirements. Some major examples have been the implementation of changes in response to the MOVE Act, Statewide Database Interface modifications, our Inventory Control Management, and a new version of our Election Day Call Center application. MIS continues to accomplish this with a small dedicated staff and the support of our highly knowledgeable and technical development contract group (IMI, SageSmith and n-Tier). The current total cost for all three contracts is \$1.4 million dollars per year.

We must also upgrade our network facilities which interconnect the BOE central office, all our borough offices, and voting machine facilities. Our processing workload and real time requirements dictate the installation of a 50 Megabit (Mb) Ethernet Private Line (EPL) high speed network. The eight EPL lines will have an annual rental cost of \$264,000. In addition, there is a one-time cost in FY13 of \$100,000 to install the EPL lines.

Due to the need to process a greater volume and the increased size of voter registration forms, the Board needs six high speed scanners costing \$25,000 each for a new need total

of \$150,000. In addition, Microsoft software upgrade licenses are needed agency-wide with an approximate cost of \$150,000.

Transportation

The current poll site voting system requires the Board of Elections to deploy and retrieve over 50,000 pieces of equipment (scanners, BMDs, supply carts, privacy booths, tables & chairs) at least twice a year, to over 1,350 poll sites within a very short time frame. In addition, for every election, the Board has to transport an increased number of monitoring teams and technicians to every corner of this City.

For the 2012 election cycle, (Primary and General Elections) the estimated cost to the Board for contracted transportation will be approximately \$4.5 million dollars. The Mayor's Executive Budget allocates only \$2.75 million dollars for this need. This leaves the Board with a shortfall in the amount of \$1.75 million dollars.

Educating the Voters

Educating the public about voting and accommodating their expectations is a critical element of successful elections and a necessary component of a relatively new voting system. It is imperative that the Board have an ongoing public education effort in order to ensure an informed voting public and a larger poll worker outreach pool.

As I mentioned before, the Board has a new legal obligation under the Voting Rights Act to provide ballots, poll site interpreters, and all voting information in Bengali, as well as oral assistance in Hindi. In response to your suggestions, the Board changed the voter information notice to be more informative and reader friendly. In order to produce a five-language voter-friendly mailer that also details each voter's new poll site and districts, the Board estimates that an additional \$500,000 is required to produce this comprehensive informational and educational notice. The Board urges you to fund this enhancement. If this additional funding is not provided, then the Board will be limited to the current resources and the mailer will only include the legally-mandated information, omitting all of its educational components.

Burson-Marsteller was brought in to support the new voting system's initial roll out in 2010 and since then has supported the Board's ongoing public education efforts. The Board anticipates a large voter turnout for the Presidential Election which may include many first time voters. The Board, therefore, needs to engage in an education campaign that serves as both a refresher for those voters who used the new system in recent elections and also as an introduction for voters who have not voted since the new voting system was rolled out in 2010. The Board needs to continue its contract with Burson-Marsteller to help shape the various campaign elements in a not to exceed contract for \$300,000.

In an effort to embrace new technology, the Board would like to purchase two additional software based tools.

Poll Site Locator & Sample Ballot Application

This smartphone application (app) will allow NYC voters to locate their poll site and view their sample ballot. This app will be developed and deployed to run on multiple mobile platforms including iOS (iPhone and iPad), as well as Android and Blackberry devices. There is a one-time development cost of \$144,000 for this project.

Poll Site Reporting Tablet Application

This tablet will allow our voting machine technicians, AD monitors, and field staff to electronically report all issues at our poll sites in real time. In addition, all AD monitor reports will be completed and submitted on site electronically to our Election Day Operations (EDO) unit in real time. Features to be included:

- Alerts/Push Notifications – To alert techs in the field of site issues in real time;
- Check in/out at a poll site – a feature that would allow us to track resolutions in real time;
- Complete and electronically submit on-site monitoring forms and incident reports in real time (ADA compliance info, poll worker attendance, scanner and BMD status); and
- Take and submit photos vital to document poll site accessibility.

There is a one-time cost for the vendor to design the poll site reporting application of \$160,000 and a cost of \$180,000 for 450 tablets. The Board would incur a 6-month service cost each year totaling approximately \$216,000.

Funding to Support the New Voting System

With a relatively new system that continues to go through hardware and software improvements, the Board believes that it is essential to continue having the vendor provide expert training and support to key personnel including our voting machine technicians and EVS programmers.

Our staff continues to become more proficient in preparing the scanners, Ballot Marking Devices (BMD), and the Election Management System (EMS) software. The voting equipment firmware and software will once again be upgraded with modifications for use in the FY13 elections requiring training and support from ES&S. This support for the September Primary and the November Presidential General Election will cost a total of \$5 million dollars.

In addition, Dominion Voting Systems support for the Teamwork System, which counts absentee and affidavit ballots, will cost \$280,000 for the September Primary and the November Presidential General Election.

There will also be a need for replacement parts for over 16,000 privacy booths (deployed each election) at an estimated cost of \$100,000. Please see Attachment 2 of the Appendix for a chart summarizing the Board of Elections' additional funding needed.

Conclusion

The conduct of fair, honest, and open elections is a fundamental right in our democracy and the underfunding in the Mayor's Executive Budget for Fiscal Year 2013, a Presidential Election year, is cause for great alarm.

We are aware of the fiscal situation and identified our essential needs based on feedback from the voters of this City, good government groups, staff as well as elected officials across the City. At present, no funding for any of these priorities is included in the Mayor's Executive Budget for Fiscal Year 2013.

Thank you again for your time and for allowing us to come before you on behalf of the Board of Elections in the City of New York today. As always, my colleagues and I are available to answer any questions or concerns that you may have.

APPENDIX

to the

**Testimony of
Dawn Sandow
Deputy Executive Director
Board of Elections in the City of New York
before the
Committees on Finance and
Governmental Operations
Council of the City of New York
on the
Fiscal Year 2013 Executive Budget**

May 30th, 2012

ATTACHMENT 1

Category	Sub-Category	Number of Poll Workers	Election Day Unit Cost	Performance Incentive Cost	Debriefing Unit Cost	Total Cost Election Day and Debriefing	Bonus Total Cost	Source
Election Day	AD Monitors	372	\$ 300	\$ -	\$ 150	\$ 334,800	\$ -	PS Expense
	Coordinators	1,985	\$ 300	\$ 75	\$ 25	\$ 1,488,750	\$ 148,875	PS Expense
	Inspectors/Poll Clerks	30,000	\$ 200	\$ 75	N/A	\$ 12,750,000	\$ 2,250,000	PS Expense
	Door Clerks, Information Clerks, Interpreters	5,313	\$ 200	\$ 35	N/A	\$ 2,125,200	\$ 185,955	PS Expense
						\$ 16,698,750	\$ 2,584,830	Total

Total Election Day Expenditure for FY2013 \$ 19,283,580

Category	Sub-Category	Number of Trainers/ Poll Workers	Proposed Cost	Source
	Attending Training			
	Lead Adjunct 5 Days/\$1000	12	\$ 12,000	PS Expense
	Adjunct Trainer 5 Days/\$1000	150	\$ 150,000	PS Expense
	Assistant Trainer 2 Days/\$200	380	\$ 76,000	PS Expense
	Conducting Training			
Trainer Pay	Lead Adjunct Training (Conducting Adjunct & Assistant Trainer Classes)	12	\$ 40,000	PS Expense
	Adjunct Trainer (Conducting Poll Worker Classes)	150	\$ 400,000	PS Expense
	Assistant Trainer (Assisting with Poll Worker Training Classes)	380	\$ 1,067,043	PS Expense
Poll Worker Training Pay	Coordinator (Attending) 8 Hours/\$100	1,985	\$ 198,500	PS Expense
	Inspector/Poll Clerk (Attending) 6 Hours/\$100	30,000	\$ 3,000,000	PS Expense
	AD Poll Site Monitor (Attending) 8 Hours/\$0	372	\$ -	PS Expense
	Door Clerk (Attending) 2 Hours/\$25	1,406	\$ 35,150	PS Expense
	Information Clerks (Attending) 2 Hours/\$25	1,307	\$ 32,675	PS Expense
	Interpreters (Attending) 2 Hours/\$25	2,600	\$ 65,000	PS Expense
			\$ 5,076,368	Total Cost

ATTACHMENT 2

Board of Elections FY13 - Additional Funding Needed

	Expense
Personal Services	
Normal Staff Payroll	\$14,400,000.00
Poll Worker Payroll	\$9,700,000.00
Total PS Needed	\$24,100,000.00
Other Than Personal Services - New Needs	
Poll Worker Training Site Rent	\$400,000.00
Information Technology	\$2,065,000.00
Transportation	\$1,750,000.00
Educating The Voters	\$1,500,000.00
ES&S (Voting Assistance)	\$5,055,000.00
Dominion (Voting Assistance)	\$280,000.00
Dominion (Privacy Booth Parts)	\$100,000.00
Total Other Than Personal Services - New Needs	\$11,150,000.00
OMB "Program to Eliminate Gap" Reduction	\$8,800,000.00
Reimbursable Grant Funding	\$4,300,000.00
TOTAL EXPENSE BUDGET SHORTFALL FY13	\$48,350,000.00



FY 2013 EXECUTIVE BUDGET HEARING
NEW YORK CITY COUNCIL
COMMITTEE ON FINANCE
COMMITTEE ON GOVERNMENTAL OPERATIONS

TESTIMONY BY EDNA WELLS HANDY
COMMISSIONER, DEPARTMENT OF CITYWIDE ADMINISTRATIVE
SERVICES
MAY 30, 2012

Good afternoon Chair Recchia, Chair Brewer, and members of the Finance and Governmental Operations Committee. I am Edna Wells Handy, Commissioner for the Department of Citywide Administrative Services (DCAS). I am joined by a number of my DCAS colleagues to discuss the planned expenditures and revenues for FY13, as well as highlights of the DCAS capital plan.

OVERVIEW

As you know, DCAS ensures that City agencies have the critical resources and support needed to provide the best possible services to the public in five key areas:

- Asset Management: We provide overall facilities management, including maintenance and construction services for 55 City-owned buildings. We also purchase, sell, and lease real property.
- Human Capital & EEO: We administer the civil service system, oversee HR policy for City agencies, and conduct professional development. In addition, we establish and administer citywide EEO policies, procedures, and training.
- Purchasing: We purchase citywide goods and services, inspect and distribute supplies and equipment, and assist in the disposal of surplus goods.
- Fleet: We monitor City agency fleets and the City's overall compliance with fleet purchasing laws and environmental goals.

- **Energy Management:** We coordinate the annual Heat, Light, and Power budget for City agencies, as well as make energy purchases for City agencies and others. We also manage efforts to reduce energy consumption and greenhouse gas emissions from City government operations.

DCAS EXPENDITURES

DCAS's expense budget reflects funding of \$1.2 billion in FY13, including a headcount of 2,034. With the exception of a modification in anticipated energy costs, the DCAS expense budget has remained largely unchanged since the release of the FY13 Preliminary Budget. This stability results from the agency reorganization and efficiencies we have achieved.

Of our planned expenditures, the largest amount is allocated for citywide energy expenses. DCAS worked with the Office of Management and Budget to develop the FY13 Energy Budget, factoring in rate and usage adjustments. The FY13 Energy Budget is \$870.4 million—an increase of \$61.6 million from the FY13 Preliminary Budget amount of \$808.8 million. Net rate increases and agency needs largely account for this difference. DCAS Energy Management works closely with agencies citywide to enhance the energy performance of their facilities through a range of programs. These programs include retrofitting equipment, improving operations and maintenance, and training and outreach to reduce the City's energy costs.

DCAS REVENUES

The total DCAS revenue budget for FY13 is \$83.4 million. Our largest source of revenue, projected to be \$65 million in FY13, is through DCAS Asset Management. Most of this revenue derives from commercial rentals of City-owned property, the largest of which is the \$22.5 million annual income from a long-term ground lease with the Marriott Marquis. In addition, on May 10, 2012, DCAS Asset Management conducted the first auction to sell surplus City property in nearly six years. Out of 29 parcels offered at the auction, 19 were successfully bid, yielding \$5.6 million and exceeding our \$2 million revenue projection. We expect to receive all payments by June 25, 2012.

Another significant revenue source is the sale of surplus goods by DCAS Purchasing via online public auction and other competitive sales offerings. The Executive Budget assumes sales of \$7.7 million in

FY13—\$5.5 million of which is attributed to the auction of vehicles relinquished by City agencies. In April 2012, DCAS began conducting the auto auction online in partnership with Property Room, a private vendor. Our customers are no longer required to bid on salvage vehicles in person, although they still have the option to do so. This partnership provides access to a much broader network of potential buyers for fleet units nationwide. Conducting the auto auction online also enables the Brooklyn Navy Yard Development Corporation to redevelop the six-acre auction site. DCAS continues to oversee the online auto auction in coordination with other City agencies that currently operate vehicles. In addition, DCAS will begin selling all non-automotive surplus goods online through another vendor, The Public Group.

DCAS also receives revenue from applicant filing fees for civil service examinations, resulting in an expected \$3.2 million in FY13. In order to meet the mandate to reduce the number of provisional employees and to fill critical vacancies throughout City government, we anticipate administering over 100 civil service exams in FY13. In December 2007, DCAS opened the Manhattan Computerized Testing Center (CTC), followed by the Brooklyn CTC in June 2010, which the Governmental Operations Committee toured. Plans are also underway for establishing a third CTC. Since 2007, we have tested over 120,300 candidates at the two CTC sites. DCAS expects to expand the number of civil service exams administered at our CTC locations to meet the hiring needs of agencies and to facilitate exam administration for applicants.

DCAS NEW NEEDS

Now, I would like to discuss new needs for DCAS in FY13. We received funding and positions for three DCAS cost-saving initiatives: the Civic Center Plan, the Strategic Sourcing and Spend Analysis Program, and the City Fleet Service Consolidation Plan. In addition, DCAS received funding and positions for the maintenance of a new Criminal Courthouse in Staten Island.

The goal of the Civic Center Plan is to consolidate City government operations into modern, efficient office space, thus allowing the disposition of three City-owned, inefficient office buildings located here in Lower Manhattan: 22 Reade Street, 49-51 Chambers Street (the former Emigrant Savings Bank), and 346 Broadway. For this project, DCAS received \$1.2 million and four positions. We are

hiring four staff members who will oversee aspects of the plan, such as administering contracts, managing the construction schedule, and coordinating the relocation of affected City agencies.

The Strategic Sourcing and Spend Analysis Program is an effort to transform citywide procurement and to leverage the City's significant purchasing power to yield savings. DCAS received four positions for this initiative. The new hires will be responsible for managing this program. They will identify contract consolidation opportunities and utilize contracts issued by the state and other jurisdictions with lower per-unit costs. In addition, the staffers will work on benchmarking contract pricing with other large public and private entities, and revising specifications that will result in lower-cost vendor proposals. They will also be responsible for introducing technology to bring greater spend visibility to decision makers, and researching and developing best practices in procurement.

Pursuant to Executive Order 161, issued by the Mayor on April 23, 2012, DCAS is leading the City Fleet Service Consolidation Plan. This plan provides for the sharing of fleet repair, maintenance, garage, and fueling resources. We received nine positions to assist with this plan. The hires will help coordinate a series of fleet initiatives. The initiatives include the deployment of the City's first comprehensive system to track and measure vehicle fuel use, which is known as the Enterprise Fuel Management System, and the upgrade of the 15-year-old fleet Maintenance Control Management System (MCMS). In addition, we are working on consolidating parts and auto procurement citywide, and developing common truck and equipment specifications for use by all City agencies. This plan to leverage citywide fleet resources and reduce redundant services is projected to yield \$120 million in savings for the City over three years.

Last, DCAS received 11 positions and \$900,000 in funding to maintain a new Criminal Courthouse, located at 26 Central Avenue in Staten Island. These positions will be used to hire elevator mechanics and engineering staff at this location. DCAS will also submit a request to the New York State Office of Court Administration to hire 14 custodial staff, all of whom will be fully funded by the State.

DCAS CAPITAL

I will now turn to the DCAS capital plan for FY13. Focusing on health and life safety issues in relation to the maintenance and preservation of our buildings is always a DCAS priority. We are also undertaking a number of new major initiatives and energy conservation projects. I will start with some of our major initiatives, followed by our building improvements, construction projects, and energy conservation efforts.

Major Initiatives

As I described earlier and in previous testimony, the Civic Center Plan involves the consolidation of City government into modern, efficient office space that better serves the operational needs of City government. This will allow the disposition of three inefficient office buildings and the avoidance of significant capital expenditures. In support of the Civic Center Plan, DCAS is planning to commit \$84 million toward the renovation of 270,000 square feet of office space at 1 Centre Street, 253 Broadway, and 80 Centre Street. We are also allocating \$27 million toward the renovation of leased space to relocate agencies from 22 Reade Street, 49-51 Chambers Street, and 346 Broadway. The plan shrinks the City's overall office space footprint through the consolidation and reorganization of space within DCAS-managed buildings and leased facilities. This will result in average annual savings of \$4.8 million per year.

DCAS has pursued a multipronged approach to reducing real estate costs in addition to the Civic Center Plan. One major initiative is the renovation of DCAS-managed space to allow for the reduction in leased facilities. The Commission on Human Rights, the Office of Labor Relations, the Deferred Compensation Board, the Office of Collective Bargaining, and the Board of Standards and Appeals are relocating from leased space at 40 Rector Street. We are consolidating office space at two DCAS buildings—100 Gold Street and 1 Centre Street—to allow for this move. DCAS has allocated \$33 million for this initiative. This space consolidation will result in cost savings of \$4.3 million in annual rent.

In Brooklyn, DCAS has two major initiatives, one in Downtown Brooklyn and another in Brownsville. In collaboration with the Economic Development Corporation, DCAS sold a retail condominium at 210

Joralemon Street in Downtown Brooklyn for \$10 million in April 2012. The space was the former Department of Finance Business Center, which will be relocated on the ground floor of the building. This project was made possible due to more efficient use of space by the Department of Finance. The conversion of this space to prime retail use will help invigorate this commercial corridor and create retail jobs. In Brownsville, we are collaborating with the Office of the Criminal Justice Coordinator to convert portions of a building located at 444 Thomas Boyland Street to a Community Court. This renovation project has been allocated \$8 million in FY13.

As I referenced above, we are launching a major vehicle fuel savings initiative, the Enterprise Fuel Management System. This system, an extension of what is already in place at the Police Department and the Department of Parks & Recreation, will be implemented citywide by DCAS. The Enterprise Fuel Management System is expected to save the City substantial fuel costs by analyzing usage on a vehicle-by-vehicle basis. At the Department of Parks & Recreation alone, fuel costs were reduced by approximately \$1 million over the past two years. We expect similar citywide savings. DCAS has allocated \$4.7 million for this program.

Also mentioned earlier, an upgrade of the City's fleet Maintenance Control Management System is planned in FY13. First installed in City agencies in the mid-1990s, the current MCMS mainframe system will be upgraded to an internet-based menu system. The new system will enable all agencies to share fleet services. DCAS has allocated \$6.9 million for this initiative.

Building Improvements & Construction Projects

DCAS remains focused on maintaining and preserving buildings—paying particular attention to health and life safety issues and adhering to legal obligations. In the DCAS portion of the City's capital commitment plan, \$328 million is allocated for DCAS-managed facilities in FY12 and FY13.

Accordingly, we are undertaking many improvements in our facilities. These improvements include the rehabilitation of elevators, upgrades to fire safety systems, and work associated with Local Law 11 of 1998 in relation to building façade inspections and repairs. A total of \$49 million in FY12 and FY13 is set aside for work related to life safety improvements. Major projects include a \$3 million fire

alarm upgrade at Queens Criminal Court at 125-01 Queens Boulevard; a \$2.6 million elevator modernization at 253 Broadway in Manhattan; and a \$1.2 million roof rehabilitation at Bronx Family/Criminal Court at 215 East 161st Street.

Other essential projects include major electrical upgrades at the Brooklyn Municipal Building at 210 Joralemon Street for \$16.8 million; at 80 Centre Street in Manhattan for \$15.9 million; and at Staten Island Borough Hall at 10 Richmond Terrace for \$4.8 million.

DCAS will also manage various projects in the City's leased spaces in FY13. One project is the \$10.8 million renovation of leased office space at 100 Church Street for other tenants relocating from 40 Rector Street in Manhattan: the Civilian Complaint Review Board, the Office of Administrative Trials and Hearings, and the Campaign Finance Board. Other projects include the consolidation of two Police Department Traffic Enforcement Unit offices in the East Tremont section of the Bronx for \$3.6 million, and improvements to office space and the licensing customer service area for the Department of Consumer Affairs in Lower Manhattan for \$7.6 million.

Energy Conservation Projects

There is \$165 million in capital funding set aside for citywide energy conservation projects managed by DCAS in FY12 and FY13. DCAS Energy Management uses benchmarking data to prioritize buildings for efficiency upgrades. Projects are then developed based on comprehensive energy audits that identify all of the cost-effective efficiency opportunities within the building. Measures may include lighting upgrades, occupancy sensor installations, high efficiency motor installations for mechanical and plumbing systems, building envelope upgrades, building controls, cool roof coatings, and clean energy installations.

CONCLUSION

Thank you for this opportunity to testify about the Department of Citywide Administrative Services' planned expenditures and revenues for FY13 and our capital commitment plan. DCAS continues to grow in leadership of the efficient delivery of quality administrative services. We have in place a superb executive team with the talent and capacity to provide our agencies—and the public—with world-class service that is better, faster, cheaper, and greener. I am pleased to answer any questions you may have.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Amy Loprest (Executive Director)

Address: _____

I represent: Campaign Finance Board

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Eric Friedman

Address: _____

I represent: Campaign Finance Board

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Sue Ellen Dodell

Address: _____

I represent: Campaign Finance Board

Address: _____

◆ Please complete this card and return to the Sergeant-at-Arms ◆

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Shauna Tarshis Denkensohn

Address: _____

I represent: Campaign Finance Board

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: LINDA MAY

Address: _____

I represent: OATH

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 5.30.12

(PLEASE PRINT)

Name: Russell Ann Kobles

Address: General Council

I represent: DCAS

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

[]

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition
Date: 5.30.12

(PLEASE PRINT)
Name: Richard Badillo
Address: Chief Financial Officer
I represent: DCAS
Address: _____

◆ Please complete this card and return to the Sergeant-at-Arms ◆

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

[]

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition
Date: 5.30.12

(PLEASE PRINT)
Name: Edna Wells Handy
Address: Commissioner
I represent: DCAS
Address: _____

◆ Please complete this card and return to the Sergeant-at-Arms ◆