



Fiscal 2009 Executive Budget Hearings

❖ Committee on Finance jointly with the Committee on Contracts

May 2008

Scheduled To Testify:

- *Office of Management and Budget*

*Hon. Christine C. Quinn
Speaker of the Council*

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

*Hon. Leticia James, Chair
Committee on Contracts*

*Preston Niblack, Director
Finance Division*

New York City Council Finance Division

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FISCAL 2009 EXECUTIVE CONTRACT BUDGET

Background

The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services. The Charter defines "contractual services" as any technical, consultant or personal service provided to the City by means of a contract. The Contract Budget is actually a subset of the Other Than Personal Services (OTPS) portion of the City's Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. In January it is prepared with the Departmental Estimates, and in late April it is submitted to the Council with the Executive Budget. Finally, the Council adopts the entire budget (Expense, Revenue, Contract and Capital) before the end of each fiscal year.

The Contract Budget sets forth anticipated contractual spending for each agency by unit of appropriation, broken down by object codes, number of contracts per category and the corresponding dollar value anticipated to be expended in each category. The Contract Budget is a plan -- an agency's blueprint or forecast of what services it anticipates it will need to purchase during the next fiscal year.

Contract Budget Highlights

The Fiscal 2009 Executive Contract Budget proposes spending \$8.9 billion on 17,993 contracts. These planned contract expenditures constitute 15 percent of the total Fiscal 2009 Executive Budget of \$59.1 billion.

Overall, the Fiscal 2009 Executive Contract Budget is 6.2 percent less than the Fiscal 2008 Current Modified Contract Budget. Proposed contractual spending by the Administration decreases by \$587 million. Next year, the Administration plans to let 993 fewer contracts. The Fiscal 2008 Current Modified Contract Budget as of May 2008 totals \$9.5 billion for 18,986 contracts.

Contract Budget by Object Code

The Contract Budget identifies each contract by one of 52 object codes. Object codes, introduced in Fiscal 1996, allow tracking of contractual spending across contract categories throughout the fiscal year. Object codes make it possible to compare actual to planned contractual expenditures and allow the Contract Budget to be modified simultaneously with the operating budget. In addition, object codes facilitate the comparison of contractual spending in each category from fiscal year to fiscal year.

Fiscal 2009 Executive Budget Report

Fiscal 2009 Executive Contracts Budget by Object Code								
Obj. Code	Category	Fiscal 2008 Current Modified Budget		Fiscal 2009 Executive Budget		Changes		
		# of Contracts	\$ Value of Contracts	# of Contracts	\$ Value of Contracts	# of Contracts	\$ Value of Contracts	% \$ Change
600	Contractual Services-General	884	\$720,295,740	802	\$487,423,646	-82	-\$232,872,094	-32.3%
602	Telecommunications Maintenance	432	\$46,937,815	436	\$45,872,021	4	-\$1,065,794	-2.3%
607	Maint. & Repairs Motor Vehicles	386	\$17,291,362	382	\$14,198,777	-4	-\$3,092,585	-17.9%
608	Maintenance & Repairs General	1146	\$129,624,717	1197	\$108,072,029	51	-\$21,552,688	-16.6%
612	Office Equipment Maintenance	969	\$16,754,649	963	\$16,851,549	-6	\$96,900	0.6%
613	Data Processing Equipment	1103	\$147,295,931	472	\$141,020,394	-631	-\$6,275,537	-4.3%
615	Printing Contracts	432	\$43,274,286	390	\$28,582,914	-42	-\$14,691,372	-33.9%
616	Community Consultants	151	\$29,941,278	42	\$21,069,923	-109	-\$8,871,355	-29.6%
617	Payments to Counterparties	1	\$117,647,766	1	\$113,324,141	0	-\$4,323,625	-3.7%
618	Financing Contracts	8	\$27,504,772	3	\$25,899,940	-5	-\$1,604,832	-5.8%
619	Security Services	197	\$88,786,508	198	\$74,022,466	1	-\$14,764,042	-16.6%
620	Municipal Waste Export	44	\$301,297,534	31	\$316,199,311	-13	\$14,901,777	4.9%
622	Temporary Services	377	\$53,455,481	401	\$42,740,702	24	-\$10,714,779	-20.0%
624	Cleaning Services	337	\$28,032,557	350	\$22,555,507	13	-\$5,477,050	-19.5%
626	Investment Costs	41	\$8,134,450	41	\$8,134,450	0	\$0	0.0%
629	In-Rem Maintenance	18	\$6,645,780	18	\$4,418,176	0	-\$2,227,604	-33.5%
633	Transportation	105	\$18,829,813	105	\$14,576,437	0	-\$4,253,376	-22.6%
640	Social Services General	1	\$1,820	0	\$0	-1	-\$1,820	-100.0%
641	Protective Services For Adults	10	\$17,183,705	10	\$18,661,111	0	\$1,477,406	8.6%
642	Children's Charitable Institutions	70	\$558,326,607	70	\$558,326,607	0	\$0	0.0%
643	Child Welfare Services	348	\$227,162,717	349	\$191,740,810	1	-\$35,421,907	-15.6%
644	Direct Foster Care-Children	1	\$3,217	1	\$3,217	0	\$0	0.0%
647	Home Care Services	118	\$331,721,148	118	\$256,180,048	0	-\$75,541,100	-22.8%
648	Homemaking Services	9	\$31,615,640	9	\$29,515,640	0	-\$2,100,000	-6.6%
649	Non-Grant Charges	64	\$16,617,437	64	\$16,455,234	0	-\$162,203	-1.0%
650	Homeless Family Services	289	\$318,527,819	289	\$367,745,706	0	\$49,217,887	15.5%
651	Aids Services	119	\$256,389,880	117	\$276,609,116	-2	\$20,219,236	7.9%
652	Day Care	687	\$610,202,579	687	\$605,954,450	0	-\$4,248,129	-0.7%
653	Head Start	89	\$152,628,579	89	\$141,540,332	0	-\$11,088,247	-7.3%
655	Mental Hygiene Services	475	\$623,480,005	474	\$631,757,529	-1	\$8,277,524	1.3%
657	Hospital Contracts	5	\$112,641,040	7	\$124,212,334	2	\$11,571,294	10.3%
658	Special Clinical Services	1	\$8,683,082	1	\$8,496,528	0	-\$186,554	-2.1%
659	Homeless Individual Services	144	\$212,703,600	144	\$200,675,361	0	-\$12,028,239	-5.7%
660	Economic Development	45	\$23,220,428	45	\$20,813,776	0	-\$2,406,652	-10.4%
662	Employment Services	87	\$182,965,455	87	\$170,640,661	0	-\$12,324,794	-6.7%
665	Legal Aid Society	1	\$85,419,500	1	\$74,619,500	0	-\$10,800,000	-12.6%

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667	Cultural Institutions	697	\$45,386,154	654	\$35,236,838	-43	-\$10,149,316	-22.4%
668	Bus Transportation-Reimbursable	9	\$59,044	9	\$59,044	0	\$0	0.0%
669	Transportation of Pupils	443	\$1,005,779,238	443	\$1,060,880,815	0	\$55,101,577	5.5%
670	Handicapped Children	289	\$936,961,803	289	\$1,012,476,599	0	\$75,514,796	8.1%
671	Training for City Employees	302	\$27,090,951	299	\$22,224,352	-3	-\$4,866,599	-18.0%
676	Infrastructure Maintenance	479	\$166,610,175	450	\$114,436,751	-29	-\$52,173,424	-31.3%
678	Delegate Agencies	2096	\$425,104,404	2028	\$326,510,183	-68	-\$98,594,221	-23.2%
681	Prof Services Accounting/Auditing	131	\$24,860,600	128	\$23,426,784	-3	-\$1,433,816	-5.8%
682	Prof. Services-Legal	81	\$61,504,165	93	\$61,036,699	12	-\$467,466	-0.8%
683	Prof. Services-Engineering	46	\$12,176,358	32	\$4,436,616	-14	-\$7,739,742	-63.6%
684	Professional Services-Computers	293	\$148,892,713	287	\$132,823,496	-6	-\$16,069,217	-10.8%
685	Prof. Services-Education	3175	\$575,962,621	3353	\$620,735,612	178	\$44,772,991	7.8%
686	Prof. Services-Other	577	\$275,172,488	568	\$142,121,914	-9	-\$133,050,574	-48.4%
688	Bank Charges Public Assistance Account	15	\$324,274	12	\$395,347	-3	\$71,073	21.9%
689	Prof. Services-Curriculum & Development	197	\$43,688,181	196	\$42,871,400	-1	-\$816,781	-1.9%
695	Youth Programs	962	\$222,094,005	758	\$177,144,425	-204	-\$44,949,580	-20.2%
	TOTALS	18,986	\$9,542,911,871	17,993	\$8,955,727,218	-993	-\$587,184,653	-6.2%

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CONTRACT BUDGET BY AGENCY

Each contract by object code fits into an agency budget. Contracts within agency budgets can range anywhere from legal services for the Office of Collective Bargaining to bus transportation for pupils in the Department of Education. Many of the common contracts carried by agencies include cleaning services, office equipment, technology maintenance, security, printing and professional services. In the Fiscal 2009 Executive Budget the top ten agencies constitute over 91 percent of the total contracts budget. Below is a list of those agencies, totaling \$8.2 billion.

**Ten Largest Contract Budgets by Agency
Fiscal 2009 Executive Budget
(\$ in 000s)**

Agency Code	Agency	Contract Budget	% of Total Contract Budget
040	Department of Education	\$3,047,057	34.02%
068	Administration of Children's Services	\$1,538,017	17.17%
816	Department of Health & Mental Hygiene	\$972,193	10.86%
069	Department of Social Services	\$734,744	8.20%
071	Department of Homeless Services	\$577,951	6.45%
827	Department of Sanitation	\$401,253	4.48%
098/099	Miscellaneous/Debt Service	\$320,774	3.58%
260	Department of Youth Services	\$242,117	2.70%
125	Department for the Aging	\$200,575	2.24%
841	Department of Transportation	\$124,557	1.39%
	TOTAL (Top Ten)	\$8,159,238	91.11%
	Total Fiscal 2009 Executive Contract Budget	\$8,955,727	100.00%