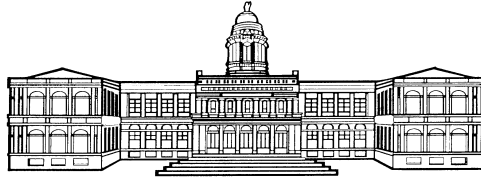


THE COUNCIL OF THE CITY OF NEW YORK

Finance Division



Hearing on the Fiscal 2010 Executive Budget for the **Campaign Finance Board**

May 18, 2009

Hon. Christine C. Quinn
Speaker

Hon. David I. Weprin
Chair, Committee on Finance

Hon. Helen Sears
Chair, Committee on Governmental
Operations

Preston Niblack
Director

Jeffrey Rodus
First Deputy Director

Andy Grossman
Deputy Director

Campaign Finance Board (004)

Agency Overview

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

Expense Budget Highlights

	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Spending				
Personal Services	\$4,348,879	\$6,430,217	\$6,257,943	\$6,285,523
Other than Personal Services	\$2,148,378	\$5,322,000	\$4,822,000	\$61,264,500
Total	\$6,497,257	\$11,752,217	\$11,079,943	\$67,550,023
Funding				
City	NA	\$11,752,217	\$11,079,943	\$67,550,023
Total	NA	\$11,752,217	\$11,079,943	\$67,550,023
Headcount				
Full-time Positions	65	89	84	83

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

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

Executive Budget Overview

PS and OTPS (Units of Appropriation 001 & 002)

	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Spending				
001 – Personal Services	\$4,348,879	\$6,430,217	\$6,257,943	\$6,285,523
002 – OTPS	\$1,948,378	\$3,822,000	\$3,822,000	\$10,464,500
Total	\$6,297,257	\$10,252,217	\$10,079,943	\$16,750,023
Funding				
City	\$6,297,257	\$10,252,217	\$10,079,943	\$16,750,023
Total	\$6,297,257	\$10,252,217	\$10,079,943	\$16,750,023
Headcount				
Full-time Positions	65	89	84	83

November and January Plan Actions

Personal Services (PS)

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

Other Than Personal Services (OTPS)

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

Executive Plan Actions

- **PS Adjustments.** The Executive Plan adds PS funding for CFB totaling \$27,580 to bring the agency's proposed Fiscal 2010 PS Budget to \$6,285,523, the figure requested in the CFB's budget submission.
- **OTPS Adjustments.** The Executive Plan adds OTPS funding for CFB totaling \$6,642,500 to bring the agency's proposed Fiscal 2010 OTPS Budget to \$10,464,500, the figure requested in the CFB's budget submission. This sum is budgeted to cover both administrative OTPS costs and the cost of the Voter Guide.

Election Funding (Units of Appropriation 003)

	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Spending				
003 – Election Funding	\$200,000	\$1,500,000	\$1,000,000	\$50,800,000
Total	\$200,000	\$1,500,000	\$1,000,000	\$50,800,000
Funding				
City	\$200,000	\$1,500,000	\$1,000,000	\$50,800,000
Total	\$200,000	\$1,500,000	\$1,000,000	\$50,800,000

While there were no specific actions relating to the Election Funding unit of appropriation in the November or January Plans, the Preliminary matching funds budget for Fiscal 2010 (\$1 million) was \$500,000 lower than the matching funds budget contained in the Adopted Budget for Fiscal 2009 (\$1.5 million). In any case, since Fiscal 2010 will include citywide elections, it was known that the matching funds budget would require significantly more funding. As discussed above, the CFB forwarded its budget, including its matching funds budget, to the Mayor and the City Council on March 12. The budget, including the above "Election Funding" line item (\$50.8 million in Fiscal 2010), is included in the Mayor's Executive Budget as presented by CFB.

- **Campaign Finance Fund Adjustment.** The Executive Plan adds a Campaign Finance Fund adjustment for CFB totaling \$49.8 million to bring the agency's proposed Fiscal 2010 Fund Budget to \$50.8 million, the figure requested in the CFB's budget submission.