



Department of
Education

**TESTIMONY OF NYC SCHOOLS CHANCELLOR DENNIS M. WALCOTT
ON THE FISCAL YEAR 2014 EXECUTIVE EXPENSE BUDGET**

BEFORE THE NYC COUNCIL COMMITTEES ON EDUCATION AND FINANCE

June 4, 2013

Good morning, Chairs Jackson and Recchia and all the members of the City Council's Education and Finance Committees here today. I am Schools Chancellor Dennis Walcott and I am joined by Shael Suransky, DOE's Chief Academic Officer, and Michael Tragale, our Chief Financial Officer.

Thank you for the opportunity to discuss Mayor Bloomberg's proposed Fiscal Year 2014 Executive Budget as it relates to the Department of Education and New York City public schools.

Next week will mark the 11th anniversary of the State's historic decision to grant the Mayor control of the New York City school system. From the moment that historic legislation became law, it has been our mission to bring a massive, 104 year-old system into the 21st century.

The school system at the time was deeply troubled.

- At the time, only 50 percent of our students were graduating, and at some schools the rate hovered closer to 20 percent. One in five students each year dropped out before graduating. College and career readiness was not even a part of the conversation.
- An age-old school zoning system trapped our poorest students in the lowest performing schools in the city, contributing to the cycle of poverty in marginalized neighborhoods.
- The bureaucracy was so dysfunctional that no one knew how many people the schools employed.
- Teacher pay was so low that we had trouble finding certified professionals to work for us, and some teachers had to wait months for their first paycheck. Meanwhile, Board of Education members enjoyed plush amenities, including huge offices at 110 Livingston Street, cars, and drivers. I should know – I was one of them.
- District offices and union regulations handcuffed our principals from running their schools. Principals had little input regarding their own budgets.

Today, the ghosts of 110 Livingston Street would not recognize the school system of 2013.

Since mayoral control was granted, the drop-out rates have plunged by half, and the graduation rate has risen to 66 percent. Those numbers have held at that historic level even though state graduation standards have risen each year for four years in a row. Last year, for the first time ever, students had



**Department of
Education**

to pass five out of five state Regents exams with a score of 65 to graduate. Just five years ago, students could graduate if they passed five exams with a score of 55.

High school students once trapped in failing schools now benefit from the best school choice system in the nation. In fact, by September, we will have created 656 new mission-driven schools, specializing in everything from software engineering to emergency management, from construction trades to the new careers in energy.

Teacher salaries have risen by 43 percent since 2002 and the City's investments have allowed principals to spend billions—yes, billions of dollars—on teacher professional development.

We now spread money equitably among our schools, and principals have the final say on budgeting and staffing. This spring, school budgets were released on May 24—the earliest release since 2009.

And today, I'm proud to say that we are training staff on the new teacher evaluation system released on Saturday by State Education Commissioner King. The system—for which we fought long and hard—gives our principals unprecedented authority over their schools and employees.

For the first time, principals are able to work within a comprehensive system that empowers them to provide meaningful feedback and support to their teachers in order to help them improve. And they can now remove a teacher—even a tenured one—if he or she consistently fails. It is a major breakthrough that will dramatically improve the quality of education our children receive. This builds on the paradigm shift that has taken place over the last 11 years of empowering our principals.

It is critical that this momentum continues. For there is nothing more important to the future of our city than schools continuing to prepare our students for future success in our global economy.

Our goal of bringing the school system into the 21st Century is reflected in every decision we have made in preparing for Fiscal Year 2014.

The news in this budget is encouraging. The administration plans to spend nearly \$25 billion on education—the largest investment ever made in New York City public schools. We have reduced our administrative expenses, passed money through to the schools themselves, and focused spending on the schools, teachers and students who needed the most help.

Back in 2002, the State and the City evenly shared education costs. Since then, State aid share has consistently decreased. Mayor Bloomberg has insisted that our students not suffer as a result, and so this year the administration will invest \$4.5 billion more on education than the State. That will bring the total in investment in education over the course of the administration to \$125 billion. This is \$30 billion more than the State has invested over the same period.



**Department of
Education**

- As a result, the budget before you makes good on our commitment to spend \$20 million for 4,000 new full day pre-kindergarten seats for the 2013-14 school year, accommodating more of the City's youngest learners in high-need areas.
- This year, for the first time, state tests for students in grades 3-8 were aligned to the new Common Core standards. We have known for a while that test scores will drop as students acclimate themselves to the higher standards. Yet we have no plans to leave students behind. So in our new budget we are going to provide \$10 million to schools for additional academic support for students in grades three through eight who struggle on the state tests.
- We have collaborated with City Council Speaker Quinn and other partners to invest millions of dollars to expand the Middle School Quality Initiative, a program that focuses on strengthening literacy instruction in grades six through eight. This fall, 40 additional schools will take part in this initiative—bringing the total number to 89.
- The new teacher evaluation system makes professional development a greater priority. So starting this month, we will more than double funding for teacher training. We have set aside \$100 million to train teachers in the more rigorous Common Core Learning Standards and to prepare schools to implement the new teacher evaluation system.
- We will also spend \$56 million system-wide to support the implementation of the Common Core-aligned curriculum.

The State's decision to rescind the governor's penalty for not reaching a teacher evaluation deal beyond Fiscal Year 2013 enabled the DOE to restore 1,842 full-time teaching positions and the equivalent of 224 part-time teaching positions. We were also able to restore an additional 101 non-teaching titles, including parent coordinators, community assistants, and school business managers.

This is remarkable given the challenges we faced this fiscal year.

We lost \$250 million in State education aid because of the evaluation dispute. In Fiscal Year 2014, we are faced with an additional loss of \$63 million due to the Federal sequester. These cuts left us with a deficit in Fiscal Year 2013, and a hole to fill for our schools in Fiscal Year 2014.

In the old days, the system could not have withstood financial setbacks like this without making across-the-board cuts to schools or laying off teachers. But our system has matured into a more modern, professionally-managed operation geared toward putting schools and students first. We have not only avoided cuts to our schools, we have protected all schools from federal reductions and were actually able to increase the budgets of 316 of our most underfunded schools.

Those schools received \$13 million in additional funds as part of our Fair Student Funding formula. In order to bring the system into the modern era, we needed to de-politicize the funding process. Now, dollars follow the students—and not to those who had influence. In order to help make the



Department of
Education

investments I have described, the DOE once again looked centrally for ways to reduce expenses and direct as much money as possible to schools.

In 2008, we spent \$399 million on central administration. By the end of last year, that figure had fallen to \$299 million, a 25 percent reduction. Fiscal year 2013 is forecasted to close with an additional \$33 million reduction, bringing the central administration spending to its lowest since the Mayor took office—a projected \$266 million. In Fiscal Year 2014, we are committed to further reducing central administration spending.

We are also committed to generating savings from additional sources, most notably, contracts. In the face of strong political and union pressure, this past December, the DOE bid out five-year contracts for more than 1,100 school bus routes—about one-sixth of all DOE bus routes. In our preliminary review of the bids, we project that we will save an estimated \$100 million over five years. This is on top of an estimated \$95 million savings from the Pre-Kindergarten bus contracts that we bid out in 2011.

In addition, as a result of a competitive bidding process for student Periodic Assessments, the Panel for Educational Policy recently approved a new contract that will save more than \$33 million over the first three years of the contract.

Finally, this March the Panel for Education Policy approved a contract with Public Consulting Group to manage Medicaid requirements with all school-age New York State approved non-public schools with New York City students. We are estimating a potential annual claim of between \$35 and \$40 million dollars—money that we will reinvest into classrooms.

While we have made progress, we still have a long way to go. Right now, it is unclear whether the DOE will be able to reap the full potential of a Medicaid claim in the next fiscal year. A change in the state law may require us to recollect 110,000 parental consent forms for Medicaid reimbursements each year, costing us untold millions of dollars in potential claims. Meanwhile, the United Federation of Teachers is trying to block our ability to collect \$50 million in claims for speech therapists.

Despite these constraints, we have made major strides toward freeing our schools from an entrenched bureaucracy. We have created a system:

- Where an additional 60,000 students enrolled in CUNY over the past 10 years who likely would not have made it there without our reforms,
- Where children are able to attend high schools outside of their districts,
- Where students analyze, discuss and write more, instead of memorizing rote facts,
 - Where the graduation rates of Black and Hispanic students have increased by 50.6 and 57.8 percent respectively since 2005, bringing the graduation rates of these two student populations to an all-time high of 60 and 59 percent respectively.



**Department of
Education**

- Since 2008, Advanced Placement exam participation increased 25.6 percent for Black students and 41.8 percent for Hispanic students; while passing rates jumped 49.1 percent for black students and 45.7 percent for Hispanic students.

These are encouraging trends.

We are working hard to make our budget process understandable to parents. This spring, we developed a *Guide to NYC Public Schools Budget* to help the public make sense of where our funding comes from, what it pays for, and how we use it. This is a user-friendly tool to help translate the complexities of the largest district education budget in the nation. This report before you for Fiscal Year 2013 provides the template for annual updates for every budget.

Now, the men and women in this room have never been shy about disagreeing with us, or pointing out the mistakes we have made on the path to bringing the schools into the new century.

Let me be the first to say that the transformation of our school system is not complete. We want the next leaders of our school system to build upon our work, to improve upon our innovations, to take our schools to the next level.

When future chancellors look back, I hope they can boast that the graduation rate isn't 66 percent, but 85 percent – or higher...

...that our schools are even safer than they are now...

...that the teaching force is even better trained...

...that the system's leaders have not turned the clock back to a darker day, but have rather continued to prepare our children for the challenges of the global economy.

There is so much more work to do.

Think about it: we're in the first century of the third millennium. We can't afford to turn back the clock on our students. Don't you agree that they deserve the best the city can provide?

The answer is obvious.

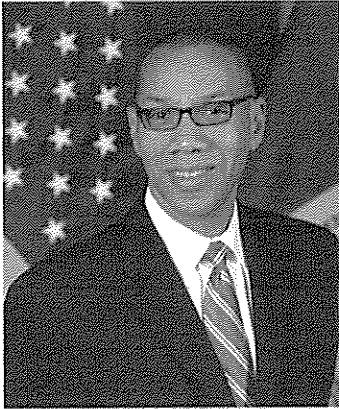
Thank you. I'm happy to answers any questions you may have.



A Guide to
NYC Public Schools Budget

NYC
Department of
Education
Dennis M. Walcott, Chancellor





Dear New York City Community Member,

With 1.1 million students and over 1,700 schools, the New York City Department of Education (DOE) is the largest school system in the country. Not surprisingly, it has a budget larger than any other school district in the nation. For the 2012-13 school year, the DOE's total budget is \$23.8 billion.

We have developed this publication from NYC's Executive Budget Plan to help you make sense of our budget. This guide will help you understand where our funding comes from, what it pays for, and how we use it. You will also find explanations as to why some funding must be used to pay for certain programs and why other funding sources are more flexible.

The DOE's website is also a good resource for budget information. You can find monthly spending reports, more detailed budget breakdowns, and individual school budgets at nyc.gov/schools. Additionally, I encourage parents who have budget-related questions to speak with their school's principal or parent leadership. Joining the school's parent association is also a great way for parents to get involved in their school's budgeting process.

I hope that this guide will help you better understand how our budget works and that you share it with others in your community who may have questions about our budget.

Dennis M. Walcott
Chancellor

Breaking down our \$19.2 billion operating budget

For school year 2012-13, the NYC Department of Education's operating budget is \$19.2 billion. That means in fiscal year 2013 it will cost us \$19.2 billion to run our schools and pay our teachers, principals, and other staff members.

Operating Budget Money in our operating budget covers the cost of keeping our schools running. It pays for personal service expenses (full-time employee compensation) and other than personal service expenses (supplies, goods, and services). We use operating dollars for principal and teacher salaries, textbooks, after-school programs, school lunches, and heating and cooling the school buildings, among other things. These dollars fund our central administration and field support as well.

Pass-through costs are also part of our operating budget but are earmarked for non-DOE spending. These are costs for programs administered through entities other than the Department of Education (DOE) for services provided to public and non-public school students. For example, funding for charter schools, and certain federal and state dollars due to students in non-public schools, is "passed through" the DOE so that such students can receive legally mandated education services. In other words, the dollars "pass through" our budget. For the 2012-13 school year, pass-through expenses totaled nearly \$2.6 billion, including \$1.7 billion for special education services provided at non-DOE schools; \$71 million for non-public schools, such as yeshivas and parochial schools; and \$865 million for charter schools.

Our budget for this year also includes \$4.6 billion for employee pensions and debt payments for capital projects, bringing the total budget to \$23.8 billion.

Pensions Like other employers, we contribute to our employees' pensions (an amount other than wages that is paid at regular intervals to employees or their dependents for past services most often associated with retirement). This money is part of our total budget but cannot go toward operating expenses. We must use it to fund pensions for teachers, principals, and other employees. The pension contributions we make are determined by collective bargaining agreements with labor unions and economic conditions.

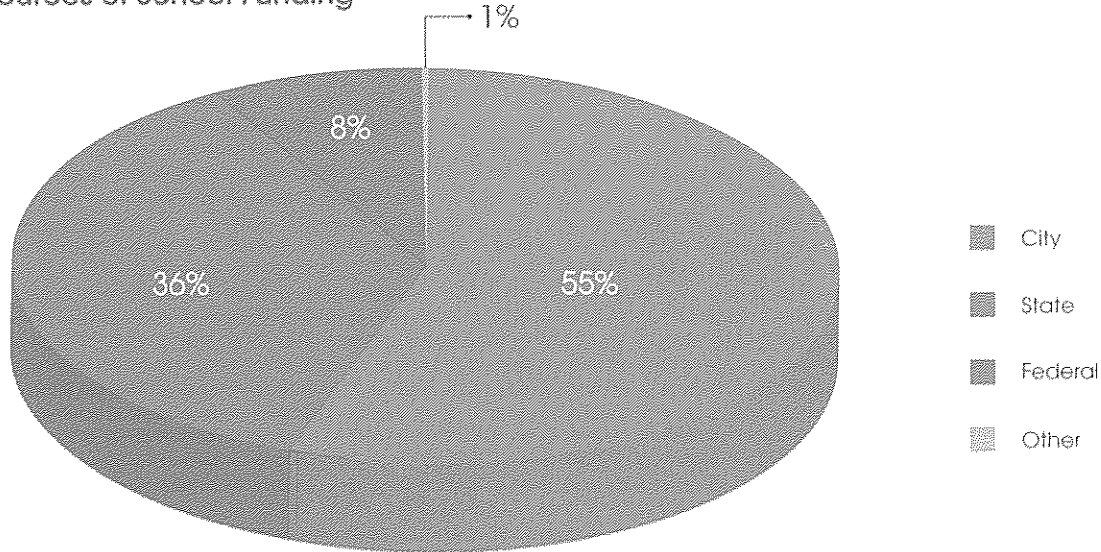
Debt Service Debt service dollars pay for building and renovating school buildings. We borrow money by issuing bonds to pay for these construction projects. It is similar to having a home mortgage. Each year, we have to pay back a portion of the loan, including interest.

The 2012-2013 school year is fiscal year 2013, or FY13. Each year, the Department's fiscal year begins July 1 and ends June 30 of the following year. Fiscal year 2014 will begin July 1, 2013, and end June 30, 2014.

Our Sources of Funding

Our budget is funded by three major sources: New York City, New York State, and the federal government. Lawmakers at each level decide how much we get. Here is the breakdown for the 2012-13 school year:

Sources of School Funding



Source: FY 2013 Budget as of the FY 14 Executive Budget

City

New York City provides our largest source of revenue. For FY13, the City contributed \$13.2 billion, or 55% of our total budget. Most money from the City is City Tax Levy dollars. City Tax Levy comes from local taxes, including property taxes, personal income tax, and sales tax.

State

New York State is our second largest source of funding. For FY13, State funding made up \$8.5 billion, or 36% of our overall budget. The State mainly allocates money based on the number and types of students enrolled in New York City public schools.

Federal

The federal government provided close to \$1.9 billion for the 2012-13 school year. This made up about 8% of our FY13 budget. Most of these funds come in the form of Title I allocations that must be used to pay for supports for low-income students. Federal dollars also cover the cost of free and reduced lunches and some special education services.

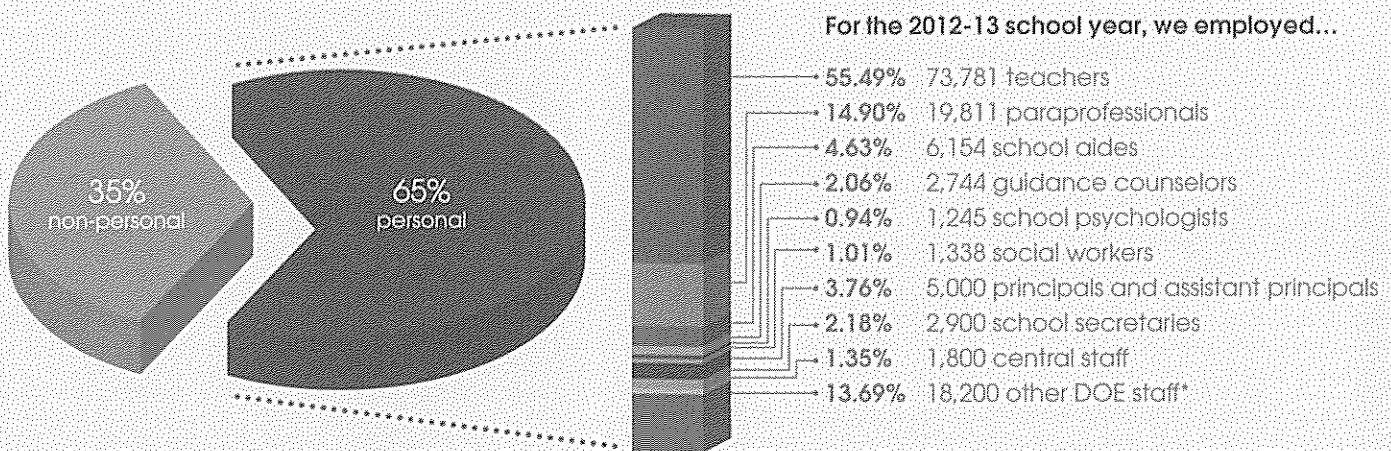
What do we spend money on?

Most of our budget goes toward the salaries and benefits for our nearly 133,000 employees who work in and for our schools.

Personal Costs

For FY13 (as of the FY14 executive budget), 65%, or \$12.44 billion, of our total operating budget pays for employees. More than 85% of these employees are the teachers, principals, assistant principals, guidance counselors, secretaries, school aides, paraprofessionals, and other school staffers who work directly with our students.

For FY13, about 1,800 central staff members supported the work happening in our schools. These employees make up about 1% of our total headcount. The remaining staff make up 14% of DOE personnel.



*Other non-ped school staff like parent coordinators, family workers, therapists, nurses, school lunch helpers, and other field/operations personnel like Superintendents, Committee of Special Ed., custodians, etc.; Source: April 2013 Actuals Headcount

Salaries & Benefits

Teachers and principals are compensated according to the terms of their union contracts.

Teacher salaries are based on longevity (years of experience) and education differentials (the teacher's education level). For example, a first-year teacher with the minimum number of educational credits will earn a base salary of \$45,530, while a teacher with at least 22 years of experience and a master's degree will make a base of \$100,049.

Principal salaries are determined by years of experience and school size and type. As a result, a veteran principal of a large high school will earn more than a first-year principal of a small elementary school.

- Estimated Average Teacher Salary \$73,800
- Estimated Average Assistant Principal Salary \$118,000
- Estimated Average Principal Salary \$142,000

These salary figures do not include "fringe" benefits. When you factor in Medicare, Social Security, pension, health and dental coverage, and unemployment insurance, the total cost of employment is much greater than just salary. An average employee's benefits are worth about one-third of the person's annual salary. This school year, we are spending an additional \$6 billion on fringe and pension benefits for our employees.

Other Than Personal Spending

We spend about 35% of our operating budget on non-personal costs. Non-personal costs include everything from school spending on books, pencils and paper to pre-k special education, charter schools, contractual services (such as yellow buses and special education contracted services), and central expenditures for school facilities, school food, and heating bills.

Distributing the Dollars

For the 2012-13 school year, more than \$8.8 billion of our operating expenses went directly into school budgets. We distribute dollars to schools in four main ways.

Fair Student Funding (FSF) is the primary funding stream for most schools. Principals decide how to spend these funds, which are intended to cover basic instructional costs. Every school starts with a fixed allocation. The FSF allocation then grows based on the school's enrollment and student population. For each student, the school receives grade-level funding. That amount increases if the student is low income or low achieving, is an English language learner, and/or requires special education services. Some high schools such as career and technical schools get additional money per student.

Schools in citywide special education and alternative programs do not receive FSF allocations. Since these schools and programs serve very specific student populations, they receive funds according to a different method.

State and Federal Categorical Funds can only be allocated and used according to state and federal guidelines. This means not every school qualifies for these dollars. Title I (poverty-based funds) and IDEA (funds for students with disabilities) are examples of federal categorical funds. Funds must support specific supplemental initiatives and generally cannot be used for basic classroom operations or existing after-school programs.

Contracts for Excellence (C4E) dollars are an example of categorical funds from the State. In 2007, a judge

ruled that New York State must provide equitable funding to needy school districts, including in New York City. However, due to budget constraints, the State has yet to deliver the full amount of funding required by law. C4E must support our neediest students and lowest performing schools.

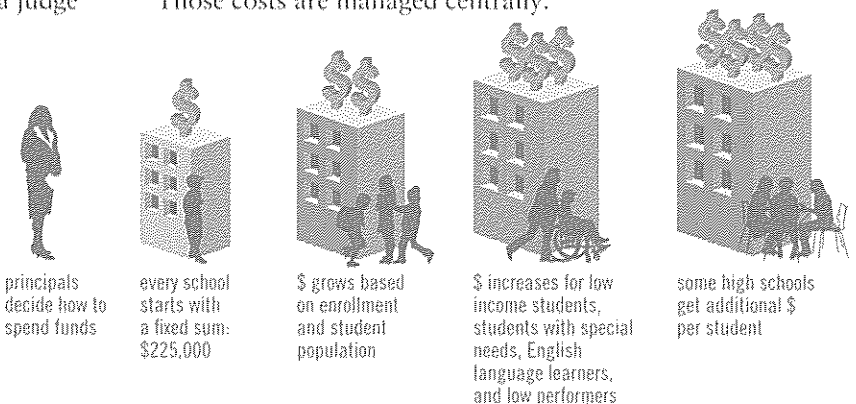
Program Specific Funds are distributed to schools to pay for specific City programs, such as the parent coordinator initiative or start-up funds for new schools. In general, these dollars can only be used to pay for certain programs, goods, or services.

Other Special Education Funds help schools pay for mandated special education and supplemental or related services, such as adaptive physical education, speech, counseling, hearing, vision, and occupational, or physical therapy. These funds supplement special education dollars schools receive as part of their FSF allocation, which pay for special education classroom instruction.

What do school budgets pay for?

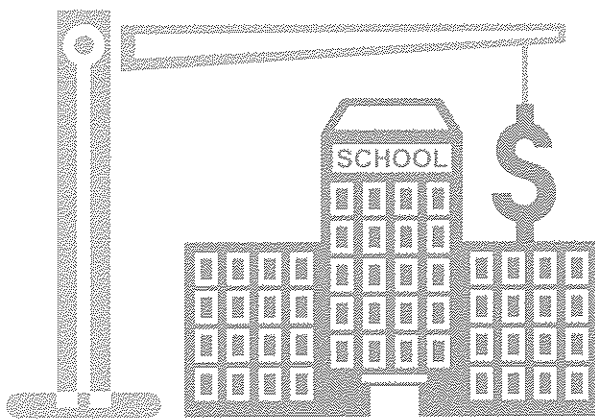
Our principals, working with their school communities, have significant control over their school resources. For the most part, school budgets cover the costs of school personnel, after-school programs, textbooks, and other supplies. However, principals do not pay for school food, transportation, heating and cooling bills, and school security out of their tax levy budgets. Those costs are managed centrally.

Interested in finding out how a specific school spends its money? School budgets are available online. Go to nyc.gov/schools and type the school's name into the search box. Budget information is available on the statistics page.



Budgeting for School Construction and Repairs

Our budget for building new schools and repairing and renovating existing facilities is separate from our operating budget. Instead, it is part of our capital plan. Our current capital plan covers fiscal years 2010 through 2014 and includes \$11.8 billion worth of projects. It contains two major building categories: capacity and capital investment.



Capital Investment covers improvements and upgrades to our existing facilities. The current capital plan has more than \$7 billion for capital investment.

\$3.16 billion
 Capital Improvement Program

\$1.62 billion
 Children First Initiatives

\$1.97 billion
 Mandated Programs

\$620 million
 from City Council, borough president and,
 Mayor—Council Program

The New York City School Construction Authority (SCA) is responsible for the construction and renovation of all New York City public schools. Additionally, the SCA develops and amends the Five Year Capital Plan.

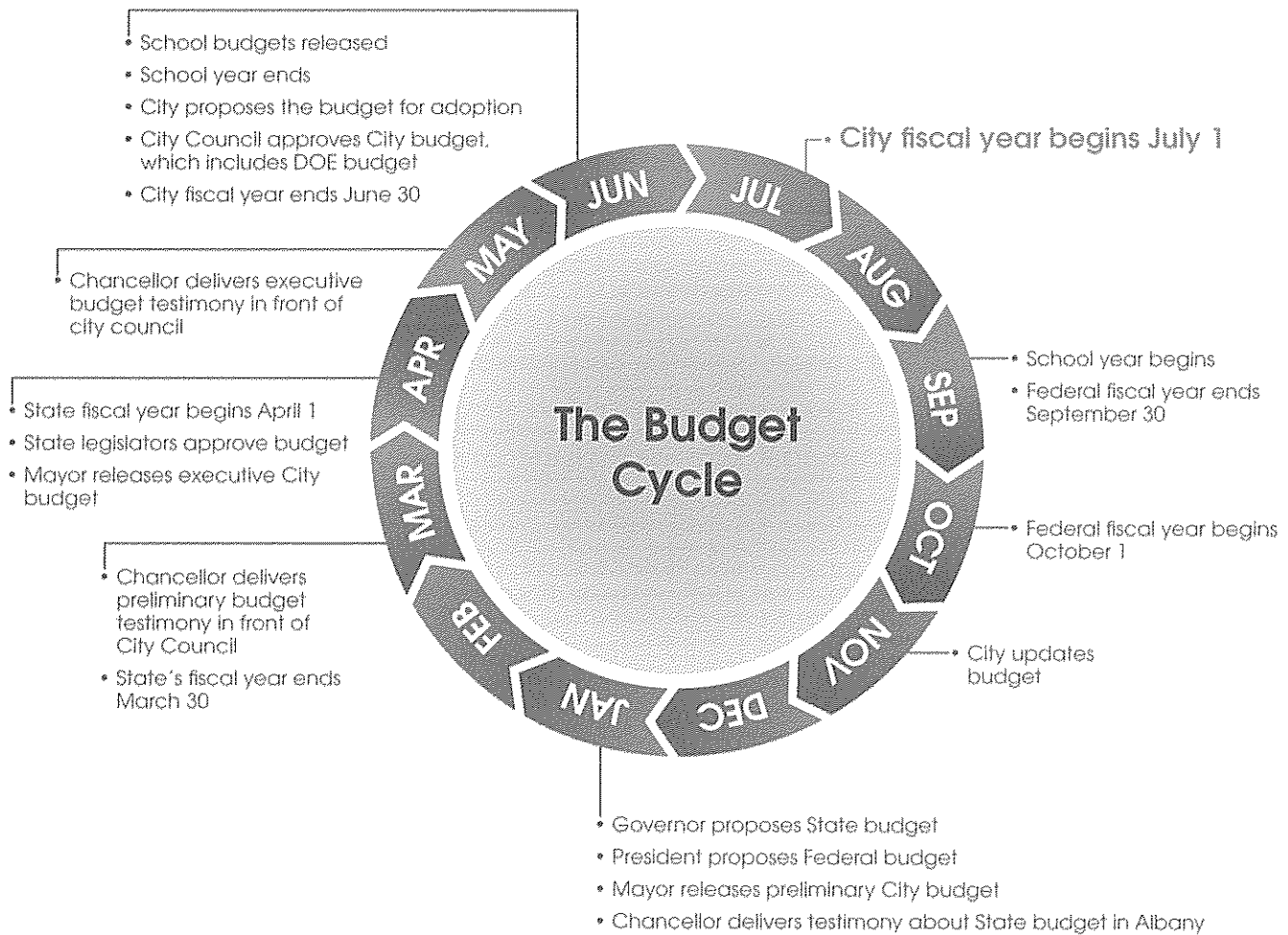
Capacity refers to all projects that result in new school facilities. Our current capital plan allots nearly \$4.5 billion for capacity building.

\$3.56 billion
 New Capacity

\$690 million
 Facility Replacement Program

\$210 million
 Charter Partnership

The city, state, and federal governments operate on different budget cycles.

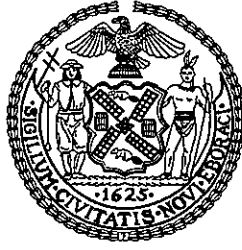


To locate an individual school's budget summary and budget allocations visit:

- tinyurl.com/cewba26
- tinyurl.com/d2pbubr

To locate the Budget Overview and initial Fair Student Funding walk-through for a specific school visit:

- schools.nyc.gov/AboutUs/funding/schoolbudgets
- schools.nyc.gov/AboutUs/funding/FSFDetail



TESTIMONY FROM THE

NEW YORK CITY DEPARTMENT OF INVESTIGATION

ROSE GILL HEARN, COMMISSIONER

**BEFORE THE NEW YORK CITY COUNCIL COMMITTEE ON
OVERSIGHT AND INVESTIGATIONS AND THE FINANCE COMMITTEE**

**CONCERNING THE EXECUTIVE BUDGET
FOR FISCAL YEAR 2014**

JUNE 4, 2013

Good afternoon Chairperson Williams and members of the Committee on Oversight and Investigations. At your request, I am again happy to address the Committee concerning the Mayor's Executive Budget proposal for the Department of Investigation for Fiscal Year 2014.

DOI's Executive expense budget for Fiscal Year 2014 is \$21.9 million consisting of \$16.3 million for Personal Services and \$5.6 million for Other Than Personal Services. Included in the \$16.3 million for Personal Services is new PS funding of \$460,000 and OTPS funding of \$170,000, to provide additional investigative resources for the NYC Board of Elections. Approximately \$4.4 million represents 77 lines resulting from Memoranda of Understanding (MOUs) that DOI has with eight agencies. The lines afforded to DOI by virtue of these MOUs are essential to the Department's ability to fulfill our mandate to combat corruption and recover money for the City. Those MOUs are arrangements for more investigative resources, each created because of an identified need for more investigations in a particular agency or area; some are with non-mayoral agencies. Some of these arrangements were entered into in the wake of corruption problems exposed by DOI investigations of those agencies, i.e., reports by DOI, arrests, etc., exposing fraud, waste or corruption.

While the Fiscal Year is not yet complete, DOI's arrests, closed investigations, and corruption prevention lectures are on track with Fiscal Year 2012 numbers. In some cases, we have already exceeded the number reached last year, for example, by issuing over 500 recommendations to cure corruption vulnerabilities this fiscal year, an increase over FY 2012; and decreasing the average amount of time it takes to complete an investigation to 170 days, about 20% over FY 2012.

In April, DOI's work and accomplishments were featured at a two-day summit at Yale University, which focused on how academics and policy makers can best work together to improve anti-corruption efforts. I joined integrity proponents and government officials from various venues at the summit and can share that attendees were impressed with DOI's strategy and impact. In addition, since March, representatives from integrity agencies in China, Hong Kong and Canada have visited DOI's headquarters to learn more about our investigative techniques and how we successfully uncover and stop corruption.

In May, DOI also held a first-ever City workshop to share important information for prevention and detection purposes in the problematic area of Cybercrime and Cyber Security. The Cybercrime forum featured a presentation by the Chief of the Complex Crimes Unit of the U.S. Attorney's Office for the Southern District of New York. Representatives from DOI and an array of City agencies attended, including more than 20 IT professionals and managers representatives from DOITT, as well as IT officials and attorneys from the Department of Finance, Education, HRA and DCAS.

This year, as DOI commemorates its 140th year protecting New York City and its taxpayers from fraud and waste, we are mindful of our legacy, and focused on pressing forward with innovative ideas. In July, our 140th anniversary month, we will launch a Citywide media campaign with unprecedented reach, letting New Yorkers know that they can and should call DOI when they know of corruption. And, we will be hosting a public integrity conference that will bring together integrity professionals, including scholars and law enforcement personnel who will share best practices and discuss common challenges and solutions. DOI has found such gatherings to be significant

opportunities where anti-corruption strategies can be thoughtfully discussed, and ideas and connections can be nurtured.

Leading this Department over the past 11 years and working with its dedicated staff remains inspiring. DOI's work, its accomplishments and efforts, set it apart as a results-oriented corruption fighter. Since speaking before this Committee in March, DOI investigations have continued to affect change within City government, expose corruption, and ensure that individuals who seek to squander or steal taxpayer funds are brought to justice. Here are some of our investigations and efforts since March 2013:

- One investigation underscored why prompt corruption reporting can lead to success in stopping potential wrongdoing. In April, DOI began investigating a matter spurred by a City Councilmember who reported a Queens businessman's offer of campaign support, while at the same time asking for the Councilman's intervention with the DOB. The Councilman's prompt reporting of the matter led to a swift DOI undercover investigation and ultimately a bribery charge filed against the businessman. In fact, the businessman had received a Stop Work Order at the property because he had not obtained the proper permits to conduct the renovations at a warehouse being converted into a rock-climbing gym. This investigation had good results all around – it stopped the improper building going on at the site, allowed the DOB to address the errant construction issues, and showed that City officials and City agency employees are not for sale.
- The arrest of a nonprofit executive at a child care training organization on charges of selling fake health and safety training certificates to day care

providers. DOI found and confiscated more than three dozen of these fake certificates, ensuring they were taken out of circulation.

- Guilty pleas by seven individuals who profited from the unlawful installation of approximately 60 commercial billboards in the five boroughs by unlicensed workers, the type that hang on buildings, storefronts and over roadways. The investigation involved numerous field operations, including five search warrants and the analysis of thousands of documents, and led to the City Buildings Department inspecting the affected signs and checking for potential safety issues. This investigation demonstrates the meticulous type of examinations that DOI investigators are particularly equipped to conduct since they have an expertise in City operations and licensing regulations.
- Uncovering a \$116,000 child care and benefit fraud scheme that led to the arrest of three people. The individuals were charged with collecting the cash and other benefits intended for a group of 8 children.
- DOI issued a report on the City Board of Elections (“BOE”) finding the Board could have saved taxpayers approximately \$2.4 million by consolidating staffing for the November 2011 off-year General Election, which had no major races on the ballot and where low-voter turnout was expected. The DOI Report details the methodical and exhaustive investigation that found, among other issues, there was an average turnout of six voters for every poll worker and about a dozen polling sites had more poll workers than voters. Over the years DOI has investigated various complaints regarding BOE issues, which have taken up DOI's

resources, often assigned to IGs and investigators on top of their other numerous matters. Among the cases we investigated were several from the BOE or its staff. Without any detail, other referrals have been made to us by the CFB, the COIB, OPA, City officials, prosecutors' offices and members of the public. Some of these investigations are complex and labor-intensive. The investigation and findings we did regarding the 2011 off-year election was a particular resource drain, given so many of their records were provided on paper. It, therefore, led DOI to request additional resources for these investigations that come from or are about the BOE. Specifically, we will conduct cases that examine potential conflicts, fraud, waste or corruption at the BOE, as we have been doing, and as is our Charter mandate; and we would also like to present corruption prevention lectures to BOE staff as we do throughout the City agencies. Since the announcement of the new resources, DOI has already received allegations relevant to our mandate. We are moving forward with the hiring process for attorneys and investigators for the new unit.

DOI's diverse knowledge base – from investigations to City government operations – has made it an essential participant in a number of law enforcement task forces that focus on efforts such as apprehending fugitives and investigating terrorism. DOI is a member agency of the FBI's New York Joint Terrorism Task Force ("JTTF"), which is the front line in the City's fight against terrorism, and includes members from the NYPD and other City, State and Federal law enforcement agencies.

DOI has one investigator assigned full-time to the JTTF. This investigator chases down leads, gathers evidence and makes arrests on JTTF cases. However, DOI also has a larger role with JTTF: obtaining and analyzing intelligence and leads developed from information contained in the City's electronic databases and records. DOI's Inspectors General provide one-stop shopping for JTTF regarding City vendors, employees, buildings, and regarding individuals who receive benefits from the City or are licensed and regulated by the City. In fact, on nearly a daily basis, DOI receives requests for information from the JTTF. DOI's unique statutory authority, which allows its investigators to quickly and discreetly obtain records from agencies, and its in-depth knowledge of the agencies they oversee and City records and databases, makes DOI a robust source for the task force and its ongoing investigations. The diverse spectrum of City information available to DOI and our expertise in obtaining and interpreting the information makes DOI a vital member of the JTTF.

DOI is also a member of the U.S. Marshal's Regional Fugitive Task Force. Working with other Federal, State and local law enforcement agencies from the New York and New Jersey area, DOI's investigators assist in uncovering the possible whereabouts of the region's most significant fugitives by uncovering leads obtained from City records and other sources. In a recent case, working closely with the Task Force, DOI traced on a number of "cold" leads and tracked down a defendant who had jumped bail and had been in hiding for several years. The defendant was part of a pending racketeering case investigated by DOI and the Manhattan District Attorney that resulted in the arrest of more than two dozen individuals, including several City inspectors.

In addition, the Squad of NYPD detectives assigned to DOI enable us to tap into the comprehensive law enforcement resources at the NYPD, giving DOI direct

assistance on our investigations and access to specialized units at the NYPD such as the Police Lab, the Organized Crime Investigations Division, the Crime Scene Unit and the Real Time Crime Center.

DOI also recently donated an extensive collection of legal books we no longer needed from our law library, to a Brooklyn-based nonprofit assisting previously incarcerated individuals in their transition back to the community. DOI rightly recognizes that one of the venues for reducing and preventing crime and corruption is providing opportunities for individuals trying to change their lives, and it was a pleasure to collaborate with the non-profit organization in Brooklyn. Moreover, we also contributed a set of Family Law treatises to the Department of Corrections for their women's jail. I had been told by Commissioner Schriro about a need for Family Law treatises so we made that contribution; those books are especially useful to the women inmates because they contain cases pertaining to custody, child support and domestic violence, etc.

We believe that the strategies DOI employs and its accomplishments are a testament to the importance of our anti-corruption work and empower the City to protect and save taxpayer funds. I am honored to have served as this agency's Commissioner and alongside DOI's intrepid investigators.

I would be happy to take your questions.

**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: June 4, 2013

(PLEASE PRINT)

Name: Shaal Suransky

Address: Chief Academic Officer

I represent: POE

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: June 4, 2013

(PLEASE PRINT)

Name: Dennis Walcott

Address: Chancellor

I represent: POE

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: June 4, 2013

(PLEASE PRINT)

Name: Michael Traagala

Address: Chief Financial Officer

I represent: POE

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: _____

(PLEASE PRINT)
Name: Rose Gill Heath

Address: _____

I represent: DOI

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: ~~Hanni~~ Varuni Bhagwant

Address: _____

I represent: COIB

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: Wayne Hawley

Address: _____

I represent: COIB

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: _____

(PLEASE PRINT)

Name: Alex Kipp

Address: Co

I represent: COIB

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: Mark Davies

Address: _____

I represent: COIB

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: 6/4/13

(PLEASE PRINT)

Name: Commissioner Rose Gill Hearn

Address: _____

I represent: DOI

Address: _____

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