



CITIZENS UNION
GRADING THE NEW YORK CITY COUNCIL'S
RULES AND BUDGET REFORMS
January 2010

In releasing this 2010 report card on city council rules and budget reforms, Citizens Union reviews the significant progress made in improving council operations, specifically in the area of transparency and accessibility of information and activity, over the past four years following its report “Principles of Council Reform: Ideas for a More Democratic and Effective City Council,” which it issued four year ago on January 3, 2006.

The commendable progress that has been made is highlighted below and outlined in greater detail in the report. In addition to the specific recommendations contained all throughout the attached Report Card, Citizens Union urges the Council to build upon its previous reforms by reconstituting the Rules Reform Task Force and fulfilling commitments to meaningfully address outstanding issues. In doing so, Citizens Union would like to see continued improvement in council operations and makes these seven important recommendations. They are:

1. Reduce by as much as half the number of council committees, subcommittees and task forces – currently totaling 46 – and redistribute their roles and responsibilities to other committees for greater effectiveness and efficiency in providing oversight. Fewer committees will also allow individual members not to be spread so thin by serving on too many committees. This will enable members to focus better, drill down more substantively on fewer issues and become better experts. A more focused committee approach to issues will result in more issue specialty and increase the strength of the committees and consequently the power of the Council.
2. Eliminate committee stipends totaling nearly half a million dollars, of which 44 of a total of 46 stipends were awarded to members in 2009. This recommendation is supported by twenty-one current councilmembers. Stipends are used to increase members’ base pays and encourage loyalty to the speaker who decides who gets the stipend and how large the stipend is. We call upon those councilmembers who supported ending the practice of awarding stipends to be true to their view and vote against them and if not, then refuse them if offered.
3. Reform the law so that all pay increases to sitting councilmembers apply prospectively as supported by twenty-six current councilmembers.
4. Increase disclosure around outside income – if not limit or ban it outright – as is supported by twenty councilmembers, with twenty-five of them supporting the possibility of making the job of councilmember full-time. The City’s issues are becoming more complicated and complex, requiring greater and full-time attention from all members of the council.

5. Evaluate how to further improve the already stronger discretionary budget allocation process taking into account the successful experience of changes made during the 2008 reforms and issue an updated report.
6. Ensure that previous reforms are implemented, such as the use of sponsor's privilege, by better educating members about their authority and how to exercise it, and giving councilmembers more freedom to act politically independent without weakening the ability of the speaker to lead the council effectively.
7. Increase transparency by webcasting all meetings and hearings and providing archival video footage on the council website, and by providing council discretionary funding information in Schedule C in a spreadsheet format that allows for independent analysis.
8. Create a capital budget committee or subcommittee through which members can openly and formally discuss allocations in the capital budget.

The 2006 Council Rules Reform Report

The 2006 Citizens Union report provided guidelines for how to reform the City Council's rules and practices. The report outlined five principles of reform to make the body more transparent, effective and democratic:

- (i) greater transparency of city council proceedings, deliberations and expenditures;
- (ii) stronger council committees;
- (iii) greater responsibility for individual councilmembers;
- (iv) a clearer accounting of the distribution of funds across council districts and committees; and
- (v) a more active role for city councilmembers in the budget process.

Reforms and Discretionary Funds Crisis, 2006- 2009

Taking our original 2006 recommendations into consideration, then newly-elected City Council Speaker Christine Quinn on January 24, 2006 announced the formation of a Rules Reform Task Force, co-chaired by Councilmembers Daniel Garodnick and David Yassky, to study the Council's existing rules and how to further democratize the body's operations. The Council adopted five meaningful rules reforms in early February of 2006, just one month after the start of the legislative session which included many of the reforms from Citizens Union's report. The 2006 reforms mandated items such as greater timeliness of drafting legislation to within 60 days after a councilmember's initial request. With regard to increasing participation of rank-and-file legislators, the reforms eased the process for bringing legislation to the floor of the council and amending bills while they are being considered on the floor, though it is a practice that is still seldom used. Regarding transparency, the reforms also require that the most current version of legislation be posted on the council's website as soon as practicable. The 2006 rules reforms also require the council to post notice of hearings and proposed agendas online, to the news media and in a public place at City Hall 72 hours in advance of committee meetings.

Additional improvements to council operations occurred with the launch of CouncilStat in November 2007, which allows the Council to compare and analyze constituent issues across districts and better respond to community needs. CouncilStat created a centralized system to log constituent communication and track responses, and also provided a new tool for staff in providing constituent services.

In early October 2007, Citizens Union released another report regarding the Council's internal operations titled "Tax Dollars at 'Work': City Council Spending on Advertisements," urging the Council to enact new rules that would ensure that councilmember ads comply with the City Charter and ban the use of taxpayer dollars to pay for advertisements that provide no useful or clear public service information. Subsequent to this report, the Speaker and the Council implemented welcomed new rules regarding its councilmember advertising process which require all ads be informational or educational in purpose, prohibiting holiday and congratulatory ads and ads in event fund-raising journals, as well as require a copy of the ad and its corresponding invoice be submitted to the Council for review.

The casualness and lack of oversight or merit-based decision making in the discretionary funding process came into sharp relief in 2008 when a federal investigation revealed that the City Council had used since at least 2001, if not before, fictitious organizations to serve as place holders for appropriated but not fully designated funds. This crisis prompted the Council and Speaker to revise the Council's system of review and decision-making for discretionary funding and adopt a series of reforms, including increasing pre-clearance requirements and disclosure for organizations requesting funding; increasing the amount of information in budgetary documents such as Schedule C; and appointing an Independent Council Compliance Officer. Citizens Union, which actively worked with the Council in developing the reforms, criticized the past practice, but applauded the response to the crisis and supported the implementation of the new process made possible by closer cooperation with the Mayor's Office of Contracts.

The Need for Further Reform in 2010

Over the past four years, Citizens Union believes that the Council, under the leadership of Speaker Quinn, has done a fair amount of work to make the body and its operations more robust, transparent and efficient. As the Council begins a new session, with a large crop of newly-elected councilmembers, the organization evaluated the current rules and their use to determine how well the Council has performed in five key areas. In doing so, Citizens Union proposes constructive recommendations about how to further improve the rules going forward. In considering these reforms, Citizens Union reviewed our 2009 city council candidate questionnaire responses for the incoming councilmembers – which are available on our website – to determine the level of support within the 2010 Council for some of our reform proposals, which are included in the Appendix of the Council Rules Report Card that follows.

KEY

-  Thumbs up – progress was made
-  Thumbs down – remaining problems or reforms not implemented
-  Mixed - some progress, but more work to do

Greater Transparency in City Council Proceedings and Deliberations		
Reform Goals	City Council Action	Citizens Union Recommendations for Further Action
<ul style="list-style-type: none"> • Improve Public Notice and Agenda/ Information Distribution Prior to Council Meetings • Improve Televised Presentation of Council Meetings and Public Access to Information 	<ul style="list-style-type: none">  On February 1, 2006, the New York City Council passed five reformsⁱ that aimed to make the Council more transparent and responsive, including providing at least 72 hours advanced notice, “where practical,” of committee meetings by sending press releases to news media, posting notices inside public areas of City Hall and on the internet, and requiring that the most current version of a bill be posted on the City Council’s website.  Speaker Quinn announced semi-monthly Democratic caucus meetings in order to brief Council members on pressing issues and upcoming legislation.  A new and more informative legislative search toolⁱⁱ was launched in July 2009 on the City Council website, which allows users to more easily access and search for legislative history, bills, committee reports, transcripts and testimony from legislative hearings, increasing transparency and the amount of information available.  Virtually all council hearings and meetings are still not webcast, and there are no archives of such video on the Council’s website. 	<ul style="list-style-type: none"> • The calendar function on the Council’s search tool should be improved to more clearly show upcoming public hearings of the council, their subjects, and any relevant documents, distinguishing between public hearings where public testimony is invited and meetings where it is not. • The Council should renew its work with the Commission for Public Information and Communication (COPIC)ⁱⁱⁱ, or a successor agency, to arrange for airing high quality live coverage and re-broadcast televised proceedings; this should also include televised summaries of hearings and meetings in the broadcast. • Council stated meetings and hearings should be webcast, and such video should be archived on its website.

Greater Transparency in Council Expenditures		
Reform Goals	City Council Action	Citizens Union Recommendations for Further Action
<ul style="list-style-type: none"> Improve Member Item and Budget Transparency 	<ul style="list-style-type: none"> On May 19, 2004, the City Council passed a contracting reform package that included a provision to establish public hearings on specific contracts.^{iv} Council Speaker Quinn and the City Council did not hold any public meetings on the City budget in 2008 or 2009, despite having held five-borough "Community Conversations" on the budget in late 2006 and early 2007.^v On Nov. 8, 2006 Speaker Quinn announced that "member items" will be allocated each year in the city budget and names of sponsoring Council members will be identified.^{vi} For the first time, the City Council put the list of all of the organizations or programs that receive city funding, known as "Schedule C", online for the public to read.^{vii} The Council announced^{viii} in May 2008 that Schedule C would include more information regarding member items such as the name of the sponsoring Council member. In 2009, additional information was provided in Schedule C such as organizations' federal tax identifiers, whether they had met pre-clearance or qualification requirements, and whether there was a fiscal conduit organization involved.^{ix} The Council began in 2009 to list the sponsoring member of discretionary capital allocations. Speaker Quinn promised in 2006 that there would be no mid-year budget increases to the City Council's operational budget.^x As a result of a federal investigation, it was revealed in 2008 that the City Council used fictitious organizations to serve as false place holders for \$17.4 million since 2001.^{xi} The Council in May 2008 announced several reforms to the discretionary funding process, including (i) increasing pre-clearance requirements for organizations requesting funding; (ii) heightening disclosure for organizations; (iii) increasing the amount of information in budgetary documents such as Schedule C; and (iv) appointing an Independent Council Compliance Officer who reports to the General Counsel.^{xii} The Council's 2008 budget reforms prevent the use of fictitious organizations to allow for improper mid-year adjustments, and require that changes to the council's budget allocations made outside of the normal budget process be disclosed in subsequent resolutions passed by the council. 	<ul style="list-style-type: none"> As the City faces tough decisions in the upcoming FY 2010 budget, the five-borough "Community Conversations" should be revived to allow the public to understand and weigh in on budgetary decisions. Schedule C should be released in a user-friendly format, such as a spreadsheet, that allows for independent analysis. The Council should evaluate and issue a report on how to further improve the discretionary budget allocation process taking into account the experience of the 2008 reforms. The Council should provide additional training to members on the discretionary funding process.

**Establish A More Equal and Appropriate Distribution of Resources and
 Greater Transparency Regarding Outside Income**

Reform Goals	City Council Action	Citizens Union Recommendations for Further Action
<ul style="list-style-type: none"> • Establish a More Equitable Distribution of Funds Based on Needs and not Political Considerations • Develop a Reasonable Stipend Award System for Council Leadership • Determine Whether The Position Of Councilmember Is Full Or Part Time, And Require Greater Disclosure Of Outside Income 	<p> The Council raised the base pay for all sitting councilmembers as recommended by the Compensation Commission, but kept stipends for leadership positions and committee chairs.^{xiii}</p> <p> In keeping with a commitment to hold a public hearing, the Governmental Operations Committee held a hearing in December 2007 on the subject of elected official compensation, specifically on the issue of outside income and stipends. No action has been taken since then, however.</p>	<ul style="list-style-type: none"> • Ensure a more equitable distribution of funding to each council district (funds received from borough delegations, the speaker's office and budgetary allocations), based more on needs and less on political considerations. • Raise the base pay for all councilmembers prospectively, increase the overall operating budget for council members, provided that committee stipends are eliminated. • Eliminate committee stipends and limit stipends only to council leadership positions. • Disclosure of outside earned income should be required by including a separate disclosure form for councilmembers on the source and amount of income as well as amount of time spent. • Income ranges on the current disclosure forms should be tightened. • Lawyers should be required to report number of clients and areas of practice.

Stronger Council Committees		
Reform Goals	City Council Action	Citizens Union Recommendations for Further Action
<ul style="list-style-type: none"> • Improve Structure of Council Committees • Empower Committees to Have Greater Involvement in Staffing Decisions • Allow Committee Chairs to Schedule Committee Meetings and Votes and Set Committee Agendas • Streamline Joint Committee Referrals • Encourage Committee Power of Subpoena 	<ul style="list-style-type: none">  Number of standing committees^{xiv} grew to 36 in addition to 1 “select” committee, 6 subcommittees, and 3 task forces.  Committee staff is still largely hired by central staff and the Speaker, although Rule 7.40 states that “The senior staff person assigned to each committee shall be designated by the chairperson of such committee.” Some members report greater consultation, however.  Chairs report having greater voice and control over holding of committee meetings and subjects, but the Speaker <i>de facto</i> still controls most of the process and members may not be aware of their authority under the rules (See Rule 7.50^{xv}).  Rule 7.150 allows committees to use subpoena power independent of the speaker, though this power has not been used. 	<ul style="list-style-type: none"> • Reduce by half the number of council committees and redistribute their roles and responsibilities for greater effectiveness and efficiency so that councilmembers have greater substantive focus on issues. • Strengthen the ability of committee chairs to make their own hiring and firing decisions by establishing a workable “checks and balances” structure with the speaker; thereby ensuring that qualified staff is hired and committee chairs have greater responsibility and autonomy. • Establish a pay scale and structure and post publicly for all committee and central staff and counsels apart from the citywide data currently available. • Committee chairs should be briefed more fully to be aware of their roles and responsibilities, as well as authority under the council rules. • Allow committees to schedule committee hearings and votes and set their own agendas and calendars. • Allow one committee to be able to vote legislation to the floor when a bill has been jointly referred to by more than one committee. • More fully educate councilmembers about and allow committees to exercise their subpoena power, independent of the speaker’s office.

Empower Individual Councilmembers

Reform Goals	City Council Action	Citizens Union Recommendations for Further Action
<ul style="list-style-type: none"> Eliminate Barriers to Bill Introductions, Hearings and Votes Allow Councilmembers to Offer Legislative Amendments to Bills on the Floor Expand the Role of Councilmembers and Committees in the Budget Process 	<p> On February 1, 2006, the New York City Council passed reforms that aimed to encourage active participation of councilmembers, including requiring that a bill must have the support of only seven councilmembers (reduced from the previous nine) to bring it to the floor over the objection of the Speaker, and that any member may offer a written amendment to legislation that is being considered for a vote on the General Order Calendar. If the amendment is approved it is added to the original legislation and voted on. If the amendment is voted down, only the original legislation would be voted on.</p> <p> The Council passed the reform that drafts of legislation must be provided to the councilmember requesting the draft within sixty days of submitting the request. Additionally, the general public will be provided with amended versions of bills as they become available, via the Council website.</p> <p> While most bills are required to be drafted within sixty days, members report that the Speaker's office has held up drafting of bills that they believe pose political issues. The Speaker's office states that it provides notice to members if drafting will require more than 60 days and if there are any legal issues which prevent or slow down the drafting of a bill within 60 days.</p> <p> Under a new policy, each major council spending request has to have the support of at least 10 councilmembers from at least three boroughs. This forces individual members to build a certain amount of consensus of support for their projects. This practice was utilized, though the Council has not recently adopted such initiatives due to the City's fiscal climate.</p> <p> As a result of an agreement between Mayor Bloomberg and Speaker Quinn, the Mayor's Office of Management and Budget and the Council's Finance Division began a collaborative process to improve the presentation of agency spending by providing the Council greater access to detailed spending information within "Units of Appropriation." The program began with the Administration of Children's Services and the Department of Small Business Services and has been expanded to 16 agencies. There has been concern, however, that the units remain overly broad, and that the Council is not able to approve appropriations in the expanded format.</p> <p> The Council has begun to provide members with detailed information on agency spending by combining performance measures from the Mayor's Management Reports with other data such as proposed Units of Appropriation and council additions to aid members in the budget process.</p>	<ul style="list-style-type: none"> Councilmembers should be more fully informed of their roles and responsibilities, as well as authority under the council rules. Further, they should be given the freedom to act politically independent. Create an independent and professional service to provide legislative drafting for councilmembers and require that introductions be prepared within a specified and reasonable period. Create an atmosphere that will encourage members to offer amendments to bills that are under consideration on the floor of the council without fear of political retribution. Create a capital budget committee or subcommittee through which members can openly and formally discuss allocations in the capital budget. Provide members with additional education and training on the budget process, including their responsibilities and authority. The mayor should provide the council with greater detail in Units of Appropriation for all proposed agency spending.

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- ⁱ For more information, see <http://www.gothamgazette.com/article/voting/20060202/17/1747> .
- ⁱⁱ See <http://legistar.council.nyc.gov/>
- ⁱⁱⁱ See New York City Charter §1061 regarding the Commission on Public Information and Communication and its mandate.
- ^{iv} For more information, see: <http://www.gothamgazette.com/article/searchlight/20040519/203/1263>
- ^v For more information, see: http://www.council.nyc.gov/html/pr/pdf_files/newswire/008_013007_communityconversation.pdf
- ^{vi} For more information, see: <http://www.nydailynews.com/news/local/story/469621p-395252c.html>
- ^{vii} For FY2007, see: http://www.nyccouncil.info/pdf_files/reports/fy07%20schedule%20c.pdf
- ^{viii} For more information, see: http://council.nyc.gov/html/releases/039_050708_BudgetBestPractices.shtml
- ^{ix} See Schedule C for FY2009 and Schedule C for FY 2010 at <http://www.council.nyc.gov/html/releases/pdfs/FY09%20Schedule%20C%20final.pdf> and http://www.council.nyc.gov/downloads/pdf/fy_2010_sched_c_final.pdf
- ^x For more information, see: <http://www.gothamgazette.com/article/searchlight/20060322/203/1798>
- ^{xi} For more information, see: <http://www.foxnews.com/wires/2008Apr05/0,4670,CouncilSlushFunds,00.html>
- ^{xii} For more information, see: http://council.nyc.gov/html/releases/039_050708_BudgetBestPractices.shtml
- ^{xiii} For a list of stipend awarded in 2006, see: <http://www.gothamgazette.com/print/1878>
- ^{xiv} The full list of committees is available at: <http://legistar.council.nyc.gov/Departments.aspx>
- ^{xv} The Council Rules can be accessed at http://www.council.nyc.gov/html/about/files/CouncilRules_013008.pdf.

APPENDIX A
COUNCILMEMBER POSITIONS AS PROVIDED IN CITIZENS UNION
CANDIDATE QUESTIONNAIRES
(2009 unless noted otherwise)

COUNCILMEMBER	Position on Eliminating Stipends for Committee Chairs	Position on Making Councilmembers' Jobs Full-Time	Position on Limiting Outside Income	Position on Requiring Salary Increases to be Prospective
Gale Brewer	Support (2005 Position)	N/A*	N/A*	N/A*
Fernando Cabrera	Support	Support	Oppose	Oppose
Margaret Chin	Support	Support	Support	Support
Leroy Comrie, Jr.	Support	Support	Support	Support
Elizabeth Crowley	Oppose	Support	Support	Support
Inez Dickens	Oppose	Oppose	Oppose	Oppose
Daniel Dromm	Support	Support	Support	Support
Julissa Ferreras	Support	N/A*	N/A*	N/A*
Lewis Fidler	Oppose	Oppose	Oppose	Undecided
Helen Foster	Support	Support	Support	Support
Daniel R. Garodnick	Support	Support	Support	Support
James Gennaro	Oppose (2005 Position)	N/A*	N/A*	N/A*
Vincent Gentile	Oppose	Support	Support	Support
Sara Gonzalez	Support (2005 Position)	N/A*	N/A*	N/A*
Daniel Halloran	Support	Support	Support	Support
Vincent Ignizio	Oppose	Support	Support	Support
Robert Jackson	Oppose	Support	Oppose	Support
Letitia James	Support	Support	Oppose	Support
Peter Koo	Support	Support	Oppose	Support
Oliver Koppell	Oppose	Oppose	Oppose	Support
Karen Koslowitz	Support	Support	Support	Support
Brad Lander	Support	Support	Support	Support
Jessica Lappin	Oppose	Support	Support	Support
Melissa Mark-Viverito	Oppose (2005 Position)	N/A*	N/A*	N/A*
Darlene Mealy	Support (2005 Position)	N/A*	N/A*	N/A*
Rosie Mendez	Support	Support	Support	Support
Michael Nelson	Oppose (2005 Position)	N/A*	N/A*	N/A*
James Oddo	Oppose	Support	Support	Support
Christine Quinn	Oppose	Oppose	Oppose	Oppose
Diana Reyna	Support	Support	Support	Support
Ydanis Rodriguez	Support	Support	Support	Support
Deborah Rose	Support	Support	Support	Support

* Question not asked in 2005 questionnaire or 2009 special election questionnaire.

COUNCILMEMBER	Position on Eliminating Stipends for Committee Chairs	Position on Making Councilmembers' Jobs Full-Time	Position on Limiting Outside Income	Position on Requiring Salary Increases to be Prospective
James Sanders, Jr.	Oppose (2005 Position)	N/A*	N/A*	N/A*
Eric Ulrich	Support	Support	Support	Support
James Vacca	Oppose (2005 Position)	N/A*	N/A*	N/A*
Peter Vallone, Jr.	Oppose	Undecided	Support	Support
James Van Bramer	Support	Support	Support	Support
Albert Vann	Oppose	Support	Oppose	Support
Mark Weprin	No answer provided	No answer provided	No answer provided	No answer provided
Jumaane Williams	Oppose	Support	Oppose	Support
TOTAL	21 Support Eliminating Stipends for Committee Chairs	25 Support Making Council Job Full-Time	20 Support Limiting Outside Income	26 Support Requiring Salary Increases Be Prospective

* Question not asked in 2005 questionnaire or 2009 special election questionnaire.