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COUNCIL OF THE CITY OF PHILADELPHIA

PUBLIC HEARING

COMMITTEE ON APPROPRIATIONS

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Room 696, City Hall
Philadelphia, Pennsylvania
Thursday, December 12, 2002
9:50 a.m.

- - -

BILL 020735 - An Ordinance authorizing transfers in appropriations for Fiscal Year 2003 within the General Fund from the Department of Revenue - Sinking Fund Commission to the Director of Finance - Contribution to the School District.
BILL 020736 - An Ordinance authorizing transfers in appropriations for Fiscal Year 2003 within the General Fund from the Department of Revenue - Sinking Fund Commission to the Director of Finance - Contribution to the School District.

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PRESENT:

COUNCILWOMAN JOAN KRAJEWSKI, Chair
COUNCILWOMAN JANNIE BLACKWELL
COUNCILMAN DARRELL CLARKE
COUNCILMAN W. WILSON GOODE
COUNCILMAN RICHARD MARIANO
COUNCILWOMAN DONNA REED MILLER
COUNCILMAN MICHAEL NUTTER
COUNCILMAN BRIAN O'NEILL
COUNCILMAN ANGEL ORTIZ
COUNCILMAN FRANK RIZZO

- - -

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BILL 020735

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ROBERT DUBOW, Budget Director 3

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1 12/12/02 - APPROPRIATIONS - BILL 020735

2 COUNCILWOMAN KRAJEWSKI: Good morning.

3 The Committee on Appropriations is now in session.

4 Will the Clerk please read the title of
5 the bills?

6 THE CLERK: Bill No. 020735, an
7 Ordinance authorizing transfers in appropriations
8 for Fiscal Year 2003 within the General Fund from
9 the Department of Revenue - Sinking Fund Commission
10 to the Director of Finance - Contribution to the
11 School District.

12 And Bill No. 020736, an Ordinance
13 authorizing transfers in appropriations for Fiscal
14 Year 2003 within the General Fund from the
15 Department of Revenue - Sinking Fund Commission to
16 the Director of Finance - Contribution to the School
17 District.

18 COUNCILWOMAN KRAJEWSKI: At the request
19 of the sponsors, Bill 020736 is withdrawn.

20 Do we have someone from the
21 Administration? This is bill 020735.

22 MR. DUBOW: Good morning, Councilwoman
23 Krajewski and Members of the Appropriations
24 Committee. My name is Rob Dubow. I serve as Budget
25 Director of the City of Philadelphia. I appear

1 12/12/02 - APPROPRIATIONS - BILL 020735
2 before you today to offer testimony on Bill
3 No. 020735. That's the bill that would transfer
4 1.35 million from the Revenue Department Sinking
5 Fund Commission to the Department of Finance,
6 contribution to the School District.

7 The Administration opposes this bill.
8 The Administration opposes the 10 percent real
9 estate cap bill that was passed by City Council
10 because of the damage it would do to the City's
11 finances. We also opposed proposed legislation that
12 would cap the School District's portion of the
13 property tax because of the damage that would do to
14 the School District's finances.

15 This bill would transfer 1.35 million
16 from the City to the School District in an attempt
17 to keep the School District harmless from the cap
18 legislation.

19 An analysis done by Council technical
20 staff showed the cap would cost the School District
21 1.3 against its budget, but it also showed that a
22 cap would mean the School District would collect
23 \$11 million less in Fiscal '03 than it would collect
24 without a cap. Even if Bill 020735 passed, the
25 School District would have almost 10 million less

1 12/12/02 - APPROPRIATIONS - BILL 020735

2 than it would have had without a cap, which means
3 the bill doesn't really accomplish its goal.

4 Most of the rest of my written testimony
5 was about the bill that was withdrawn, so I'll
6 withdraw my testimony.

7 That concludes my testimony to these
8 bills, and I'll be happy to answer any questions the
9 Committee may have.

10 COUNCILWOMAN KRAJEWSKI: Are there any
11 questions from Members of the Committee?

12 COUNCILMAN ORTIZ: Yes.

13 COUNCILWOMAN KRAJEWSKI: Councilman
14 Ortiz.

15 COUNCILMAN ORTIZ: Mr. Dubow, in your
16 testimony you state that it was City Council staff
17 that said that Bill 020735 would mean a shortfall of
18 \$1.35 million?

19 MR. DUBOW: Against budget.

20 COUNCILMAN ORTIZ: Against budget. But
21 that's not our projection. That's not City
22 Council's projection. That's the five-year plan
23 projection.

24 MR. DUBOW: That's the School District's
25 budget projection.

1 12/12/02 - APPROPRIATIONS - BILL 020735

2 COUNCILMAN ORTIZ: But also in terms of
3 the five-year plan and of the City contribution to
4 the school budget.

5 MR. DUBOW: It's the School District's
6 budget. We don't include in our five-year plan --

7 COUNCILMAN ORTIZ: But in the five-year
8 plan, though, would not try to project how much
9 money we're going to contribute to the schools?

10 MR. DUBOW: We have an agreement with
11 the State that lays out how much we're going to
12 contribute to the School District. That's
13 \$35 million a year. We also moved \$25 million in
14 millage over --

15 COUNCILMAN ORTIZ: But in terms of the
16 property tax monies, we have a projection of how
17 much we are taking in over a five-year period and
18 how much we're transferring over to the School
19 District; do we do not do that?

20 MR. DUBOW: We do not. In the plan we
21 have a projection of what we'll collect from the
22 property tax. We don't have a projection of what
23 the School District would collect.

24 COUNCILMAN ORTIZ: But the projection
25 that we have is \$1.35 million?

1 12/12/02 - APPROPRIATIONS - BILL 020735

2 MR. DUBOW: No.

3 COUNCILMAN ORTIZ: The shortfall that we
4 would have.

5 MR. DUBOW: The shortfall against the
6 School District's budget would be \$1.35 million.
7 The shortfall against what they would collect
8 without a cap is \$11 million.

9 COUNCILMAN ORTIZ: What I'm trying to
10 establish is what is projected within the five-year
11 plan and so on. Thank you.

12 COUNCILWOMAN KRAJEWSKI: Thank you.
13 Any other questions, Members of the
14 Committee?

15 (No response.)

16 COUNCILWOMAN KRAJEWSKI: Therefore, that
17 ends our public hearing.

18 We will go into our public meeting.

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COUNCIL OF THE CITY OF PHILADELPHIA

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PUBLIC MEETING

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COMMITTEE ON APPROPRIATIONS

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December 12, 2002

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Public Meeting conducted by the
Committee on Appropriations, held in Room 696, City
Hall, Philadelphia, Pennsylvania, on the above date,
to consider action on the following:

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BILL 020735.

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PRESENT:

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COUNCILWOMAN JOAN KRAJEWSKI, Chair

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COUNCILWOMAN JANNIE BLACKWELL

COUNCILMAN DARRELL CLARKE

COUNCILMAN W. WILSON GOODE

COUNCILMAN RICHARD MARIANO

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COUNCILWOMAN DONNA REED MILLER

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COUNCILMAN MICHAEL NUTTER

COUNCILMAN BRIAN O'NEILL

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COUNCILMAN ANGEL ORTIZ

COUNCILMAN FRANK RIZZO

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1 12/12/02 - APPROPRIATIONS - PUBLIC MEETING

2 COUNCILWOMAN KRAJEWSKI: Can I hear a
3 motion on Bill 020735? Councilman Nutter.

4 COUNCILMAN NUTTER: Thank you, Madam
5 Chair. I move that Bill 020735 be reported out of
6 this Committee with a favorable recommendation and a
7 further recommendation that the Rules of Council be
8 suspended so as to permit first reading at our next
9 Session.

10 (Duly seconded.)

11 COUNCILWOMAN KRAJEWSKI: All those in
12 favor?

13 (Aye.)

14 COUNCILWOMAN KRAJEWSKI: Opposed?

15 (No response.)

16 COUNCILWOMAN KRAJEWSKI: Therefore, Bill
17 020735 will be reported out of this Committee with a
18 suspension of the rules as to permit first reading
19 at the next Session of Council.

20 Thank you all very much. That ends our
21 hearing on appropriations.

22 (Council adjourned at 9:55 a.m.)

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RE: COMMITTEE ON APPROPRIATIONS

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Lisa C. Bradley, RPR
and Notary Public

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