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COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC MEETING
BEFORE COMMITTEE ON APPROPRIATIONS

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Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, June 10, 1998
4:00 p.m.

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9 Bill 980526 - An Ordinance authorizing transfers in
appropriations for Fiscal Year 1999 from the General
10 Fund, the director of Finance - Contribution to
School District/Tax Cuts and the City Representative
11 and the Director of Commerce - Economic Stimulus and
from the Grants Revenue Fund the Director of Finance
12 - Provision for Other Grants to the General Fund,
the First Judicial District of Pennsylvania.
13 Bill 980527 - An Ordinance authorizing transfers in
appropriations for Fiscal Year 1999 within the
14 Grants Revenue Fund from the Director of Finance -
Provision for Other Grants to the First Judicial
15 District of Pennsylvania.

16 PRESENT:

17 HONORABLE JOAN L. KRAJEWSKI, CHAIRLADY
COUNCILMAN MICHAEL A. NUTTER
COUNCILMAN ANGEL L. ORTIZ
18 COUNCILWOMAN ANNA C. VERNA

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I N D E X

BILL 980526 and 980527 PAGE
Dean Kaplan, Director of Finance ----- 3

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1 COMMITTEE ON APPROPRIATIONS-980526,980527

2 THE CHAIRLADY: Good afternoon. The
3 Committee of Appropriations is now in session.

4 Will the clerk please read the bills?

5 And I do believe that Bill No. 980448
6 has been withdrawn.

7 THE CLERK: Bill No. 980526, an
8 Ordinance authorizing transfers in appropriations
9 for Fiscal Year 1999 from the General Fund, the
10 Director of finance - Contribution to School
11 District/Tax Cuts and City Representative and the
12 Director of Commerce - Economic Stimulus and from
13 the Grants Revenue Fund the Director of Finance -
14 Provision for Other Grants to the General Fund, the
15 First Judicial District of Pennsylvania.

16 Bill No. 980527, An Ordinance
17 authorizing transfers in appropriations for Fiscal
18 Year 1999 within the Grants Revenue Fund from the
19 Director of Finance - Provision for Other Grants to
20 the First Judicial District of Pennsylvania.

21 THE CHAIRLADY: Mr. Kaplan, state your
22 name for the record.

23 MR. DEAN KAPLAN: Thank you, Chairlady
24 Krajewski and Members of the Committee. I'm Dean
25 Kaplan, the City's Budget Director. I appear before

1 COMMITTEE ON APPROPRIATIONS-980526,980527

2 you today to offer testimony on Bill No. 980526,
3 which would transfer 53.2 million dollars to the
4 First Judicial District of Pennsylvania for FY '99
5 in the General Fund, and Bill No. 980527 which would
6 transfer 14.5 million to the FJDP for FY '99 in the
7 Grants Revenue Fund.

8 This Ordinance is necessary because the
9 adopted FY '99 budget did not appropriate funding
10 for the courts in anticipation of state action to
11 comply with the Supreme Court's ruling requiring the
12 General Assembly to appropriate funding for the
13 courts' next year. As Members of this Committee
14 know, the state budget passed in late April did not
15 include any new funding for county courts. And even
16 the minimal appropriation for Senior Court
17 Administrator proposed by the Governor in his budget
18 was included as an appropriation, but included with
19 additional funding which requires passage of
20 additional legislation before it can be spent.

21 On May 11, 1988, as a result, the Courts
22 filed a lawsuit against the City seeking a Writ of
23 Mandamus directing the City to provide funds to
24 operation the Court's next year. And immediately
25 thereafter, the City filed a petition asking the

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2 Supreme Court to take jurisdiction over the matter
3 and compelled the State to fund the FJDP next year
4 based on its Writ of Mandamus against the State in
5 1996, the Pennsylvania State Association of County
6 Commissions versus Commonwealth of Pennsylvania
7 case.

8 We believe that our continuing policy of
9 funding the courts in part and in an incremental
10 basis has had a positive effect, first, in getting
11 the Governor finally to see the proposed funding for
12 the courts for along the line of the Montemuro
13 recommendation including for the first time 15
14 million dollars for the Senior Court Administrators.

15 In addition, this Friday, the
16 Commonwealth Court has scheduled a conference in the
17 case that I just mentioned, the case that the First
18 Judicial District has filed against us with our
19 Motion for the Supreme Court to intervene. So we
20 are at this point beginning to see some motion in
21 this area. Nonetheless, if we do not provide
22 funding in the new fiscal year, the courts will not
23 have appropriations in place to pay their employees
24 and operate the courts on July 1st. And while the
25 Commonwealth appears to be willing to not fund the

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2 courts and allow them to shut down on July 4th,
3 obviously, the Administration is not. And
4 therefore, we have once again reluctantly proposed
5 six months of funding for the First Judicial
6 District. In doing so, we don't abandon nor
7 prejudice our legal efforts to compel state funding
8 in the courts, which as I mentioned are continuing
9 and in fact quite active right now, and we don't
10 prejudice our attempts to re-claim this funding that
11 we're appropriating from the State once the final
12 rulings are made.

13 On behalf of the Administration,
14 therefore, I respectfully request your favorable
15 considerable of both bills, and I also request
16 suspension of the rules so that they can both
17 receive first reading at Council's next session.

18 THE CHAIRLADY: What is happening with
19 the suit? Can you give us an idea what's going on?

20 MR. KAPLAN: Well, as you know, the
21 original suit dates back to 1986. The various
22 parties have intervened finally resulting in a suit
23 in the summer of 1996 two years ago, Writ of
24 Mandamus which essentially orders the State
25 legislature to fund the courts beginning January 1,

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2 1998, this year. And you will recall some of our
3 machinations around that date. Subsequent to that,
4 when that date passed and no action was taken, our
5 discussions with the State Legislature, the
6 Governor's office, and others, led to us believe
7 there would be some active discussion about this
8 this spring, and as a result of that, we funded the
9 courts for the final six months of this fiscal year,
10 the six months that ends at the end of this month,
11 and did not fund them beginning July 1 for 1999.
12 The fact that we did not fund them and the State in
13 the end opted not to fund the courts forced the FJDP
14 to bring a suit against the City and in turn the
15 City to bring a suit against the Commonwealth asking
16 the Supreme Court to intervene and require and
17 essentially enforce their writ from 1996. The point
18 we are now is there is a pending action in
19 Commonwealth Court, which is the one I mentioned.
20 There will be a conference with the judge on Friday.
21 In addition, our motion to the Supreme Court to
22 intervene in the case is also pending at this point,
23 and that obviously was filed only a few weeks ago.
24 We're waiting for action as well.

25 THE CHAIRLADY: Does that mean that

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2 you're going to have to come back here again in six
3 months?

4 MR. KAPLAN: I certainly hope not. I
5 believe in the fall that -- I'm hopeful that these
6 actions will result in some concrete action on the
7 part of the State.

8 THE CHAIRLADY: It hasn't happened in
9 ten years.

10 MR. KAPLAN: Certainly what we've seen
11 in the six months is much more activity than we've
12 seen in the last ten.

13 THE CHAIRLADY: You're pretty well
14 confident?

15 MR. KAPLAN: Well, I certainly am as
16 pessimistic as you are, but also --

17 THE CHAIRLADY: Until it's in your hand?

18 MR. KAPLAN: Right. I think we're much
19 closer than we have been in the past.

20 THE CHAIRLADY: Thank you.
21 Councilwoman Verna.

22 COUNCILWOMAN VERNA: Mr. Kaplan, has the
23 State contributed any money to the First Judicial
24 District for FY '99?

25 MR. KAPLAN: No.

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2 COUNCILWOMAN VERNA: Didn't they
3 actually take over the administrative phase of the
4 court?

5 MR. KAPLAN: Yes. The Governor's budget
6 proposed an expenditure of approximately about 15
7 million dollars for a number of things but including
8 moving the senior court administrators in each
9 judicial district in the state into state employ
10 beginning July 1st. That funding was proposed in
11 the Governor's budget, and in fact is in the budget
12 passed by the State Legislature. However, at the
13 last minute the legislature also added language to
14 the budget that said that those appropriations could
15 not be spent until the legislature had also enacted
16 a state court funding scheme. Which they have
17 neither done nor introduced at this point. The
18 appropriations are there, but can't be used.

19 COUNCILWOMAN VERNA: As of this date,
20 has any decision been made as to whether the State
21 would reimburse the City or whether the employees
22 would simply come under the state payroll?

23 MR. KAPLAN: No. Obviously, that's a
24 very significant issue for us, and you have raised
25 it several points during this debate over how to

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2 fund the state court employees.

3 COUNCILWOMAN VERNA: Well, when will
4 that decision be made? Will that be part of the
5 court case? Who's going to make that decision?

6 MR. KAPLAN: Well, we assume that when
7 the State Legislature passes the funding scheme that
8 many of these issues, and there are several others
9 which we've discussed previously also will
10 hopefully -- not only hopefully, will have to be
11 included in that plan.

12 COUNCILWOMAN VERNA: Thank you.

13 THE CHAIRLADY: One more question.
14 You're also requesting 14.3 million dollars
15 transferred from the Grants Revenue Fund to the
16 General Fund. What guarantees do we have to have
17 that revenue come to us?

18 MR. KAPLAN: Well, the grant revenue
19 fund money include things like the drug treatment
20 court money, which we've come to you before to
21 request, and other grants which the courts received
22 with our approval and administer with our approval.
23 So we are relatively confident that that money will
24 be administered properly.

25 THE CHAIRLADY: Do you have a copy of

1 COMMITTEE ON APPROPRIATIONS-980526,980527

2 those grants?

3 MR. KAPLAN: I don't have it with me.

4 THE CHAIRLADY: Can you see that we get

5 them?

6 MR. KAPLAN: Certainly.

7 THE CHAIRLADY: Any other questions?

8 Now we'll go into Bill No. 980527.

9 MR. KAPLAN: My prior testimony also
10 addresses this legislation which would provide a
11 grants revenue appropriation for the courts, and
12 those are the matters I was just discussing. This
13 provides them, again, with six months of grants
14 revenue appropriations so that those programs
15 administered by the courts which are funded by state
16 and federal grant sources can continue through the
17 end of the calendar year.

18 THE CHAIRLADY: Fine. Thank you.

19 That ends our public meeting. Now we'll
20 vote on the bills.

21 Councilman Nutter, I believe you're
22 asking for suspension of rules?

23 COUNCILMAN NUTTER: Yes. Madam Chair, I
24 move that Bill No. 980526 be reported out of this
25 committee with a favorable recommendation and

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2 further recommendation that rules of Council be
3 suspended so as to permit first reading at our next
4 session.

5 (Duly seconded.)

6 THE CHAIRLADY: Those in favor?

7 Any nays?

8 No. Therefore the Bill No. 980526 will
9 be voted out of this Committee with a favorable
10 recommendation with a suspension of rules so as to
11 permit first reading at the next session of Council.

12 Councilman Nutter.

13 COUNCILMAN NUTTER: Madam Chair, I move
14 that Bill No. 980527 be reported out of Committee
15 with the favorable recommendation on a further
16 recommendation that the rules of Council be
17 suspended so as permit first reading at our next
18 session.

19 (Duly seconded.)

20 THE CHAIRLADY: All those in favor?

21 Any nays?

22 No. Therefore Bill No. 980527 will be
23 voted out of Committee with a favorable
24 recommendation with the suspension of rules so as to
25 permit first reading at the next session of Council.

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2 Thank you, Mr. Kaplan. And thank you
3 Councilmembers.

4 (Adjourned at 4:10 p.m.)

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C E R T I F I C A T I O N

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of June 10, 1998, were reported fully
and accurately by me, and that this is a correct
transcript of same.

RE: COMMITTEE ON APPROPRIATIONS

_____,
Lisa C. Bradley, RPR