

Women Leaders in the Courts: Maureen McAlary

John Caher: The Woman Leaders in the Courts Program was created by the New York State Judicial Institute to showcase some of the extraordinary women who help run a \$3 billion organization with roughly 16,000 employees. I'm John Caher, a Senior Advisor for Strategic and Tactical Communications. Today, I'll be chatting with Maureen McAlary, Director of the Division of Financial Management and, as such, the woman responsible for that \$3 billion budget.

Maureen, thank you for joining us. First, how and why did you end up in a traditionally male field, one that deals with MONEY and MATH and BUDGETS and ACCOUNTING?

Maureen McAlary:

Well, my interest started very early on. I was very fortunate to go to a very good high school. They offered Intro to Accounting and Economics, and I took that as a senior in high school. And I knew from the very beginning that that is what I wanted to study, that was where my interest was. And from there, I went to SUNY Oswego and Pace University and studied accounting, auditing, economics. So I knew that right from the beginning that that's what I wanted to do.

Caher: Did you get any pushback? Did you get any, "What is she doing here?" sort of attitude?

McAlary: Fortunately for me, because I was so young, I was not fully aware of how people felt about women in those kinds of fields, and being in high school you're really taking the things that you're interested in. So, for me, I didn't get any pushback in the beginning, but as I went into the workforce, I realized that there were biases, and as a woman in this profession, you really have to maintain a level of professionalism and build up credibility, be qualified. And I think as long as you keep working hard people will recognize what you have to offer and your qualifications as opposed to what your gender is.

Caher: How do you do that? How do you build that credibility?

McAlary: Always being prepared, having all of the qualifications. A turning point was when I sat for the CPA exam and when I passed that exam. There's no question, and I was working for the courts at the time, there's no question that that was the turning point. That was when the people who ran the Budget Office here recognized that I was very serious about this profession, that I wanted to go further, and I was willing to do the work, put in the work. I always maintained

that level of professionalism, always to be counted on, and trying to get a feel for the bigger picture but never forgetting the details.

Caher: Now, I believe you're the first woman ever to hold that position. When did you take over that job?

McAlary: I became the Deputy Director in 2008, which really was the opening for the Director's position. And in 2010, when the current Director had retired, I became that Director. So I was preparing for that role ahead of time. I've been the Director here for 10 years. I am the first woman to hold the position and I believe I'm incredibly fortunate, and for the court system to have given me the opportunity that they gave me 10 years ago, I'm incredibly grateful for it.

Caher: How large of a staff do you manage?

McAlary: Well, the budget staff is not a very big staff. We only have about 12 people that work on the budget, centrally. We do rely on our fiscal people, our fiscal contacts, in the districts and throughout the courts in New York City and they're the ones that really build the budget. They give us the information from the ground up and that is the way we build the budget. We start the budget process in June. Our budget is due December 1st every year. It does take us five or six months to do that budget because it's truly down to the details. I mean, you actually have the chief clerks in the courts, you have the district executives outside the city, and they're the ones that are on the ground looking at the budget, looking at our needs, and we do an annual budget so we do the process every year.

Caher: Let's take a step back and maybe you could give me a quick snapshot of the budget. Where does the money come from and where does it go?

McAlary: Well, the money that we have is appropriated by the Legislature and approved by the Governor. Our appropriations are approved by the Governor. As far as where it comes from, any various sources of revenue that make up the entire state budget, which are tax revenues, sales tax revenues, other fees for the state. But once that money is put into the State General Fund, the legislature approves the appropriations for the judiciary, and then the Governor signs off on it and then we're able to start spending.

Caher: Now, \$3 billion is obviously a whole lot of money, but to put it in perspective, what portion of the overall state budget does a Judiciary account for roughly?

McAlary: It's only about 2 percent. The state budget is approximately \$170 billion. The Judiciary budget is made up of actually two components. We have about a \$2.2 billion operating budget, which supports our personal service, which is the

salaries for our employees and also supports our non-personal service. And then there's a large portion of our budget that is dedicated towards fringe benefits. That would be retirement payments, so Social Security payments, health insurance, those type of benefits for our employees.

Caher: Of course, during the first few months of every year, the big happening at the Capitol is a negotiation of the budget, and while we certainly have a stake in that, a \$3 billion stake in that, we have no seat at the table when the Governor and the lawmakers are negotiating. We have nothing to bargain with, no leverage. It's not as if we can say, "Either you give us this or we won't try murder cases." So how does that reality affect you, that we basically have no leverage?

McAlary: Yeah, it's very challenging. I won't say it's difficult, but it's very challenging. Our role in this from when we submit our budget December 1st through April 1st, during that time period, the legislature and the Governor, they're discussing our budget. We don't have a seat at the table, but what we do is every day we keep in contact with our legislators. We answer any questions they have, any pending legislation. We do cost projections on that legislation. We very much understand our position. I mean, we're a separate but equal partner in government but we also understand that we do not have a seat at that table. So it's really incumbent upon us to make sure that we continue to reach out to those legislators to continue to have a good dialogue with the state division of the budget, which the Governor's Office runs. And that's what we do for those four months.

Caher: I see. So my guess is that you're probably right now looking on the budget that we have to submit by December 1st. And then the period, if I understand you correctly, then the period between December 1st, when our budget is submitted, and April 1st, when the state budget is due, our role is largely to answer questions, explain, advise, and basically, make a case for whatever we're proposing. Is that correct?

McAlary: Yes, that's exactly what we do. My day is really about reaching out to people, understanding the needs of the court system, and then presenting those needs in a dollar format. Every day we're doing the cost projections about how we can present our budget in a way that truly represents our needs. And that's our mandate. Our mandate is to provide a budget that clearly supports the judiciary's mission, and also clearly reflects the needs, the financial needs, of our branch of government.

Caher: What are the most difficult decisions that you have to make?

McAlary: How to apportion the money. Our budget is largely personal service so the most difficult parts are, and this happened 10 years ago when we had a state fiscal crisis in 2011, the problem that we had is we did not have enough funds to

support our personal service. So your first mandate is to reduce your non-personal services as much as you can to support your salaries. And, unfortunately, that is coming up again as we are living through a pandemic right now. Incredibly difficult, challenging fiscal times that we have and the decision that I make every day is, how do we support our payroll? And that without question has been our number one priority always in the Budget Office.

Caher: As you mentioned, the vast, vast majority of our budget is personnel so if we cut that probably or may mean somebody loses their job, right?

McAlary: Well, it did 10 years ago. There was one of the most difficult conversations that I ever had with my principals was the conversation in 2011 when we did the math and we found out that we could not support our payroll, and the decision that year was to implement layoffs. One of the most challenging weeks and days of my career in doing so. We face a great challenge. Now we don't know where that's going to lead. The Governor and the legislature are working towards trying to balance a budget. We're part of that equation. But those are the most difficult things that I do. We actually manage our payroll every two weeks. So we're paid bi-weekly. We manage the money every two weeks. We run a payroll list every two weeks. We know exactly where we stand financially every single payroll, and with a workforce of 16,000, we have people being hired and we have people trading out every single pay period. So we keep a very good eye on it.

Caher: I'm sure you deal. Now let's turn the focus back to your office and in your management of it. What in your mind is the key to successful management, regardless of whether the manager is a male or a female?

McAlary: Yeah, I don't make a distinction between male or female. The most important thing in a manager is the qualifications they bring to the table. So they need to know their job. They need to have the educational background and the experience in order to do the job, and then their judgment, their temperament. And also, one of the biggest things that we find in our office and one thing that I teach our managers is you have to have a sense of the big picture. You have to understand the mission of the judiciary and what we're all about. But at the same time, don't forget the details because, particularly when you're dealing with the budget, the details are so important. Everything from an expenditure, from a personal service, to an office supply expenditure, that all rolls up and has a cost to it. So that's what I talk about. Good judgment, temperament, and if you're going to sit down and talk with somebody, know what you're talking about. Do your homework.

Caher: As we've discussed, you are the first woman to hold that position. And when you came in, all of a sudden, a woman was managing other women as well as men

who weren't used to being managed by a woman. Is the dynamic different for a woman managing a woman than a woman managing a man?

McAlary: I think that there are inherent differences, but as a manager, I think that you never want to say, "I'm treating you differently because you're of a particular gender." So I think if you're just consistent and you treat everyone the same. We haven't run into any issues here. Everyone knows that I'm more focused on an individual's qualifications and their background than I am whether or not they're male or they're female or what background they come from. In the Budget Office, we have always been about the most qualified people are the ones that rise up through the ranks.

Caher: What advice do you have for other women department heads or women who aspire to be department heads?

McAlary: The most important thing is to know your job, to have those very deep qualifications so that when you walk into a room, you're able to have those conversations about your work, about what you want to do. And I think if you just continue to maintain a level of professionalism, people will see. After a few minutes, if you really know your job and you're qualified to have that job, after a few minutes, people, I don't believe, look at that male or female or what you look like, really being more interested in getting the job done, and put everything else aside.

Caher: Maureen, thank you for your insight and thank you for your time. And please stay safe and healthy. We can't afford to be without you!

McAlary: Thank you, John. It was a pleasure to talk to you today.