

New York City Council

Christine C. Quinn, Speaker

Finance Division

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Hearing on the Mayor's Fiscal Year 2012 Executive Budget

Police Department

May 18, 2011

The Committee on Finance

Hon. Domenic M. Recchia, Jr., Chair

The Committee on Public Safety

Hon. Peter F. Vallone, Jr., Chair

Andy Grossman, Deputy Director

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Overview

The New York City Police Department (NYPD) is charged with protecting lives and property, responding to emergency calls, investigating reported crimes, making arrests and addressing conditions that affect the quality of life in the City. Subsequent to the April 1995 merger of the Transit and Housing Police Departments into the NYPD, the Department conducts all City policing efforts, including those in the subways and public housing projects. Additionally, the NYPD is responsible for enforcing traffic rules and regulations and, since December 1998, for providing security services in public schools.

Police Department (NYPD) Financial Summary

Dollars in Thousands

	2009	2010	2011		2012	Difference
	Actual	Actual	Adopted	Exec. Plan	Exec. Plan	2011 – 2012*
Spending						
Personal Service	\$4,137,610	\$4,322,457	\$4,200,344	\$4,383,028	\$4,180,226	(\$20,118)
Other Than Personal Service	331,589	344,399	269,405	431,723	364,696	95,291
Total	\$4,469,199	\$4,666,856	\$4,469,749	\$4,814,751	\$4,544,922	\$75,173
Budget by Program Area						
Patrol	\$1,326,567	\$1,426,215	\$1,174,590	\$1,477,715	\$1,368,157	\$193,567
Chief of Department	694,129	732,439	924,686	678,713	684,128	(240,558)
Administration	455,493	435,021	470,799	442,019	445,029	(25,770)
Detective Bureau	322,885	331,467	290,882	323,159	285,295	(5,587)
School Safety	237,930	253,394	247,562	247,562	248,054	492
Transit	215,206	223,591	236,164	224,164	225,728	(10,436)
Org. Crime Control Bureau	182,453	187,974	167,433	188,330	184,463	17,030
Transportation	182,297	192,957	175,251	195,769	173,258	(1,993)
Housing Bureau	153,965	164,986	160,857	164,473	164,321	3,464
Support Services	133,613	132,460	127,450	136,183	132,668	5,218
Communications	107,640	109,273	107,428	117,956	112,232	4,804
Sec./Counter-Terrorism Grants	24,197	57,982	6,476	140,996	98,744	92,268
Training	97,414	65,305	95,707	91,048	94,761	(946)
Criminal Justice Bureau	58,829	60,327	70,898	73,228	71,983	1,085
Special Operations	70,452	72,333	64,277	65,026	63,854	(423)
Intelligence Division	57,676	62,244	46,109	64,144	63,244	17,135
Internal Affairs	61,890	64,725	46,676	66,535	60,743	14,067
Counter-Terrorism	33,001	33,426	22,300	30,605	29,517	7,217
Reimbursable Overtime	41,450	49,639	25,703	76,790	28,566	2,864
Community Affairs	12,113	11,100	8,503	10,336	10,177	1,674
TOTAL	\$4,469,199	\$4,666,856	\$4,469,749	\$4,814,751	\$4,544,922	\$75,173
Funding						
City Funds	N/A	N/A	\$4,128,094	\$4,241,687	\$4,105,642	(\$22,452)
<i>Memo: Council Initiative Funds</i>	N/A	N/A	0	0	0	0
Other Categorical	N/A	N/A	69,082	103,663	69,082	(0)
Capital- IFA	N/A	N/A	1,797	1,797	1,797	0
State	N/A	N/A	6,232	18,412	5,124	(1,108)
Federal - Other	N/A	N/A	34,730	215,556	133,693	98,963
Intra City	N/A	N/A	229,813	233,636	229,584	(229)
TOTAL	\$4,469,199	\$4,666,856	\$4,469,749	\$4,814,751	\$4,544,922	\$75,173

<i>Dollars in Thousands</i>	2009	2010	2011		2012	Difference
	Actual	Actual	Adopted	Exec. Plan	Exec. Plan	2011-2012*
Positions						
Full-Time Positions - Uniform	35,641	34,636	34,413	33,924	34,413	0
Full-Time Positions - Civilian	15,034	14,646	14,521	14,549	14,212	(309)
TOTAL	50,675	49,282	48,934	48,473	48,625	(309)

*Difference refers to the variance between the Fiscal 2011 Adopted Budget and the Projected Fiscal 2012 Budget.

*Continuation from previous page

The Fiscal 2012 Executive Budget reflects a \$75.2-million net increase when compared to the Fiscal 2011 Adopted Budget for the NYPD. This can be attributed, chiefly, to a \$99-million increase in Federal funding. Though City funds have decreased by \$22.5 million since Adoption, non-City funding has seen a net increase of \$97.6 million over that period due to the increase in federal funding. This increase includes an award of \$12.9 million from the Transit Security Grant and an additional \$42 million from the Urban Areas Security Initiative (UASI), both housed within the Security/Counter-Terrorism Grants Program, as well as a \$12-million swap from City to federal funds for operating costs associated with the Department’s United Nations Security detail.

Fiscal 2012 Executive Budget Actions

- ☑ **Executive Plan PEG Program.** The Department has no Executive Budget PEG program for Fiscal 2012.
- ☑ **Academy Class Delay.** The Department will combine its previously scheduled April Academy class of 495 officers with the July 2011 class to create a total July class of approximately 1,499 officers, thereby moving the entire class into Fiscal 2012. Funding for the April class totaling \$7.6 million (including \$1.9 million in Fringe offsets) will constitute a Fiscal 2011 PEG item and, therefore, be removed from the Department's Fiscal 2011 budget.
- ☑ **Civilian Reduction.** The Department has proposed to eliminate 350 civilian positions through attrition beginning in Fiscal 2011 yielding a total savings of \$29.8 million in Fiscal 2012. The Fiscal 2011 Preliminary Budget proposed replacing 400 uniform positions in non-law enforcement functions with newly-hired civilians to free them for patrol and enforcement functions. This action would eliminate most of the supplemental civilian positions and lead to reductions in both patrol and enforcement strength.
- ☑ **Elimination of Voluntary Vacation Pay.** The Department has proposed to eliminate the one additional week of pay for which officers qualify when they voluntarily work through one week of annual leave. This would generate a savings of \$4.2 million in Fiscal 2012. According to the PBA, this provision constitutes part of the collective bargaining agreement between the City and the PBA and will therefore need to be negotiated. OMB and the Department disagree with this assertion and plan to move ahead with implementation of this initiative. It is possible that this proposal will become the subject of arbitration or litigation.

Budget Actions in the Executive Plan

<i>Dollars in Thousands</i>	FY 2011			FY 2012		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of February 2011 Plan	\$4,247,343	\$629,199	\$4,876,542	\$4,097,175	\$352,977	\$4,450,152
Program to Eliminate the Gap (PEGs)						
Delay of April Class	(\$7,565)	\$0	(\$7,565)	\$0	\$0	\$0
Total, PEGs	(\$7,565)	\$0	(\$7,565)	\$0	\$0	\$0
PEG Restorations						
			\$0			\$0
Total, PEG Restorations	\$0	\$0	\$0	\$0	\$0	\$0
New Needs						
			\$0			\$0
Total, New Needs	\$0	\$0	\$0	\$0	\$0	\$0
Other Adjustments						
OSA Salary Adjustment	\$12	\$0	\$12	\$14	\$0	\$14
DEC Consent Order	(697)	0	(697)	0	0	0
April Academy Class Delay Fringe	1,904	0	1,904	0	0	0
Lease Adjustment	0	0	0	598	0	598
PCT Headcount Adjustment	89	0	89	372	0	372
Heat, Light and Power Adjustment	315	0	315	353	0	353
Fuel	46	0	46	574	0	574
Gasoline	240	0	240	5,506	0	5,506
Lease Adjustment	0	0	0	1,051	0	1,051
Federal Funding Adjustments	0	(61,922)	(61,922)	0	86,111	86,111
Intra-City Funding Adjustments	0	1,653	1,653	0	0	0
Other Categorical Funding Adjustments	0	3,612	3,612	0	0	0
State Funding Adjustments	0	521	521	0	191	191
Total, Other Adjustments	\$1,909	(\$56,136)	(\$54,227)	\$8,468	\$86,302	\$94,770
Total Changes to Agency Budget	(\$5,656)	(\$56,136)	(\$61,792)	\$8,468	\$86,302	\$94,770
Agency Budget as of Executive 2012 Plan	\$4,241,687	\$573,063	\$4,814,750	\$4,105,642	\$439,279	\$4,544,921

Program to Eliminate the Gap (PEGs) – Revenue PEG

- Athletic Non-Charitable Event Fee.** The Department plans to generate additional revenue by implementing a fee to recover traffic management expense associated with non-charitable athletic events such as the New York City Marathon and the Five-Borough Bike Tour. Originally projected to raise \$611,000 in Fiscal 2011 and \$3.5 million in Fiscal 2012 when it was first proposed in the November 2010 Financial Plan, implementation of this initiative has subsequently been delayed from January of 2011 to January of 2012. The revenue projections related to this item have, likewise, been delayed by a full fiscal year. As of the 2012 Executive Plan, therefore, projected revenues for Fiscal 2011 from this item have been reduced from \$611,000 to zero while Fiscal 2012 projections have been reduced from \$3.5 million to \$611,000.

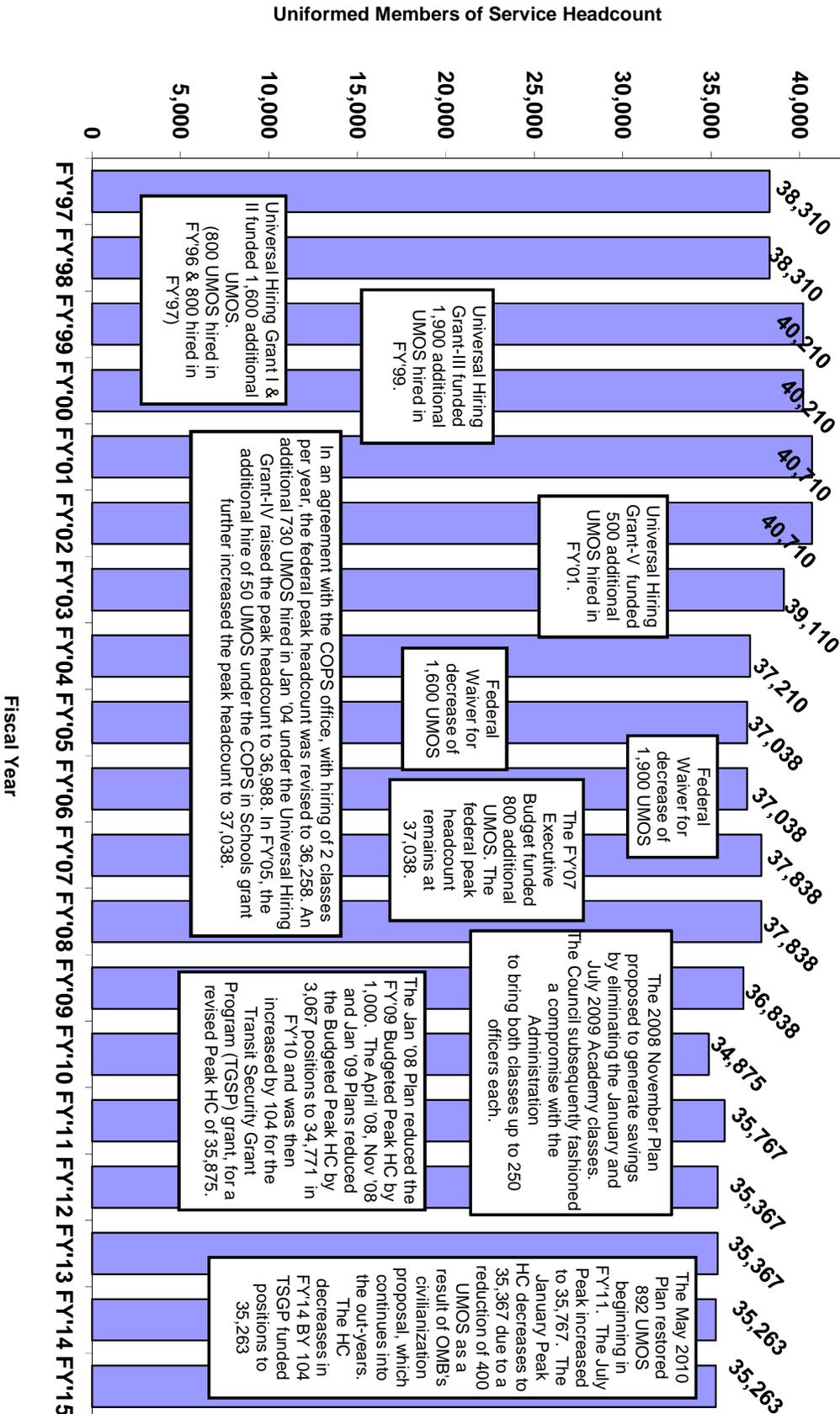
NYPD Headcount Summary

Funded Peak Headcount*

In Fiscal 1989, before the Safe Streets/Safe City (SS/SC) program increased uniformed headcount, the budgeted peak NYPD uniform headcount was 32,037, including officers funded in the pre-merger Transit and Housing police forces. SS/SC funded a peak of 38,310 to be reached in Fiscal 1994. Starting in Fiscal 1996 and continuing through Fiscal 2002, the budgeted peak increased to 40,710 via the receipt of federal Crime Bill funding. In the wake of the City’s financial decline after 9/11, Crime Bill waivers allowed the peak to be reduced to 37,038, in part by adding a second annual Academy class as mentioned above. As a result of various reductions and restorations over the past three to four fiscal years, the Department’s funded peak headcount is projected to be down to 35,367 in Fiscal 2012 as detailed in the chart on the following page which is provided by the NYPD.

<p>*The City generally reports Department headcounts using the expected totals on the last day of each fiscal year (June 30). While its funded headcount has varied greatly since Fiscal 1994, the NYPD’s actual year-end headcount has varied less so, peaking over 40,000 only once (40,285 in Fiscal 2000) and never falling below 35,405 (in Fiscal 2008). However, through attrition (as opposed to layoffs), the Department’s uniform year-end headcount forecast for Fiscal 2012 will be reduced to to 34,413 (see chart).</p>	2012 Executive Financial Plan	
	<i>NYPD Full-Time Uniformed Headcount</i>	
	March 2011 Actuals	34,530
	Forecast for 6/30/2011	33,924
	Forecast for 6/30/2012	34,413
	Forecast for 6/30/2013	34,413
	Forecast for 6/30/2014	34,309
Forecast for 6/30/2015	34,309	

NYPD FUNDED PEAK HEADCOUNTS



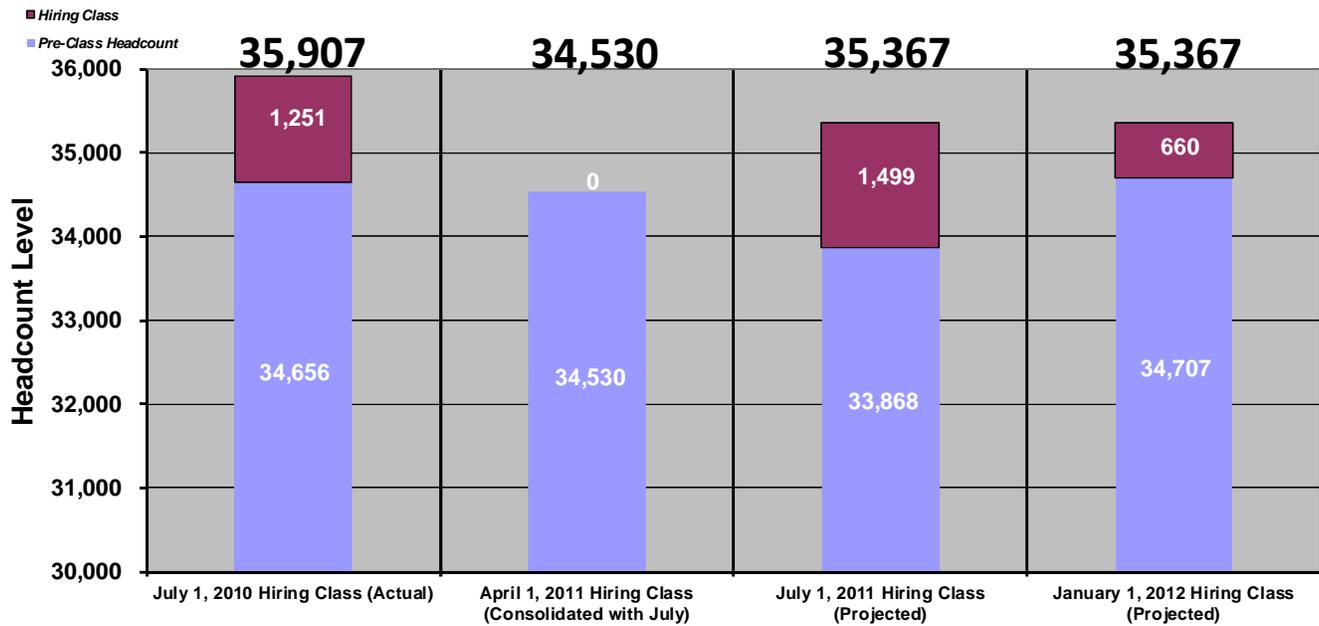
Compiled by NYPD in conjunction with City Council Finance Division.

Police Academy Classes

Academy Classes are designed to replace attrition and allow the NYPD to reach its funded peak headcount. The July 2010 class included a total of 1,251 new officers. In the 2011 Executive Budget, the Department indicated that it would hire a class of 495 officers in April of 2011 instead of January 2011 to accrue three-months of savings to help them meet a PEG target for that plan. Subsequently, in order to meet another reduction target for the current financial plan, the Department proposed to eliminate this class. At the behest of the Council, however, it was decided the April class would be combined with the upcoming July 2011 class. In addition, the Department plans a class of 660 next January (*see chart below*). The actual sizes of these or any other classes after next January, will depend on attrition.

Compiled by New York City Council Finance Division

Impact of Hiring Classes on NYPD Headcount - July 2010 to January 2012
(as per the Fiscal 2012 Executive Plan)



Overtime Summary

The chart below, "NYPD Overtime Plan vs. Actual as of Fiscal 2012 Executive Plan," shows the difference between actual overtime spending and the original adopted overtime appropriations between Fiscal 2006 and Fiscal 2011 as well as the adopted overtime plan numbers between 2012 and 2015.

NYPD Overtime Plan vs. Actual as of the Fiscal 2012 Executive Plan (\$ in millions)

Category	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011*	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015
Plan										
Uniform	245.3	279.2	271.9	291.3	328.1	443.8	330.3	320.6	320.6	320.6
Civilian	15.6	16	40	40	45.2	50.8	45.6	45.6	45.6	45.6
Total	260.9	295.2	311.9	331.3	373.3	494.6	375.9	366.2	366.2	366.2
Actual										
Uniform	358.6	365.7	406.5	431.2	461.7	383.9	n/a	n/a	n/a	n/a
Civilian	53.4	60.3	69.2	73.5	76.7	64.2	n/a	n/a	n/a	n/a
Total	412.0	426.0	475.7	504.7	538.4	448.1	n/a	n/a	n/a	n/a
Difference										
Uniform	113.3	86.5	134.6	139.9	133.6	-59.9	n/a	n/a	n/a	n/a
Civilian	37.8	44.3	29.2	33.5	31.5	13.4	n/a	n/a	n/a	n/a
Total	151.1	130.8	163.8	173.4	165.1	(46.5)	n/a	n/a	n/a	n/a

*Fiscal 2011 Actual is YTD as of 5/10/11

Capital Program

Capital Budget Summary

The May 2011 Capital Commitment Plan includes \$363.5 million in Fiscal 2012-2015 for the NYPD (including City and non-City funds). This represents less than 1.3 percent of the City's total \$28.1 billion Executive Plan for Fiscal 2012-2015. The Department's Executive Commitment Plan for Fiscal 2012-2015 is 16.5 percent more than the \$312.2 million scheduled in the September Commitment Plan, an net increase of \$51.4 million. It should be noted, however, that based on the Department's most recent Variance Report, this apparent increase includes a \$102.6 million roll from Fiscal 2011 to Fiscal 2012.

Over the past five years (2006-2010), the Department has only committed an average of 23 percent of its annual Capital Plan. Therefore, it is assumed that a portion of the agency's Fiscal 2011 Capital Plan will be rolled into Fiscal 2012, thus increasing the size of the Fiscal 2012-2015 Capital Plan. Since adoption last June, the Capital Commitment Plan for Fiscal 2011 has decreased from \$322.7 million to \$153.2 million, a reduction of \$169.5 million or 52.5 percent.

Currently the NYPD's appropriations total \$590.5 million in City-funds for Fiscal 2011. These appropriations are to be used to finance the remaining portion of the agency's \$93.9 million City-funded Fiscal 2011 Capital Commitment Program. The agency has \$496.6 million, or approximately four times more funding than it needs to meet its entire Capital Commitment Program for the current fiscal year.

2012-2015 Commitment Plan: Adopted and Executive Budgets

Thousands of Dollars

	FY11	FY12	FY13	FY14	FY15	Total (2012 to 2015)	Total (All Years)
Adopted							
Total Capital Plan	\$322,738	\$40,458	\$78,787	\$111,971	\$80,941	\$312,157	\$634,895
Executive							
Total Capital Plan	\$153,185	\$143,052	\$67,963	\$71,498	\$81,015	\$363,528	\$516,713
Change							
Level	(\$169,553)	\$102,592	(\$10,824)	(\$40,473)	\$74	\$51,369	(\$118,184)
Percentage	-52.54%	253.60%	-13.70%	-36.10%	0.01%	16.46%	-18.61%

Capital Program Goals

- ✓ Complete construction of new police academy and tow pound facility.
- ✓ Maintain lifecycle replacements for all communications equipment.
- ✓ Replace and upgrade computer equipment.
- ✓ Maintain and replace operational and support vehicles.
- ✓ Purchase of various types of equipment such as diesel marine engines, forensic imaging equipment and other equipment essential to preserving public safety.

Executive Budget Highlights

The major focus of the Department’s Capital Program remains the new Police Academy in College Point and the Tow Pound which has been sited near JFK. The project budgets are included in the chart below:

Current NYPD Major Capital Projects							
<i>(in 000's)</i>							
	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	Totals (2007 to 2012)
Police Academy							
Design	\$ -	\$ 50,241	\$ 2,291	\$ 642	\$ 966	\$ 21,184	\$ 75,324
Construction	\$ -	\$ -		\$ 656,000	\$ 1,029	\$ 18,703	\$ 675,732
Inter-Funding Agreement (IFA)	\$ 400	\$ -	\$ 30	\$ 104,810	\$ 500		\$ 105,740
Contingencies	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ 25,000
Project Annual Totals	\$ 400	\$ 50,241	\$ 2,321	\$ 786,452	\$ 2,495	\$ 39,887	\$ 881,796
JFK Site "A" Tow Pound							
Construction	\$ -	\$ -	\$ -	\$ -	\$ 25,997	\$ -	\$ 25,997
Furniture & Equipment	\$ -	\$ -	\$ -	\$ -	\$ 182	\$ -	\$ 182
Project Annual Totals	\$ -	\$ -	\$ -	\$ -	\$ 26,179	\$ -	\$ 26,179

Ten-Year Strategy

The Department’s Ten-Year Capital Strategy includes a total of \$668.5 million in funding for:

- Communications Equipment \$198.8 million
- Police Facilities \$218.2 million
- Computer Equipment \$146.6 million
- Vehicles \$77.7 million
- Miscellaneous Equipment \$27.2 million

Total **\$668.5 million**

- Communications and Equipment.** The Department will focus on maintaining lifecycle replacements for all communications equipment to insure that members of the Department can communicate with each other, as well as with other first responders, efficiently and effectively. Equipment in this category includes \$95.5 million for portable and mobile radios, \$47 million for radio system infrastructure equipment, \$29.9 million for mobile data computers, and \$26.4 million for other communications equipment.
- Police Facilities.** The Ten-Year Capital Strategy includes \$39.9 million for the design and construction of a new Police Academy which is scheduled to be completed by January of 2014, and 178.3 million for the rehabilitation, maintenance, relocation and security of police facilities citywide.
- Computer Equipment.** The Department will replace and upgrade computer equipment, including \$34.9 million to enhance the local and wide area networks, \$24.6 million for the Real Time Crime Center and data warehouse, \$16.5 million for the arrest processing

system, \$12.8 million for parking ticket devices and \$57.8 million for other computer equipment.

- ☑ **Vehicles.** The Department will maintain and replace operational and support vehicles, including \$20.4 million for tow trucks, \$14.5 million for helicopters, and \$42.8 million for other vehicles. Patrol cars, however, are not capital eligible.
- ☑ **Equipment.** The Ten-Year Capital Strategy also provides \$27.2 million for a diverse range of support equipment such as diesel marine engines, forensic imaging equipment and other equipment essential to preserving public safety.

Appendix A: Budget Actions in the November and February Plans

<i>Dollars in Thousands</i>	FY 2011			FY 2012		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of July 2010 Plan	\$4,128,094	\$341,654	\$4,469,748	\$4,152,026	\$321,257	\$4,473,283
Program to Eliminate the Gap (PEGs)						
Fed Funds for Overtime (Nov)	(\$24,300)	\$24,300	\$0	\$0	\$0	\$0
Civilian Headcount Reduction (Nov)	(13,818)	-	(13,818)	(29,772)	-	(29,772)
Eliminate Voluntary Vacation Pay (Nov)	(1,100)	-	(1,100)	(4,168)	-	(4,168)
Fleet Lifecycle Maintenance Reduction (Nov)	-	-	-	(10,583)	-	(10,583)
Police Cadet Corps Headcount Reduction (Nov)	(761)	-	(761)	(3,083)	-	(3,083)
Police Recruitment Ad Reduction (Nov)	(2,468)	-	(2,468)	(4,000)	-	(4,000)
UN Reimbursement (Nov)	-	-	-	(12,000)	12,000	-
Total, PEGs	(\$42,447)	\$24,300	(\$18,147)	(\$63,605)	\$12,000	(\$51,605)
PEG Restorations						
Citywide Court Efficiencies (Feb)	\$2,396	\$0	\$2,396	\$0	\$0	\$0
FY 2011 Uniformed Savings PEG (Nov)	20,000	-	20,000	-	-	-
FY 2011 Historical Uniform Attrition (Nov)	20,000	-	20,000	-	-	-
Historical Uniform Attrition Savings (Feb)	20,000	-	20,000	-	-	-
Revised Recruit Class Schedule (Feb)	8,536	-	8,536	-	-	-
Total, PEG Restorations	\$70,931	\$0	\$70,931	\$0	\$0	\$0
New Needs						
Overtime/Longevity Deficits	\$79,069	\$-	\$79,069	\$-	\$-	\$0
Total, New Needs	\$79,069	\$0	\$79,069	\$0	\$0	\$0
Other Adjustments						
Intra City Adjustments	\$0	\$2,170	\$2,170	\$0	\$21	\$21
Other Categorical Grants	-	30,966	30,966	-	-	-
State Grants	-	11,661	11,661	-	-	-
Federal Grants	-	218,447	218,447	-	19,699	19,699
Civilian Headcount Reduction Fringe (Nov)	2,655	-	2,655	6,188	-	6,188
Radio Repair Mechanics CBA (Nov)	2,383	-	2,383	2,383	-	2,383
Police Cadet Headcount Reduction (Nov)	45	-	45	183	-	183
ECTP CAD System (Nov)	123	-	123	-	-	-
ECTP Cost Restoration (Feb)	3,244	-	3,244	-	-	-
ECTP Cost Restoration (Nov)	3,245	-	3,245	-	-	-
Total, Other Adjustments	\$11,696	\$263,245	\$274,941	\$8,754	\$19,720	\$28,474
Total Changes to Agency Budget	\$119,249	\$287,545	\$406,794	(\$54,851)	\$31,720	(\$23,131)
Agency Budget as of February 2011 Plan	\$4,247,343	\$629,199	\$4,876,542	\$4,097,175	\$352,977	\$4,450,152