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HEARING ON THE FISCAL YEAR 2014 EXECUTIVE BUDGET FOR THE

POLICE DEPARTMENT

May 23, 2013

EXECUTIVE BUDGET HIGHLIGHTS

- The Police Department's Fiscal 2014 Executive Budget is \$4.678 billion, \$9.9 million or 0.02 percent lower than Fiscal 2013 Adopted Budget of \$4.688 billion:
 - ☑ City funding increases by \$34.9 million or 0.08 percent.
 - ☑ Federal funding decreases by \$40.9 million or 4.1 percent.
 - ☑ State funding decreases by \$4.1 million or 82 percent.
- Fiscal 2014 budgeted headcount: Uniform headcount increases by 70 positions to 34,483 and Civilian headcount increases by 154 positions to 14,261.
- Executive Budget Changes
 - ☑ Executive Budget increases NYPD Budget by \$10.1 million
 - ☑ \$726,000 added for OTPS for the Collision Investigation Squad.
 - ☑ \$2.3 million for computer information system disaster recovery.
- The Department will increase the size of the July 2013 Police Academy class by 500, from 750 to 1,250.
 - ☑ Attrition savings will pay for the academy class increase
 - ☑ Increasing the class will help to maintain an average monthly uniform headcount of 34,950 officers in FY 2014.
- **Capital Program** – The Department's Ten-Year Capital Strategy totals \$744 million. Of this amount, 59 percent or \$439 million is allocated in the Four-Year Plan (2014 to 2017) including:
 - ☑ \$158 Million for the construction, rehabilitation, relocation and security of police facilities.
 - ☑ \$215 million for the upgrade and life cycle replacement of communications and computer equipment.
 - ☑ \$13.5 million for the upgrade and life cycle replacement of a diverse range of support equipment.
 - ☑ \$51.5 million for the life cycle replacement of operational and support vehicles.
 - ☑ There are no new major capital projects funded in the Fiscal 2014 Executive Budget.

FINANCE DIVISION

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NYPD OVERVIEW

This report provides an overview of the Police Department's ("NYPD") Fiscal 2014 Executive Budget and a summary of the Department's Capital Budget for Fiscal 2014-2019. Appendices 1 and 2 report the changes made to the Fiscal 2013 and Fiscal 2014 Budget since adoption of the Fiscal 2013 Budget. For additional information on the Department's Budget and its various programs, please refer to the Report on the Preliminary Budget for the NYPD available at http://council.nyc.gov/downloads/pdf/budget/2014/056_nypd.pdf

NYPD FINANCIAL SUMMARY

<i>Dollars in Thousands</i>	2012	2013		2014	Difference 2013–2014*
	Actual	Adopted	Exec. Plan	Exec. Plan	
Spending					
Personal Services	\$4,466,647	\$4,329,126	\$4,452,399	\$4,345,643	\$16,517
Other Than Personal Services	401,244	358,697	533,458	332,218	(26,479)
TOTAL	\$4,867,891	\$4,687,824	\$4,985,857	\$4,677,861	(\$9,963)
Budget by Program Area					
Patrol	\$1,439,344	\$1,431,292	\$1,440,108	\$1,439,392	\$8,100
Chief of Department	787,380	745,301	744,005	743,526	(1,775)
Administration	448,073	448,970	456,994	469,804	20,835
Detective Bureau	328,264	323,839	324,579	322,122	(1,717)
School Safety	251,410	247,925	249,160	247,925	0
Transit	212,341	210,284	210,284	216,469	6,185
Organized Crime Control Bureau	187,398	182,915	185,164	184,882	1,967
Transportation	181,315	173,417	184,117	174,149	732
Housing Bureau	169,996	164,328	169,524	164,328	0
Support Services	128,564	145,674	163,324	149,730	4,056
Training	109,042	100,087	100,335	99,998	(89)
Communications	128,078	102,643	102,455	95,750	(6,893)
Internal Affairs	75,140	67,743	70,322	67,765	22
Special Operations	81,213	63,854	67,749	64,125	271
Intelligence Division	62,734	64,119	64,919	64,119	0
Criminal Justice Bureau	55,567	57,406	57,406	57,406	0
Counter-Terrorism	46,195	47,411	47,112	47,333	(78)
Security/Counter-Terrorism Grants	92,950	73,613	213,006	31,946	(41,667)
Reimbursable Overtime	70,733	23,660	121,266	23,693	33
Community Affairs	12,156	13,343	14,029	13,399	56
TOTAL	\$4,867,891	\$4,687,824	\$4,985,857	\$4,677,861	(\$9,963)
Funding					
City Funds	\$4,336,232	\$4,284,246	\$4,292,413	\$4,319,166	\$34,920
Other Categorical	108,618	69,082	90,689	69,082	(0)
State	19,095	5,039	11,605	986	(4,053)
Federal - Other	172,405	99,872	359,821	59,014	(40,858)
Intra City	231,542	229,584	231,329	229,614	30
TOTAL	\$4,867,891	\$4,687,824	\$4,985,857	\$4,677,861	(\$9,963)
Positions					
Full-Time Positions - <i>Uniform</i>	34,510	34,413	34,483	34,483	70
Full-Time Positions - <i>Civilian</i>	14,238	14,107	14,514	14,261	154
TOTAL	48,748	48,520	48,997	48,744	224

* Difference between FY 2013 Adopted Budget and FY 2014 Executive Budget

The Police Department's Fiscal 2014 Executive Budget is \$9.9 million or 0.02 percent lower than the Department's Fiscal 2013 Adopted Budget. Most of this decrease is due to the amount of federal funding recognized thus far within the Department's budget; during the course of Fiscal 2014 the NYPD expects to recognize additional federal grants. The Department's State funding shows a decrease of \$4.1 million while city funding increases \$34.9 million since Adoption. This city funds increase is driven by a variety changes introduced since adoption including \$27.4 million in new needs, \$6.7 million in other adjustments, a \$4.2 million PEG restoration and a \$16 million PEG (See Appendix 2). Funding for the new police academy, the new 121st Police Precinct, a fleet consolidation initiative, and reversal of a budget cut to telecommunications are some of the significant changes made to the NPD's budget.

The Department's current Fiscal 2014 authorized headcount of 48,744 is 224 positions higher than for the Fiscal 2013 Adopted Budget: an increase of 70 positions for uniforms and 154 for civilians. The increase in civilian staffing is related to the hiring of new maintenance staff for both the 121st Precinct and the Police Academy. The additional 70 uniform positions will be assigned to the 121st Precinct.

NEW IN THE EXECUTIVE BUDGET

The Fiscal 2014 Executive Budget increases the Fiscal 2014 Budget by \$10.1 million and adds \$32.6 million to the Department's Fiscal 2013 budget. (See Appendix 1.) This leaves the NYPD's \$4.68 billion Fiscal 2014 Budget \$9.9 million below its Fiscal 2013 Adopted Budget. In Fiscal 2014 the Executive Budget adds \$6.9 million to support new needs and adds \$3.2 million for several budget adjustments such as re-estimates for energy costs and changes to grant levels. The significant new initiatives include the following:

- **Collision Investigation Squad.** In March, the Police Department announced plans to expand the Accident Investigation Squad. The squad will investigate not just automobile accidents that result in fatalities but also, accidents where serious but non-fatal injuries are sustained by the victims. The Executive Budget adds \$726,027 for the OTPS needs of the newly renamed Collision Investigation Squad. The NYPD will self-fund personnel increases for the squad.
- **Disaster Recovery Needs.** The Department will receive an additional \$2.2 million for data recovery information technology services beginning in Fiscal 2014. In the event that the Department's computer equipment is damaged, the Department will be able to access remote equipment used to back-up its data thereby mitigating possible data losses from various disaster scenarios.
- **Queens Tow Pound Lease.** The Department's lease for its tow pound in Queens has expired and will not be renewed. The pound is located on state-owned land below the Kosciusko Bridge, which must be cleared to make way for a bridge construction project. The Department will receive \$1.9 million in addition to the already baselined lease cost for a new lease at an alternative location still to be determined.

MAJOR NYPD ISSUES

INCREASED JULY 2013 POLICE ACADEMY CLASS

According to Commissioner Kelly, the average police headcount will fall to 34,600 in Fiscal 2014, down 459 police officers from its current level and 321 fewer than Fiscal 2012. The reason for this expected reduction is higher-than-anticipated attrition driven by an unusually high number of officers reaching retirement eligibility in August of this year (approximately 1,280) and February of 2014 (approximately 1,194). The resulting projected uniform total attrition rate for Fiscal 2014 (including non-retirement related separations) will be approximately 2,660, a 66% increase above the Fiscal 2013 projected attrition of 1,600.

The Department, therefore, asked to accelerate the hiring of 500 officers from the January 2014 Academy class to July 2013 to help avoid the projected disruption of police patrol and enforcement capabilities. The Administration, prompted by the Council's Response to the Fiscal 2014 Preliminary Budget, authorized the Department to hire a total class of 1,250 officers in July 2013. Including the 500 additional officers needed to maintain the Department's current average monthly police headcount through Fiscal 2014.

The additional six months of pay will be funded with savings from the salary differentials between newly hired officers paid at the minimum rate versus the much higher salaries of the retiring veteran officers being paid at the top of the scale. Therefore, no additional funding will be required to implement this initiative.

CAPITAL PROGRAM

The May, 2013 Capital Commitment Plan includes \$593 million in Fiscal 2013-2017 for the NYPD (including City and Non-City funds). This represents 1.3-percent of the City's total \$44.5 billion May Plan for Fiscal 2013-2017. The Department's Executive Commitment Plan for Fiscal 2013-2017 is 1.5-percent more than the \$584 million scheduled in the Preliminary Commitment Plan, an increase of \$9 million.

The majority of capital projects span multiple fiscal years, and it is, therefore, common practice for an agency to roll unspent capital funds into future fiscal years. In Fiscal Year 2012, the NYPD committed \$62.7 million or 50.4 percent of its annual capital plan. Therefore, it is assumed that a significant portion of the NYPD's Fiscal 2013 Capital Plan will be rolled into Fiscal 2014. Thus far in Fiscal 2013 the Department's commitments total \$69.6 million or 33.8 percent of its Executive Capital Plan. Since adoption last June, the City's total Capital Commitment Plan for Fiscal 2013 has decreased from \$17.9 billion in the September Capital Commitment Plan to \$16.6 billion in the May Capital Commitment Plan, a decrease of \$1.3 billion or 7.3 percent.

2013-2017 Commitment Plan: Executive Budget and Preliminary Budget

Dollars in Thousands

	FY13	FY14	FY15	FY16	FY17	Total
Executive						
Total Capital Plan	\$205,831	\$271,080	\$69,045	\$47,028	\$51,735	\$592,984
Preliminary						
Total Capital Plan	\$296,155	\$174,995	\$66,145	\$46,545	\$46,545	\$583,840
Change						
Level	(\$90,324)	\$96,085	\$2,900	\$483	\$5,190	\$9,144
Percentage	-43.88%	35.45%	4.20%	1.03%	10.03%	1.54%

MAJOR CAPITAL PROJECTS & EXECUTIVE BUDGET HIGHLIGHTS

In the Fiscal 2014 Executive Capital Budget for the Department, \$77.9 million in planned commitments were rolled from Fiscal 2013 into Fiscal 2014. Projects rolled include \$5.2 million in facilities maintenance and rehabilitation projects and \$13.1 million in computer equipment acquisitions. The Executive budget also cut approximately \$12.4 million from projects such as \$4.4 million from the NYPD Mounted Unit for furniture and equipment and \$800,000 for Renovation work at the 77th Precinct.

In addition, the total commitments for Sandy recovery related costs recognized by the Department grew from \$16.8 million in the Preliminary Plan to \$19.8 million in the Executive Plan. As of the Executive, the City is being reimbursed by the federal government at a 75 percent rate. Of the total of Sandy related costs, \$14.85 million will be reimbursed by the federal government while the city will cover the remaining \$4.95 million as of the Executive Plan.

The current capital plan also contains:

- ✓ A \$5 million increase over the Fiscal 2014 Preliminary Plan for the Property Evidence Tracking System (PETS) bringing the project total to \$9.1 million. PETS is a database designed to track the whereabouts of property and evidence within the Department. The NYPD's expense budget

includes \$1.2 million for maintenance and operating costs in Fiscal 2013 and Fiscal 2014 as well as the outyears.

- ✓ An additional \$612,000 in Fiscal 2014 for the replacement of the Department's Aerial Bucket Trucks which it will use to install and maintain cameras, such as the ARGUS cameras, around the city.

APPENDIX 1: BUDGET ACTIONS IN THE FISCAL 2014 EXECUTIVE BUDGET

<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
NYPD Budget as of the 2014 Preliminary Budget	\$4,296,050	\$657,243	\$4,953,293	\$4,310,600	\$357,114	\$4,667,714
New Needs						
Automated Vehicle Locator Operating Costs	\$0	\$0	\$0	\$486	\$0	\$486
Collision Investigation Squad	0	0	0	726	0	726
Disaster Recovery Needs	0	0	0	2,238	0	2,238
Info Tech Maintenance	0	0	0	1,156	0	1,156
Mounted Unit Facility Maintenance	0	0	0	131	0	131
Police Academy Telecommunications Lines	0	0	0	288	0	288
Queens Tow Pound Lease	0	0	0	1,909	0	1,909
Total New Needs	\$0	\$0	\$0	\$6,934	\$0	\$6,934
Other Adjustments						
Fuel	(\$930)	\$0	(\$930)	(\$526)	\$0	(\$526)
Gasoline	(1,344)	0	(1,344)	(1,768)	0	(1,768)
Heat, Light and Power	(1,363)	0	(1,363)	(692)	0	(692)
Lease Adjustments	0	0	0	4,618	0	4,618
Other Categorical Funding Adjustments	0	(4,852)	(4,852)	0	0	0
State Funding Adjustments	0	(516)	(516)	0	(3,946)	(3,946)
Federal Funding Adjustments	0	39,948	39,948	0	5,527	5,527
Intra-City Funding Adjustments	0	1,621	1,621	0	0	0
Total Other Adjustments	(\$3,637)	\$36,201	\$32,564	\$1,632	\$1,581	\$3,213
TOTAL, All Changes	(\$3,637)	\$36,201	\$32,564	\$8,566	\$1,581	\$10,147
NYPD as of the Fiscal 2014 Executive Budget	\$4,292,413	\$693,444	\$4,985,857	\$4,319,166	\$358,695	\$4,677,861

APPENDIX 2: BUDGET ACTIONS IN THE NOVEMBER, FEBRUARY AND EXECUTIVE PLANS

<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
NYPD as of the Fiscal 2013 Adopted Budget	\$4,284,246	\$403,576	\$4,687,822	\$4,296,269	\$313,418	\$4,609,687
Program to Eliminate the Gap (PEGs)						
PS Accruals (Fringe)	(\$4,183)	\$0	(\$4,183)	\$0	\$0	\$0
Increased Grant Reimbursement	(15,560)	0	(15,560)	0	0	0
UN Reimbursement	(645)	0	(645)	(15,983)	0	(15,983)
Verizon Credit	(1,945)	0	(1,945)	0	0	0
Total PEGs	(\$22,333)	\$0	(\$22,333)	(\$15,983)	\$0	(\$15,983)
PEG Restorations (PRs)						
Telecommunications Adjustment	\$4,200	\$0	\$4,200	\$4,200	\$0	\$4,200
Total PRs	\$4,200	\$0	\$4,200	\$4,200	\$0	\$4,200
New Needs						
Automated Vehicle Locator Operating Costs	\$0	\$0	\$0	\$486	\$0	\$486
Collision Investigation Squad	0	0	0	726	0	726
Disaster Recovery Needs	0	0	0	2,238	0	2,238
Info Tech Maintenance	0	0	0	1,156	0	1,156
Mounted Unit Facility Maintenance	0	0	0	131	0	131
Police Academy Telecommunications Lines	0	0	0	288	0	288
Queens Tow Pound Lease	0	0	0	1,909	0	1,909
121st Precinct Staffing	8,434	0	8,434	8,863	0	8,863
I/CAD Contract	831	0	831	400	0	400
Staffing for New Police Academy	812	0	812	5,065	0	5,065
TSGP-ARRA Grant Backfill	0	0	0	6,185	0	6,185
JAG Funding Adjustment	0	0	0	546	(546)	0
Gas Station Restoration	98	0	98	0	0	0
Total New Needs	\$10,175	\$0	\$10,175	\$27,993	(\$546)	\$27,447
Other Adjustments						
City Council Member Item	\$6	\$0	\$6	\$0	\$0	\$0
DEP Fleet Consolidation	1,588	0	1,588	2,457	0	2,457
DOT Fleet Consolidation	1,801	0	1,801	2,598	0	2,598
Fuel	(930)	0	(930)	(526)	0	(526)
Gasoline	(1,344)	0	(1,344)	(1,768)	0	(1,768)
Heat, Light and Power	(1,363)	0	(1,363)	(692)	0	(692)
Increased Grant Reimbursement	15,560	0	15,560	0	0	0
Intra-City Funding Adjustments	0	1,745	1,745	0	29	29
Lease Adjustments	0	0	0	4,618	0	4,618
Other Categorical Adjustments	0	21,604	21,604	0	0	0
Other Federal Adjustments	0	160,849	160,849	0	49,740	49,740
Other Sandy Funding	0	14,300	14,300	0	0	0
PS Accruals (Fringe)	297	0	297	0	0	0
Sandy Overtime Funding	0	84,800	84,800	0	0	0
State Funding Adjustments	0	6,567	6,567	0	(3,946)	(3,946)
Traffic Enforcement Fleet Adjustment	510	0	510	0	0	0
Total Other Adjustments	\$16,125	\$289,865	\$305,990	\$6,687	\$45,823	\$52,510
Total All Changes	\$8,167	\$289,865	\$298,032	\$22,897	\$45,277	\$68,174
NYPD as of the Fiscal 2014 Executive Budget	\$4,292,413	\$693,444	\$4,985,857	\$4,319,166	\$358,695	\$4,677,861