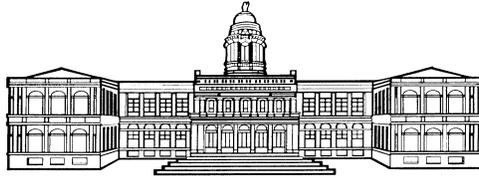


THE COUNCIL OF THE CITY OF NEW YORK

Finance Division



Hearing
on the Fiscal 2010 Executive Budget
for the
Department of Correction

Tuesday, May 12, 2009

Hon. Christine C. Quinn
Speaker

Hon. David I. Weprin
Chair, Committee on Finance

Hon. James Vacca
Chair, Committee on Fire and Criminal
Justice Services

Preston Niblack
Director

Jeffrey Rodus
First Deputy Director

Andrew Grossman
Deputy Director

Eisha Williams
Supervising Legislative Financial
Analyst

Department of Correction (072)

Agency Overview

The Department of Correction (DOC) provides custody, control and care of misdemeanants and felons sentenced to one year of incarceration or less; detainees awaiting trial or sentence; newly sentenced felons awaiting transportation to State correctional facilities; alleged parole violators awaiting revocation hearings; and State prisoners with court appearances in New York City. Professional care and services, including health and mental health care, opportunities for religious observance, educational instruction, vocational training, discharge planning and substance abuse counseling are provided. In Fiscal 2008, the Department handled over 100,000 admissions, managed an average daily population of approximately 14,000 and transported 317,612 individuals to court.

Expense Budget Highlights

The Department of Correction's Fiscal 2010 Executive Expense Budget of \$993 million is \$5.9 million more than its Fiscal 2009 Adopted Expense Budget of \$987.1 million. The \$5.9-million increase in total funds is due to a \$25.7-million increase in City-tax levy funding, which now stands at \$967.3 million, offset by a decrease of approximately \$16 million in State grants, a decrease of \$3.7 million in Other Categorical grants, and a decrease of \$146,000 in Intra-City grants.

November Plan Changes

At the time of Adoption for Fiscal 2009, the agency's estimated budget for Fiscal 2010 was \$981.8 million. The estimated budget for Fiscal 2010 in City tax-levy funds was \$940 million. The November 2008 Plan decreased the City tax-levy portion of the agency's budget by \$19.4 million, bringing the agency's total Fiscal 2010 budget to \$962.4 million and its City tax-levy budget to \$920.5 million.

This decrease in the agency's budget in the November Plan was attributable to two PEG proposals. The first proposal was a City-State Capacity Efficiency initiative designed to: (1) reduce the average daily population (ADP) of City-sentenced inmates by 1,200; (2) reduce the uniform headcount by 519 positions annually; and (3) generate savings of \$18.8 million in Fiscal 2010, increasing to \$25.3 million by Fiscal 2012. The second proposal was a departmental re-organization initiative in which the DOC planned to remove 146 uniform positions annually and generate approximately \$12 million in savings, beginning in Fiscal 2010.

January Plan Changes

The 2010 January Plan increased the agency's Fiscal 2010 budget by \$20.9 million, for a total of \$983.3 million. The \$20.9-million increase in total funds derived from an increase of \$28.6 million in City-tax levy funding, bringing it to \$949.2 million offset by a decrease of \$7.7 million in State grants. The increase in the agency's budget in the January Plan was attributable to the Department's new need for uniform overtime and other adjustments for collective bargaining, which exceeded the value of its budget reductions.

The January Plan proposed to decrease the agency's uniform headcount by 161 positions annually, beginning in Fiscal 2010. The decrease in the uniform headcount was attributable to a series of PEG

proposals. The proposed November Plan and January Plan actions, if fully implemented in 2010, would decrease the agency's uniform headcount by 832 correction officer positions and 16 civilian positions.

Executive Plan Changes

The Executive Plan now proposes to increase the agency's Fiscal 2010 budget by \$884,042, for a total of \$993 million. The \$884,042 increase in total funds derives from an increase of \$18.1 million in City-tax levy funding, bringing it to \$967.3 million offset by a decrease of \$8.3 million in State grants and a decrease of \$146,000 in Other Categorical grants. The increase in the agency's budget in the Executive Plan is attributable to a new need to fund 98 correction officer positions for the Bronx Criminal Court to staff additional pre-arraignment holding cells and escort inmates, a PEG restoration for the City-State Capacity Efficiency initiative that was proposed during the November 2008 Plan and, other adjustments for collective bargaining (see below).

	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Spending				
Personal Services	\$841,605,075	\$864,570,199	\$839,774,758	\$868,614,929
Other than Personal Services	\$124,053,482	\$122,563,384	\$143,571,592	\$124,431,019
Total	\$965,658,557	\$987,133,583	\$983,346,350	\$993,045,948
Funding				
City	NA	\$941,611,697	\$949,162,944	\$967,295,682
Other Categorical	NA	\$3,650,000	\$0	\$0
State	NA	\$19,847,000	\$12,158,520	\$3,871,380
Federal - Other	NA	\$21,538,417	\$21,538,417	\$21,538,417
Intra-City	NA	\$486,469	\$486,469	\$340,469
Total	\$965,658,557	\$987,133,583	\$983,346,350	\$993,045,948
Headcount				
Civilian	1,406	1,490	1,570	1,505
Uniform	9,149	9,452	8,485	8,842
Total	10,555	10,942	10,055	10,347

Capital Budget

The Department of Correction's Fiscal 2010 Executive Capital Commitment Plan includes \$1.095 billion for Fiscal 2009-2013. Of that amount, approximately \$1.09 billion is City funds and \$3.8 million is non-City funds.

The \$1.095 billion in total funds for Fiscal 2009-2013 represents approximately 2.32 percent of the Citywide Capital Commitment Plan total of \$47.11 billion. The agency's Executive Commitment Plan of \$1.095 billion for Fiscal 2009-2013 is \$261.1 million, or 19 percent less than the January Commitment Plan of \$1.357 billion

At the time of Adoption, the Capital Commitment Plan for Fiscal 2009 was \$219.5 million. Of that amount, \$215.7 million was City funds and \$3.8 million was non-City funds. The November 2008 Capital Commitment Plan decreased the City funded amount by \$22.3 million, bringing the City funded total to \$193.4 million. This represented a nine-percent decrease for Fiscal 2009. Since the January Plan, the Capital Commitment Plan for Fiscal 2009 has decreased again. The Fiscal 2010 Executive Capital Commitment Plan decreased the City funded amount by \$48.4 million, bringing the City funded total to \$144.9 million, which represents a 25-percent decrease.

Over the past five years, DOC has only committed an average of 25.79 percent of its annual Capital Plan. Therefore it assumed that a large portion of the agency's Fiscal 2009 Capital Plan will be rolled into Fiscal 2010, thus greatly increasing the size of the Fiscal 2010-2014 Capital Plan.

In January the Mayor announced his intention to reduce the City's capital plan by 30 percent. The objective of the capital cut is to reduce the amount of the City's general obligation (GO) debt service as a percentage of total revenues. The 30 percent reduction in the Ten-Year Capital Plan Fiscals 2010 – 2019 would reduce the long-term average annual growth in debt service costs to 3.4 percent, equal to the level of forecast growth in City revenues. The 2010 Executive Capital Budget includes \$47.0 billion in planned commitments for Fiscals 2010 – 2019. This total includes \$12.84 billion in commitments for capital projects for the Department of Environmental Protection (DEP) which are funded primarily by non-GO debt. The GO-funded portion of the Fiscal 2010 – 2019 Executive Capital Plan is \$34.17 billion; this is \$6.93 billion or 16.86 percent less than the \$41.1 billion Preliminary Fiscal 2010 – 2019 Capital Plan.

Department of Correction Capital Commitment Plan, 2009-2013

Millions of dollars

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	TOTAL
January Plan						
City	\$193.3	\$153.9	\$516.7	\$236.7	\$252.5	\$1,353.1
Non-City	\$3.7					\$3.7
Total	\$197.0	\$153.9	\$516.7	\$236.7	\$252.5	\$1,356.8
Executive Plan						
City	\$144.9	\$191.3	\$167.4	\$156.8	\$431.6	\$1,092.0
Non-City	\$3.7					\$3.7
Total	\$148.6	\$191.3	\$167.4	\$156.8	\$431.6	\$1,095.7
Difference						
City	(\$48.4)	\$37.4	(\$349.3)	(\$79.9)	\$179.1	(\$261.1)
Non-City						
Total	(\$48.4)	\$37.4	(\$349.3)	(\$79.9)	\$179.1	(\$261.1)
Percent Change	-25%	24%	-68%	-34%	71%	-19%

Program Budget Overview

The Department of Correction's Program Budget consists of the following programs.

Program	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Administration-Academy and Training	\$36,660,351	\$12,999,731	\$13,033,993	\$5,878,471
Administration-Management & Administration	\$44,558,217	\$47,574,950	\$73,931,517	\$57,952,300
Health and Programs	\$13,703,437	\$10,473,472	\$10,670,089	\$10,663,525
Jail Operations	\$784,258,001	\$850,597,226	\$819,440,961	\$849,533,351
Operations-Hospital Prison Ward	\$18,815,531	\$14,875,402	\$14,875,402	\$13,989,237
Operations-Infrastructure.& Environmental Health	\$34,060,226	\$25,740,063	\$26,402,477	\$31,421,654
Operations-Rikers Security & Operations	\$33,602,796	\$24,872,739	\$24,991,911	\$23,607,410
Total	\$965,658,558	\$987,133,583	\$983,346,350	\$993,045,948

Headcount	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Administration-Academy and Training	17	14	14	14
Administration-Mgmt & Administration	309	286	245	286
Health and Programs	84	79	81	79
Jail Operations	737	902	883	964
Operations-Infrastructure.& Environmental Health	217	178	237	178
Operations-Rikers Security & Operations	42	32	45	32
Civilian Total	1,406	1,491	1,505	1,553
Administration-Academy and Training	1,149	204	70	204
Administration-Mgmt & Administration	59	67	43	67
Health and Programs	15	23	17	23
Jail Operations	7,411	8,503	8,197	7,554
Operations-Hospital Prison Ward	201	263	202	263
Operations-Infrastructure.& Environmental Health	34	49	46	49
Operations-Rikers Security & Operations	280	342	267	342
Uniform Total	9,149	9,451	8,842	8,502
Total	10,555	10,942	10,347	10,055

Jail Operations

Funding for the operation of the jails on Rikers Island and in the Boroughs, custody of inmates at the various Court Pens and transportation of inmates between DOC facilities and court.

	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Spending				
Personal Services	\$700,828,807	\$772,555,135	\$779,420,675	\$746,044,887
Other than Personal Services	\$83,429,193	\$78,042,091	\$70,112,676	\$73,396,074
Total	\$784,258,001	\$850,597,226	\$849,533,351	\$819,440,961
Funding				
City Funds	NA	\$805,556,809	\$824,118,554	\$785,739,024
Other Categorical	NA	\$3,650,000	\$0	\$0
State	NA	\$19,847,000	\$3,871,380	\$12,158,520
Federal - Other	NA	\$21,538,417	\$21,538,417	\$21,538,417
Intra City	NA	\$5,000	\$5,000	\$5,000
Total	NA	\$850,597,226	\$849,533,351	\$819,440,961
Headcount				
Civilian	737	902	883	964
Uniform	7,411	8,503	8,197	7,554
Total	8,148	9,405	9,080	8,518

Population of Inmates in the Correctional System

Fiscal Year	2005	2006	2007	2008	2009*
Admissions	102,772	103,830	108,767	107,516	83,029
Average Daily Population	13,576	13,497	13,987	13,849	13,390
Average Length of Stay	48 days	48 days	47 days	47.5 days	49.2 days
through April 2009					
Note: DOC does not project these statistics very far into the future. According to the agency, however, no significant changes are forecast over the course of the Financial Plan					

Actual Detainee Average Length of Stay (days)			
Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008
47.7	46.7	46.3	49.4

Actual City-Sentenced Average Length of Stay (days)			
Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008
38.1	37.0	37.0	34.3

“Fallout” Rate for All Inmates in the Correctional System

Length of Stay in Days	Percentage of all Admissions *
3	30%
7	49%
10	54%
15	60%
30	71%
60	85%
<i>Through March 2009</i>	

November and January Plan Changes - Proposed Reductions to Jail Operations

The DOC proposed several actions in the November Plan and the January Plan to generate savings by reducing its average daily population (ADP) and uniform headcount. At the time, these proposed November Plan and January Plan actions, if fully implemented in 2010, would have decreased the agency’s ADP by 1,734 inmates, its uniform headcount by 617 correction officer positions and its Jail Operations budget by \$27.9 million. To put the scope of the proposed initiatives into context, a reduction of 1,734 inmates would have represented a 12.84 percent decrease in the ADP using the then latest available ADP of 13,501. Similarly, the reduction of 617 uniform positions would have represented a 7.55 percent decrease using the Fiscal 2010 Jail Operations headcount of 7,554. Lastly, the reduction of \$27.9 million would have represented a 3.29 percent decrease from the Jail Operations budget of \$819.5 million. The table below contains an overview of these proposed reductions from the November and January Plans.

Fiscal 2010 Proposed Reductions to Jail Operations			
	ADP Reduction	Uniform Headcount Reduction	Fiscal 2010 Impact
November Plan Proposal			
City-State Capacity Efficiency	(1,200)	(519)	(\$18,780,000)
Sub-Total	(1,200)	(519)	(\$18,780,000)
January Plan Proposals			
Supervised Release of Low-Risk NYC Defendants	(200)	(37)	(\$3,421,706)
Reduction in Conviction-to-Sentencing Time	(134)	(25)	(\$2,479,048)
Expedited Hearings for Certain Criminal Cases	(100)	(18)	(\$1,616,596)
Expedited Bail Program	(100)	(18)	(\$1,616,596)
Sub-Total	(534)	(98)	(\$9,133,946)
Total	(1,734)	(617)	(\$27,913,946)

Executive Plan Changes – Proposed Reductions to Jail Operations

PEG Restoration

- **City-State Capacity Efficiency.** In the November 2008 Plan, the Department of Correction proposed the City-State Capacity Efficiency initiative that would reduce its average daily population and its uniform headcount, and generate savings annually. According to the Office of Management and Budget (OMB), the NYC Department of Correction was in negotiations with the State Department of Correction (DOCS) to have them house 1,200 of the approximately 2,000 City-sentenced inmates within State facilities.

This action, if implemented in Fiscal 2010, would have allowed the DOC to reduce its ADP by 1,200 inmates, remove 519 uniform positions from its budgeted headcount, and generate savings in

the amount of \$3.4 million in Fiscal 2009, \$18.7 million in Fiscal 2010 increasing to \$25.2 million in Fiscal 2012.

While this PEG proposal continued to be reflected in the January Plan at its full value, discussions with OMB indicated that it might have been in jeopardy due to the Administration's inability to successfully negotiate the proposal with the State.

The Executive Plan now proposes a full restoration of the Fiscal 2009 amount and a partial restoration of the Fiscal 2010 amount. According to OMB, a change in State law was required prior to the State Department of Correction entering into a memorandum of understanding with localities in order to house local inmates. In April of 2009, the State Legislature included such a change in the Article 7 bill that enacted the State Budget. An agreement has since been reached. Although the rate per day is still being negotiated, the result will save the City millions of dollars annually although less than originally anticipated due to timing issues. Since OMB indicates that it will take DOCS at least three months to prepare for the receipt of the inmates, the Executive Plan restores \$3.4 million for Fiscal 2009 and \$9.4 million in Fiscal 2010. It is anticipated that the DOC will still transfer 1,200 of the approximately 2,000 inmates to the State, but it will now remove 266 uniform positions instead of 519.

PEGs

- **Reduction of Bread Production in the Rikers Bakery.** The Department of Correction will generate savings annually by reducing its bakery supplies and the number of correction officers assigned to various shifts to supervise inmates within the bakery. At present, inmates receive twelve slices of bread per day; they would now receive eight slices per day. The Executive Plan recognizes associated savings of \$400,000 annually beginning in Fiscal 2010.
- **Fleet-Related Expense Reduction.** Embracing an alternative savings proposal made by the City Council, OMB included in the November Plan lump sum reductions in City funds associated with a citywide fleet reduction. These lump sum reductions included \$20 million in Fiscal 2010 associated with the purchase of fewer vehicles, and \$2 million annually beginning in Fiscal 2011 associated with lowered vehicle maintenance costs. The Executive Plan now zeroes out these lump sum figures and apportions the savings throughout the City's many agencies. For the Department of Correction, the Executive Plan shows a fleet reduction savings of \$225,900 in Fiscal 2010 and a vehicle maintenance savings of \$18,600 in Fiscal 2011 and the outyears. This action would reduce the agency's fleet by six vehicles.

January Plan Changes - New Needs

- **Reduction in State Revenue Due to the Decline in the Eligible Population.** The Department receives reimbursement from the State at a rate of \$40 per day for parole violators and prisoners that are awaiting transfer to a State facility. Due to the decline in the eligible population of State-ready inmates, the DOC recognized an annual new need of \$7.7 million in City tax-levy beginning in Fiscal 2009 to replace State revenues.
- **Bronx Court Escorts.** Presently, the DOC staffs four areas within the borough courts: intake, holding pens, feeder pens and court pens. The January Plan included baseline funding in the amount of \$661,401 to fund nine positions within the Bronx Hall of Justice. The action shifted the responsibility for staffing court escorts from the NYPD to the DOC.

The Bronx Court Pens budget at the time of Adoption for Fiscal 2009 included \$2.5 million and 47 uniform positions. This January plan action, if implemented, would increase the budgeted amount for Fiscal 2010 to \$3.2 million and 56 positions.

Executive Plan Changes - New Needs

- **Bronx Court Holding Cells.** According to the Mayor’s message, “increasing court capacity in the Bronx has created the need for expansion of the Department’s presence in the Bronx Courthouses. The Department will staff additional pre-arraignment holding cells in the Bronx Criminal Court and provide additional court escorts in the Bronx Hall of Justice. These actions will facilitate the arrest to arraignment time in the borough as well as improve overall case processing.”

The Executive Budget now includes funding to support 98 additional correction officer positions to staff the Bronx Courthouses. For Fiscal 2009, funding in the amount of approximately \$1.8 million will support these positions on overtime. For Fiscal 2010 and the outyears, funding in the amount of \$7.2 million will support these positions on straight time.

Trend Data – Agency Overtime Reconciliation

Actual Overtime Budget

Overtime Actuals			
	Fiscal 2006	Fiscal 2007	Fiscal 2008
Civilian	\$6,102,352	\$9,152,219	\$8,899,003
Uniform	\$64,956,427	\$91,382,925	\$98,621,364
Total	\$71,058,779	\$100,535,144	\$107,520,367

Source: Department of Correction

Relevant Preliminary Mayor’s Management Indicators

According to the Preliminary Mayor’s Management Report, the Department of Correction spent \$70 million in Fiscal 2006, \$100.7 million in Fiscal 2007, and, \$107.4 million in Fiscal 2008 on overtime costs. The chart below provides a breakout of the overtime actuals for both uniform and civilian employees.

Overtime Budget Proposals

The Department of Correction submits a proposal for its uniform and civilian overtime budget each time the Mayor releases a Financial Plan. Listed below is the DOC overtime budget for the last three Financial Plans which include the Fiscal 2009 Adopted Budget, the November 2008 Plan, January 2009 Plan, and the Executive 2009 Plan.

Agency-wide Overtime Reconciliation as per 2009 Adopted Budget					
	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013
Uniform	\$63,143,988	\$62,203,691	\$62,630,756	\$63,007,391	\$63,007,391
Civilian	\$6,141,107	\$6,141,107	\$6,141,107	\$6,141,107	\$6,141,107
Total	\$69,285,095	\$68,344,798	\$68,771,863	\$69,148,498	\$69,148,498

Agency-wide Overtime Reconciliation as per the November 2008 Plan					
	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013
Uniform	\$52,687,988	\$62,203,691	\$62,630,756	\$63,007,391	\$63,007,391
Civilian	\$6,141,107	\$6,141,107	\$6,141,107	\$6,141,107	\$6,141,107
Total	\$58,829,095	\$68,344,798	\$68,771,863	\$69,148,498	\$69,148,498

Agency-wide Overtime Reconciliation as per the January 2010 Plan					
	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013
Uniform	\$64,187,988	\$59,291,691	\$59,718,756	\$60,095,391	\$60,095,391
Civilian	\$6,141,107	\$6,141,107	\$6,141,107	\$6,141,107	\$6,141,107
Total	\$70,329,095	\$65,432,798	\$65,859,863	\$66,236,498	\$66,236,498

Agency-wide Overtime Reconciliation as per the Executive 2010 Plan					
	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013
Uniform	\$97,793,988	\$59,141,691	\$59,568,756	\$59,945,391	\$59,945,391
Civilian	\$8,511,107	\$6,141,107	\$6,141,107	\$6,141,107	\$6,141,107
Total	\$106,305,095	\$65,282,798	\$65,709,863	\$66,086,498	\$66,086,498

Whereas each of the overtime plans above show projected overtime of approximately \$60 million per year, this sum is significantly lower than the \$100 million figure spent by the agency in each of the past two fiscal years. This difference is attributable to the DOC's aggressive efforts to damp down overtime costs. However, due to attrition and the department's inability to hire up to its authorized headcount, the uniform overtime budget always exceeds its budgeted amount. The Department, therefore, has to staff on overtime, fixed security posts that would otherwise be run on straight time. Attrition figures received from the DOC indicate that the current attrition rates are 7.22 percent for civilian and 4.81 percent for uniform employees as of the March 2009.

Executive Plan - Other Adjustments

- **State Revenue Reduction Associated with Parole Violators and State Ready Inmates.** According to the Mayor's message, "the New York State Fiscal 2009-2010 Adopted Budget eliminated funding from reimbursement of State Ready Inmates and Parole Violators. In order to maintain core functions, the Department's fiscal year 2010 budget has been adjusted accordingly. However, the City will lobby to have these critical funding streams reinstated in the State budget."

The Executive budget removes State funding in the amount of \$2.5 million in Fiscal 2009 and \$8.3 million in Fiscal 2010 from the Department's Budget and replaces it with City funds. This cut is harmful to the City, and OMB is hoping that this cut can be restored next year. This action highlights the manner in which the City is receiving less than its fare share from the State. The Elimination of this reimbursement is particularly insulting since the reimbursement itself fell far short of the City's actual cost. Whereas the City had be reimbursed at a rate of \$40 per day, the actual cost was nearly \$365 per day.

- **Heat, Light and Power.** The Executive Plan decreases the Department's heat, light and power budget by \$3.4 million in Fiscal 2009 and \$3 million in Fiscal 2010 and the outyears.
- **Gasoline.** The Executive Plan decreases the Department's gasoline budget by \$400,630 in Fiscal 2009 and \$666,038 in Fiscal 2010 and the outyears.

Other Adjustments – State Grants

- **Parole Restoration Project.** The Executive Plan increases the Department's State budget by \$474,000 in Fiscal 2009 for its Parole Restoration Project.

Administration-Management & Administration

Funding for central administrative services.

	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Spending				
Personal Services	\$27,047,342	\$22,103,493	\$21,239,773	\$22,805,835
Other than Personal Services	\$17,510,875	\$25,471,457	\$36,712,527	\$51,125,682
Total	\$44,558,217	\$47,574,950	\$57,952,300	\$73,931,517
Funding				
City	NA	\$47,574,950	\$57,952,300	\$73,931,517
Total	NA	\$47,574,950	\$57,952,300	\$73,931,517
Headcount				
Civilian	309	286	245	286
Uniform	59	67	43	67
Total	368	353	288	353

January Plan Changes

- Model Education Program Extension.** Since Fiscal 2008, the Department of Correction has included one-time funding each year to support the Model Education Program for Adults Discharged from DOC. The program which targets 16-24 year olds released from the custody of the DOC links them with educational opportunities within the community. The January Plan included funding in the amount of \$674,000 to Departments Administration – Management and Administration OTPS budget for Fiscal 2010 to support the continuation of the program and its contracts. As per the Executive Plan, there will be one contract let with the City University of New York (CUNY Catch) and one contract with the community-based organization Get Out Stay Out.

Executive Plan Changes

Other Adjustments

- Adjustment to the Model Education Program.** Of the \$674,000 originally budgeted for the Model Education Program, the sum of \$304,00 is proposed in the Executive Plan to be shifted to the Department of Education since that agency will be managing one of the two contracts associated with the program.
- HHS Connect Cost Allocation.** Last year, Mayor Bloomberg announced the creation of HHS-Connect, a system to allow for the sharing of client information among city health and human service agencies. “HHS-Connect will link more than a dozen City agencies so that caseworkers are able to share client information without compromising confidentiality. Clients will only need to provide their personal and other pertinent information one time to be included in a virtual integrated case file which they will be able to access and update online. HHS-Connect will reduce the paperwork burden for caseworkers, improve customer service, and allow unique accessibility to the City's various programs and services for New Yorkers who need them most.”

Funding for HHS-Connect was originally placed in the budget of the Department of Information Technology and Telecommunications (DoITT). As the initiative will be supported by funding from the HHS agencies, the Executive Plan now removes the funding from DoITT and apportions it to eight participating agencies. To fund HHS-Connect system maintenance costs relating to the

Department of Correction, the following sums are being provided: \$11,207 in Fiscal 2009, \$57,345 in Fiscal 2010, and \$43,917 in Fiscal 2011 and the outyears.

Health and Programs

The programs range from discharge planning services to various correctional industries including the bakery, tailor shop, laundry, and print shop. These programs are designed to keep inmates healthy as well as attempt to eliminate the root cause of recidivism of inmates

	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Spending				
Personal Services	\$6,391,882	\$5,122,652	\$5,458,705	\$5,319,269
Other than Personal Services	\$7,311,554	\$5,350,820	\$5,204,820	\$5,350,820
Total	\$13,703,437	\$10,473,472	\$10,663,525	\$10,670,089
Funding				
City	NA	\$9,992,003	\$10,328,056	\$10,188,620
Intra-City	NA	\$481,469	\$335,469	\$481,469
Total	NA	\$10,473,472	\$10,663,525	\$10,670,089
Headcount				
Civilian	84	79	81	79
Uniform	15	23	17	23
Total	99	102	98	102

January Plan Changes

Other Adjustments – State Grants

- **Drug Free Prison.** The January Plan increased the Department’s State funding by \$267,745 in Fiscal 2009 for its Drug Free Prison Grant.

Executive Plan Changes

Other Adjustments – Federal Grants

- **Day Custody Mental Health Program.** The Executive Plan increases the Department’s Federal funding by \$250,000 in Fiscal 2009 for its Day Custody Mental Health Program.

Other Adjustments – Intra-City

- **Intra City BCs Adjustment.** The Department of Homeless Services (DOH) utilizes the Rikers Island laundry facility to wash clothes. The Executive Plan proposes to remove \$146,000 annually in Intra-City funds do to DOH’s under utilization of the laundry facility.

Operations-Infrastructure & Environmental Health

DOC is charged with the complete responsibility of the infrastructure on Rikers Island, including building system improvements, facilities reconstruction, repair and daily maintenance.

	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Spending				
Personal Services	\$21,462,958	\$15,038,520	\$22,018,131	\$15,700,934
Other than Personal Services	\$12,597,268	\$10,701,543	\$9,403,523	\$10,701,543
Total	\$34,060,226	\$25,740,063	\$31,421,654	\$26,402,477
Funding				
City	NA	\$25,740,063	\$31,421,654	\$26,402,477
Total	NA	\$25,740,063	\$31,421,654	\$26,402,477
Headcount				
Civilian	217	178	237	178
Uniform	34	49	46	49
Total	251	227	283	227

- **Fuel.** The Executive Plan decreases the Department’s fuel budget by \$894,253 in Fiscal 2009 and approximately \$1.3 million in Fiscal 2010 and the outyears.

Agency-wide Adjustments

- **Civilian Vacancy Reduction.** The Department currently has approximately 74 vacant civilian positions (the vacancies are for various positions throughout DOC). The Executive Plan is recognizing approximately \$4.4 million in savings in Fiscal 2010 and the outyears from the elimination of these positions.
- **Fringe Benefit Offset Reduction.** In order to give the agency PEG credit, the PEG actions described above include fringe benefit savings that should be properly accounted for not in DOC’s budget, but in the City’s Miscellaneous Budget. To reflect the neutral impact on the DOC’s budget that would result from these fringe benefit savings, an offsetting sum totaling \$1 million in Fiscal 2010, \$1.1 million in Fiscal 2011 and Fiscal 2012, and \$1.2 million in Fiscal 2013 and the outyears is being added back to the DOC’s budget as a technical adjustment.
- **Agency-Wide Collective Bargaining** – As per the Executive Plan, funds totaling \$1.7 million in Fiscal 2009, \$2.5 million in Fiscal 2010, and approximately \$2.6 million in Fiscal 2011 and the outyears will be transferred from the Labor Reserve in the Miscellaneous Budget to the DOC to cover costs associated with recent collective bargaining agreements.

Collective Bargaining	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013
Collective Bargaining - Attorney	\$94,847	\$140,135	\$140,135	\$140,135	\$140,135
Collective Bargaining - CWA Local 1180	\$200,781	\$481,405	\$556,088	\$556,088	\$556,088
Collective Bargaining - Doctor's Council	\$41,196	\$64,274	\$64,274	\$64,274	\$64,274
Collective Bargaining - Local 300	\$10,845	\$50,449	\$79,906	\$79,906	\$79,906
Collective Bargaining - Local 621	\$18,581	\$28,866	\$28,866	\$28,866	\$28,866
Collective Bargaining - Organization of Staff Analyst	\$158,302	\$350,402	\$378,963	\$378,963	\$378,963
Collective Bargaining - Tractor Operator	\$28,181	\$28,181	\$28,181	\$28,181	\$28,181
Collective Bargaining - Welders	\$126,594	\$126,594	\$126,594	\$126,594	\$126,594
Collective Bargaining - Plumbers	\$422,151	\$422,151	\$422,151	\$422,151	\$422,151
Collective Bargaining - Auto Service Workers	\$13,212	\$27,169	\$27,394	\$27,394	\$27,394
Collective Bargaining - Stationary Engineers	\$636,258	\$737,375	\$737,375	\$737,375	\$737,375
Total	\$1,750,948	\$2,457,001	\$2,589,927	\$2,589,927	\$2,589,927

Executive Capital Commitment Plan, 2009-2013

In the Executive Capital Plan, the DOC's planned commitments for Fiscal 2009-2013 decrease by 19 percent to a total of \$261.1 million when compared to the Department's January Plan.

Significant changes in the Executive Plan that result in the net 19-percent decrease include the following:

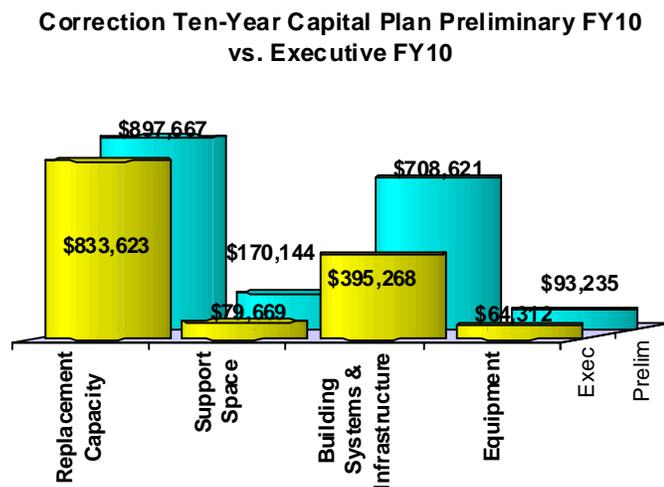
- Bronx Borough Jail** – The Preliminary Capital Commitment Plan included funding in the amount of \$518 million for Fiscal 2009-2013 for the construction of the new Bronx Borough Jail. The Executive Capital Commitment Plan reduces the amount by \$295.4, million bringing the total to \$211.7 million. Due to timing issues, funding for this project has been rolled into the Fiscal 2014-2019 Capital Commitment Plan, reducing the overall funding of the project by \$100.3 million for a net total of \$417.8 million over the next ten years.
- Fire Safety System Construction** - The Preliminary Capital Commitment Plan included funding in the amount of \$32.3 million for Fiscal 2009-2013 for the construction of the Fire Safety System. The Executive Capital Commitment Plan increases the amount by \$53.8 million, bringing the total to \$86.1 million. Funding for this project has been reduced in the Fiscal 2014-2019 Capital Commitment Plan by \$3.9 million because the Department has sufficient funding for its fire alarm needs in the Fiscal 2009-2013 Capital Commitment Plan. Funding in the 2014-2010 Capital Commitment Plan will support non-fire alarm safety needs.

Executive Ten-Year Capital Strategy, 2010-2019

The Department's Executive Ten-Year Capital Strategy includes a total of \$1.37 billion in funding for replacement capacity, building systems and infrastructure, support space and equipment for Fiscal 2010-2019. This is a decrease of 26.57 percent compared to the \$1.87 billion in the Preliminary Ten Year Strategy.

The Department's Capital Funding is allocated in four broad categories of need:

- Replacement Capacity** - The Executive Ten-Year Capital Strategy includes \$833.6 million for capacity replacement of existing modular units and sprungs. This amount represents a 7.1-percent reduction compared to the \$897.7 million in the Preliminary Ten-Year Strategy. The Department anticipates that 4,495 beds will be replaced over the next ten years. In addition, capacity at three existing facilities will be increased by 2,220 beds and 1,500 beds will be replaced through the construction of the Bronx facility.



- **Building Systems and Infrastructure** - The Executive Ten-Year Capital Strategy includes \$395.3 million for building systems and infrastructure projects including: replacement of roofs, windows and facades; fire/life safety systems; and mechanical and electrical power upgrades. This amount represents a 44.2-percent reduction compared to the \$708.6 million in the Preliminary Ten-Year Capital Strategy.
- **Support Space** - The Executive Ten-Year Capital Strategy includes \$79.7 million to improve and construct support facilities. This amount represents a 53.2-percent reduction compared to the \$170.2 million in the Preliminary Ten-Year Capital Strategy. Items to be funded include new construction for an administration and maintenance building, classroom space, and parking.
- **Equipment** - The Executive Ten-Year Capital Strategy includes \$64.3 million for replacements and upgrades for computer, security, and communication systems, as well as vehicles. This amount represents a 31-percent reduction compared to the \$93.2 million in the Ten-Year Preliminary Capital Strategy.

Supplemental Tables

Executive Budget Actions

The following table summarizes changes to the Fiscal 2009 and 2010 budgets since the Preliminary Budget. The Non-City actions include State, Federal, Other Categorical, Intra-City and Capital Inter-Fund Agreement (IFA) funding changes.

Description	Fiscal 2009			Fiscal 2010		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as per the January Plan	\$984,662	\$37,885	\$1,022,547	\$949,163	\$34,183	\$983,346
Executive Plan Programs to Eliminate the Gap (PEGs)						
Civilian Vacancy Reduction			\$0	(\$4,357)		(\$4,357)
Reduce Bread Production in the Rikers Bakery			\$0	(\$400)		(\$400)
Fleet-Related Expense Reduction			\$0	(\$226)		(\$226)
Total PEGs	\$0	\$0	\$0	(\$4,982)	\$0	(\$4,982)
Executive Plan New Needs						
Bronx Court Holding Cells	\$1,792		\$1,792	\$7,168		\$7,168
Total New Needs	\$1,792	\$0	\$1,792	\$7,168	\$0	\$7,168
Executive Plan PEG Restorations						
City-State Capacity Efficiency	\$3,373		\$3,373	\$9,390		\$9,390
Total PEG Restorations	\$3,373	\$0	\$3,373	\$9,390	\$0	\$9,390
Executive Plan Other Adjustments						
Collective Bargaining	\$1,751		\$1,751	\$2,457		\$2,457
HHS Connect Cost Allocation	\$11		\$11	\$57		\$57
Model Education Program for Adults Discharged from DOC			\$0	(\$304)		(\$304)
Fringe Benefit Adjustment			\$0	\$1,025		\$1,025
State Revenue Reduction	\$2,527	(\$2,527)	\$0	\$8,287	(\$8,287)	\$0
Heat, Light and Power	(\$3,363)		(\$3,363)	(\$3,001)		(\$3,001)
Fuel	(\$894)		(\$894)	(\$1,298)		(\$1,298)
Gasoline	(\$401)		(\$401)	(\$666)		(\$666)
Inta-City BCs Adjustment		(\$146)	(\$146)		(\$146)	(\$146)
Parole Restoration Project		\$474	\$474			\$0
Day Custody Mental Health Program		\$250	\$250			\$0
Total Other Adjustments	(\$368)	(\$1,949)	(\$2,318)	\$6,557	(\$8,433)	(\$1,876)
Total Executive Plan Budget Changes	\$4,797	(\$1,949)	\$2,847	\$18,133	(\$8,433)	\$9,700
Agency Budget as per the Executive Plan	\$989,459	\$35,936	\$1,025,394	\$967,296	\$25,750	\$993,046
Rosen Run	\$989,458	\$35,935	\$1,025,393	\$967,296	\$25,749	\$993,045

Summary of Changes Since June 2009 Plan

City Funds only (000's)

	2009	2010	2011	2012	2013
June 2009 Plan	\$941,612	\$939,977	\$950,490	\$956,324	\$956,324
New Needs	\$35,974	\$25,425	\$16,039	\$16,044	\$16,049
Collective Bargaining	\$21,701	\$36,713	\$66,836	\$77,275	\$74,856
Other Adjustments	(\$154)	\$19,436	\$10,087	\$16,202	\$16,378
New Needs	(\$9,675)	(\$54,254)	(\$55,016)	(\$61,141)	(\$61,328)
Exec 2010 Plan	\$989,458	\$967,297	\$988,436	\$1,004,704	\$1,002,279

Units of Appropriation

All funds (000's)

U/A#	U/A Name	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget	Percent Change from 2009 Adoption
001	Administration	\$51,666,618	\$60,525,375	\$61,931,839	\$56,156,930
002	Operations	\$789,938,457	\$804,044,824	\$777,842,919	\$812,457,999
	Total PS	\$841,605,075	\$864,570,199	\$839,774,758	\$868,614,929
003	Operations-OTPS	\$106,567,626	\$102,955,411	\$126,428,619	\$107,592,046
004	Administration-OTPS	\$17,485,856	\$19,607,973	\$17,142,973	\$16,838,973
	Total OTPS	\$124,053,482	\$122,563,384	\$143,571,592	\$124,431,019
	Total Agency	\$965,658,557	\$987,133,583	\$983,346,350	\$993,045,948