



**NOTE ON THE FISCAL 2021 EXECUTIVE BUDGET FOR THE COMMITTEE ON
OVERSIGHT AND INVESTIGATION
MAY 29, 2020**

New York City Council

Hon. Corey Johnson, Speaker
Hon. Daniel Dromm, Chair, Finance Committee
Hon. Ritchie Torres, Committee on Oversight
and Investigation

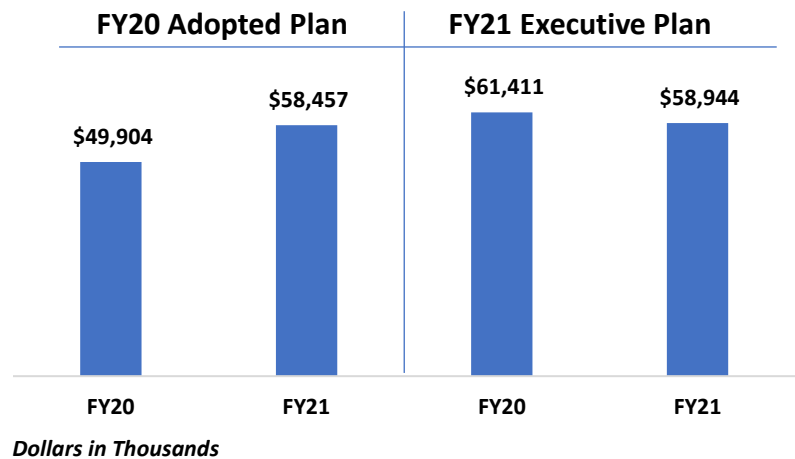
Finance Division

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On April 16, 2020, the Administration released the Executive Financial Plan for Fiscal 2020-2024 with a proposed budget for Fiscal 2021 of \$89.3 billion. The Department of Investigation’s budget is \$58.9 million and represents less than one percent of the City’s Executive Budget. This Note provides a summary of the changes to the budget for DOI introduced in the Executive Financial Plan. The agency’s response to the COVID-19 emergency is also discussed.

DOI Budget Overview

The Department of Investigation’s Fiscal 2021 Executive Budget totals \$58.9 million and supports 381 positions. The Commissioner is New York City’s Inspector General, responsible for attacking corruption through investigations that lead to arrests and reforms to improve the City. The Program to Eliminate the Gap (PEG program) reduces DOI’s budget by \$1.5 million or 2.5 percent in Fiscal 2020 and \$1.5 million in Fiscal 2021. City tax-levy remains the primary source of funding, accounting for more than 85 percent of DOI’s Fiscal 2021 Budget.



The above chart compares DOI’s Fiscal 2020 and 2021 as of the Adopted Fiscal 2020 Financial Plan and the Executive Plan. The Chart below displays the changes introduced in the Executive Plan for Fiscal 2021.

\$60 Million Fiscal 2021 Preliminary	Executive Plan Changes	\$58.9 Million Fiscal 2021 Executive
<ul style="list-style-type: none"> •PS: \$32.6M •OTPS: \$28.9M •Headcount: 391 •New Needs: None •Savings: (\$67,000) 	<ul style="list-style-type: none"> •New Needs: None •Other Adjustments: \$355,119 •PEGs: (\$1.5M) <ul style="list-style-type: none"> •PS Accruals •(Decrease 10 positions) 	<ul style="list-style-type: none"> •PS: \$32M •OTPS: \$29.4M •Headcount: 381

Changes introduced in the Executive Plan reduce DOI’s budget for Fiscal 2021 by \$1.1 million. The major changes are described below.

Executive Plan Changes

PEG Program

- **Personal Service (PS) Accruals.** The Fiscal 2021 Executive Plan includes a savings of \$1.5 million in Fiscal 2020 and \$1.5 million in Fiscal 2021. According to the Department the savings will be offset against budget codes that have a surplus at the end of the year and the details will be reflected in the Adopted Plan.
- **Vacancy Reduction.** The Executive Plan includes a baseline reduction of 10 positions and annual savings of \$810,377 beginning in Fiscal 2022. While the Fiscal 2020 and Fiscal 2021 Budgets include a headcount reduction there is no funding directly associated with the line item. The Department expressed there is an implicit savings of \$810,000 of the \$1.5 million in Fiscal 2020 and 2021 associated with the vacancies.

Other Adjustments

- **Lease Adjustment.** In 2019, the Department moved headquarters from 80 Maiden Lane to 180 Maiden Lane. The Department currently holds the leases for both locations and is in the process of transferring the lease for 80 Maiden Lane to other City agencies via DCAS. The Executive Plan includes a baseline increase of \$235,873 beginning in Fiscal 2021 to reflect changes in the prior estimate for 180 Maiden Lane.

Agency Response to COVID -19

In response to the COVID-19 pandemic, New York State issued ‘New York State on PAUSE’, an Executive Order effective 8 p.m. on March 22nd, to close all non-essential businesses, prohibit all non-essential gatherings, and to practice social distancing of six feet in public. The pandemic is widespread throughout the world, but especially prevalent in New York City as the City accounts for four percent of confirmed positive cases worldwide. Due to the severity of cases in New York City, agencies have had to modify their operations to assist in reducing the impacts of COVID-19. In response to the pandemic, the Department has taken a comprehensive approach to altering operations during the while still functioning as the City’s Inspector General.

Impacts on Personnel

- Nearly all of the Department's staff are working from home.
 - The Department distributed 200 laptops and increased VPN capacity 10-fold to accommodate staff working from home.
- Residential evictions are suspended.
 - On March 13, DOI notified City Marshals that residential evictions were suspended for one week.
 - On March 15, New York Chief Administrative Judge Lawrence Marks issued a memorandum stating that all eviction proceedings and pending eviction orders were suspended indefinitely ¹. In response, on March 16, DOI notified all City Marshals that eviction proceedings were suspended until further notice ².
- On March 20, Governor Cuomo issued Executive Order 202.8, enacting a statewide eviction moratorium until June 20.
- The Department directed all City Marshals to suspend service of property levies and income executions until further notice.
- The Department closed the finger-print unit and reassigned staff members to other agencies for COVID-19 outreach activities.
- The Department has suspended:
 - In person complaints.
 - Background Interviews.
 - Anti-corruption lectures and trainings conducted by DOI personnel.
 - In-person interviews of witnesses, except as required in investigations that may have an immediate impact on public health or safety, or can be done under safe guidelines.

Other Agency Issues/Budget Risks

- **Hiring Freeze.** As the entire city is facing budget cuts, DOI has areas that would be hindered by a hiring freeze. The Department has teams and subdivisions with high turnover. According to DOI, if a hiring freeze were implemented, the Department would not be able to fill the positions that have been recently vacated. The Department has expressed that it is flexible enough to face budget cuts internally through restructuring, evident by the PS Accruals PEG that decreases the Department's budget by \$1.5 million or 2.5 percent. However, restrictions such as a hiring freeze would significantly hinder its abilities to backfill essential investigator positions. The Department believes, that in the financial crossroads that the City finds itself in, it is more important now to properly staff and fund DOI, as the City's agency that roots out corruption and financial misconduct, the importance of the Department of Investigation is as important as ever.

¹ <https://www1.nyc.gov/assets/doi/downloads/pdf/marshals/NYSUnifiedCourtSystemMemorandumdated3-15-2020.pdf>

² <https://www1.nyc.gov/site/doi/offices/nyc-marshals.page>

Appendix 1: DOI Financial Summary

Department of Investigation Financial Summary						
<i>Dollars in Thousands</i>						
	FY18	FY19	FY20	Executive Plan		*Difference
	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
Budget by Program Area						
Agency Operations	\$35,733	\$42,712	\$44,424	\$54,077	\$53,449	\$9,025
Inspector General	6,247	6,408	5,480	7,335	5,495	15
TOTAL	\$41,980	\$49,120	\$49,904	\$61,411	\$58,944	\$9,040
Funding						
City Funds			\$44,714	\$42,837	\$50,381	\$5,667
Other Categorical			604	669	604	0
State			0	138	0	0
Federal - Community Development			0	1,842	0	0
Federal - Other			0	9,056	1,641	1,641
Intra City			4,585	6,871	6,318	1,732
TOTAL	\$41,980	\$49,120	\$49,904	\$61,411	\$58,944	\$9,040
Budgeted Headcount						
Full-Time Civilian Positions - Agency Operations	301	290	331	325	321	(10)
Full-Time Civilian Positions - Inspector General	64	64	60	82	60	0
TOTAL	365	365	391	407	381	(10)

* The difference of Fiscal 2020 Adopted Budget compared to Fiscal 2021 Executive Budget