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Report to the Committee on Finance and the Committee on Oversight and
Investigations on the Fiscal 2022 Executive Plan for the

Department of Investigation

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Department of Investigation Budget Overview

This report presents a review of the Department of Investigation's (DOI or the Department) Fiscal 2022 Executive Budget including a review of the significant budget actions introduced in the Executive Financial Plan, as well as recent programmatic actions and budget risks of the Department. For additional information on DOI's budget and its various programs, please refer to the Fiscal 2022 Preliminary Budget Report for DOI at: <https://council.nyc.gov/budget/fy2022/>

The fiscal outlook for the City has improved throughout this fiscal year, driven by increases in federal aid and the waning impact of the pandemic. In June 2020, the City's Adopted Budget for Fiscal 2021 totaled \$95.5 billion; it has increased by \$5.6 billion or 5.9 percent to \$100.6 billion. Similarly for DOI, the Fiscal 2021 budget has increased by \$5.2 million or 9.7%, accounting for \$58 million, or less than one percent of the City budget. The City's Executive Budget for Fiscal 2022 is \$98.6 billion, three percent more than the Fiscal 2021 Adopted Budget. DOI's Fiscal 2022 Executive Budget is \$53.2 million, \$328,000, or less than one percent larger than the Fiscal 2021 Adopted Budget.

Department of Investigation Expense Budget						
<i>Dollars in Thousands</i>	2019 Actual	2020 Actual	2021 Adopted	Executive Plan 2021	Executive Plan 2022	*Difference 2021 - 2022
PS	\$30,364	\$30,662	\$30,289	\$29,325	\$29,375	(\$914)
OTPS	18,756	22,513	22,537	28,678	23,779	1,242
TOTAL	\$49,120	\$53,175	\$52,826	\$58,002	\$53,154	\$328
Budget by Program Area						
Agency Operations	\$42,712	\$47,050	\$48,083	\$52,383	\$48,409	\$326
Inspector General	6,408	6,125	4,743	5,619	4,745	2
TOTAL	\$49,120	\$53,175	\$52,826	\$58,002	\$53,154	\$328
Funding						
City Funds			\$45,016	\$42,662	\$46,358	\$1,343
Other Categorical			604	637	604	0
State			0	114	0	0
Federal - Community Development			0	598	0	0
Federal - Other			1,641	6,269	626	(1,015)
Intra City			5,565	7,722	5,566	0
TOTAL	\$49,120	\$53,175	\$52,826	\$58,002	\$53,154	\$328
Budgeted Headcount						
Full-Time Civilian Positions - Agency Operations	290	297	310	288	303	(7)
Full-Time Civilian Positions - Inspector General	64	64	60	77	60	0
TOTAL	354	354	370	365	363	(7)

* The difference of Fiscal 2021 Adopted Budget compared to Fiscal 2022 Executive Budget

DOI Budget Changes

DOI's Fiscal 2022 Executive Budget totals \$53.2 million, including \$29.4 million for Personal Services (PS) and \$23.8 for Other Than Personal Services (OTPS). The PS budget of \$29.4 million supports 363 positions and accounts for 55 percent of the Department's total budget for Fiscal 2022 and the OTPS budget comprises the remaining 45 percent. So far in Fiscal 2021, the changes include \$7.1 million added in other adjustments, and \$1.9 million in savings. The Fiscal 2022 Budget has grown by \$1.1 million or two percent from \$3 million in new needs, a decrease of \$79,000 in other adjustments and savings of \$1.9 million. Appendix one outlines the dollar value of each change and total growth of DOI's budget throughout the fiscal year.

Changes by Funding Source

DOI is primarily funded by City tax-levy (CTL), accounting for \$45 million or 85 percent of the Fiscal 2021 Budget at adoption. In the Fiscal 2022 Executive Budget, the CTL portion of the budget is \$46.3 million, \$1.3 million more than the Adopted Budget, or 87 percent of Fiscal 2022 projected funding. The Executive Budget reduces Fiscal 2021 CTL funding by \$2.4 million from \$45 million at adoption to \$42.6 million. This decrease is primarily from PS savings.

DOI's budgeting practice is to recognize State and federal funding and the associated spending throughout the fiscal year. In Fiscal 2021, State and federal funding has grown from \$1.6 million at adoption to \$6.9 million in the Executive Plan, largely from asset forfeiture for items such as IT equipment, radios, vehicles, and training in support of DOI's law enforcement mission. The baseline level of federal aid remains essentially unchanged.

New Needs

The Executive Budget includes a one-time new need of \$3 million in Fiscal 2022 only. This new funding will support an integrity monitor for the Department of Homeless Services (DHS). The integrity monitor will conduct an audit of each non-profit homeless shelter provider with City contracts, of which there are 75. The integrity monitor will report to DOI, and the Department will make recommendations to DHS based on the monitor's findings on how DHS can improve its operations. By having an integrity monitor there will be greater oversight on the non-profit homeless shelter system, in which the City invests significant resources. For example, in Fiscal 2021, the Department of Homeless Services budget for shelters was approximately \$1.8 billion for more than 430 contracts. Funding for the integrity monitor is in Fiscal 2022 only, thus, the audit will need to be completed before June 30, 2022.

Other Adjustments

The Executive Budget for DOI includes a handful of changes that lower the Fiscal 2021 Budget by \$247,000 and increase the Fiscal 2022 Budget by \$4,328. Many of these changes are citywide initiatives affecting multiple agencies.

- **Heat, Light and Power.** This initiative provides savings of nearly \$16,000 in Fiscal 2021 and increases the Department's budget close to \$3,000 each subsequent year. This initiative is in dozens of agency budgets across the city with savings in Fiscal 2021 and Funding increases in Fiscal 2022 and the outyears.
- **MS Enterprise Licensing Agreement Realignment.** The Department's budget was increased by \$67,000. This Citywide initiative has savings totaling \$1.3 million in Fiscal 2021 only across multiple agencies.
- **Labor Funding for Clerical Assistants.** The Executive Budget adds baseline funding of \$1.328 beginning in Fiscal in 2021 for wage increases for Clerical Associates at DOI, the Administration for Children's Services, and the Department of Health and Mental Health will all receive salary increases in Fiscal 2021 and the outyears. DOI's budget has a baseline increase of \$1,382 for these employees.
- **PS Accruals.** The Executive Budget includes \$300,000 in savings from the Inspector General PS Unit of Appropriation. PS accruals have been a common savings measure for

the Department throughout the difficult fiscal outlook caused by COVID-19. The Department has PS accruals of nearly \$2.9 million in Fiscal 2021.

Agency Issues and Budget Risks

- **Hiring.** The Department has implemented several PS savings initiatives to manage the fiscal constraints associated with the COVID-19 pandemic, including eliminating vacancies, a hiring control plan, and elimination of PS accruals. According to the Department, it has experienced staffing shortages, impeding its ability to fulfill its mission. The City has been operating under various citywide hiring policies, including a hiring freeze, three to one hiring policy, where three positions must be vacated before an agency can fill one, and currently a two to one policy. During the various citywide hiring policies, the Department has sought permission to hire and increase staffing. In Fiscal 2021 DOI has submitted requests to add staff and fill vacancies to the Office of Management and Budget (OMB) which have not been approved yet. Among the desired positions, the Department is seeking approval to hire 12 Confidential Investigators, with salaries varying from \$45,000 to \$56,500, which would hold a maximum budget increase of \$678,000.
- **The Inspector General for the NYPD (OIG-NYPD) Annual Report.** On April 1, 2021, the Department released its seventh annual report from the Office of The Inspector General for the NYPD (OIG-NYPD). The annual reports, which are required by local law 70 of 2013, include updates of previous OIG-NYPD reports, discuss recent activities of the Department, and other ongoing issues. The annual reports do not mention overall performance of the OIG-NYPD or the OIG-NYPD's broad effect on the NYPD, and the 2020 annual report spends very little time on the recent issues and annual actions of the OIG-NYPD. Included in the Seventh Annual Report is a brief discussion of the public report investigating the NYPD Response to the George Floyd protests, in which DOI analyzed the NYPD's institutional protest response. However, due to timing constraints the annual report does not include DOI's evaluation of the NYPD's response to the recommendations made in the protest report. DOI should release its evaluation of the NYPD's responses once they are completed.
- **Public Awareness and Recent Reports.** A part of the Department's mission is to recommend preventive operational reforms to prevent criminal misconduct. DOI accomplishes this goal in many ways, through recommendations in reports, corruption prevention and whistleblower lectures, and e-learning corruption prevention lectures. In the first four months of Fiscal 2021, the Department conducted 17 corruption prevention and whistleblower lectures, compared to 177 during the same period in Fiscal 2020; e-learning attendees have also decreased by 78 percent over the same period. The Mayor's Management Report states the decreases are attributed to the COVID-19 pandemic, as many lectures were in person and there are technological and other challenges with remote access for e-learning. Additionally, the Department has published five reports in Fiscal 2021, compared to three in Fiscal 2020. The titles of the reports are included below, the full reports can be read at <https://www1.nyc.gov/site/doi/newsroom/public-reports.page>

- Environmental Control Board Summons Enforcement and Collection: DOI Investigation Identifies Serious Gaps and Issues Recommendations for Reform. October 1, 2020.
- Violations of Lead-Based Paint Abatement Regulations at the New York City Housing Authority. December 10, 2020.
- Investigation into NYPD Response to the George Floyd Protests. December 18, 2020.
- 2020 Annual Anti-Corruption Report. March 4, 2021.
- Seventh Annual Report: Office of the Inspector General for the NYPD. April 1, 2021.

Appendix 1: Fiscal 2021 Budget Actions since the Adopted 2021 Budget

<i>Dollars in Thousands</i>	FY21			FY22		
	City	Non-City	Total	City	Non-City	Total
DOI Budget as of the Fiscal 2021 Adopted Budget	\$45,016	\$7,811	\$52,827	\$45,299	\$6,796	\$52,095
November Other Adjustments						
80 Maiden Lane Adjustment	\$0	\$981	\$981	\$0	\$0	\$0
Citywide Wireless Services	-	-	-	(\$40)	-	(40)
DEP/ DOI MOU 3 Pos & OTPS	-	260	260	-	-	-
DEP-DOI MOU BT-2	-	794	794	-	-	-
DOI- TELEPHONE MONITORING	-	200	200	-	-	-
FY21 AF Put-Up	-	3,551	3,551	-	-	-
IT Contract Savings	(8)	-	(8)	-	-	-
Managerial and OJ Furlough Savings	(386)	(78)	(463)	-	-	-
Roll funds from previous FY	-	33	33	-	-	-
Roll FY20 PO into FY21	-	1,191	1,191	-	-	-
Vehicle Purchase Freeze	(44)	-	(44)	(44)	-	(44)
Subtotal, November Other Adjustments	(\$437)	\$6,932	\$6,495	(\$84)	\$0	(\$84)
November Savings Plan						
PS Accruals	(\$793)	\$0	(\$793)	(\$476)	\$0	(\$476)
OTPS Savings	(159)	-	(159)	(159)	-	(159)
Hiring Freeze	-	-	-	(97)	-	(97)
Subtotal, November Savings Plan	(\$951)	\$0	(\$951)	(\$731)	\$0	(\$731)
Subtotal, November	(\$1,388)	\$6,932	\$5,544	(\$814)	\$0	(\$814)
January Other Adjustments						
Citywide Wireless Services	(\$3)	\$0	(\$3)	\$0	\$0	\$0
DOI: Monitoring Accrual	-	598	598	-	-	-
Subtotal, January Other Adjustments	(\$3)	\$598	\$595	\$0	\$0	\$0
January Savings Plan						
Hiring and Attrition Management	(\$298)	\$0	(\$298)	\$0	\$0	\$0
OTPS Savings	(124)	-	(124)	(775)	-	(775)
PS Accruals	(295)	-	(295)	(357)	-	(357)
Subtotal, January Savings Plan	(\$716)	\$0	(\$716)	(\$1,132)	\$0	(\$1,132)
Subtotal, January	(\$719)	\$598	(\$121)	(\$1,132)	\$0	(\$1,132)
Executive New Needs						
DHS Integrity Monitor	\$0	\$0	\$0	\$3,000	\$0	\$3,000
Subtotal, Executive New Needs	\$0	\$0	\$0	\$3,000	\$0	\$3,000
Executive Other Adjustments						
Heat, Light and Power	(\$16)	\$0	(\$16)	\$3	\$0	\$3
Labor Funding - Clericals	1	-	1	1	-	1
MS Enterprise Licensing Agreement						
Realignment	67	-	67	-	-	-
PS Accruals	(300)	-	(300)	-	-	-
Subtotal, Executive Other Adjustments	(\$247)	\$0	(\$247)	\$4	\$0	\$4
Subtotal, Executive Budget	(\$247)	\$0	(\$247)	\$3,004	\$0	\$3,004
Total, All Changes	(\$2,354)	\$7,530	\$5,176	\$1,059	\$0	\$1,059
DOI Budget as of the Fiscal 2022 Preliminary Budget	\$42,662	\$15,341	\$58,003	\$46,358	\$6,796	\$53,154