

The Council of the City of New York



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Report on the Fiscal Year 2015 Executive Budget for the

Department of Correction

June 2, 2014

Executive Budget Highlights

- **Total Expense Budget:** The Department of Correction's (DOC) budget for Fiscal 2015 totals \$1.068 billion, \$3.1 million more than the Fiscal 2014 Adopted Budget of \$1.065 billion.
- **Work Force:** The Executive Budget supports a workforce of 10,533 positions (53 positions more than the Fiscal 2014 Adopted Budget.)
 - 8,889 uniform positions, and increase of 20 positions
 - 1,644 civilian positions, and increase of 33 positions
- **Correction Officer Recruitment:** Two recruit classes graduated in 2014, resulting in 649 new officers on duty in 2014. There is currently a recruit class of 150 in training.
- **Executive Budget Changes include:**
 - \$25 million increase in overtime spending in Fiscal 2014;
 - \$1.8 million additional for the re-opening of the North Infirmity Command;
 - \$1.2 million increase in operational costs for the Cogeneration Plant;
 - \$1.3 million for the demolition of modular and sprung building structures; and
 - \$562,500 for building maintenance systems.
- **Overtime:** The Executive Budget for Fiscal 2015 includes \$99.6 million for overtime (\$93.5 million for uniform officers and \$6.1 million for civilians). The projected total spending on overtime in Fiscal 2014 is \$139 million. This includes \$25 million that was added in the Executive Budget.
- **Capital Budget Summary:** The May 2014 Capital Commitment Plan includes \$1.2 billion in Fiscal 2014-2018 for the Department of Correction. The amount breaks down as follows: \$559.7 million for Capacity Replacement; \$488.6 million for building systems and infrastructure; \$100.2 million for equipment, and \$104.5 million for support space.
 - The Capital Budget includes \$282.4 million in Fiscal 2014 and \$678.3 million in Fiscal 2015.
 - Through May 23, 2014, the DOC has registered \$117 million in contracts for 43 capital projects in Fiscal 2014.

Department of Correction Overview

This report presents an analysis of the Department of Correction's Fiscal 2015 budget as proposed in the Executive Budget. In the section below, the Fiscal 2015 Budget is presented in a Financial Plan Summary table which provides an overview of the Department's budget by Personal Services and Other than Personal Services, program area, funding sources, and headcount. A review of the significant budget actions included in the Executive Budget, and a summary of the Department's Capital Budget for Fiscal 2014-2018 are presented. Appendices 1 and 2 report the changes made to the Fiscal 2014 and Fiscal 2015 Budgets since the adoption of the Fiscal 2014 Budget. For additional information on the Department's Budget and its various programs, please refer to the Fiscal 2015 Preliminary Budget Report for the Department of Correction at: www.council.nyc.gov/

DOC Financial Summary

<i>Dollars in Thousands</i>	FY12 Actual	FY13 Actual	FY14 Adopted	FY14 as of FY15 Exec. Budget	FY15 Exec. Budget	*Change FY14 - FY15
Spending						
Personal Services	\$954,243	968,913	\$935,931	\$961,341	\$939,310	\$3,379
Other Than Personal Services	124,546	121,997	129,174	136,791	128,939	(234)
Total	\$1,078,789	\$1,090,909	\$1,065,105	\$1,098,131	\$1,068,250	\$3,145
Budget by Program Area						
Administration-Academy and Training	\$32,221	\$35,767	\$6,490	\$6,493	\$12,753	\$6,263
Administration-Mgmt.& Administration	47,180	46,427	49,737	45,862	52,938	3,201
Health and Programs	13,631	13,796	11,834	12,116	10,481	(1,353)
Jail Operations	895,052	909,679	929,527	955,441	921,257	(8,271)
Operations-Hospital Prison Ward	16,288	14,190	12,145	12,145	13,531	1,386
Operations-Infrastructure & Environmental Health	43,074	41,928	31,284	40,041	32,384	1,100
Operations-Rikers Security & Operations	31,344	29,121	24,087	26,033	24,907	820
Total	\$1,078,789	\$1,090,909	\$1,065,105	\$1,098,131	\$1,068,250	\$3,145
Funding						
City Funds	\$1,058,821	\$1,064,109	\$1,052,843	\$1,084,955	\$1,057,988	\$5,145
Other Categorical	3,523	2,189	1,000	594	0	(1,000)
Capital- IFA	724	652	0	0	0	0
State	1,330	998	1,109	1,359	1,109	0
Federal - Community Development	14,258	22,131	0	0	0	0
Federal - Other	0	301	9,286	10,013	8,286	(1,000)
Intra City	132	529	868	1,211	868	0
Total	\$1,078,788	\$1,090,909	\$1,065,105	\$1,098,131	\$1,068,250	\$3,145
Budgeted Headcount						
Full-Time Positions - Civilian	1,459	1,394	1,611	1,645	1,644	33
Full-Time Positions - Uniform	8,540	8,991	8,869	8,884	8,889	20
Total	9,999	10,385	10,480	10,529	10,533	53

*Change from Fiscal 2014 Adopted Budget to Fiscal 2015 Executive Budget.

The Department of Correction's Fiscal 2015 Executive Budget of \$1.068 billion is \$3.1 million more than its Fiscal 2014 Adopted Budget of \$1.065 billion. The \$3.1 million increase is due to growth in the Personal Services (PS) budget of \$3.4 million offset by a reduction in the Other Than Personal Services (OTPS) budget of \$234,000.

In June 2013, the DOC's projected Fiscal 2015 Budget of \$1.059 billion was \$5.1 million less than the Adopted Fiscal 2014 Budget of \$1.065 billion. Since the Fiscal 2014 budget was adopted several initiatives were added, increasing the Fiscal 2015 Budget to \$1.068 billion. These changes include new needs of \$9 million, offset by PEG Restorations and Substitutions (PRS) of \$59,000 and, other adjustments of \$756,000. Combined, the above actions reconcile the agency to its current budget of \$1.068 billion for Fiscal 2014. (See appendix2 for a list of all budget actions since adoption)

The Department's Executive Budget for Fiscal 2015 shows a \$8.2 million increase from Fiscal 2014 to 2015, but a \$29.9 million decrease when compared to the current Fiscal 2014 budget. The agency's overall headcount shows an increase of 53 positions from Fiscal 2014 to 2015, and an increase of 49 positions when compared to the Fiscal 2014 budget. The \$29.9 million decrease is primarily attributable to a one-time increase of \$25 million added in Fiscal 2014 for uniform overtime.

The civilian headcount increase of 33 positions from Fiscal 2014 to 2015 is attributed to new needs that add 22 positions to the investigations division, 12 positions for operations of the cogeneration plant, and one deputy director position for the new crime scene unit. The uniform headcount increase of 20 positions from Fiscal 2014 to 2015 are attributed to new needs that add four assistant deputy wardens to the investigations division, and 16 managerial positions for the reopening of the North Infirmary Command (NIC). (See Appendix 2 for a list of all changes to the Fiscal 2014 and 2015 Budgets since Adoption)

New in the Executive Budget

Overtime Increase. Included in the Fiscal 2015 Executive Plan adds one-time funding of \$25 million in Fiscal 2014 for the Department's uniform overtime budget. This action will address the Department's current year deficit.

Building Maintenance Systems Contract. The Fiscal 2015 Executive Plan includes \$562,500 in Fiscal 2015 and \$750,000 annually beginning in Fiscal 2016 to support ongoing maintenance of the Department's automatic temperature control system in all facilities. The Capital Plan includes \$115 million in 2014-2018 for heating, ventilation and air conditioning systems.

Re-Opening North Infirmary Command (NIC). The Fiscal 2015 Executive Plan includes a baseline increase of \$1.8 million annually beginning in Fiscal 2015 to support 16 uniform positions for the management component of staffing the North Infirmary Command which will reopen in July. These positions include eight captains, five assistant deputy wardens, two deputy wardens and one deputy warden in command. According to the Administration, the DOC plans to close some general population housing areas in various facilities and transfer inmates into the NIC. The DOC will utilize the existing security posts in the NIC and reallocate security posts from the housing areas that are slated to close. The DOC has not determined which housing areas will close, but the transfer will have no impact on the inmate population.

Riker's Island Cogeneration Operations. The Cogeneration Plant will burn gas to produce both electricity and heat in a single process which will reduce energy use and increase energy efficiency. The Fiscal 2015 Executive Plan includes baseline funding of \$1.2 million in Fiscal

2015 and the outyears to support general operations of the Plant. Of that amount, \$1.2 million will support 12 skilled trade positions, including nine engineers and three high pressure plant tenders. The remaining \$6,480 will support other than personal services related costs. According to the DOC, the Cogeneration Plant is scheduled to open in December of 2014.

Vision Zero. The Fiscal 2015 Executive Plan includes a baseline increase of \$77,273 to the uniform overtime budget starting in Fiscal 2015 for defensive driving training for all correction officers. According to the Administration, this initiative is funded on overtime consistent with all training for uniform staff.

Modular and Sprung Removal. The Fiscal 2015 Executive Plan includes \$1.3 million in Fiscal 2015 for the demolition of three modular and 14 sprung structures. The Department has a total of 74 modular and sprung structures. As these structures have exceeded their usefulness, all but nine, which are solid steel, will be removed by 2018 when the new Riker's Island facility opens. Of the 65 structures scheduled for demolition, the removal of 48 will be accomplished as part of capital projects and therefore paid for with capital funding, and the demolition of the other 17 will be funded through the expense budget. Of note, the Fiscal 2014 Budget included the same amount of funding to demolish three modular and 14 sprung structures, however according to the DOC there were problems registering the contract therefore the funding was used to offset the DOC's deficit.

Budget Highlights /Budgetary Issues

Civilianization. In its Preliminary Budget Response, the Council called on the Administration to hire 200 clerical associates to replace 200 uniformed officers performing administrative tasks. According to District Council 37 (DC 37), there are approximately 200 correction officers at the Department of Correction who are assigned to clerical and administrative roles. The Council proposed that those 200 officers be assigned to security posts within the jails, and fill the position with lower-paid civilian employees.

Civilianization of those positions would have begun to address the headcount and overtime needs of the Department ensuring that more security posts are operated on straight time, which could curtail overtime spending. The Fiscal 2015 Executive Budget does not include any actions to civilianize any of the 200 positions identified by DC 37.

Reduce Solitary Confinement. In the Response, the Council also urged the Administration to reduce its overall solitary confinement capacity by at least 50 percent during the next year and to make removing adolescents and mentally ill inmates from solitary confinement units a priority. The Department currently has 22 solitary confinement units which include 16 central punitive segregation units and six restrictive housing units. Solitary confinement not only has serious deleterious consequences for inmates, but it also has serious fiscal implications as it requires higher staffing levels because inmates require one-on-one escorts when outside of the jail cell.

Closing one punitive housing area generally saves the costs of five correction officer positions, which are likely paid for on overtime in light of the Departments repeated testimony that its uniform staffing is below the authorized level. The average cost of filling one full-time equivalent position on overtime is \$84,022 and the cost of five positions is \$420,110. Closing 11 punitive segregation housing areas could yield annual overtime savings of \$4.6 million. According to the Administration, the DOC is operating under a structural deficit therefore the closure of any punitive segregation housing areas would be cost avoidance and not savings.

DOC Capital Program

The Executive 2015 Capital Commitment Plan includes \$1.2 billion in Fiscal 2014-2018 for the Department of Correction (including City and Non-City funds). This represents approximately 2.6 percent of the City's total \$48.9 billion Executive Plan for Fiscal 2014-2018. The DOC's Executive Commitment Plan for Fiscal 2014-2018 is 15.2 percent greater than the \$1.1 billion scheduled in the Preliminary Commitment Plan, an increase of \$165.3 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 2013, the Department of Correction spent \$104.2 million or 29.5 percent of its annual capital plan. Therefore, it is assumed that a significant portion of the agency's Fiscal 2014 Capital Plan will be rolled into Fiscal 2015, increasing the size of the Fiscal 2015-2018 Capital Plan as reflected in the chart below. Through May 23, 2014, the DOC has registered \$117 million in contracts for 43 capital projects in Fiscal 2014.

DOC 2014-2018 Capital Commitment Plan						
<i>Dollars in Thousands</i>	FY14	FY15	FY16	FY17	FY18	Total
Preliminary Plan	\$900,151	\$58,117	\$44,324	\$49,513	\$35,582	\$1,087,687
Executive Plan	\$282,371	\$678,263	\$96,874	\$70,647	\$124,838	\$1,252,993
Change	(\$617,780)	\$620,146	\$52,550	\$21,134	\$89,256	\$165,306
Percentage Change	-68.63%	1,067.06%	118.56%	42.68%	250.85%	15.20%

Major Capital Projects & Executive Budget Highlights

In its Preliminary Budget Response, the Council proposed that the Administration present a more accurate Capital Plan with commitments planned in the fiscal year in which they were likely to be made rather than scheduling most commitments in the first year of the capital plan. According to the Department, they submitted a plan to OMB that was substantially over target as it included a number of new capital projects in addition to projects already funded in the Capital Budget that were not registered. In order to comply with the Council's request, the Administration requested that the DOC conduct a comprehensive assessment of its Capital Budget and identify any capital projects that could be safely pushed to a later year in order to fund some of the new projects likely to start in Fiscal 2015.

As seen in the chart above, although the Five Year Plan of \$1.2 billion reflects an increase of \$165.3 million, \$617.8 million was rolled from Fiscal 2014 to Fiscal 2015. This shift in funding is primarily attributed to the postponement of construction for the new Jail on Rikers Island (\$560 million) and the Departments efforts at the urging of the City Council to better reflect actual commitments for capital projects in the Fiscal year that the commitments are likely to be made.

Listed below are highlights from the Executive Capital Budget that reflects changes to significant projects, followed by Major Capital projects in the Five-Year Plan from 2014-2018.

Executive Budget Highlights

- **New Rikers Island Facility.** The Capital Budget includes approximately \$560 million in Fiscal 2014, Fiscal 2015, and Fiscal 2016 to build a new jail on Rikers Island, which will allow the Department to permanently replace aging structures. The design for the new Rikers Island jail which began in March 2012 was originally projected to serve as a central admissions center for all male inmates on Riker's Island and certain borough facilities. The Executive Budget has rolled \$527 million from Fiscal 2014 to Fiscal 2015 to allow the new Commissioner the ability to reassess the purpose and usefulness of the facility. Approximately \$2 million remains in Fiscal 2014 for the design of the facility but may be adjusted upon completion of the Commissioners evaluation.
- **Fire Life Safety.** The Capital Budget includes \$106.9 million over the Five-Year Plan for the continuation of fire life safety upgrades on Rikers Island. According to the DOC, Phase 1 which includes the replacement of fire alarm systems will be completed by June 2016. The Executive Budget includes \$64 million in Fiscal 2016 for Phase 2 which will cover sprinkler systems and fire suppression doors. According to the DOC, the \$64 million is not sufficient to complete Phase 2 of the Fire Life Safety systems, and the Department will seek additional funding for the project from OMB.
- **Super Storm Sandy.** The Capital Budget includes \$58.8 million over the Five-Year Plan to repair damage to the Rikers Island shore line and various facilities damaged by Super Storm Sandy. The Executive Budget moves \$5.6 million from Fiscal 2014 to Fiscal 2015 as the Department does not have the approved project worksheets from the Federal Emergency Management Agency which ensures that the City will get reimbursed for the repair costs.
- **Robert N. Davoren Center School (RNDC) Addition.** The Capital Budget includes \$4.8 million over the Five-Year Plan for the design and construction of the RNDC school addition. The Executive Budget moves \$4.3 million from Fiscal 2014 into Fiscal 2016. According to the Department, project design has not begun and the funding budgeted for the project is not sufficient. In addition, with the change in NY State law that mandates that 18 year olds be housed separately from 16-17 year old prisoners, the Department is reevaluating the project in its entirety.
- **Brooklyn Detention Center Façade (New Façade Roof Expansion for Court Yard).** The Capital Budget includes \$6.5 million over the Five-Year Plan for the Brooklyn Detention Center façade, which reflects a reduction of \$15.4 million less than the budgeted amount in the Preliminary Plan. According to the DOC, the Department and OMB came to the agreement that this project had been grossly underfunded for a number of years and OMB was not willing to add additional resources to complete this project. The DOC shifted \$15.4 million from this project to fund a variety of other capital projects.
- **Mental Health Clinic Rehabilitation.** The Capital Budget includes \$2.1 million in Fiscal 2015 to rehabilitate an existing mental health clinic in the Anna M. Kross Center which serves all inmates with mental health needs. According to the DOC, the Department used internal resources to complete phase one of this project and the \$2.1 million in Fiscal 2015 is for phase two of the project. Funding for this project was shifted from the Brooklyn Detention Center Façade project.

Major Capital Projects Included in the Five-Year Plan

- **Capacity Replacement.** The Capital Commitment Plan includes \$561 million in Fiscal 2014 – Fiscal 2018 for capacity replacement projects, almost all or \$559 million is for construction of a new jail on Rikers Island, which will allow the Department to permanently replace aging structures. The Plan includes \$1 million in Fiscal 2018 for the removal of modular and sprung structures directly associated with the new facility.
- **Building Systems, Infrastructure and Support Space.** The Capital Commitment Plan includes \$364.6 million in Fiscal 2014–Fiscal 2018 for the refurbishment and replacement of vital building infrastructure. Funding will be allocated as follows: \$106.9 million for the continuation of fire life safety upgrades at Rikers Island Facility; \$58.8 million to repair damage associated with Super Storm Sandy; \$50.9 million for window replacement, façade rehabilitation, and roof reconstruction at various facilities; \$71.1 million for installation and rehabilitation of heating and ventilation systems at various facilities; \$6.5 million for improvements to Riker’s Island perimeter security and fencing; \$13.6 million for the replacement of Riker’s Island showers and plumbing and; \$38.2 million for other upgrades to the Department’s building systems, infrastructure, and support space.
- **Information Technology, Equipment, and Vehicles.** The Capital Commitment Plan includes \$48.4 million in Fiscal 2014 - Fiscal 2018 for vehicles, computers, security equipment, and communication systems. Funding will be allocated as follows: \$15.4 million for the replacement of generators; \$16.5 million technology upgrades to servers and network infrastructure; \$11.2 million for vehicles and; \$5.3 million for the replacement of food service and security equipment.

Appendix 1: DOC Fiscal 2015 Executive Budget Actions

<i>Dollars in Thousands</i>	FY 2014			FY 2015		
	City	Non-City	Total	City	Non-City	Total
DOC Preliminary Fiscal 2015 Budget	\$1,057,541	\$12,928	\$1,070,469	\$1,052,478	\$10,262	\$1,062,740
New Needs						
Overtime	\$25,000	\$0	\$25,000	\$0	\$0	\$0
Co-Generation Operations	261	0	261	1,201	0	1,201
Security Equipment Maintenance	41	0	41	247	0	247
Cell Door Replacement	0	0	0	646	0	646
Building Maintenance Systems	0	0	0	563	0	563
Re-Opening North Infirmiry Command	0	0	0	1,838	0	1,838
Modular Buildings Demolition	0	0	0	1,344	0	1,344
Vision Zero	0	0	0	77	0	77
Leased Space	58	0	58	350	0	350
Subtotal New Needs	\$25,360	\$0	\$25,360	\$6,266	\$0	\$6,266
Other Adjustments						
CEO Funding Adjustment	\$0	\$0	\$0	\$24	\$0	\$24
Byrne Competitive Grant	0	111	111	0	0	0
Fuel	1,250	0	1,250	(29)	0	(29)
Fund Medical Evaluation	0	23	23	0	0	0
Gasoline	(244)	0	(244)	(163)	0	(163)
Heat, Light and Power	1,049	0	1,049	(1,008)	0	(1,008)
Intra City with DOC Correction Officers	0	114	114	0	0	0
Lease Adjustment	0	0	0	420	0	420
Subtotal Other Adjustments	\$2,055	\$248	\$2,303	(\$756)	\$0	(\$756)
Total All Changes	\$27,415	\$248	\$27,663	\$5,510	\$0	\$5,510
DOC Executive Fiscal 2015 Budget	\$1,084,956	\$13,176	\$1,098,132	\$1,057,988	\$10,262	\$1,068,250

Appendix 2: DOC Budget Actions since Fiscal 2014 Adoption

<i>Dollars in Thousands</i>	FY 2014			FY 2015		
	City	Non-City	Total	City	Non-City	Total
DOC Adopted Fiscal 2014 Budget	\$1,052,842	\$12,262	\$1,065,104	\$1,048,732	\$11,262	\$1,059,994
New Needs						
Titanium Prison Riot Vests	\$700	\$0	\$700	\$120	\$0	\$120
Clean Products Replacement	1,033	0	1,033	1,033	0	1,033
Investigations Division	909	0	909	1,551	0	1,551
Crime Scene Unit	72	0	72	101	0	101
Overtime	25,000	0	25,000	0	0	0
Co-Generation Operations	261	0	261	1,201	0	1,201
Security Equipment Maintenance	41	0	41	247	0	247
Cell Door Replacement	0	0	0	646	0	646
Building Maintenance Systems	0	0	0	563	0	563
Re-Opening North Infirmarary Command	0	0	0	1,838	0	1,838
Modular Buildings Demolition	0	0	0	1,344	0	1,344
Vision Zero	0	0	0	77	0	77
Leased Space	58	0	58	350	0	350
Subtotal New Needs	\$28,074	\$0	\$28,074	\$9,071	\$0	\$9,071
PEG Restorations						
Leasing Beds to Suffolk County	\$941	(\$1,000)	(\$59)	\$941	(\$1,000)	(\$59)
Northern Border Prosecution Initiative	1,000	(1,000)	0	0	0	0
Subtotal PEG Restorations	\$1,941	(\$2,000)	(\$59)	\$941	(\$1,000)	(\$59)
Other Adjustments						
Byrne Competitive Put Up	\$0	\$241	\$241	\$0	\$0	\$0
FY14 Gun Range OTPS	0	(17)	(17)	0	0	0
New York Power Authority	0	157	157	0	0	0
PlanNYC Energy Manager & PlanNYC Excel Prgm	0	206	206	0	0	0
Prison Rape Elimination Act	0	447	447	0	0	0
Revised FEMA Funding Put UP	0	66	66	0	0	0
Sandy CAT E Gun Range	0	990	990	0	0	0
Stab Resistant Gloves	0	250	250	0	0	0
Transitional Services	0	437	437	0	0	0
CEO Funding Adjustment	0	0	0	24	0	24
Fuel	1,250	0	1,250	(29)	0	(29)
Fund Medical Evaluation	0	23	23	0	0	0
Gasoline	(244)	0	(244)	(163)	0	(163)
Heat, Light and Power	1,049	0	1,049	(1,008)	0	(1,008)
Intra City with DOC Correction Officers	0	114	114	0	0	0
Lease Adjustment	42	0	42	420	0	420
Subtotal Other Adjustments	\$2,097	\$2,914	\$5,011	(\$756)	\$0	(\$756)
Total All Changes	\$32,112	\$914	\$33,026	\$9,256	(\$1,000)	\$8,256
DOC Executive Fiscal 2015 Budget	\$1,084,954	\$13,176	\$1,098,130	\$1,057,988	\$10,262	\$1,068,250