

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Corey Johnson
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Hon. Keith Powers
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Report to the Committee on Finance and the Committee on Criminal Justice
on the Fiscal 2019 Executive Budget for

Department of Correction

May 11, 2018

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Department of Correction Executive Budget Overview

\$1.4 billion – Fiscal 2019 Executive Budget

1.6% of the City’s Budget

\$1.4 billion in City funds

12,499 positions (10,226 Uniform; 2,273 Civilian)

\$157.4 million Overtime

Executive Budget Changes

- \$17.5 million for new needs total in Fiscal 2019:
 - \$5.6 million to replace cell doors;
 - \$4.9 million to create a Compliance and Safety Center;
 - \$3.6 million to expand the Emergency Services Unit (ESU) Teams; and
 - \$3.4 million to expand the Investigations Division.
- Other Adjustments decrease DOC’s budget by \$29.1 million in Fiscal 2018 and \$20.1 million in Fiscal 2019.
- \$82.8 million in savings in Fiscal 2019:
 - \$55.2 million from the planned closure of the George Motchan Detention Center (GMDC) on Rikers Island; and
 - \$27.7 million due to civilian hiring delays.

Fiscal 2019 Executive Budget by Program Area
(\$ in Thousands)

Jail Operations	\$1,146,997
Rikers Security & Ops	\$36,326
Infrastr. & Environ. Health	\$48,393
Health and Programs	\$49,075
Hospital Prison Ward	\$13,753
Academy and Training	\$20,049
Mgmt & Administration	\$87,318

Council’s 2019 Budget Response

Included in the Executive Budget

- Raise the Age costs: \$9.8 million in Fiscal 2019; \$13.1 million in Fiscal 2020; \$3.3 million in Fiscal 2021. 159 uniform headcount increase.

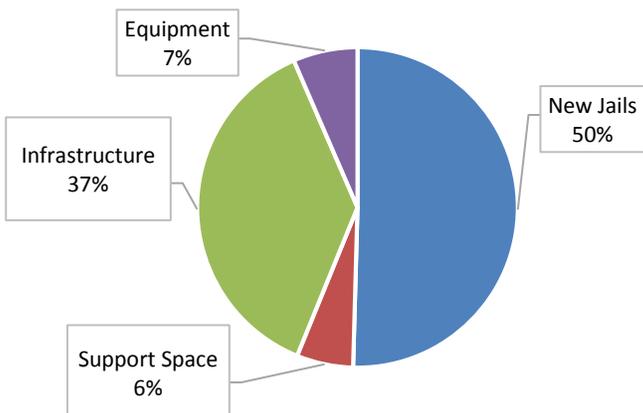
Not Included in the Executive Budget

- New Units of Appropriations

Major Agency Issues

- **New Jails.** The Capital Plan includes the \$1.1 billion for the new jails project, but only spans across two fiscal years.
- **Headcount.** The Department has been adding civilian positions, but continuously recognizes savings from PS accruals due to hiring delays.
- **Raise the Age.** Raise the Age is not fully funded in the Executive Budget.

Fiscal 2018-2022 Capital Plan - \$2.1 billion



Capital Budget: Fiscal 2018 – 2022

- Fiscal 2019 Executive Capital Budget includes \$376.9 million in Fiscal 2019-2022, a decrease of \$19.7 million from the Preliminary Capital Budget.
- Available appropriations for Fiscal 2018 total \$1.8 billion.
 - 216 Projects
 - 12 Budget Lines

Department of Correction Overview

This report presents a review of the Department of Correction's (DOC or the Department) Fiscal 2019 Executive Budget. The section below presents an overview of the Department's budget and how it has changed during the course of Fiscal 2018, followed by a review of the significant budget actions introduced in the Fiscal 2019 Executive Budget. Major issues related to the Department's budget are then discussed. Analysis and highlights of the Department's Capital Commitment Plan for Fiscal 2018 - 2022 follows the discussion of the expense budget. The Appendix reports the changes made to the Fiscal 2018 and Fiscal 2019 Budgets since Adoption of the Fiscal 2018 Budget. For additional information on the Department's budget and its various programs, please refer to the Fiscal 2019 Preliminary Budget Report for DOC at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2018/03/FY19-Department-of-Correction.pdf>

DOC Financial Summary						
<i>Dollars in Thousands</i>	2016	2017	2018	Executive Plan		*Difference
	Actual	Actual	Adopted	2018	2019	2018 - 2019
Spending						
Personal Services	\$1,139,493	\$1,182,696	\$1,265,317	\$1,229,365	\$1,227,091	(\$38,226)
Other Than Personal Services	168,140	185,945	179,171	192,461	174,820	(4,351)
TOTAL	\$1,307,633	\$1,368,641	\$1,444,488	\$1,421,826	\$1,401,911	(\$42,577)
Budget by Program Area						
Jail Operations	\$1,035,658	\$1,039,032	\$1,202,745	\$1,174,885	\$1,146,997	(\$55,748)
Operations-Rikers Security & Ops	44,695	46,610	32,750	36,032	36,326	3,576
Operations-Infrastr. & Environ. Health	57,770	66,181	41,993	43,567	48,393	6,400
Health and Programs	29,552	41,614	49,216	51,044	49,075	(141)
Operations-Hospital Prison Ward	19,764	20,243	13,753	13,753	13,753	0
Administration-Academy and Training	41,836	53,555	23,024	21,100	20,049	(2,976)
Administration-Mgmt & Administration	78,357	101,406	81,006	81,446	87,318	6,312
TOTAL	\$1,307,633	\$1,368,641	\$1,444,488	\$1,421,826	\$1,401,911	(\$42,577)
Funding						
City Funds			\$1,434,181	\$1,408,758	\$1,391,589	(\$42,592)
Other Categorical			0	979	0	0
Capital-IFA			778	778	778	0
State			1,109	1,109	1,109	0
Federal - Other			8,327	8,327	8,327	0
Intra City			93	1,875	108	15
TOTAL	\$1,307,633	\$1,368,641	\$1,444,488	\$1,421,826	\$1,401,911	(\$42,577)
Budgeted Headcount						
Full-Time Positions - Uniform	9,832	10,862	10,420	10,427	10,226	(194)
Full-Time Positions - Civilian	1,569	1,729	2,172	2,195	2,273	101
TOTAL	11,401	12,591	12,592	12,622	12,499	(93)

*The difference of Fiscal 2018 Adopted Budget compared to Fiscal 2019 Executive Budget.

Below is a summary of key funding changes by program area and funding source, when comparing DOC's Fiscal 2019 Executive Budget to the Fiscal 2018 Adopted Budget.

Changes by Funding Source

- City-tax levy (CTL) funding reflects a net decrease of \$42.6 million, when compared to the Fiscal 2018 Adopted Budget. This is largely due to a \$55.7 million decrease in the Jail Operations program area, due to the planned closure of the George Motchan Detention Center (GMDC) on Rikers Island. This is offset by a \$13.1 million increase in spending for the Department's other new needs as mandated by the Nunez consent decree, and other additional initiatives from the Mayor's "Smaller, Safer, Fairer" roadmap to closing Rikers Island.

Changes by Program Area

The Fiscal 2019 Executive Budget makes changes for three of the Department's seven program areas from the Fiscal 2018 Adopted Budget. Below is a discussion of the three program areas with significant changes.

- **Jail Operations.** The Fiscal 2019 Executive Budget for the Jail Operations program area decreases by \$55.7 million, or approximately five percent, when compared to the Fiscal 2018 Adopted Budget. This is due to the planned summer of 2018 closure of GMDC on Rikers Island. This reduction factored in the current operating level at GMDC, and the requirement under the Nunez agreement to move 18-year-olds out of GMDC. According to the Department, current GMDC uniform staff will be reassigned to other facilities once the Department starts transferring the 18 year-old inmates. The closure will also reduce uniform headcount by 698 positions, and will be implemented through attrition.
- **Administration – Management and Administration.** The Fiscal 2019 Executive Budget for the Administration – Management and Administration program area increases by \$6.3 million, or approximately eight percent, when compared to the Fiscal 2018 Adopted Budget. This is due to the Department's creation of a new Compliance and Safety Center, and the expansion of its Investigations Division. These changes were introduced in the Fiscal 2019 Executive Budget.
- **Operations – Infrastructure and Environmental Health.** The Fiscal 2019 Executive Budget for the Operations – Infrastructure and Environmental Health program area increases by \$6.4 million, or approximately 15 percent, when compared to the Fiscal 2018 Adopted Budget. This is largely attributed to the addition of \$5.6 million to replace cell doors in the jails.

New in the Executive Budget

DOC's Fiscal 2019 Executive Budget introduces \$1.2 million in Fiscal 2018 and \$17.5 million in Fiscal 2019 in new needs, and 171 new positions. The Executive Budget also includes \$9.8 million in Fiscal 2019 and \$13.1 million in Fiscal 2020 for funding to implement Raise the Age that the Council called for in the Fiscal 2019 Preliminary Budget Response.

- **Cell Door Replacements.** The Fiscal 2019 Executive Plan includes a one-time new need of \$5.6 million in Fiscal 2019 to replace all cell doors at the Robert N. Davoren Complex (RNDC). According to the Department, the current cell doors are outdated, which allows inmates to fashion weapons out of the doors.
- **Compliance and Safety Center.** The Fiscal 2019 Executive Plan includes \$1.2 million in Fiscal 2018 and baseline funding of \$4.9 million and 55 uniform positions beginning in Fiscal 2019 to create a new Compliance and Safety Center (CASC) on Rikers Island, which will host the Compliance and Video Monitoring Units and a new Emergency Operations Center (EOC). According to the

Department, the CASC will serve as an integrated command post to aid in rapid-response efforts to maintain safety in emergencies, as well as strengthen compliance with correctional standards and protocols.

- **Emergency Service Unit (ESU) Teams.** The Fiscal 2019 Executive Plan includes baselined funding of \$3.6 million and 45 uniform staff to expand ESU to respond to the most dangerous situations in the jails. ESU responds to all emergencies within the Department, both on and off Rikers Island. ESU responds to various incidents, including fire emergencies, high security inmate transport, riot control, inmate escapes, and more. According to the Department, the expansion will allow DOC to deploy ESU teams to the highest risk facilities: the Anna M. Kross Center (AMKC), George R. Vierno Center (GRVC), GMDC, and the Otis Bantum Correctional Center (OBCC). Due to the planned closure of GMDC, the Department will reassign the ESU team at GMDC to another facility once GMDC closes.
- **Investigations Division.** The Fiscal 2019 Executive Plan includes \$3.4 million in Fiscal 2019 and \$4.9 million in Fiscal 2020 and in the outyears to hire new 71 civilian investigative staff to expand the Investigations Division under the Nunez Consent Decree. According to the Department, the expansion will enhance the Department's ability to investigate complaints of use of force (UOF) incidents in a timely manner. The Nunez agreement currently requires the Department to close cases related to UOF incidents in 180 days, but this timeline decreases to 120 days on October 2018.
- **Raise the Age Implementation.** The Fiscal 2019 Executive Plan includes \$9.9 million in Fiscal 2019, \$13.1 million in Fiscal 2020, and \$3.3 million in Fiscal 2021 to hire 159 uniform staff to temporarily provide security at the Administration for Children's Services' (ACS) Horizon Juvenile Center during a transitional period, as a result of the Raise the Age legislation. According to the Department, the goal is to assign Correction Officers (COs) who already work with the adolescent population to the Horizon Juvenile Center. During the transitional period, ACS will hire and train staff to take over the full operations of Horizon.

Budget Issues

The following section provides issues and concerns as it relates to DOC's Executive Budget.

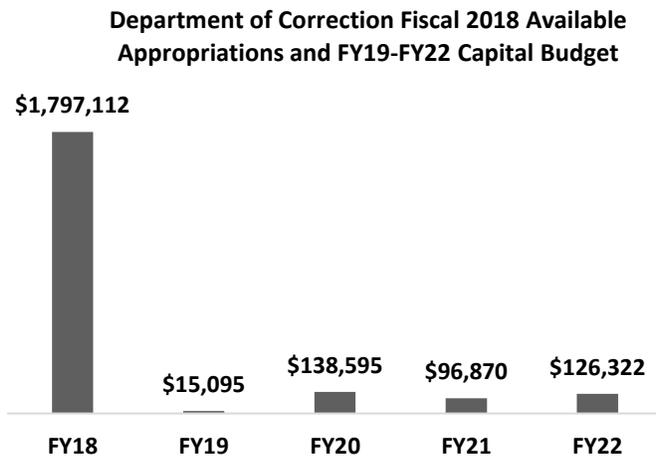
Fiscal 2019 Preliminary Budget Response

In the Fiscal 2019 Preliminary Budget Response, the Council called for the following, which was not included as part of the Fiscal 2019 Executive Budget.

- **Creation of additional U/As.** The Council called for an overhaul of the City's expense budget structure to create U/As that correspond to actual program areas. As part of this, the Budget Response called for DOC to create total of 14 U/As to match the Department's seven different program areas in the Budget Function Analysis (BFA). The Department's budget has seven program areas, but only four U/As.

Capital Program

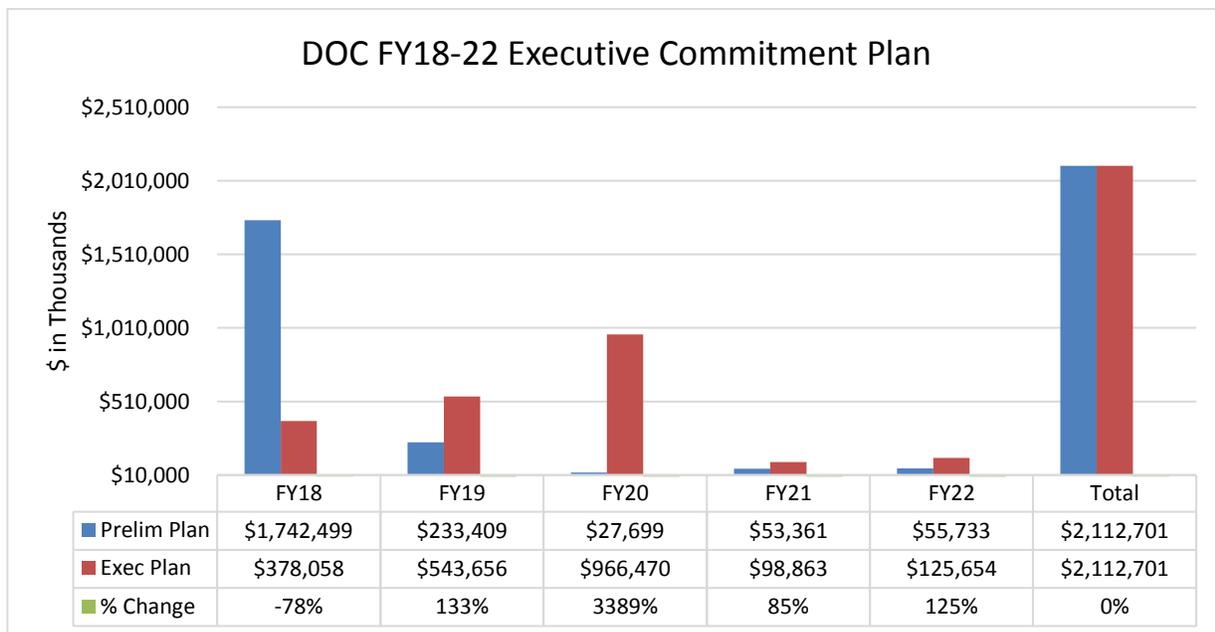
Fiscal 2019 Executive Capital Budget and Commitment Plan for Fiscal 2018-2022



The Department of Correction’s Fiscal 2019 Executive Capital Budget includes \$376.9 million in Fiscal 2019-2022, with \$15.1 million in Fiscal 2019¹, which represents less than one percent of the City’s total \$49.4 billion Capital Budget for 2019-2022. In Fiscal 2018, DOC’s available appropriations total \$1.8 billion as of February 28, 2018.

Capital Commitment Plan

The Department’s Executive Commitment Plan includes \$2.1 billion in Fiscal 2018-2022. This represents approximately three percent of the City’s total \$82 billion Executive Commitment Plan. The following section will provide an overview of the Capital Commitment Plan for the Department of Correction.



The Department’s Executive Commitment Plan for Fiscal 2018-2022 does not increase, when compared to the \$2.1 billion scheduled in the Preliminary Capital Commitment Plan. However, planned commitments in Fiscal 2018 have been rolled into Fiscal 2019 and in the outyears. Major

¹ The Capital Budget provides the required appropriations for Fiscal 2019 and planned appropriations for the subsequent three-year capital program. Appropriations represent the legal authority to spend capital dollars and are what the Council votes on at budget adoption.

projects that are rolled include \$1.1 billion for the new jail facilities and \$100 million to construct a new training academy. Of note, the new jail facilities project's funding allocation has been spread out across two fiscal years, with \$300 million in Fiscal 2019 and \$765.6 million in Fiscal 2020. Although this is an improvement from previous Plans, where DOC placed all \$1.1 billion into one fiscal year, the current Plan is still an unrealistic timeline.

Major capital projects included in the Executive Capital Plan for Fiscal 2018-2022 include the following:

- **New Jail Facilities.** The Executive Capital Commitment Plan includes \$1.1 billion in Fiscal 2019 and Fiscal 2020 for the design and construction of new jail facilities. This project was formerly for a new Rikers Island jail facility. However, the Administration restructured this project in the Fiscal 2018 Executive Capital Commitment Plan, along with other capital projects, and reallocated those funds to build new jail facilities. On January 25, 2018, Perkins Eastman was hired as the official consultant for this project. On February 14, 2018, the Administration and the Council announced the four sites for borough-based jails, which includes three existing DOC facilities in Manhattan, Brooklyn, and Queens. The four sites are as follows: Manhattan Detention Center (MDC); Queens Detention Center (QDC); Brooklyn Detention Center (BDC); and the NYPD Tow Pound in the Bronx. As of May 2018, the consultant started the study of the borough jails. It is expected to deliver a master plan for borough-based jails by the end of 2018.
- **Construction of a New Training Academy.** The Executive Capital Commitment Plan includes a total of \$100 million for the construction of a new training academy, with planned commitments of \$10 million in Fiscal 2019 and \$90 million in Fiscal 2020. The Department was undergoing a feasibility study at Fort Totten, and recently received the preliminary findings for the study and is currently reviewing the findings. According to the Department, separate from the Fort Totten study, DOC is also working to identify City-owned land that is accessible to public transportation, or with appropriate parking, with a roughly 100,000 square feet footprint.
- **Drug Detection Machines.** The Executive Capital Commitment Plan includes \$2.4 million in Fiscal 2018 for drug detection machines. These body scanners are used to detect drugs on inmates. According to the Department, it is anticipated that these machines will be placed within Central Visits, each operating facility on Rikers Island, and within the borough jails.
- **Inmate Management System.** The Executive Capital Commitment Plan includes \$10.3 million in Fiscal 2018 for a new inmate management system. This project was formerly called "jail management system." DOC is currently working with the Department of Information Technology and Telecommunications (DoITT) and Gartner Consulting. The consulting firm will help map the Department's specific needs for updating the inmate management system. The Department will release the request for proposal (RFP) to actually procure the system once Gartner Consulting finishes determining DOC's needs. Additionally, the Department had to revise its requirements for this project to ensure that it covers all the datasets required as set forth in the 14-Point Plan Reform Agenda. According to the Department, DoITT's assessment was expected to be complete by March 2018, and procurement is expected to start during the summer of 2018.

Appendix: Fiscal 2019 Budget Actions since Fiscal 2018 Adoption

<i>Dollars in Thousands</i>	FY 2018			FY 2019		
	City	Non-City	Total	City	Non-City	Total
DOC Budget as of the Adopted 2018 Budget	\$1,434,181	\$11,307	\$1,445,488	\$1,425,838	\$10,307	\$1,436,145
New Needs - Prelim. 2019						
Additional Posts in Specific Housing Areas	\$8,176	\$0	\$8,176	\$13,967	\$0	\$13,967
CARE Unit Expansion	1,170	0	1,170	1,110	0	1,110
Central Visits Renovations	1,000	0	1,000	0	0	0
Compliance Unit	761	0	761	1,522	0	1,522
Improve Outcomes for Women in Jail	0	0	0	1,589	0	1,589
Investigations Case Management System	917	0	917	1,268	0	1,268
John Jay HVAC Work	929	0	929	2,372	0	2,372
Visitor Transportation to Rikers Island	846	0	846	1,692	0	1,692
Subtotal, New Needs	\$13,799	\$0	\$13,799	\$23,520	\$0	\$23,520
Other Adjustments - Prelim. 2019						
DOC - Psycho Testing	\$0	\$26	\$26	\$0	\$15	\$15
Energy Demand Response Rollover	0	975	975	0	0	0
Energy Manager	0	90	90	0	0	0
ExCEL Program	0	338	338	0	0	0
Fund Psychological Testing	0	123	123	0	0	0
FY18 COBA 120 Year Anniversary	0	4	4	0	0	0
Rikers Solar Training	0	28	28	0	0	0
Close GMDC Jail on Rikers Island	(10,176)	0	(10,176)	(55,186)	0	(55,186)
Subtotal, Other Adjustments	(\$10,176)	\$1,584	(\$8,592)	(\$55,186)	\$15	(\$55,171)
TOTAL, All Changes Prelim. 2019	\$3,623	\$1,584	\$5,207	(\$31,666)	\$15	(\$31,651)
DOC Budget as of the Preliminary 2019 Plan	\$1,437,804	\$11,890	\$1,449,694	\$1,394,171	\$10,322	\$1,404,493
New Needs - Exec. 2019						
Cell Door Replacements	\$0	\$0	\$0	\$5,618	\$0	\$5,618
Compliance and Safety Center	1,223	0	1,223	4,891	0	4,891
Emergency Services Unit Teams	0	0	0	3,576	0	3,576
Investigations Division	0	0	0	3,433	0	3,433
Subtotal, New Needs	\$1,223	\$0	\$1,223	\$17,518	\$0	\$17,518
Other Adjustments - Exec. 2019						
Citywide Savings	\$0	\$0	\$0	(\$568)	\$0	(\$568)
Civilian Overtime	(192)	0	(192)	(767)	0	(767)
Collective Bargaining Agreement	56	0	56	41	0	41
Intra-City Funding	0	1,178	1,178	0	0	0
Heat, Light and Power	(2,495)	0	(2,495)	(1,591)	0	(1,591)
Heating Fuel Adjustment	1,100	0	1,100	316	0	316
Lease Adjustment	0	0	0	89	0	89
Mayor's OEO Funding Adjustment	0	0	0	24	0	24
Motor Fuel	250	0	250	163	0	163
PS Accruals	(28,756)	0	(28,756)	(27,662)	0	(27,662)
Raise the Age Implementation	0	0	0	9,854	0	9,854
Technical Adjustment	(232)	0	(232)	0	0	0
Subtotal, Other Adjustments	(\$30,269)	\$1,178	(\$29,091)	(\$20,101)	\$0	(\$20,101)
TOTAL, All Changes - Exec. 2019	(\$29,046)	\$1,178	(\$27,868)	(\$2,583)	\$0	(\$2,583)
DOC Budget as of the Executive 2019 Plan	\$1,408,758	\$13,068	\$1,421,826	\$1,391,589	\$10,322	\$1,401,911