



Fiscal 2009 Executive Budget Hearings

❖ **Committee on Finance jointly with the
Committee on Oversight & Investigations**

May 2008

Scheduled To Testify:

- *Department of Investigation*

*Hon. Christine C. Quinn
Speaker of the Council*

*Hon. David I. Weprin, Chair
Committee on Finance*

*Hon. Eric N. Gioia, Chair
Committee on Oversight & Investigations*

*Preston Niblack, Director
Finance Division*

New York City Council Finance Division

Preston Niblack
Director

Andy Grossman
Acting Deputy Director, Expense

Public Safety & Governmental Operations

Lionel Francois
Analyst

DEPARTMENT OF INVESTIGATION (032)**Agency Operations**

The Department of Investigation (DOI) promotes and maintains integrity and efficiency in government operations. Through its Inspector General and other investigative staff, the Department investigates and refers for prosecution City employees and contractors engaged in corrupt or fraudulent activities, or unethical conduct. Investigations may involve any agency, officer, or employee of the City, as well as those who do business with, or receive benefits from, the City. The Department provides the Mayor with recommendations for corrective actions to assist City agencies in the design and interpretation of strategies to limit opportunities for criminal misconduct and waste.

AGENCY FUNDING OVERVIEW

Agency Funding Sources	Fiscal 2008 Adopted Budget	Fiscal 2008 Current Mod. as of 4/25/2008	Fiscal 2009 Preliminary Budget	Fiscal 2009 Executive Budget
City	\$18,662,671	\$18,662,671	\$17,771,555	\$17,580,274
Other Categorical	\$320,000	\$564,496	\$320,000	\$524,496
Capital IFA	\$0	\$0	\$0	\$0
State	\$0	\$30,605	\$0	\$0
Community Development	\$0	\$0	\$0	\$0
Federal-Other	\$0	\$0	\$0	\$0
Intra-City	\$3,074,223	\$4,590,223	\$3,081,208	\$3,087,669
Total	\$22,056,894	\$23,847,995	\$21,172,763	\$21,192,439

HEADCOUNT OVERVIEW

Headcount	Fiscal 2008 Adopted Budget	Fiscal 2008 Forecast for 6/30/2008	Fiscal 2009 Preliminary Budget	Fiscal 2009 Executive Budget
City	279	275	258	260
Non-City	0	0	0	0
Total	279	275	258	260

AGENCY HIGHLIGHTS

DoITT's Fiscal 2009 Executive Budget is \$21.2 million, approximately \$864,000 (4.1%) less than the agency's Fiscal 2008 Adopted Budget of \$22.1 million. This decrease is driven by the January Plan's proposed Hiring Freeze/Vacancy Reduction Program (see below). DoITT's Fiscal 2008 Current Modified Budget is approximately \$1.8 million higher than its Adopted Budget mainly due to an increase in intra-City funds that support the salaries of various inspectors general.

UNITS OF APPROPRIATION

The operating budget of an agency is structured into several levels, each of which provides varying levels of detail on an agency's spending plans. The unit of appropriation ("U/A") is the most basic level of detail within an agency's operating budget. U/As are essentially the building blocks of the City's Expense Budget. It is at this level that the Council adopts the City's Expense Budget. The City Charter requires that U/As represent the amount appropriated for Personal Services (i.e., salaries, overtime, etc.) or Other Than Personal Services (i.e., supplies, contracts, etc.) for a particular program, purpose, activity or institution. What follows is the U/A structure and Executive Plan actions for the Department of Investigation.

U/A#	U/A Name	Fiscal 2008 Adopted Budget	Fiscal 2008 Current Mod. as of 4/25/2008	Fiscal 2009 Preliminary Budget	Fiscal 2009 Executive Budget
001	Personal Services	\$13,821,771	\$13,750,771	\$12,912,824	\$12,933,110
003	Inspector General	\$2,990,935	\$3,838,431	\$2,987,920	\$3,192,282
	Total PS	\$16,812,706	\$17,589,202	\$15,900,744	\$16,125,392
002	Other Than Personal Services	\$4,663,518	\$4,805,123	\$4,681,349	\$4,469,782
004	Inspector General	\$580,670	\$1,453,670	\$590,670	\$597,265
	Total OTPS	\$5,244,188	\$6,258,793	\$5,272,019	\$5,067,047
	Total Agency	\$22,056,894	\$23,847,995	\$21,172,763	\$21,192,439

EXECUTIVE BUDGET ACTIONS (\$000)

Description	Fiscal 2008			Fiscal 2009		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as per the Preliminary Plan	\$18,552	\$4,651	\$23,203	\$17,772	\$3,402	\$21,174
PEGs						
OTPS Reduction			\$0	(\$257)		(\$257)
Total PEGs	\$0	\$0	\$0	(\$257)	\$0	(\$257)
Other Adjustments						
Collective Bargaining Increases	\$20	\$5	\$25	\$20	\$5	\$25
Heat, Light, and Power	(\$2)		(\$2)	\$16		\$16
Lease Adjustments			\$0	\$29	\$2	\$31
Other Categorical Adjustments		\$204	\$204		\$204	\$204
Intra-City Adjustments		\$338	\$338			\$0
Total Other Adjustments	\$19	\$547	\$566	\$65	\$211	\$276
Total Executive Plan Budget Changes	\$19	\$547	\$566	(\$191)	\$211	\$20
Agency Budget as per the Executive Plan	\$18,571	\$5,198	\$23,769	\$17,580	\$3,612	\$21,192

EXECUTIVE BUDGET ACTION ANALYSIS

PEGs

- **OTPS Reduction.** The Executive Plan contains a \$256,000 baseline reduction to DOI's budget beginning in Fiscal 2009.

Revenue Program

- **Marshals Assessment Fees.** The Executive Plan projects an increase in Marshals assessment fees of \$100,000 in Fiscal 2009 and the outyears.
- **Fingerprinting and Background Fees.** The Executive Plan projects an increase in fingerprinting and background fees of \$120,000 in Fiscal 2009 and the outyears.
- **Marshals Unclaimed Funds.** The Executive Plan projects an increase in revenue from Marshals unclaimed funds of \$56,000 in Fiscal 2009 and the outyears.

Other Adjustments

- **Collective Bargaining – Staff Analysts.** Beginning in Fiscal 2008, annual funds totaling \$25,152 are being transferred from the Labor Reserve in the Miscellaneous Budget to the Department's PS budget to cover the costs associated with recent collective bargaining settlements.
- **Collective Bargaining – ACS Fingerprint Unit.** Beginning in Fiscal 2008, annual funds totaling \$4,866 are being removed DOI's budget to adjust the costs associated with recent collective bargaining settlements.

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- **Heat, Light & Power.** The Executive Plan removes \$1,000 from DOI's budget in Fiscal 2008 and adds \$15,000 annually beginning in Fiscal 2009 to properly reflect the costs associated with heat, light and power.
- **Lease Adjustment.** The Executive Plan adds \$29,000 to DOI's baseline budget beginning in Fiscal 2009 to properly reflect the costs associated with the agency's lease needs.

PRELIMINARY BUDGET ACTION ANALYSIS

PEGs

- **Hiring Freeze/Vacancy Reduction Program.** The Department will eliminate 13 vacancies in Fiscal 2008, growing to 23 in Fiscal 2009 and the outyears, to generate \$201,033 in Fiscal 2008, \$1.2 million in Fiscal 2009 and \$1.5 million in Fiscal 2010 and the outyears.

Revenue Program

- **Fingerprint Fees.** The Department will establish a fee to cover the administrative cost of providing fingerprint services for City government hires and appointments. The new fee would generate \$24,000 in Fiscal 2008 and \$57,000 in Fiscal 2009 and the outyears.
- **Background Check Fees.** The Department will increase all employee background check fees by \$10. This program will generate an additional \$5,000 in revenue in Fiscal 2008 and \$12,000 in Fiscal 2009 and the outyears.

Other Adjustments

- **CWA Local 1180.** Beginning in Fiscal 2008, annual funds totaling \$83,372 are being transferred from the Labor Reserve in the Miscellaneous Budget to the Department's PS budget to cover the costs associated with recent collective bargaining settlements.
- **Heat, Light & Power.** The January Plan removes \$3,473 from the agency's budget in Fiscal 2008 to properly reflect the costs associated with heat, light and power.
- **LMCCC Salary Adjustment.** The Department will receive \$17,500 in Fiscal 2008 and \$35,000 in Fiscal 2009 and Fiscal 2010 to fund salary adjustments for two fraud investigators assigned to the Lower Manhattan Construction Command Center.
- **Transfer Positions from ACS to DOI.** Following the death of Nixxmary Brown and 11 other children, as well as investigations into ACS, DOI published a report recommending additional training for ACS caseworkers by DOI investigators. Two caseworker positions, along with associated OTPS expense funds totaling \$147,500, will be transferred to the Department's headcount and baseline budget beginning in Fiscal 2009.
- **Memorandum of Understanding - DOI OTPS Expense for 3 Positions.** The Department will receive \$20,000 in Fiscal 2008 associated with its intra-City agreement with the

Department of Environmental Protection (DEP) to perform fraud and corruption prevention. This was originally an addition to the current modified budget and not a January Plan action, however due to the timing of the submission it was included in the Department's January Plan.