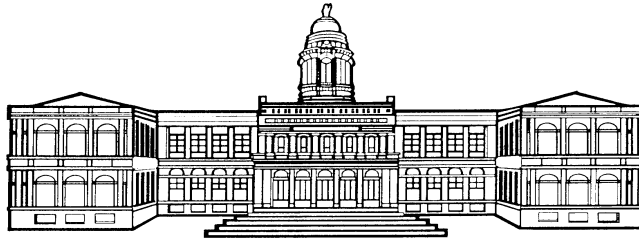


New York City Council



BUDGET NOTE

Finance Division

November 2008

Hon. Christine C. Quinn
Speaker

Hon. David I. Weprin
Chair, Committee on Finance

Preston Niblack, Director
Jeffrey Rodus, First Deputy Director

Hon. Peter Vallone Jr.
Chair, Committee on Public Safety

POLICE DEPARTMENT (056)

The New York City Police Department (NYPD) is charged with protecting lives and property, responding to emergency calls, investigating reported crimes, making arrests and addressing conditions that affect the quality of life in the City. Subsequent to the April 1995 merger of the Transit and Housing Police Departments into the NYPD, the Department conducts all City policing efforts, including those in the subways and public housing projects. Additionally, the NYPD is responsible for enforcing traffic rules and regulations and, since December 1998, for providing security services in public schools.

AGENCY FUNDING OVERVIEW (in \$000s)

Agency Funding Sources	Fiscal 2009 Adopted Budget	Fiscal 2009 November Plan	Fiscal 2010 Plan at Fiscal 2009 Adoption	Fiscal 2010 November Plan
City	\$3,786,667	\$3,985,907	\$3,849,376	\$4,081,722
Other Categorical	\$69,082	\$81,511	\$69,082	\$69,082
Capital IFA	\$1,797	\$1,797	\$1,797	\$1,797
State	\$6,532	\$19,718	\$4,932	\$4,932
Community Development	\$0	\$0	\$0	\$0
Federal-Other	\$18,254	\$116,467	\$10,254	\$18,254
Intra-City	\$210,998	\$211,336	\$204,838	\$204,838
Total	\$4,093,330	\$4,416,736	\$4,140,279	\$4,380,625

<i>HEADCOUNT OVERVIEW</i>				
Headcount-Uniform	Fiscal 2009 Adopted Budget	Fiscal 2009 November Plan	Fiscal 2010 Plan at Fiscal 2009 Adoption	Fiscal 2010 November Plan
City	35,284	34,878	35,284	34,217
Non-City	0	0	0	0
Total	35,284	34,878	35,284	34,217

<i>HEADCOUNT OVERVIEW</i>				
Headcount-Civilian	Fiscal 2009 Adopted Budget	Fiscal 2009 November Plan	Fiscal 2010 Plan at Fiscal 2009 Adoption	Fiscal 2010 November Plan
City	14,609	14,407	14,617	14,490
Non-City	143	143	143	143
Total	14,752	14,550	14,760	14,633

Fiscal 2009 November Plan Action Analysis

In September, the Mayor's Budget Director ordered each agency head to submit proposed Programs to Eliminate the Gap (PEGs) equal to 2.5% in Fiscal 2009 and 5% in Fiscal 2010 and each of the outyears of the agency's City tax-levy budget. The Fiscal 2009 November Plan presents the results of this budget exercise.

Programs to Eliminate the Gap are Financial Plan actions that reduce the City's budget gap by either reducing an agency's City tax-levy Expense Budget or increasing City revenues. It should be noted that some PEGs involve increases in Expense Budget costs that lead to increased revenues. For example: An agency may increase expenses by hiring 20 inspectors, with the expectation that those inspectors will generate additional revenue, ultimately saving City tax-levy dollars.

The chart below indicates the PEG amount the agency is proposing to implement in Fiscal 2009 based upon the Fiscal 2009 Adopted Budget and the amount in Fiscal 2010 based on the 2010 forecast at the time of adoption.

<i>NOVEMBER PLAN PEGS (in \$000s)</i>				
		Fiscal 2009 Adopted Budget and Forecast	Fiscal 2009 November Plan PEGs	PEG as percentage of Adopted Budget and Forecast
	Fiscal 2009	3,786,667	(45,435)	-1.20%
	Fiscal 2010	3,849,376	(167,169)	-4.34%

NOVEMBER PLAN ACTIONS (in \$000s)						
Description	Fiscal 2009			Fiscal 2010		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as per the Fiscal 2009 Adopted Plan	3,786,667	306,663	4,093,330	3,849,376	290,903	4,140,279
November Plan PEGS			0			0
Block the Box Violation Enforcement	6,253	0	6,253	13,742	0	13,742
Citywide Court Efficiencies	0	0	0	(1,963)	0	(1,963)
Civilian Headcount Reduction	(5,253)	0	(5,253)	(14,213)	0	(14,213)
UN Reimbursement	0	0	0	(8,000)	8,000	0
Uniform Headcount Reduction	(36,145)	0	(36,145)	(80,572)	0	(80,572)
Total PEGS	(35,145)	0	(35,145)	(91,007)	8,000	(83,007)
November Other Adjustments			0			0
Civilian Headcount Reduction	1,380	0	1,380	3,885	0	3,885
Uniform Headcount Reduction	7,108	0	7,108	18,290	0	18,290
Block the Box Violation Enforcement	(500)	0	(500)	(3,049)	0	(3,049)
Citywide Court Efficiencies	0		0	542	0	542
Federal Grants	0	98,213	98,213	0	0	0
State Grants	0	11,086	11,086	0	0	0
Collective Bargaining Adjustments	226,397	0	226,397	303,683	0	303,683
Other Categorical Adjustments		12,429	12,429	0	0	0
IntraCity Adjustments	0	338	338	0	0	0
Total Other Adjustments	234,385	122,066	356,451	323,352	0	323,352
November Plan New Needs			0			0
State Aid for Defibrilators	0	2,100	2,100	0	0	0
Total New Needs	0	2,100	2,100	0	0	0
November Plan PEG Restorations			0	0	0	0
N/A	0		0	0	0	0
Total PEG Restorations	0	0	0	0	0	0
Total November Plan Budget Changes	199,240	124,166	323,406	232,346	8,000	240,346
Agency Budget as per the November Plan	3,985,907	430,829	4,416,736	4,081,722	298,903	4,380,625

PEGS

- Uniform Headcount Reduction.** The November Plan proposes to generate uniform headcount savings in the Police Department through a two-part cost saving action. First, the proposal calls for the elimination of the January 2009 Police Academy class. Second, the proposal calls for limiting the six subsequent classes over three fiscal years to 2,000 hires each. Limiting these classes to 2,000 hires would generate significant savings, according to the proposal, since the Mayor's Office of Management and Budget (OMB) assumes that *greater* than 2,000 hires per class would be necessary to reach the previously planned peak headcount (36,838) that existed prior to the elimination of the January 2009 class.

The total savings, as calculated by OMB, are as follows: \$36.1 million in Fiscal 2009, \$80.6 million in Fiscal 2010, \$86.6 million in Fiscal 2011 and \$48.9 million in Fiscal 2012. According to the projected attrition and hiring plan developed by OMB, the Department is next expected to

reach its previously planned peak headcount in Fiscal 2013, when the July 2012 Police Academy class will bring the agency's uniform headcount to 37,838.

- **Civilian Headcount Reduction.** The November Plan proposes to eliminate 292 civilian positions (administrative and clerical) through attrition beginning in January 2009, which will generate a savings of \$5.3 million in Fiscal 2009, growing to \$14.2 million in Fiscal 2010, \$14.4 million in Fiscal 2011 and \$14.7 million in Fiscal 2012. These figures include fringe benefit savings. Excluded from this civilian headcount reduction proposal are 911 operators, school safety agents and traffic enforcement agents.
- **Citywide Court Efficiencies.** The Department will implement a computerized arraignment system known as "E-Arraignment" to streamline and automate key portions of the arraignment process and generate efficiency savings through the elimination of 69 civilian positions. This action would save approximately \$2 million in Fiscal 2010, growing to \$3.4 million in Fiscal 2011 and the outyears.
- **United Nations (UN) Reimbursement.** According to the November Plan, "The Department expects an \$8 million increase in Federal appropriations for NYPD UN security activities" in Fiscal 2010. This one-time increase in federal funding will allow the agency to reduce its City tax levy funding by the identical amount.

Revenue PEGs

- **Block the Box Violation Enforcement.** In the past, the City's traffic enforcement agents (TEAs) were precluded from writing summonses for moving violations, including so-called "block the box" violations in which cars remain in an intersection after the light changes, preventing the flow of traffic. As a result of recently passed State legislation, TEAs will now be able to write block the box summonses, generating revenue above and beyond standard parking violation fines.

The November Plan includes a proposal in which the Police Department will generate additional ticket revenue by hiring 234 new TEAs to do block the box violation enforcement. Based on incremental hiring, the Department estimates that it will produce an additional \$8.4 million in gross revenue from the issuance of summonses in Fiscal 2009, growing to \$74.2 million in Fiscal 2010 and the outyears once all the new TEAs have been hired and deployed.

These gross revenues will be partially offset by the cost of the TEAs, which amounts to approximately \$6.3 million in Fiscal 2009, \$13.7 million in Fiscal 2010, \$7.7 million in Fiscal 2011 and \$8.5 million in Fiscal 2012. The net revenue of this proposed action, therefore, is estimated at approximately \$2.1 million in Fiscal 2009, \$60.5 million in Fiscal 2010, \$66.6 million in Fiscal 2011 and \$65.8 million in 2012.

With this block the box proposal, the November Plan estimates total parking violation fine revenues as follows: \$560.9 million in Fiscal 2009 and \$626.8 million in Fiscal 2010 and the outyears.

- **Tow Operations.** In Fiscal 2008, the Department replaced most of its tow fleet reducing vehicle downtime. As a result, the November Plan anticipates the generation of additional tow revenue of \$1.9 million in both Fiscal 2009 and Fiscal 2010.

Other Adjustments

- **Various Collective Bargaining Adjustments.** Funds totaling \$226.4 million in Fiscal 2009, \$303.7 million in Fiscal 2010, \$327.9 million in Fiscal 2011 and \$332.1 million in Fiscal 2012 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 with the Patrolmans' Benevolent Association (PBA), Sergeants' Benevolent Association (SBA), Lieutenants' Benevolent Association (LBA) and Captains' Endowment Association (CEA), as well as unions representing various administrative and trade employees.

Capital Budget

FY09 Executive Capital Plan vs. FY09 Adopted Capital Budget (in \$000s)

	FY09	FY10	FY11	FY12	FY13	Total
May	1,318,057	97,185	74,797	58,547	103,064	1,651,650
Sept	1,117,813	109,486	52,367	39,671	349,421	1,668,758
Variance	-200,244	12,301	-22,430	-18,876	246,357	17,108

As part of the formulization of the FY09 Adopted Capital Budget agencies were required to reduce their capital plans by twenty percent in each year from FY09-12. The funds pushed-out from these four years could roll into the fifth year of the plan, FY13. As such, even with the inevitable roll of projects from FY08 which had yet to be committed, the FY09-13 plan is significantly less than the plan presented in May 2008.

The Police Department's FY09-13 adopted capital plan is \$17.1 million greater than the Executive Capital Plan released in May. When taking into account the \$124.8 million of uncommitted projects rolled from FY08 the increase of \$17.1 million is actually a decrease of \$107.7 million over the five years of the plan.

Capital Plan Highlights

- In the November Plan, \$257 million in capital funding for the Police Academy (College Point, Queens) is shifted from Fiscal 2009 to Fiscal 2013. The total amount of capital funding allocated for this project in Fiscals 2009-2013 is \$950 million.

- In the November Plan, \$40 million in capital funding for the new 120th Precinct (Staten Island) is shifted from Fiscal 2009 to Fiscal 2010. The total amount of capital funding allocated for this project in Fiscals 2009-2013 is \$40 million.
- In the November Plan, \$28 million in capital funding for the new 40th Precinct (Bronx) is shifted from Fiscals 2009&2010 to Fiscal 2013. The total amount of capital funding allocated for this project in Fiscals 2009-2013 is \$28 million
- In the November Plan, capital funding for the Aqueduct Tow Pound decreases by a total of \$9.5 million and \$14 million is shifted from Fiscal 2009 to Fiscal 2013. The total amount of capital funding allocated for this project in Fiscals 2009-2013 is \$57.9 million.
- In the November Plan, capital funding for the Department's CAD/E911 system increases by \$25.6 million in Fiscal 2009. The total amount of capital funding allocated for this project in Fiscals 2009-2013 is \$25.6 million.

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