

THE COUNCIL OF THE CITY OF NEW YORK

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Report to the Committee on Finance and the Committee on Criminal Justice on the
Fiscal 2020 Executive Plan, the Ten-Year Capital Strategy for Fiscal 2020-2029, and
Fiscal 2020 Executive Capital Commitment Plan

Department of Correction

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Department of Correction Overview

This report presents a review of the Department of Correction's (DOC or the Department) \$1.36 billion Fiscal 2020 Executive Budget. The section below presents an overview of the Department's budget and how it has changed during the course of Fiscal 2019, followed by a review of the significant budget actions introduced in the Fiscal 2020 Executive Budget. Major issues related to the Department's budget are then discussed. Analysis and highlights of the Department of Correction's Ten-Year Capital Strategy and Fiscal 2019 – 2023 Capital Plan follows the discussion of the expense budget. Appendix 1 reports the changes made to the Fiscal 2019 and Fiscal 2020 Budgets since Adoption of the Fiscal 2019 Budget. For additional information on the Department's budget and its various programs, please refer to the Fiscal 2020 Preliminary Budget Report for DOC at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2019/03/072-DOC-2020.pdf>

Below is a summary of funding changes by program area and source, and headcount changes when comparing DOC's Fiscal 2020 Executive Budget to its Fiscal 2019 Adopted Budget.

DOC Financial Summary						
<i>Dollars in Thousands</i>						
	FY17	FY18	FY19	Executive Plan		*Difference
	Actual	Actual	Adopted	FY19	FY20	FY19-FY20
Budget by Program Area						
Personal Services	\$1,182,696	\$1,204,307	\$1,227,091	\$1,185,720	\$1,194,588	(\$32,503)
Other Than Personal Services	185,945	195,901	176,634	194,966	166,726	(9,908)
TOTAL	\$1,368,641	\$1,400,208	\$1,403,725	\$1,380,686	\$1,361,314	(\$42,411)
Budget by Program Area						
Jail Operations	\$1,039,032	\$1,045,224	\$1,146,997	\$1,118,861	\$1,110,316	(\$36,681)
Administration-Mgmt & Administration	101,406	99,334	87,318	89,366	91,653	4,335
Operations-Infrastr. & Environ. Health	66,181	62,908	48,393	47,834	42,099	(6,294)
Administration-Academy and Training	53,555	60,917	22,863	22,396	17,763	(5,099)
Operations-Rikers Security & Ops	46,610	51,776	36,326	36,771	37,085	760
Health and Programs	41,614	58,028	48,075	51,703	48,644	569
Operations-Hospital Prison Ward	20,243	22,021	13,753	13,753	13,753	0
TOTAL	\$1,368,641	\$1,400,208	\$1,403,725	\$1,380,686	\$1,361,314	(\$42,411)
Funding						
City Funds			\$1,393,403	\$1,367,603	\$1,350,995	(\$42,408)
Other Categorical			0	1,108	0	0
Capital- IFA			778	788	778	0
State			1,109	1,109	1,109	0
Federal - Other			8,327	8,489	8,323	(3)
Intra City			108	1,588	108	0
TOTAL	\$1,368,641	\$1,400,208	\$1,403,725	\$1,380,686	\$1,361,314	(\$42,411)
Budgeted Headcount						
Full-Time Positions - Uniform	10,862	10,653	10,226	10,226	9,854	(372)
Full-Time Positions - Civilian	1,729	1,770	2,273	2,151	1,997	(276)
TOTAL	12,591	12,423	12,499	12,377	11,851	(648)

*The difference of Fiscal 2019 Adopted Budget compared to Fiscal 2020 Executive Budget.

Overall Budget and Headcount Changes

- The Fiscal 2020 Executive Budget reduces DOC's budget by \$42.4 million and 648 positions. The Fiscal 2020 budget is three percent less than the Adopted Budget for Fiscal 2019. The Fiscal 2020 Executive Expense Budget includes no new needs for DOC, however the Capital Budget includes an additional \$8.75 billion to fund the new borough-based jails.

- In the Executive Budget, savings included in the Program to Eliminate the Gap (PEGs) and Other adjustments reduce DOC's budget by a net of \$46.2 million in Fiscal 2020, \$20.4 million in Fiscal 2021 and \$20.1 million in Fiscal 2022 and in the outyears. These savings will reduce DOC's headcount by 255 positions (209 uniform and 26 civilian) annually.

Changes by Funding Source

- City tax-levy (CTL) funding reflects a net decrease of \$42.4 million, when compared to the Fiscal 2019 Adopted Budget. These savings were derived through PEGs. The Department found its savings through reductions in headcount, fleet size, commuting costs, and overtime spending for skilled trades.

Changes by Program Area

- **Jail Operations.** The Fiscal 2020 Executive Budget for the Jail Operations program area decreases by \$36.7 million, or approximately three percent, when compared to the Fiscal 2019 Adopted Budget. This is due to additional decreases in uniform staff following the closure of GMDC. The decrease primarily is derived from a reduction of \$38 million in full-time salaried staff, with other small increases in the Personal Services budget to yield a net reduction of \$36.7 million in the overall program budget.
- **Operations – Infrastructure and Environmental Health.** The Fiscal 2020 Executive Budget for the Operations – Infrastructure and Environmental Health program area decreases by \$6.3 million, or approximately 13 percent, when compared to the Fiscal 2019 Adopted Budget. The decrease primarily comes from a \$5.6 million reduction in contractual services in the OTPS budget.
- **Administration – Academy and Training.** The Fiscal 2020 Executive Budget for the Operations – Infrastructure and Environmental Health program area decreases by \$5.1 million, or approximately 22 percent, when compared to the Fiscal 2019 Adopted Budget. This decrease is due to a \$2.7 million reduction in unsalaried in the Personal Services budget, and a \$2.4 million decrease in other services & charges in the OTPS budget.

New in the Executive Budget

DOC's Fiscal 2020 Executive Budget does not introduce any new needs. Through the Program to Eliminate the Gap (PEG), the Department identified \$45.4 million in savings, exceeding its target of \$42.4 million established by the Office of Management and Budget (OMB). The Executive Budget also includes \$8.75 billion in the Ten-Year Capital Strategy to fully finance the new borough jails that the Council called for in the Fiscal 2020 Preliminary Budget Response.

- **Uniform Personal Services Accrual Savings.** The Fiscal 2020 Executive Budget identifies a one-time cut of \$25.3 million for Fiscal 2020 in Uniform Personal Services (PS) accruals. Beginning in 2015, DOC accelerated its hiring process and began scheduling three, rather than two, correction officer classes each year. In preparation for the wave of new hires, DOC increased its overall budget for salaries. Many of the new hires have yet to reach five years of service, after which they will receive a salary increase. The Department therefore can recognize this one-time savings based on the relatively lower years of seniority across its uniform staff.

- **Robert N. Davoren Center (RNDC) Housing Units Consolidations.** The Executive Plan includes a baseline reduction of 209 uniform positions and \$16.8 million beginning in Fiscal 2020 due to consolidating additional housing units at RNDC on Riker’s Island. Primarily a center for young adults, RNDC has seen a steep decline in its inmate population since the implementation of Raise the Age. According to DOC, RNDC had an average daily population of only 503 inmates as of May 3, 2019, even though this facility can house up to 1,319 individuals. According to the Department, this reduction will not impact current operations or existing staff as the Department intends to reduce the class size of its next academy classes in June to achieve the 209-position reduction. The Department does not anticipate any further major consolidations this fiscal year.
- **Headcount Elimination Savings.** The Fiscal 2020 Executive Budget identifies a \$3.3 million annual savings beginning in Fiscal 2020 through the reduction of 46 civilian positions. All 46 positions are current vacancies, but the Department has not determined which vacancies will be selected to meet this savings. For Fiscal 2019, the budget reflects a reduction of 123 positions with no budget implications as the savings were taken in the November Plan.

Budget Issues

In the Fiscal 2020 Preliminary Budget Response, the Council called for the following savings, which were not included in the Fiscal 2020 Executive Budget.

- **Rightsizing the Food Budget.** The Council called for a right-sizing of DOC’s food budget. The recommended savings were \$1.2 million in Fiscal 2020 and in the outyears.
- **Right-Size the Holiday Pay Budget.** The Council recommended DOC right-size its budget for holiday pay, as it spent less than half of its \$29 million budget over the past five fiscal years. The Budget Response called for a reduction of \$10 million in Fiscal 2020 and the outyears to better reflect historical spending.
- **Administrative Re-Estimates – OTPS.** The Council identified \$200,000 in savings from OTPS re-estimates.

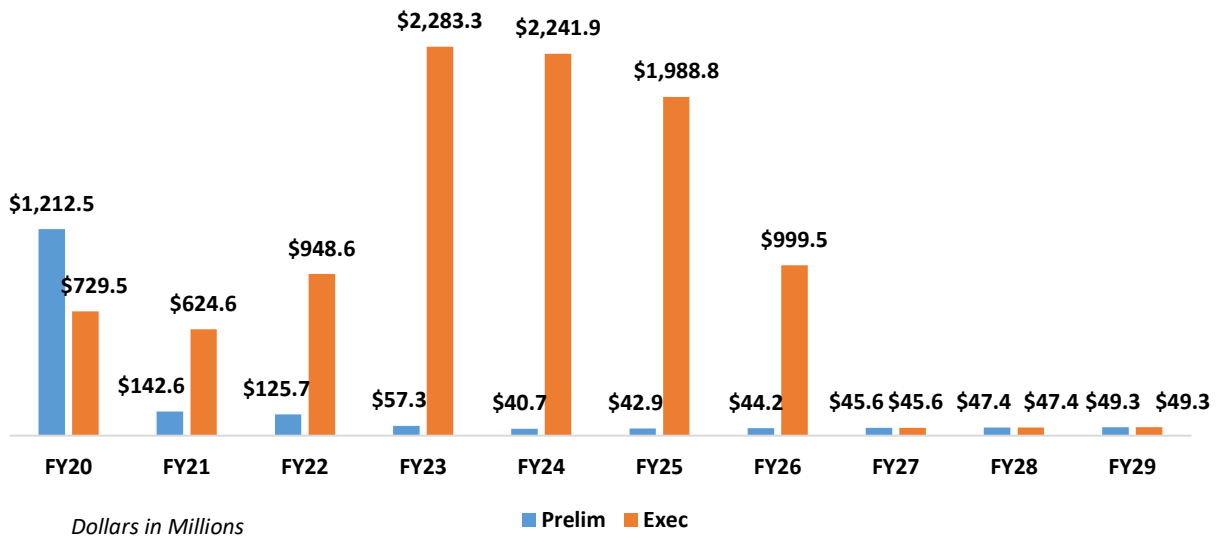
Capital Program

Ten-Year Capital Strategy Fiscal 2020-2029

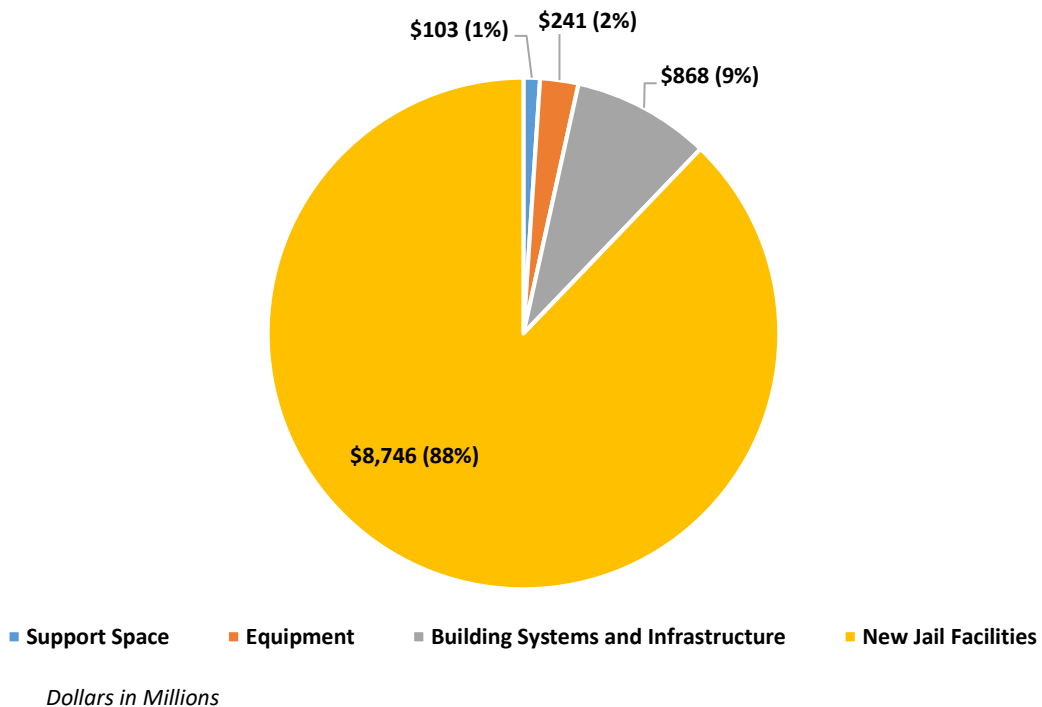
The Ten-Year Capital Strategy for Fiscal Years 2020-2029 (the Ten-Year Strategy), the Executive Capital Commitment Plan for Fiscal 2019-2023 (the Commitment Plan) and the Fiscal 2020 Executive Capital Budget (the Capital Budget) are reviewed in this section. The City’s Ten-Year Strategy totals \$116.9 billion, which is \$27.3 billion larger than the \$89.6 billion Fiscal 2018-2028 Ten-Year Strategy. DOC’s Ten-Year Capital Strategy totals \$9.95 billion, or eight and a half percent of the City’s total Strategy. The major change in the Executive Strategy is the revised estimate of the borough based jails project. The Executive Strategy added \$8.75 billion through Fiscal 2026 for four new jails. DOC’s Ten-Year Strategy is broken down into four categories.

While the Ten-Year Capital Strategy presents a revised estimate for the total cost of the four new borough based jails, the Department has not separated the cost into different budget lines per facility. Additionally, both the Executive Capital Commitment Plan and Ten-Year Capital Strategy do not present a breakdown of the funding per facility. Without these crucial details, it is impossible for proper oversight to understand the timeline for building four new jails across the City.

DOC Fiscal 2020-2029 Ten-Year Capital Strategy

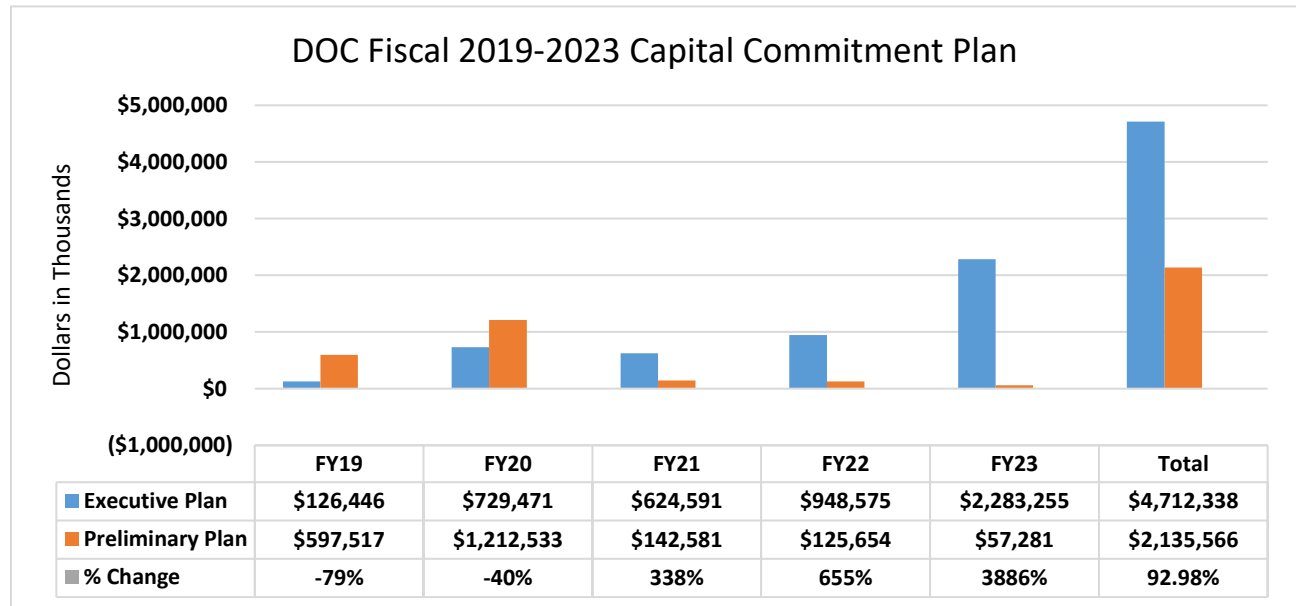


DOC Ten-Year Strategy by Category Total: 9.95 Billion



Fiscal 2020 Executive Capital Commitment Plan for Fiscal 2019-2023

The Department of Correction’s Fiscal 2020 Executive Capital Commitment Plan includes \$3.5 billion in Fiscal 2019-2023, with \$729.4 million in Fiscal 2020.¹ This represents six percent of the City’s total \$56.6 billion Capital Commitment Plan for 2020-2023.



Fiscal 2020 Executive Capital Commitment Plan Highlights

Capital Commitment Plan

The Department’s Executive Commitment Plan includes \$4.7 billion in Fiscal 2019-2023. This represents approximately five percent of the City’s total \$86.1 billion Executive Commitment Plan. The following section will provide an overview of the Capital Commitment Plan for the Department of Correction.

- New Jail Facilities.** The Executive Capital Commitment Plan includes \$8.75 billion between Fiscal 2020 and Fiscal 2026 for the design and construction of the four new borough-based jail facilities. Unfortunately, this number in the Capital Budget is just an estimate, as the Mayor has indicated the number is subject to change because of the size of the jails, the number of beds finalized, and the outcome of bids during the procurement process. The Department has not broken down the cost by each facility in the Executive Capital Commitment Plan, nor in the Ten-Year Strategy. DOC is working concurrently with the Department of Design and Construction (DDC) to hire a vendor to build the jails.

In expense funding, DDC’s Fiscal 2020 Executive Plan includes additional inter fund agreement funding of \$3.3 million in Fiscal 2020 and \$4.5 million annually beginning in Fiscal 2021 for 41 new positions. According to DDC, the employees will oversee the design, construction management, procurement and safety of the borough-based jail facilities. While DDC has released a request for proposals (RFP) for a design consultant, the Department is still working to identify a vendor who will serve as the Project Manager

¹ The Capital Budget provides the required appropriations for Fiscal 2020 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.

to draft a RFP and other procurement documents to sign a contract to build the jails. Currently, the community boards that will be impacted by the new jails are meeting to voice their support or opposition of the four proposed locations. The original timeline suggested Rikers Island would close in 2027, but the Administration has reduced this timeline by one year, with completion in 2026. On March 25, 2019, the submitted its Uniform Land Use Review Procedure (ULURP) Application. DOC is currently waiting for the Capital Project Scope Development (CPSD) Study to be released before taking further action.

- 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 2020 and \$90 million in Fiscal 2021. Originally, the Department intended the \$10 million for Fiscal 2019 and \$90 million in Fiscal 2020. However, the Department has struggled to identify a location for its new training academy and does not have a location yet.
- Smith Detection Dual View Body Scanners.** The Executive Capital Commitment Plan includes \$2.8 million in Fiscal 2019 for 20 Smith Detection Dual View Body scanners. These body scanners are used to detect weapons and other contraband on inmates. According to the Department, 12 body scanners will be implemented over a timeline with four phases, with the Department reserving the right to purchase the remaining eight scanners when necessary. Currently, four body scanners have been installed, while eight others are on track to be installed by the end of June 2019. Although the Department has a schedule in place for installation, the scanners will not be operational until they have undergone a rigorous state and City inspection requirements. The Department is in the process with the Department of Health and Mental Hygiene to get certification for the four scanners that have been installed.

<i>Rikers Island/Borough Facilities</i>	<i>Phase 1 & 2 Installation</i>	<i>Phase 3 & 4 Planned Installation</i>
Anna M. Kross Center	X	X
Otis Bantum Correctional Center	X	X
Robert N. Davoren Center	X	
George R. Vierno Center	X	
Eric M. Taylor Center		X
George Motchan Detention Center		
North Infirmary Command		X
Rose M. Singer Center		X
West Facility		
Brooklyn House of Detention		X
Manhattan Detention Center		X
Vernon C. Bain Center		X
Total	4	8

- Inmate Management System.** The Executive Capital Commitment Plan includes \$10.3 million in Fiscal 2019 for a new inmate management system. This project was formerly called “jail management system.” DOC released the request for proposal (RFP) for procurement in August 2018. The Department is still in the assessment phase as of May 3, 2019.

Appendix 1: Fiscal 2020 Budget Actions since Fiscal 2019 Adoption

<i>Dollars in Thousands</i>	FY19			FY20		
	City	Non-City	Total	City	Non-City	Total
DOC Budget as of the Fiscal 2019 Adopted Budget	\$1,393,403	\$10,322	\$1,403,725	\$1,430,087	\$10,318	\$1,440,405
Other Adjustments - Prelim. 2020						
Energy Demand Response Rollover	\$0	\$1,108	\$1,108	\$0	\$0	\$0
Energy Manager	0	90	90	0	0	0
ExCEL Projects	0	435	435	0	0	0
Fund Psychological Testing	0	180	180	0	0	0
FY19_DOC_FOI	0	755	755	0	0	0
MOCJ Cure Violence Transfer	(1,135)	0	(1,135)	0	0	0
PS Accruals	(20,901)	0	(20,901)	(21,451)	0	(21,451)
Uniformed Position Reductions	(7,047)	0	(7,047)	(14,094)	0	(14,094)
Civilian Vacancy Reductions	0	0	0	(2,308)	0	(2,308)
Various Collective Bargaining	3,036	0	3,036	4,987	0	4,987
Workforce Development	0	20	20	0	0	0
Subtotal, Other Adjustments	(\$26,047)	\$2,588	(\$23,459)	(\$32,866)	\$0	(\$32,866)
TOTAL, All Changes - Prelim. 2020	(\$26,047)	\$2,588	(\$23,459)	(\$32,866)	\$0	(\$32,866)
DOC Budget as of the Fiscal 2020 Preliminary Budget	\$1,367,356	\$12,910	\$1,380,266	\$1,397,221	\$10,318	\$1,407,539
PEGs - Exec. 2020						
Uniform Personal Services Accruals	\$0	\$0	\$0	(\$25,338)	\$0	(\$25,338)
RNDC Housing Area Consolidation	0	0	0	(16,813)	0	(16,813)
Civilian Hiring Freeze Savings	0	0	0	(3,299)	0	(3,299)
Subtotal, PEGS	\$0	\$0	\$0	(\$45,450)	\$0	(\$45,450)
Other Adjustments - Exec. 2020						
Citywide Net Zero Transfer to DOC	\$375	\$0	\$375	\$0	\$0	\$0
Citywide Savings (Various)	0	0	0	(2,951)	0	(2,951)
Energy Load Management	(84)	0	(84)	(84)	0	(84)
Heat, Light and Power	734	0	734	1,509	0	1,509
Heating Fuel Adjustment	(350)	0	(350)	(35)	0	(35)
IFA Retro CB	10	0	10	0	0	0
Labor Funding Estimates (Various)	180	0	180	326	0	326
Lease Adjustment	0	0	0	426	0	426
Mayor's Office of Economic Opportunity Funding Adjustment	0	0	0	24	0	24
Motor Fuel	(607)	0	(607)	9	0	9
Municipal Plug In&Adv Veh - DOC	162	0	162	0	0	0
Subtotal, Other Adjustments	\$419	\$0	\$419	(\$775)	\$0	(\$775)
TOTAL, All Changes - Exec. 2020	\$419	\$0	\$419	(\$46,225)	\$0	(\$46,225)
DOC Budget as of the Fiscal 2020 Executive Budget	\$1,367,775	\$12,910	\$1,380,686	\$1,350,996	\$10,318	\$1,361,314