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HEARING ON THE FISCAL YEAR 2014 EXECUTIVE BUDGET FOR THE

DEPARTMENT OF INVESTIGATION

June 4th, 2013

EXECUTIVE BUDGET HIGHLIGHTS

- DOI's Fiscal 2014 Executive Budget is \$21.9 million, \$1.24 million or 0.06 percent higher than its Fiscal 2013 Adopted Budget of \$20.691 million.
- DOI will receive \$630,000 in additional baselined funding beginning in Fiscal 2014 to create a new Inspector General Unit for the Board of Elections. The funding will support six positions (\$460,000 for salaries and an additional \$170,000 for OTPS support). The purpose for the new IG unit will be to investigate fraud and corruption at the New York City Board of Election.
- DOI will receive \$115,000 in baselined funding for one new Computer Specialist position beginning in Fiscal 2014.
- DOI's total headcount will increase from 217 in Fiscal 2013 to 226 positions in the Fiscal 2014.

FINANCE DIVISION

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DEPARTMENT OF INVESTIGATION OVERVIEW

This report provides an overview of the Department of Investigation's (DOI) Fiscal 2014 Budget and a review of the significant initiatives included in the Executive Budget for Fiscal 2014. Appendices 1 and 2 report the changes made to the Fiscal 2013 and Fiscal 2014 Budget since adoption of the Fiscal 2013 Budget. For additional information on the DOI's Budget and its various programs, please refer to the Fiscal 2014 Preliminary Budget hearing report available at:

http://council.nyc.gov/downloads/pdf/budget/2014/032_department_of_investigation.pdf

FINANCIAL SUMMARY					
<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Exec. Plan	2014 Exec. Plan	Difference 2013–2014*
Personal Services	\$14,727	\$15,297	\$16,062	\$16,347	\$1,050
Other Than Personal Services	6,562	5,394	22,529	5,584	190
TOTAL	\$21,289	\$20,691	\$38,591	\$21,931	\$1,240
Budget by Agency Function					
Agency Operations	\$15,356	\$16,579	\$31,947	\$17,108	\$579
Inspector General	5,933	4,162	6,646	4,823	661
TOTAL	\$21,289	\$20,691	\$38,591	\$21,931	\$1,240
Funding					
City Funds	N/A	\$16,129	\$15,671	\$16,708	\$579
Other Categorical	N/A	604	1,019	604	0
Federal - Other	N/A	0	15,459	0	0
Intra City	N/A	3,958	6,442	4,619	661
TOTAL	\$21,289	\$20,691	\$38,591	\$21,931	\$1,240
Positions					
Agency Operations	132	155	155	160	5
Inspector General	59	62	75	66	4
TOTAL	191	217	230	226	9

*The difference between Fiscal 2013 Adopted Budget and the Fiscal 2014 Executive Budget.

DOI's Fiscal 2014 Executive Budget is \$21.9 million, \$1.24 million or 0.06 percent higher than its Fiscal 2013 Adopted Budget of \$20.7 million. This increase is due to additional funding for nine new positions and an increase to its intra-city revenues as well as small adjustments for leases and energy costs.

In Fiscal 2013, DOI received a large amount of federal funding (approximately \$15.5 million) virtually all of which will be used to perform contract monitoring activities related to the Rapid Repair Program under the purview of Super Storm Sandy relief funding while approximately \$176,000 will be used to help DOI with its own internal Sandy-related costs such as the replacement of vehicles and office equipment. The Super Storm Sandy-related funds are scheduled to drop out of DOI's budget at the conclusion of Fiscal 2013.

DOI's headcount increases between the Fiscal 2013 Adopted Budget and the Fiscal 2014 Executive Budget by nine positions. This is due an increase of five positions in Agency Operations and four in the Inspector General. Its total headcount will, therefore, rise from 217 at Adoption to 226 positions in Fiscal 2014.

NEW IN THE EXECUTIVE BUDGET

The Fiscal 2014 Executive Budget increases the DOI's budget by \$765,000 above its Fiscal 2014 Preliminary Budget. This is due to \$745,000 in additional funding for personnel as well as \$20,000 in adjustments for leases and energy costs. DOI's additional funding supports seven new positions including the two items below:

- **Board of Elections Inspector General (IG).** On April 1st, 2013, DOI released a report summarizing an investigation it conducted of the Board of Election's administration of the November 2011 elections. It concluded that the Board could have saved New York City taxpayers approximately \$2.4 million by consolidating election districts and significantly reducing the number of poll workers needed to staff the remaining polling sites. DOI's report also made, among others, the following observations:
 - ☑ Approximately 90 percent of the 1,357 polling sites in the five boroughs had ten or fewer voters for every poll worker assigned.
 - ☑ There was an average turnout of six voters for every poll worker.
 - ☑ At least 12 polling sites had more poll workers present than voters.

On April 24th, 2013, DOI's Commissioner announced the formation of a six-person unit to investigate "fraud, waste and corruption issues at the City Board of Elections." Subsequent to that announcement, the Administration added \$630 million to DOI's budget beginning in Fiscal 2014 to create a new Inspector General unit for the Board of Elections. The unit will include six new positions: one inspector general position, one attorney, two investigators, one investigative assistant/paralegal and one secretary/PAA (\$460,000 for salaries and an additional \$170,000 for OTPS support).

- **Computer Specialist.** DOI will receive \$115,000 in baselined funding for one new Computer Specialist position beginning in Fiscal 2014 to manage its new Case Management System, a database system which will track and store the details of DOI's investigations.

APPENDIX 1: BUDGET ACTIONS IN THE EXECUTIVE PLAN

<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
DOI as of Fiscal 2014 Preliminary Budget	\$15,673	\$17,161	\$32,834	\$15,956	\$5,211	\$21,167
New Needs						
Board of Election IG	\$0	\$0	\$0	\$630	\$0	\$630
Computer Specialist	0	0	0	115	0	76
Total New Needs	\$0	\$0	\$0	\$745	\$0	\$745
Other Adjustments						
Heat, Light and Power	(\$2)	\$0	(\$2)	\$8	\$0	\$8
Lease Adjustment	0	0	0	0	12	12
Other Categorical Funding Adjustments	0	(100)	(100)	0	0	0
Federal Funding Adjustments	0	5,860	5,860	0	0	0
Total Other Adjustments	(\$2)	\$5,760	\$5,758	\$8	\$12	\$20
Total Changes	(\$2)	\$5,760	\$5,758	\$753	\$12	\$765
DOI as of Fiscal 2014 Executive Budget	\$15,671	\$22,920	\$38,591	\$16,708	\$5,223	\$21,931

APPENDIX 2: BUDGET ACTIONS IN THE NOVEMBER, FEBRUARY AND EXECUTIVE PLANS

<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
DOI as of Fiscal 2013 Adopted Budget	\$16,130	\$4,561	\$20,691	\$16,130	\$4,561	\$20,691
Program to Eliminate the Gap (PEGs)						
PS Accruals	(\$349)	\$0	(\$349)	\$0	\$0	\$0
Vacancy Reduction	(239)	0	(239)	(331)	0	(331)
Total PEGs	(\$587)	\$0	(\$587)	(\$331)	\$0	(\$331)
New Needs						
Confidential Investigators	\$51	\$0	\$51	\$76	\$0	\$76
Board of Election IG	0	0	0	630	0	630
Computer Specialist	0	0	0	115	0	115
Total New Needs	\$51	\$0	\$51	\$821	\$0	\$821
Other Adjustments						
Vacancy Reduction PEG Offset	\$55	\$0	\$55	\$80	\$0	\$80
Heat, Light and Power	(2)	0	(2)	8	0	8
Lease Adjustment	0	0	0	0	12	12
Federal Funding Adjustments	0	15,460	15,460	0	0	0
PS Accruals PEG Offset	25	0	25	0	0	0
Other Categorical Adjustments	0	415	415	0	0	0
Intra-City Adjustments	0	2,485	2,485	0	650	650
Total Other Adjustments	\$78	\$18,360	\$18,438	\$88	\$662	\$750
Total All Changes	(\$458)	\$18,360	\$17,902	\$578	\$662	\$1,240
DOI as of Fiscal 2014 Executive Budget	\$15,670	\$22,921	\$38,591	\$16,708	\$5,223	\$21,931