

# Fiscal Impact Statement Prepared By New York City Mayor's Office of Management and Budget



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**Disclaimer:** This fiscal impact statement is a preliminary estimate and subject to change based upon further data analysis or changes in bill text. This legislation is summarized as understood by the administration as of the date this statement was prepared and does not include or consider subsequent text changes. This fiscal impact statement is not legally binding on the administration. "Total" columns represent the respective sum over a four-year period; note that fiscal impacts continue after year four. Unless otherwise stated, information used in the preparation of this Fiscal Impact Statement is sourced from the agencies impacted and the NYC Mayor's Office of Management and Budget.

**Proposed Intro No. / Title:** *Int. 1391-A / Establishment of compensation standards for security guards*

**Sponsors:** Adams, Hudson, Brannan, Narcisse, Cabán, Menin, Hanks, Won, Restler, De La Rosa, Ung, Moya, Schulman, Fariás, Gennaro, Ayala, Gutiérrez, Hanif, Brewer, Bottcher, Krishnan, Marte, Brooks-Powers, Dinowitz, Salaam, Banks, Abreu, Lee, Powers, Ossé, Avilés, Stevens, Louis, Zhuang, Feliz, Riley, Salamanca, Nurse, Joseph, Williams, Mealy, Public Advocate Williams

**Committee:** Consumer and Worker Protection

**Summary of Legislation:** This legislation establishes compensation standards for private sector security guards and authorizes the Department of Consumer and Worker Protection (DCWP) to enforce these standards. DCWP would be responsible for enforcing employer compliance with relevant pay and benefits requirements and must develop a process by which security guards can submit complaints regarding their employer. Furthermore, DCWP must report annually on complaints received and investigations undertaken in relation to these requirements.

**Effective Date:** 180 days after enactment

**First Fiscal Year Legislation Takes Effect:** Fiscal Year 2027

**First Fiscal Year with Full Impact:** Fiscal Year 2028

**Agencies Impacted:** Department of Consumer and Worker Protection

## **Fiscal Impact Analysis**

### **A. Total Impact (Expense and Revenue)**

	<b>Fiscal Year 1</b>	<b>Fiscal Year 2</b>	<b>Fiscal Year 3</b>	<b>Fiscal Year 4</b>	<b>Total</b>
Expense	(\$4,070,000)	(\$6,054,000)	(\$6,054,000)	(\$6,054,000)	(\$22,232,000)
Revenue	0	0	0	0	0
Total	(\$4,070,000)	(\$6,054,000)	(\$6,054,000)	(\$6,054,000)	(\$22,232,000)

### **B. Expense**

	<b>Fiscal Year 1</b>	<b>Fiscal Year 2</b>	<b>Fiscal Year 3</b>	<b>Fiscal Year 4</b>	<b>Total</b>
Expenditures	(\$4,070,000)	(\$6,054,000)	(\$6,054,000)	(\$6,054,000)	(\$22,232,000)

#### **Impact on Expenditures (Expense):**

It is anticipated that DCWP would require \$6,033,000 in annual Personal Service (PS) resources, including fringe, to hire 41 staff to develop, implement, and enforce the requirements. The staff is broken down as follows: 4 computer systems and management staff, 9 inspectors, 3 associate inspectors, 7 research scientists, 8 agency attorneys, 4 executive agency counsels, 4 administrative associates, 1 administrative manager, and 1 community relations specialist. Staff costs are prorated in the first year.

It is also anticipated that DCWP would require \$1,054,000 in one-time Other Than Personal Service (OTPS) resources in year one to contract with IT consultants for system upgrades. DCWP additionally anticipates \$21,000 in annual OTPS costs for software fees and licenses in year two and thereafter.

### **C. Revenue**

	<b>Fiscal Year 1</b>	<b>Fiscal Year 2</b>	<b>Fiscal Year 3</b>	<b>Fiscal Year 4</b>	<b>Total</b>
Revenue	0	0	0	0	0

#### **Impact on Revenue:**

There is no anticipated impact on revenue.

### **D. Capital**

	<b>Fiscal Year 1</b>	<b>Fiscal Year 2</b>	<b>Fiscal Year 3</b>	<b>Fiscal Year 4</b>	<b>Total</b>
Expenditures	0	0	0	0	0

#### **Impact on Expenditures (Capital):**

There is no anticipated impact on capital expenditures.