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|  | **The Council of the City of New York****Finance Division**Latonia Mckinney, Director**Fiscal Impact Statement****Proposed Intro. No:** 65-A**Committee:** Public Safety |
| **Title:** To amend the administrative code of the city of New York, in relation to a program to reimburse nonpublic schools for the cost of security guard services. | **Sponsors:** Greenfield, Eugene, Koo, Lancman, Levine, Palma, Rose, Vallone, Rodriguez, Deutsch, Maisel, Richards, Cohen, Levin, Treyger, Garodnick, Cabrera, Chin, Constantinides, Cornegy, Crowley, Cumbo, Dickens, Espinal, Ferreras-­Copeland, Gentile, Johnson, Kallos, King, Koslowitz, Lander, Mealy, Miller, Reynoso, Torres, Vacca, Van Bramer, Williams, Wills, Menchaca, Gibson, Matteo, Ulrich, Borelli, and The Public Advocate (Ms. James)  |

**Summary of Legislation:** Proposed Intro. 65-A would permit the Mayor to authorize a program to reimburse certain nonpublic schools for expenses related to hiring unarmed security guards. Qualifying nonpublic schools would include nonpublic schools in New York City (“the City”) with 300 or more students enrolled, providing instruction in accordance with the education law and serving students in any combination of grades pre-kindergarten through twelve.

Schools would be reimbursed quarterly for the cost of wages for security services performed during school hours, including school-related after school programs and athletic events, plus reasonable costs paid by the schools to the security guard companies. The number of security guards provided to each school would be based on the number of students; schools with 300 to 499 students would qualify for one security guard, while schools with at least 500 students would qualify for two security guards plus an additional guard for each additional 500 students. The total amount of reimbursements would be limited to $19.8 million annually. However, if the agency appointed by the Mayor to administer the program believes this cap would be reached in a subsequent year, the agency may adjust the cap, subject to appropriations, to reflect changes in prevailing wages, enrollment in eligible schools, or the number of qualifying schools.

To obtain reimbursement, the security guards hired must be authorized by the State to perform security services, and paid a prevailing wage and supplements. Nothing would prohibit a school from paying a security guard in excess of the prevailing wage but the City would only reimburse the prevailing wage plus overtime. Overtime would be capped at 15 percent of regular wages. Nonpublic schools would be required to apply for the reimbursement and to agree to provide documentation to support any reimbursement request.

**Effective Date:** This local law would take effect on April 1, 2016, provided, however, that the Mayor and the administering agency may take all actions necessary for its implementation, including the promulgation of rules, prior to such effective date, and provided further that a pro-rated amount of $19,800,000 shall be available for reimbursement should the program be authorized for the 2015-2016 school year.

**Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2017

**Fiscal Impact Statement:**

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|  | **Effective FY16** | **FY Succeeding Effective FY17** | **Full Fiscal Impact FY17** |
| **Revenues** | $0 | $0 | $0 |
| **Expenditures** | $4,532,918 | $18,131,672 | $18,131,672 |
| **Net** | $4,532,918 | $18,131,672 | $18,131,672 |

**Impact on Revenues:** It is anticipated that there would be no impact on revenues as a result of this legislation.

**Impact on Expenditures:** It is estimated that that this legislation would impact expenditures in the amount of at least $18,131,672 per year. Costs would stem from two main areas: 1) the reimbursement of security guard costs, and 2) the cost to the City to administer the program. For the latter, it is estimated that in addition to utilizing existing resources, the administering agency would require two additional staff to help with analytical, administrative, and billing duties. Including fringe costs, these additional personnel would cost approximately $165,000 annually.

With respect to the actual reimbursements, based on nonpublic school student enrollment for the 2014-2015 school year, it is expected that 299 schools in New York City would be eligible for this program. If all eligible schools participate and use security services for all covered school hours they would be eligible for reimbursement costs for 514 guards in total. However, it is expected that not all eligible private schools would choose to participate in the security guard reimbursement program initially. Further some participating schools may choose to use reimbursable security services for only some portion of the covered school hours. Since eligible schools have not stated their plans to participate in the proposed program, this fiscal estimate assumes an 80 percent participation rate.

Proposed Intro. 65-A would allow for the reimbursement of reasonable costs to hire the guards which would include prevailing wage rates plus administrative and insurance costs for the security companies. The average prevailing wage and supplemental rate for unarmed security guards with one year of experience is $19.64 per hour. The fee charged by security firms is estimated to be approximately 25 percent of the wages. Based on these assumptions, the cost of reimbursing all participating eligible schools for a complete school year would be $17,966,672 annually.

The impact on expenditures for the first fiscal year, Fiscal 2016, is pro-rated to reflect that only one quarter of the 2015-2016 school year and fiscal year would be remaining at the point the law takes effect.

**Source of Funds To Cover Estimated Costs:** General Fund

**Source of Information:** New York City Council Finance Division

 New York State Education Department

 New York City Comptroller

 Service Employees International Union, Local 32BJ

**Estimate Prepared by:** Emre Edev, Assistant Director

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**Estimate Reviewed by:** Regina Poreda Ryan, Deputy Director

 Tanisha Edwards, Chief Counsel

 Rebecca Chasan, Assistant Counsel

**Legislative History:** Intro. No. 65 was introduced to the Council on February 26, 2014 and referred to the Committee on Public Safety. The legislation was considered at a joint hearing of the Committees on Public Safety and Education and the Subcommittee on Non-Public Schools on April 14, 2015 and laid over. The legislation was subsequently amended and the amended legislation, Proposed Intro. No. 65-A, will be voted on by the Committee on Public Safety on December 4, 2015. Upon successful vote by the Committee, Proposed Intro. No. 65-A will be submitted to the full Council for a vote on December 7, 2015.

**Date Prepared:** December 3, 2015