



Published in the

**GOTHAM GAZETTE**  
The Place for New York Policy and Politics

## City Includes \$1 Billion for Overtime in 2016 Budget

By Marco Poggio

April 27, 2015

Some of the most prominent city agencies will again spend considerable portions of their budgets on employee overtime in fiscal year 2016, set to begin July 1, 2015. The allocation of \$1 billion toward personnel overtime raises questions around optimal staffing levels and balancing cold fiscal calculation with whether understaffing might impact performance and well-being of employees.

City officials argue that staffing levels are mostly appropriate and the overtime expenditures being made is wiser fiscal policy than additional full-time hiring. There is widespread agreement, though, that employing overtime control mechanisms is in the best interest of the city.

In his preliminary \$77 billion budget for fiscal year 2016, Mayor Bill de Blasio has included just over \$1 billion for personnel overtime, mostly spread across the city's vital public safety agencies. Over three-quarters of the sum, about \$798 million, is in anticipated overtime work by uniformed employees, such as police and corrections officers, firefighters and sanitation workers.

There are a variety of reasons compelling the city to rely so heavily on overtime, but one in particular stands out: it actually saves the city millions of dollars.

"In many instances overtime is going to be cheaper, up to a certain point, than bringing in new recruits," said Doug Turetsky, chief of staff and communications director at the Independent Budget Office, a publicly-funded budget watchdog agency.

"Look at the Police Department for example," Turetsky continued. "Let's say you hired new officers and you were able to bring some of your overtime cost down, your personnel cost in general may actually be going up because of pensions, health insurance, and other fringe benefits."

The NYPD remains one of the most overtime-burdened city agencies. For fiscal 2016, the department is allotted more than \$423 million in overtime just for its uniformed employees, nearly 16 percent of the agency's total salary budget, according to the preliminary budget outline. Civilian personnel overtime will cost an additional \$248 million, according to a report released by NYPD Commissioner Bill Bratton during a March budget hearing at the City Council.

Other New York City agencies are also wrestling with staffing levels and heavy overtime expenditures, which the de Blasio administration have been working to address.

According to the mayor's preliminary budget, released in February, the FDNY has projected overtime expenses of more than \$204 million and will allocate 16 percent of its personnel budget for overtime. The budget also estimates the Department of Correction will spend over \$84 million in overtime, 8.3 percent of its total personnel expenditures; and the Sanitation Department over \$91 million, 8.7 percent of its uniformed personnel services - according to figures



Published in the

# GOTHAM GAZETTE

The Place for New York Policy and Politics

that do not include snow removal, which increases overtime costs every year. But, it is seasonal expenses like snow removal that city officials and others say it makes sense to utilize overtime for rather than upping full-time staff.

The remaining \$300 million in overtime is allocated to cover the cost of work in other agencies, including \$23 million for the Department of Environmental Protection; \$35 million for the Department of Transportation; and \$17 million for the Administration for Children's Services.

## NYPD

Both Commissioner Bratton and City Council Speaker Melissa Mark-Viverito have argued that the NYPD is understaffed, calling for new hiring. For a second straight year, the Council is calling for the hire of 1,000 new officers and new measures to curb NYPD overtime spending.

"In order for NYPD to continue to keep New Yorkers safe while also implementing new reforms and initiatives we need to increase the overall headcount of the department," Mark-Viverito said in a statement just before the Council released its preliminary budget response.

Mark-Viverito also pointed out that each police precinct in the city lost an average of 60 to 75 officers since its peak headcount in fiscal 2001, and that NYPD has to systematically demand officers work overtime in order to meet the city's daily enforcement demands, and sometimes has to rely on non-patrol precinct staff to work parades and sporting events.

Bratton appears to have asked the mayor for the green light in hiring 1,000 new cops. But Turetsky, a budget expert who has studied the city's expenses for years, said he is skeptical the demand will be entirely met, citing the cost of the operation as the main issue.

"Our estimate is that 1,000 [new] cops will eventually cost about \$100 million [per year]," Turetsky said, adding that the Council plan appears to include NYPD hiring 500 new officers, half the number requested, in each of the next two years. Turetsky said that the costs will ramp up over multiple years, in part because city pension contributions do not get made immediately.

Between 2009 and 2014, overtime expenditures for the NYPD averaged \$484.6 million, according to a report on the fiscal 2015 Executive Budget issued by the City Council.

Amy Spitalnick, a spokesperson for the City's Office of Management and Budget, said the NYPD has used overtime mostly to fund public safety programs targeting specific times of the year, citing as an example the anti-violence summer initiative the NYPD rolled out in 2014.

"NYPD overtime is not currently being utilized to cover positions that require an officer year-round," Spitalnick said. "In order to address the crime conditions of a short period, overtime was utilized to increase security for that specific time period in specific locations as needed." This was also true in December, 2014 as protesters took to the streets on several nights in response to the non-indictment in the Eric Garner grand jury case.



Published in the

# GOTHAM GAZETTE

The Place for New York Policy and Politics

Despite a reduction in overtime expenses since de Blasio took office, New York City is behind other major cities around the country in terms of money allocated to police overtime - thus leading to the call by the Council and other budget watchdogs for the City to implement an overtime-cost savings plan.

The Los Angeles Police Department, for instance, allocated only 2 percent of its personnel costs to overtime for its current fiscal year, a significant drop since 2010, when it hit 10 percent, according to data released by the Office of Los Angeles Mayor Eric Garcetti.

It is similar with the Houston Police Department, which maintains its overtime expenditures under 5 percent of the total personnel cost, according to the Mayor's Office of the City of Houston.

Experts say that Los Angeles and Houston police departments may be aided in keeping down their overtime costs because both metro areas are served by both police departments and other law enforcement agencies like the Los Angeles County Sheriff's Department and the California Highway Patrol in LA and the Harris County Sheriff's Office in Houston.

The NYPD is the only law enforcement agency on regular patrol duty across the five boroughs. This may contribute to the NYPD, the largest police department in the nation with over 49,000 full-time employees (including about 35,000 uniformed officers), struggle to keep overtime under control.

Looking at the budgets of other cities where street patrol is the jurisdiction of the municipal police department alone, the numbers are closer to those in New York City, though they are still fairly far off.

The Philadelphia Police Department, for instance, is spending over \$50 million in overtime salaries this year, more than 11 percent of its total personnel expenditures, and the Chicago Police Department, the second largest municipal law enforcement agency in the nation, allocated \$71 million in overtime pay, about 6.7 percent. The NYPD is at about 16 percent.

## FDNY

Meanwhile, staffing issues at FDNY have been chronic for several years, beginning during the Bloomberg administration, when the uniformed headcount fell from 11,459 in 2009 to 10,646 in 2011, before reaching a record low of 10,180 in 2013.

FDNY overtime expenses shot up from \$152 million in fiscal 2009 to over \$292 million in 2014, the fiscal year during which Bill de Blasio took office, and the FDNY spent nearly 29 percent of its salary expenditures in overtime. And these increases in overtime expenditures have not coincided with or been a tool toward a decrease in overall department spending.

Decreased headcount and increased overtime at the Fire Department began with an event that had nothing to do with money-saving strategy. In 2007, the department was sued in a major civil rights lawsuit concerning its hiring process, and since 2009, when Judge Nicholas Garaufis ruled FDNY's admissions test discriminated against African-American and Latino applicants, a court order practically froze new hiring for several years.



Published in the

# GOTHAM GAZETTE

The Place for New York Policy and Politics

After a settlement in 2014, the Fire Department has moved to hire new - and diverse - personnel as quickly as its resources permit. "The City was unable to hire any new firefighters for a period of over four years," Spitalnick said. "Firefighter hiring resumed in January 2013. The City is actively hiring new firefighters up to budgeted headcount."

At a late March hearing of the City Council Committee on Fire and Criminal Justice, FDNY Commissioner Daniel Nigro said the agency is in need of 600 additional firefighters to fulfill its duty, and that it takes a period of 18 months to hire and train new cadets, which the city is doing in waves. The FDNY Office of Public Information said in an email that the agency "is not expected to be at full headcount for the next several years."

Although the Fire Department significantly reduced its use of overtime in the last two years, the projection for fiscal 2016 remains large.

## Unforeseen Events

Overtime expenditures at FDNY and elsewhere, especially NYPD, are indeed often the result of unforeseen events, rather than being a carefully planned piece of staffing and budgeting calculations.

In the fall of 2011, during Occupy Wall Street protests, the NYPD spent \$17 million to keep police officers on the streets overtime, then-Commissioner Ray Kelly said at the time.

In late 2012, Superstorm Sandy required significant extra work by public safety agencies. In the days of the storm and its aftermath, the city spent over \$154 million in overtime from October 29 to December 24, according to a report published by the Independent Budget Office. Of that total, over \$70 million was spent in NYPD overtime, nearly \$54 million for sanitation overtime, and nearly \$9 million went to FDNY overtime.

Events unfolded last winter leading to high overtime bills. The protests over police brutality and the Garner grand jury decision cost the city \$22.9 million in NYPD overtime, Commissioner Bratton said during a press conference in December. By early January, the Staten Island Advance reported the OT bill was up to \$35 million.

## OT Rise

A Gotham Gazette review of the Comprehensive Annual Financial Reports for fiscal years 2004 through 2013 published by the Office of the New York City Comptroller shows that overtime expenditures have been stubbornly on the rise since 2004, around the end of Michael Bloomberg's first term.

In 2004, the Bloomberg administration and City Council adopted a budget with over \$507 million in overtime, but ended up spending more than \$777 million. In 2006, the adopted budget projected overtime expenses of nearly \$620 million. By 2010, expected overtime costs reached \$848 million, before hitting an adopted overtime expenditure of \$1.05 billion in 2014.

In December 2013 the Citizens Budget Commission, a nonpartisan watchdog organization, issued a report totaling the final cost of overtime work during fiscal 2013 at more than \$1.4 billion.



Published in the

# GOTHAM GAZETTE

The Place for New York Policy and Politics

“That administration didn’t have a strategy to limit overtime,” Maria Doulis, director of city studies at Citizens Budget Commission, told Gotham Gazette about Bloomberg’s, calling it “an open question” as to why the OT costs were allowed to increase so dramatically during his tenure.

At the time the CBC report came out, the organization encouraged the city to limit overtime through a series of reforms. One was cracking down on endemic absenteeism; another was to find more efficient ways to staff predictable events, such as community festivals and parades, without extending employees’ normal shifts. By adopting such measures, the report outlined, the city would have saved about \$125 million.

“There is some logic behind relying on overtime,” Doulis said, mentioning savings in pensions and insurance policies that arise with new hiring, “but there is a point where you could save money if you hired more personnel instead.”

## More than \$

Beside the financial aspect, there is another side of the overtime coin.

While overtime is a budgetary tool that can help agencies save money in training and benefits, long work shifts also affect not only performance, but the safety of the employees and the public as well.

This is particularly true in the case of the Department of Correction, an agency that spends heavily on overtime, and where, according to a report compiled by the office of U.S. Attorney Preet Bharara, understaffing and psychological stress has played a role in the episodes of violence at Rikers Island jail complex, which have been on the rise. It is something the de Blasio administration has pledged to address with reforms it recently announced.

“The Administration is committed to reducing overtime and shifting the workload from overtime to straight time,” said Spitalnick, the de Blasio spokesperson, said regarding corrections. She added that “given the amount of time it takes to hire and train new Correction Officers, the overtime reduction will take some time to be fully realized.”

Since he took his post as corrections commissioner, Joseph Ponte has looked for ways to fix the city’s correctional system as part of what the administration unveiled as a 14-point anti-violence agenda, a bundle of reforms that would act to calm a climate of violence and abuse at Rikers.

One of the points in the agenda focuses on reducing overtime. “Recruiting, hiring and training more officers are key planks of Commissioner Ponte’s 14-point anti-violence agenda,” said Eve Kessler, a spokesperson for the Department of Correction. Kessler added that the department is also planning an overhaul of recruiting procedures, with the intention of improving the standards used in the hiring of new officers.

The Correction Department estimates that 8.3 percent of its total salary expenditures, over \$84 million, will pay for overtime next fiscal year, which begins July 1. Despite being lower than the current year, when it topped \$124 million, overtime is still one of the department’s key issues, especially from the point of view of safety for both officers and inmates.

“Overtime is just one of the problems for my members,” said Norman Seabrook, President of New York City Correction Officer’s Benevolent Association. “They are forced to work up to 16 hours a day everyday in some facilities. Something has got to change.”