

How Much Did the 2021 Adopted Budget Reduce Spending For the New York City Police Department?

The most contentious issue in the city’s recent negotiations for the fiscal year 2021 budget was a demand from police reform activists to reduce the police department budget by \$1 billion and shift the savings to youth and social services. There were also calls for shifting some functions from the police to other agencies such as moving management and staffing of school safety to the Department of Education. In announcing the budget deal with the City Council, the Mayor said there were “\$1 billion in cuts and cost shifts to the NYPD.” The statement did not specify whether the changes were limited to 2021 or would be ongoing and permanently fund other services. Nor did the statement indicate the time frame for some of the planned actions.

To see how much changed in the police budget, IBO has compared planned police spending in the April Executive Budget with the budget adopted on June 30. This comparison only covers the police department’s operating budget, which totals \$5.2 billion. The operating budget for the police, like that of other city agencies, excludes costs such as fringe benefits and pension contributions for staff, and debt service, all of which are budgeted centrally by the city. IBO estimates that for 2021, city spending on these items will total \$5.4 billion for the department and brings total police expenditures to \$10.6 billion this year.¹

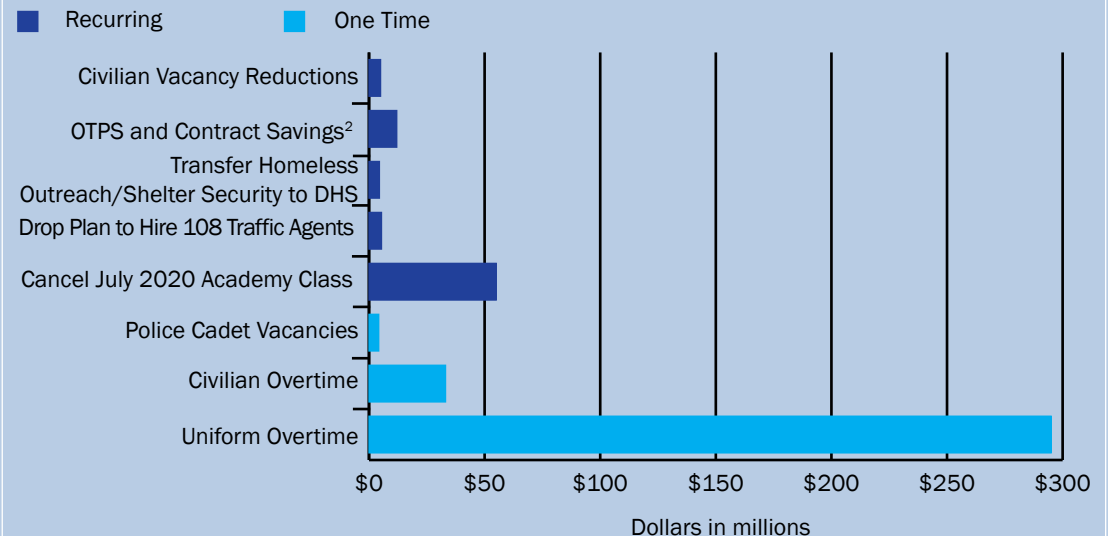
- The 2021 adopted budget for the police department was \$420 million less than what was planned in April. Including centrally budgeted spending for the department, IBO estimates that total planned police-related spending for 2021 fell by \$472 million from April to June.
- The city’s financial plan for police spending in 2022 through 2024 changed even less from April to June, shrinking the department’s budget by only \$83 million each year.
- The reduction is smaller in later years because some of the largest cuts to the 2021 budget do not continue in later years. One-time changes that only effect the 2021 budget total \$332 million.
- The de Blasio Administration expects to save \$295 million in overtime spending for uniformed officers and \$33.1 million in overtime for civilian staff, but only for 2021. There would be additional fringe benefit savings of \$20.9 million. The department has had great difficulty meeting overtime savings targets in the past, but if these savings can be achieved it is not clear why they do not continue past 2021.
- The department will also leave vacant 218 positions in the Police Cadet program this year, generating a one-time savings of \$4.2 million.
- The largest recurring savings comes from eliminating one police academy class. Not adding 1,163 recruits reduces the police department budget by \$55.0 million in direct salary expenses in 2021. Forgoing this class means that after allowing for usual attrition, the number of uniformed officers would fall to 35,007 by June 30, 2021, down from 36,263 in April 2020.

Police Operating Budget Changes Are Modest and Largely Non-Recurring

Dollars in Millions

	2021	2022	2023	2024
Executive Budget	\$5,645	\$5,670	\$5,670	\$5,670
Adopted Budget	5,224	5,587	5,588	5,588
Change From Executive Budget	(420)	(83)	(83)	(83)

Largest Cuts to NYPD Operating Budget Are Limited to 2021



- Other recurring savings include canceling plans to hire 108 traffic enforcement agents and eliminating 100 civilian positions in the department.
- The staffing delays and eliminations will reduce spending on fringe benefits for the police department by \$30.9 million in 2021, with the savings growing in later years.
- The one shift in noncriminal functions in the 2021 budget transfers homeless outreach services and shelter security from the police to the Department of Homeless Services, along with about \$4.5 million in funding.

Although the Mayor’s announcement of the budget agreement highlighted the shift of school safety staff and school crossing guards—along with \$350 million to pay for their salaries—from the police department to the Department of Education, other than a \$6 million cut in planned school safety overtime, no sign of this shift appears in the city’s financial plan.

The Mayor also cited changes to the city’s capital program that will reduce the police department’s capital budget by \$537 million and transfer the funding to other city agencies and the housing authority—although the amount cannot be confirmed with documents currently available. Moreover, when reviewing changes in the city’s operating budget, capital plan actions need to be measured in terms of the impact on debt service costs in the operating budget. Thus, a capital budget change of this size likely represents a reduction of less than \$50 million in annual terms.

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SOURCE: Mayor’s Office of Management and Budget

ENDNOTE

¹Mayor’s Office of Management and Budget documents report fringe benefit costs of \$1.2 billion for 2021, but this figure excludes the use of Retiree Health Benefit Trust funds, which are technically not part of the city budget, to pay retiree health costs and the portion of \$1 billion in planned savings that has been allocated to the department’s fringe expenses in 2021. IBO’s estimate for police department fringe benefits in 2021 is \$2.4 billion.

²OTPS is other than personal services and represents expenditures other than for salaries and wages.