

Police Overtime: Tracking the Big Growth in Spending

SUMMARY

Over the past several years, spending on overtime for uniformed police officers has routinely exceeded the amount originally budgeted. Based on the rate of spending during the first nine months of the current fiscal year, police overtime in 2004 will total \$345.9 million—nearly double the amount in the budget adopted last June.

In addition to exceeding budgeted levels, overtime spending also has grown at a rapid pace. Between 1996 and 2003, spending on overtime for uniformed police officers tripled, rising from \$105.8 million to \$334.3 million (not including costs directly related to the World Trade Center attack).

Among the findings in IBO's analysis of trends in police overtime spending:

- Perhaps surprisingly, growth in overtime spending was most pronounced in 2000 and 2001, when the size of the police force was rising to an all-time high of more than 40,000. In contrast, as the size of the police force declined in subsequent years and anti-terrorism concerns absorbed an increasing share of the department's manpower, overtime spending has grown more slowly.
- Overtime constitutes a growing share of police officer compensation. While base pay of police officers grew at an average annual rate of 3.1 percent between 1999 and 2003, overtime pay grew at a 24.2 percent average annual rate.
- Two broad categories of overtime drove the initial growth in spending. Expenditures on special enforcement programs such as the now-defunct Operation Condor jumped from \$5 million in 1999 to \$93 million in 2001 before declining to \$45 million in 2003. Spending on overtime to cover unplanned events such as demonstrations, weather emergencies, or sports playoffs grew from \$19.3 million in 1999 to \$80.9 million in 2002.

In recent years the police department has sought to control overtime spending. Total overtime spending would probably have begun to decline in 2002 if not for the increasing demands of anti-terrorism operations. Police overtime related to the city's anti-terrorism efforts now consume a large share of overtime spending, growing from \$200,000 in 2000 to \$32 million in 2003—and \$46 million in the first half of this year alone. Anti-terrorism efforts will continue to add significantly to uniformed overtime spending in future years.

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**New York City
Independent Budget Office
Ronnie Lowenstein, Director
110 William St., 14th floor
New York, NY 10038
Tel. (212) 442-0632
Fax (212) 442-0350
e-mail: ibo@ibo.nyc.ny.us
<http://www.ibo.nyc.ny.us>**

INTRODUCTION

As has been the case in each of the last several years, uniformed police overtime spending will again significantly exceed the amount originally budgeted by the Mayor and City Council. Spending on police overtime from July through March 2004 (the first nine months of fiscal year 2004) totaled \$259.4 million. At that rate, police overtime for the year will total \$345.9 million; very nearly double the originally budgeted amount of \$173.8 million.

Over a seven year period uniformed police overtime costs tripled to nearly \$333 million in 2002 (excluding World Trade Center-related overtime). Overtime spending remained at about the same level in 2003, and will likely rise slightly again in 2004.

To many observers it seemed counterintuitive that reliance on overtime should have risen so substantially when total police force size and operational strength were also growing, and that it has seemingly stabilized—albeit at a new, higher level—as budget cuts have led the city to reduce uniformed police staffing.

Given the recent trend in uniformed police overtime spending, IBO looked at what has led to this extraordinary rise and what the prospects are for reining in overtime spending in the future. Beginning in 2000, deployment of officers on overtime to special enforcement programs—principally Operation Condor, the special initiative targeting drug dealing, quality-of-life issues, and other crimes—accounted for a substantial share of the increase in overtime spending. Also a factor was the increase in spending for planned events, such as parades and festivals, and unplanned events. Even as Operation Condor was cut back, spending on events continued to grow, driven both by the growing size and popularity of many recurring events, and by a large number of high-cost unplanned events. Total overtime spending would probably have begun to decline after 2002 if it were not for anti-terrorism needs, which will continue to add significantly to uniformed overtime spending in future years.

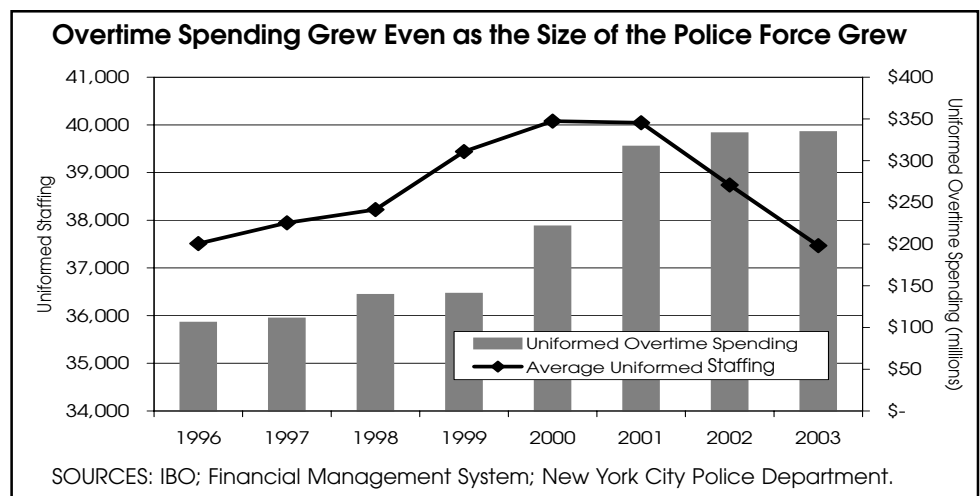
For the purpose of facilitating year-to-year comparisons from the mid-1990s to the present, overtime expenditures in fiscal years 2002 and 2003 directly stemming from the September 11, 2001 terrorist attack on the World Trade Center are excluded. Such trade center related police overtime costs totaled

\$250.1 million in 2002 and \$11.2 million in 2003. However, proactive overtime expenditures aimed at preventing future attacks (such as the ongoing Operation Atlas initiative) are included in this analysis.¹

Recent Trends in Police Overtime. Between 1996 and 2003 uniformed police overtime tripled, rising from \$105.8 million to \$334.3 million, with the growth especially pronounced in 2000 and 2001.

Many observers found it somewhat perplexing that the rapid rise in annual police overtime expenditures during this period coincided with a rise in force size to an historic high of over 40,000 officers. Such observers argued that with an increasing number of uniformed personnel available for regular, or “straight time,” duty, the New York Police Department (NYPD) should have been able to accomplish its mission of safeguarding public safety with *less* rather than more overtime. The NYPD has generally countered that the additional level of police presence on the street made possible by utilization of overtime, particularly in the form of special enforcement initiatives targeting street crime and “quality of life” offenses, has been critical to the city’s success in reducing crime.

Moreover, it is seemingly ironic that the leveling off in overtime expenditures from 2001 through 2003 occurred against a backdrop of heightened concerns about terrorism and decreased police staffing. In the two years before the September 2001 attack on the World Trade Center, the city had over 40,000 officers able to dedicate nearly all their time to conventional crime fighting activities. Between 2001 and 2003, the force declined by about 2,500 police officers due to budget cuts, and also found itself faced with greatly increased responsibilities for the prevention of further acts of terrorism. In other words, one might have expected that conditions would have accelerated (rather than slowed) the growth rate of police overtime.



Overtime Pay Growing Faster than Base Pay

Dollars in millions

	1999	2000	2001	2002	2003	Average Annual Percent Change
Base Pay	\$ 1,838	\$ 1,974	\$ 2,010	\$ 1,968	\$ 2,074	3.1%
Longevity, Differentials, Holiday Pay etc.	285	310	325	323	335	4.1%
Overtime	140	221	317	333	334	24.2%
Total Pay	\$ 2,264	\$ 2,505	\$ 2,652	\$ 2,623	\$ 2,743	4.9%
Overtime as percent of total pay	6.2%	8.8%	11.9%	12.7%	12.2%	

SOURCE: IBO.

Overtime as a Share of Police Pay Has Grown. One potential explanation for the increase could be simply a rising overall pay scale for the uniformed police force. However, while base pay of police officers grew at an average annual rate of 3.1 percent between 1999 and 2003, overtime pay grew at a 24.2 percent annual average rate.

Viewed differently, overtime pay now comprises a greater share of police officers' total pay, having doubled between 1999 and 2001—exactly in tandem with the increase in total overtime spending. In addition to their regular salary (base pay), police officers receive other forms of wage compensation, including longevity pay (a function of the number of years an officer has been on the force), shift differential (based on the number of evening or overnight tours worked), holiday pay (additional compensation for working on holidays), and overtime (paid at a rate of 150 percent of base pay.) The rise in NYPD overtime spending has led to a doubling (from 6.2 percent to 12.2 percent) in the portion of officers' total pay attributable to overtime.

Why Use Overtime? New York City's police officers are often called upon to work overtime either on a scheduled day off or at the end of a regular tour of duty. Police officers working overtime are compensated at the rate of time and one-half (or 150 percent) of their normal base pay.

In some cases, police overtime expenditures are largely or even entirely unavoidable. Examples include instances in which an officer making an arrest is required to work extended hours to process an arrest made late in a tour of duty, or an officer called in to testify in court proceedings on what would otherwise be his or her day off. Furthermore, large-scale disruptions or events such as the August 2003 citywide blackout could not be adequately handled without using overtime to increase police staffing levels well beyond regularly scheduled tours of duty.

In other instances, the city's decision to incur police overtime costs stems from more discretionary enforcement programs or from planned events. Take for example one of the city's smaller ethnic celebrations, the annual Ecuadorian Festival held each August. From 2000 through 2003, the NYPD incurred an average of about \$127,000 in overtime expenditures in connection with this planned event. Given that the average police

officer earns about \$350 for an eight-hour tour worked on overtime, it follows that an average of about 360 officer-tours of overtime were devoted to providing for public safety at the festival. In addition, the number of officers on overtime at the festival may have been supplemented by additional police officers working their regular shift.

One might argue that the police commissioner could have chosen to cut overtime expenditures at the festival by redeploying more police officers from their normal straight time duties elsewhere in the city. Each such officer redeployed would obviate the need for another officer to work overtime, saving \$350 for each avoided overtime officer-tour.

However, a decision by the NYPD to staff this particular event by utilizing officers on overtime reflects the agency's judgment that the alternative of redeploying more officers already performing duties elsewhere in the city would jeopardize public safety in those areas. Therefore, the payment of overtime to officers working extended hours often represents a premium paid for the purpose of preserving what the agency considers sufficient enforcement strength on neighborhood patrols and other police activities throughout the city.

As will be discussed in more detail below, some unavoidable emergency or unplanned events in the city can result in very significant police overtime expenditures. For example, the citywide blackout of August 2003 resulted in \$18 million in police overtime expenditures, which at an average cost of about \$350 per tour is equivalent to about 51,400 officer-tours. The latter, in turn, is equivalent to deploying over 3,400 police officers on overtime around the clock for five straight days.

WHAT HAS DRIVEN THE GROWTH IN OVERTIME SPENDING?

The recent rise in overtime essentially occurred over two years,

2000 and 2001, and it has remained at roughly the same level since then. In 2000, spending jumped 57 percent, from \$140.5 million to \$221.2 million, followed by another 43 percent increase in 2001, to \$316.9 million. This was followed by a comparatively modest increase of 5.0 percent in 2002, to \$332.8 million.

Two broad overtime categories drove the initial growth, and help to explain why overtime continues to remain high: special enforcement programs and events overtime.

Special Enforcement Programs. Special enforcement programs overtime includes initiatives intended to address a specific need such as an increase in drug activity or some other acute public safety matter. From 2000 through 2003, overtime costs associated with Operation Condor accounted for nearly all expenditures within this category. Operation Condor, which was launched in January 2000, brought officers in for one overtime tour each week to engage in the agency's anti-narcotics efforts. Condor was later expanded to include violent street crimes (such as assaults on taxi/livery drivers) as well as less serious quality-of-life issues. Expenditures for Operation Condor grew from \$37.0 million in 2000 to \$91.3 million in 2001, but then declined in 2002 and 2003 before the program was eliminated this year.

A new initiative called Operation Impact was launched by the NYPD in January 2003. Under this program, NYPD deploys first-year uniformed personnel just out of the Police Academy to specially targeted zones located in sections of the city that have witnessed upward spikes in crime. The efforts of the new police officers are overseen by more experienced uniformed personnel working either on straight time or overtime. About \$11 million of police overtime was expended on Operation Impact from January through June of 2003, and then a reduced amount of \$4.9 million in the first half of fiscal year 2004. Spending on the initiative should grow because the agency announced in January 2004 that Operation Impact was to be expanded to include 52

new "impact zones" throughout the city, including in subway stations and public housing developments.

Events Overtime. Events overtime is incurred when officers work extended hours or come in on their day off for the purpose of covering any of numerous occurrences throughout the year that require deployment of more than the usual number of police. Events overtime is broken down into three subsets: planned events, unplanned events, and details.

Planned events include recurring events that have taken place in at least three consecutive years. Between 1999 and 2003 planned events spending more than doubled, growing from \$17.5 million to \$40.4 million. Some of the largest planned events each year include the Thanksgiving Day, St. Patrick's Day, Halloween, West Indian Day, Puerto Rican Day, and Gay Pride parades. The annual New Year's Eve celebration held in Times Square required police overtime expenditures averaging \$3.5 million per year from 2000 through 2003.

Another large event taking place each year is the September convening of the United Nations General Assembly. Police overtime for this event increased from \$1.7 million in 1999 to \$7.0 million in 2003. Because of such rising costs, particularly after September 11, 2001, the city persuaded the U.S. State Department to increase from \$4 million to \$7 million the baseline grant given to the NYPD each year for providing security to the United Nations.

Planned events overtime is also incurred in connection with numerous smaller parades, festivals, and street fairs held each year throughout the city. About 4,500 street activity permits are issued by the city each year, about 400 of which involve the use of multiple blocks over several days. In many cases, more than one event is held in connection with a given holiday. For example, the city now hosts four separate St. Patrick's Day parades each March, including the very large parade on Fifth Avenue in Manhattan as well as two smaller parades in Queens and one on Staten Island.

The NYPD contends that although the total number of planned events has not grown substantially in recent years, the size, scope and popularity of many events has increased, thereby requiring an additional police presence. In addition, heightened security concerns since September 11, 2001 have also led to a general increase in

Events Overtime Spending, 1999 - 2004

Dollars in millions

	1999	2000	2001	2002	2003	2004*
Planned Events	\$ 17.5	\$ 22.2	\$ 30.7	\$ 34.9	\$ 40.4	\$ 27.4
Unplanned Events						
Anti-Terrorism	0.2	0.2	0.2	0.2	32.0	46.0
Other Unplanned Events	19.1	33.8	51.8	80.7	31.7	27.4
Subtotal, Unplanned Events	19.3	34.0	52.0	80.9	63.7	73.4
Details	2.2	3.5	5.1	8.2	8.7	7.3
TOTAL	\$ 39.0	\$ 61.2	\$ 90.5	\$ 127.8	\$ 118.0	\$ 110.1

SOURCES: IBO; New York City Police Department.

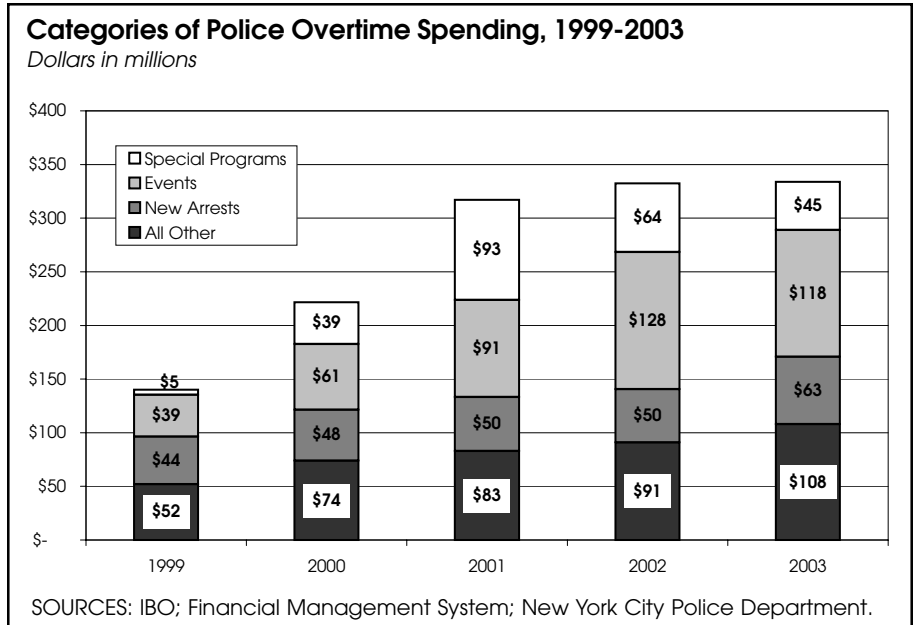
NOTE: * First half of year only.

the number of police officers deployed to planned events, including members of specialized police units such as counter terrorism and intelligence. Moreover, the overall decline in total agency staffing and deployment of about 1,000 officers per day to counterterrorism duty has led to a decrease in the number of officers available to be deployed to events on straight time. Therefore, additional officers have been deployed on overtime so as to properly secure various events. The result is that the city is on course for another substantial increase in overtime spending for planned events in 2004.

Unplanned events are nonrecurring and include various contingencies such as street protests and demonstrations, weather emergencies, special celebratory parades (e.g., for World Series championships), and other unforeseen and/or emergency events such as last year's blackout. Between 1999 and 2002, spending for unplanned events was, after special enforcement programs, the largest single driver of the increase in police overtime spending, jumping from \$19.3 million to \$80.9 million.

Significant unplanned events reflected in the totals shown above included the following:

- In 2000, major unplanned events overtime included \$3.3 million for special "Y2K" preparations (over and above a separate \$3.4 million in planned events overtime spending for the December 31, 1999 celebration in Times Square), \$3.2 million for demonstrations following the jury decision in the Amadou Diallo case, \$2.8 million in preparation for a transit strike in December 1999, and \$2.0 million for NYPD's response to electrical power disruptions in the summer of 1999.
- In 2001, several unplanned events involved significant police overtime, including the United Nations Millennium Summit (\$11 million); the Yankees-Mets playoffs, Subway World Series, and victory celebrations (\$7 million); Operation Sail (\$6 million); and the Bell Atlantic strike (\$6 million).
- In 2002, unplanned events overtime jumped to its highest level over the five-year interval as a result of the \$44 million police overtime cost associated with the January 2002 World Economic Forum, which convened in midtown



Manhattan just four months after the World Trade Center attack.

- In 2003, spending on uniformed overtime for unplanned events fell to \$63.7 million, despite \$8.3 million spent to prepare for a narrowly averted strike against the Metropolitan Transportation Authority by transit workers.

In fiscal year 2005, which begins on July 1, 2004, the Republican National Convention in late summer will require very significant police overtime expenditures, particularly given reports that a number of groups have already applied for permits involving thousands of protestors. In an attempt to contain the extent to which officers on overtime will be needed to staff the event, the NYPD decided to hire 730 new police recruits in late January 2004, rather than on July 1 as previously planned. The 730 new recruits are now in the Police Academy and will graduate in late July 2004, providing the agency with a larger pool of police officers that can be deployed on straight time to police the convention. Additionally, the city expects to receive \$24.7 million in federal funds to offset convention costs.

Anti-terrorism a Growing Overtime Burden. Also included within the unplanned events spending category are overtime expenditures incurred as part of the city's preventive anti-terrorism operations. In fiscal years 2000 and 2001 (the two years prior to the World Trade Center attack), an average of about \$200,000 of such overtime was attributable to a relatively small anti-terrorism initiative known as Operation Bravo, which was developed after the 1993 attack on the trade center.

By 2003, overtime dedicated to preventive anti-terrorism

operations grew to \$32 million, or nearly half of total unplanned events spending. This included \$26 million for Operation Atlas, which began in March 2003 in the wake of the United States invasion of Iraq. The remaining \$6 million in terrorism prevention overtime in 2003 was allocated to safeguarding the city's transit and tunnel networks as well as other "heightened alert" initiatives.

An additional \$44 million in police overtime was expended on Operation Atlas in the first half of the current fiscal year and about \$1.7 million on other terrorism prevention initiatives. As overtime spending for traditional unplanned events has come down, its place is being taken by the NYPD's heightened anti-terrorism role.

Detail overtime spending involves assignments that may be either seasonal or year round. An example of a seasonal detail involves increased police coverage at Coney Island (Brooklyn) during the summer months, whereas security at police headquarters in Lower Manhattan involves year-round coverage that must frequently be supplemented with officers working overtime. Heightened concerns about police headquarters as a potential target for a terrorist attack has led to an increase in annual police overtime expenditures for this detail, from less than \$200,000 in 2000 to about \$3.3 million in 2003.

Other Categories of Overtime Spending. While special programs and events overtime led the enormous growth in overtime spending beginning in 2000, other categories of overtime have also grown. Excluding new arrest overtime, discussed below, all other uniformed overtime spending combined grew from \$52 million in 1999 to \$108 million in 2003—accounting for 29 percent of the \$193.8 million growth in uniformed overtime between those two years.

Two areas of overtime spending in particular grew substantially over the last four years. *Investigations* overtime, which arises from stakeouts, extraditions, wiretaps, and similar assignments grew from \$18.0 million in 1999 to \$34.3 million in 2003. *Operational* overtime, which occurs when officers' tours are extended by 15 minutes or more covering demonstrations, fires, accidents, and other emergencies, also grew at a similar rate, from \$13.9 million to \$25.7 million.

The largest source of overtime spending in 2003, after events, was so-called *new arrest* overtime, which is earned when an officer makes an arrest during a regular tour of duty (or on a day off) but then must remain available during the process by which a criminal complaint is "sworn." New arrest processing overtime increased by over 60 percent from 1998 through 2003, despite a

15 percent decline in the total volume of arrest activity. As a result, the average police overtime cost per arrest has increased from less than \$100 in 1998 to \$183 in 2003.

It should be noted, however, that budget cuts in other agencies—particularly a cutback in the number of prosecutors in the offices of the five District Attorneys—can affect the pace of arrest processing. It is a point the District Attorneys have made and the police department underscored in its most recent quarterly overtime report, dated December 9, 2003: "[d]ue to budgetary constraints throughout the city, the District Attorney Offices have fewer personnel assigned to aid in arrest processing. The personnel shortage has led to an increase in the time it takes to assign an Assistant District Attorney to prepare a New Arrest affidavit, thereby lengthening the arrest to complaint sworn time and contributing to the increase in New Arrest overtime."

Other categories of overtime spending include *reimbursable programs* (overtime reimbursed by federal, state, or private grants), *adjourned cases* (overtime earned when officers must testify in court on days they would otherwise not be working), and *revenue programs* (overtime initiatives that generate revenue). The cost of reimbursable programs overtime was \$16.5 million in 2003, and it was the only overtime category to have declined since 1999—by 3 percent. Spending on adjourned cases overtime in 2003 was \$9.1 million, and on revenue programs \$3.9 million.

Attempts to Control Overtime Spending. As discussed in connection with the upcoming Republican National Convention, one way to control overtime spending is by increasing the overall number of police officers on the force, thereby boosting the number of personnel available for straight time duty. The downside is of course that increasing the size of the force itself involves additional costs, such as training, fringe benefit, and pension cost. Optimizing the force size so as to minimize total costs therefore requires a careful balancing, with the critical decision being scheduling of new police officer classes brought in to replace those lost to attrition.

The NYPD has reportedly sought to institute several initiatives in recent years to help reduce city-funded overtime spending, some of which aim to improve the efficiency of agency operations while others call for increased reimbursement from outside entities. For example, the department has sought to minimize events-related overtime spending by rescheduling officers as often as possible to provide straight time coverage for planned events such as parades and festivals.

New Arrest Processing Overtime						
	1998	1999	2000	2001	2002	2003
Total NYPD Arrests (in thousands)	402	383	391	384	316	343
NYPD "Arrest Processing" Overtime (in millions)	\$ 39	\$ 44	\$ 48	\$ 50	\$ 50	\$ 63
Average Overtime Cost Per Arrest (in dollars)	\$ 97	\$ 116	\$ 121	\$ 131	\$ 157	\$ 183

SOURCES: IBO; New York City Police Department.

increase in overtime spending. Also a factor was the increase in spending for both planned events, such as parades and festivals, and unplanned events. This growth in overtime spending also reflected a decision to simultaneously maintain enforcement strength on neighborhood patrols and other police activities citywide.

With respect to additional funding from outside entities, the Mayor's April 2004 Financial Plan proposes that the total amount of federal "homeland security" funding provided to the city be more than quadrupled next year. In the current fiscal year, the city expects to receive \$95 million in such funding, with the Bloomberg Administration requesting that \$400 million be provided in fiscal year 2005.

The City Council in the past also has sought to control overtime spending. In 1998 the Council unsuccessfully attempted to gain greater control over overtime expenditures in mayoral agencies by establishing in each uniformed agency an "overtime reserve account." The funds in such accounts were to be tapped by the Mayor only with Council approval, and would have in effect prevented uniformed agencies from spending in excess of 5 percent more than the amount budgeted for overtime without first obtaining Council approval.

CONCLUSION

Uniformed police overtime spending more than doubled between city fiscal years 1999 and 2001, and has remained at well over \$300 million annually—about 12 percent of total police officer pay—since then.

The number of police officers grew during this same time, from 38,100 officers to over 40,300. The increase in the force was used to bolster police presence citywide, in precincts and other operating bureaus. Beginning in 2000, deployment of officers on overtime to special enforcement programs—principally Operation Condor—accounted for a substantial share of the

Although Operation Condor was cut back beginning in 2002, spending on events continued to grow, driven both by the growing size and popularity of many recurring events, and by a large number of high-cost unplanned events.

The police force has begun to shrink in the last three years, and stands now at about 36,500 with the class that entered the academy this January. Budget constraints have also led the department to eliminate Operation Condor (substituting a less costly initiative named Operation Impact beginning last year). Total overtime spending would probably have begun to decline after 2002, in fact, if it were not for the new anti-terrorism need. Moreover, the decline in total agency staffing and deployment of about 1,000 officers per day to counterterrorism duty has led to a decrease in the number of officers available to be deployed to events on straight time. Therefore, additional officers have been deployed on overtime to provide security at events. The department's direct anti-terrorism spending (Operation Atlas), combined with the need for enhanced security at events, will continue to add significantly to uniformed overtime spending in future years.

Written by Bernard O'Brien

END NOTES

¹ This analysis also focuses only on NYPD overtime earned by "uniformed personnel," which in turn includes all sworn personnel at or above the rank of police officer. The remaining NYPD overtime (less than 10 percent) is earned by the agency's non-sworn or "civilian" personnel, including traffic enforcement agents, school safety officers, 911 operators, and administrative personnel.

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