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## **CITIZENS BUDGET COMMISSION ISSUES REPORT ON NEW YORK CITY GOVERNMENT'S EXCESSIVE OVERTIME SPENDING**

### **Calls for the Creation of a Labor-Management Committee to Reduce Costs**

**New York, NY - August 17, 2017** - The Citizens Budget Commission (CBC) today [issued a report on overtime spending in New York City government](#). Overtime expenditures grew 62 percent from \$1 billion to \$1.7 billion from fiscal year 2009 to fiscal year 2016. Titled [Overboard on OT: Reductions in Uniformed Overtime Needed](#), the report focuses on uniformed employees at four agencies- Police, Fire, Correction, and Sanitation-who receive two-thirds of all overtime pay. The key findings include:

- Overtime has exceeded the adopted budget in each of the past nine years by an average 42 percent, ranging from 28 percent in fiscal year 2009 to 54 percent in fiscal year 2016. Current projections put the fiscal year 2017 overtime budget at \$509 million over the adopted amount.
- The City has increased overtime expense in the Fiscal Year 2018 Adopted Budget to \$1.4 billion, a nearly 25 percent increase over the Fiscal Year 2016 Adopted Budget; however, given the pattern in recent years, this level is likely to be insufficient.
- Since fiscal year 2009, at least two-thirds of all overtime spending has been uniformed overtime, earned by roughly one-fifth of the City's workforce. For fiscal years 2015 and 2016, uniformed overtime costs have been roughly \$1.2 billion a year.
- Uniformed overtime in fiscal year 2018 is budgeted at \$1.1 billion, about \$160 million less than projection for fiscal year 2017. This decline assumes the successful implementation of overtime caps in three of the four uniformed agencies. While the caps are an acknowledgement that spending on uniformed overtime must be controlled, they are dollar amounts based on recent usage and trends, and concerted, systemic efforts to address the reasons for high overtime must be made.

Since most changes to address overtime require collective bargaining, and the City is about to embark on another round with the relevant unions, achieving a reduction in uniformed overtime spending should be part of the bargaining pattern. A uniformed labor-management committee, modeled on the

collaborative effort between the Municipal Labor Committee and the Office of Labor Relations to develop health savings, should be convened to study the drivers of overtime and propose efforts to reduce the costs.

Some ideas that should be considered include the following:

- Adopting a system in which sick leave usage is accrued and capped (as for NYC civilian employees);
- Changing certain work rules, such as eliminating overtime for travel to alternate work locations, and guaranteed minimum overtime hours;
- Capping or eliminating overtime earnings in calculating final average salary for pensions; current policy incentivizes an uptick in overtime prior to retirement.

"Overtime spending needs to be brought under control," said CBC President Carol Kellermann. "It's time for the City to manage it in a way that is operationally disciplined and financially defensible."