



## **Key NYC Anti-Corruption Agencies Need Independent Budgeting**

*Despite Hurricane of Major Corruption Scandals, the FY 2026 NYC Budget Again Provides No Inflation Increase, Risking Further Staffing Cuts*

New York City continues to shrink the staffing and funding of two key anti-corruption agencies despite massive scandals that have made national headlines. Staffing at the Conflict of Interest Board (COIB) has decreased 15% and at the Department of Investigation (DOI) by 25% from a decade ago because mayors and the City Council have repeatedly decided not to increase their budgets to keep up with inflation.

### ***One Dollar Spent on DOI Prevents \$18 to \$123 in Waste, Fraud, and Abuse***

Assuming New York City's DOI is as effective as similar internal watchdogs like the [federal Inspector Generals](#), a dollar spent on DOI saves NYC at least \$18 in tax dollars. Better still, DOI is as effective as the federal [General Accounting Office](#) – a reasonable assumption – a dollar spent on DOI saves NYC \$123.

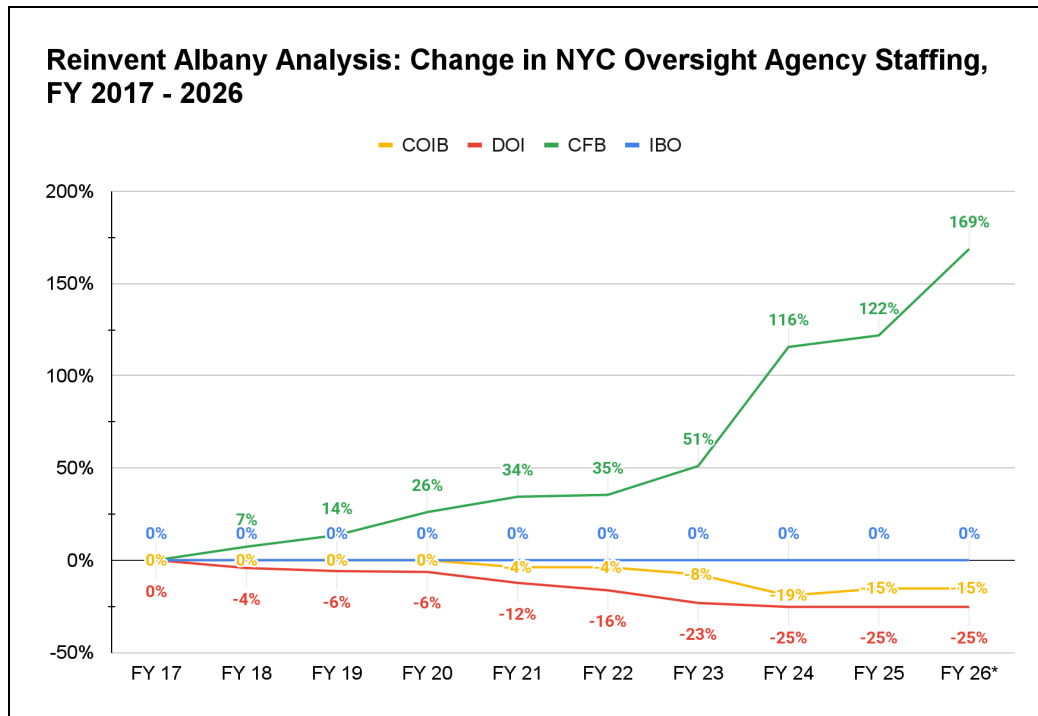
### ***NYC Council Charter Commission Must Recommend Independent Budgeting for DOI and COIB***

Given the huge scandals wracking City Hall and regular revelations about pay-to-play and wasteful spending, it's crucial for the NYC Council Charter Commission to ask the voters to approve independent budgeting processes that get DOI and COIB back to full strength. Other essential watchdogs like the Campaign Finance Board and Independent Budget Office already have their spending determined independently, allowing them to act with less fear of political retaliation.

### ***Anti-Corruption Agencies With Independent Budgeting Have Not Shrunk; Those Without It Have***

Both DOI and COIB have had significant staffing reductions over the last 10 years, while their responsibilities have only grown. COIB's staff is currently at 22, down from 26 in FY 2017. DOI's staffing is expected to reach 315, down from 422 in FY2017.

Conversely, the Campaign Finance Board (CFB) and the Independent Budget Office (IBO – both of which have independent budgeting mechanisms established in the NYC Charter – have had stable or increased staffing levels; in the case of the Campaign Finance Board, its increased staffing has coincided with a large increase in the city's public matching program. The chart below shows the percentage changes of full-time staffing for the COIB, DOI, CFB and IBO over the last ten years.



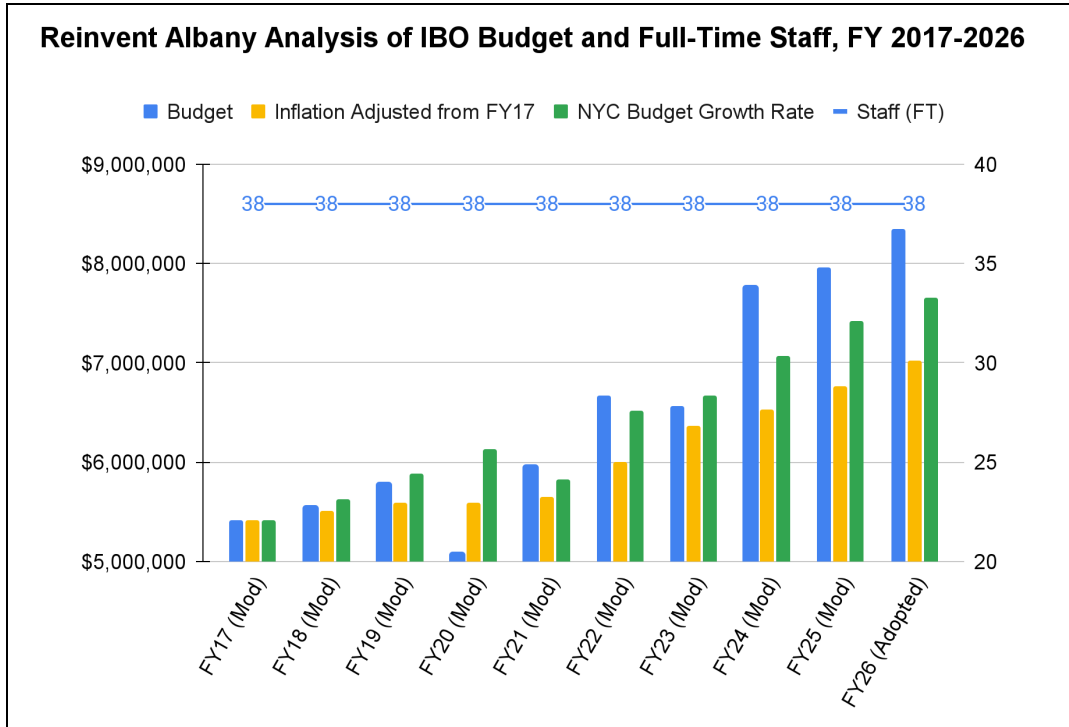
\*The DOI staffing level for FY26 is the anticipated level after intra-agency budget transfers are made.

### ***Independent Budget Office Staffing and Budget Have Remained Steady***

The IBO's budget is determined through formula, as required under Section 259 of Chapter 11 of the New York City Charter:

*b. The appropriations available to pay for the expenses of the independent budget office during each fiscal year shall not be less than ten per centum of the appropriations available to pay for the expenses of the office of management and budget during such fiscal year. The director shall appoint such personnel and procure the services of such experts and consultants, within the appropriations available therefor, as may be necessary for the director to carry out the duties and functions assigned herein. Such personnel and experts shall perform such duties as may be assigned to them by the director.*

By pegging the budget of the IBO to 10% of the appropriations for expenses of the Office of Management and Budget (OMB), which is funded and appointed by the Mayor, the IBO is ensured a minimum level of funding to perform its duties. This has ensured that the IBO's budget has grown over time, and that it is able to fund 38 full-time staff over the last 10 years – keeping up with the pace of inflation and growth in the NYC budget. See the chart below, which shows that IBO's budget has increased from \$5.4 million in FY 2017 to \$8.3 million in FY 2026.



### ***Campaign Finance Board Budget Has Increased as Responsibilities Have Grown***

The Campaign Finance Board’s budget is set by the CFB and submitted to the mayor under Section 1052 of Chapter 46 of the New York City Charter:

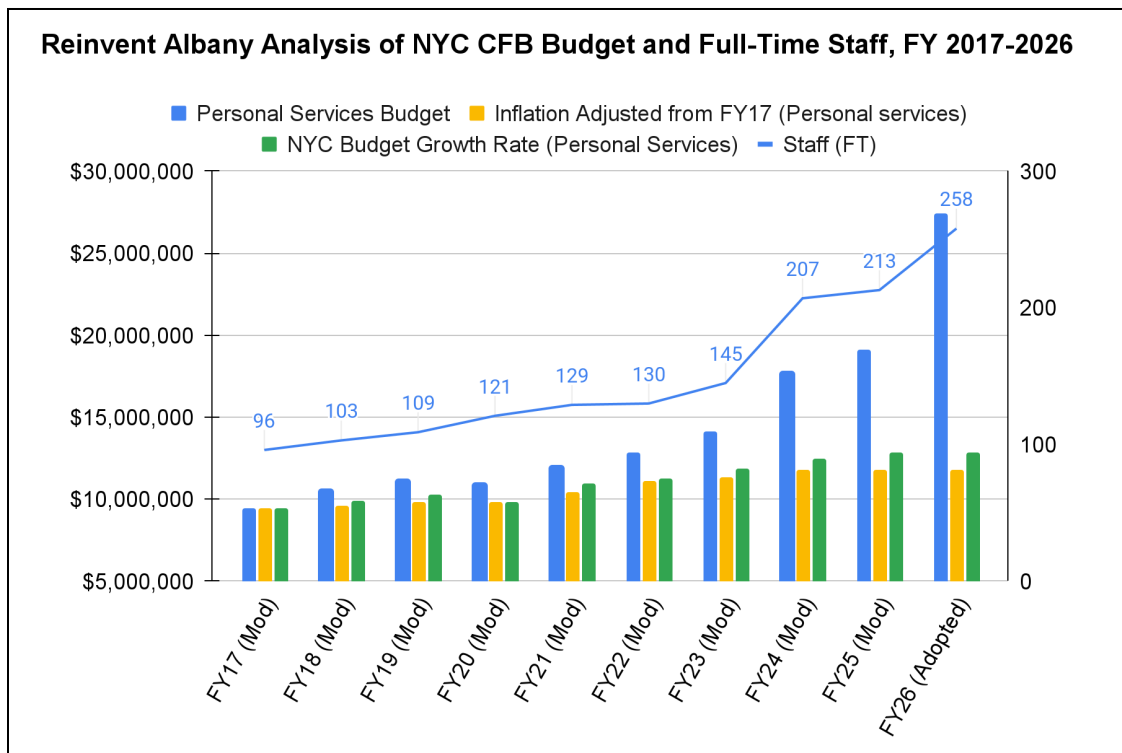
*c. The board shall, not later than March tenth of each year, approve and submit to the mayor detailed itemized estimates of the financial needs of the campaign finance board for the ensuing fiscal year. Such estimates shall be comprised of at least one personal service unit of appropriation and at least one other than personal service unit of appropriation. The mayor shall include such estimates in the executive budget without revision, but with such recommendations as the mayor may deem proper. Upon inclusion in the executive budget, the budget submitted by the campaign finance board shall be adopted pursuant to such provisions of chapter ten of this charter as are applicable to the operating budget of the council.*

This level of protection has ensured that the CFB’s budget has grown to support additional staffing – particularly as the CFB’s responsibilities have grown. Below are some notable [“milestones” related to the matching program and CFB’s responsibilities:](#)

- 2018 – The public matching program was increased from \$6-1 to \$8-1 after voter approval.
- 2019 – Ranked Choice Voting (RCV) was approved by voters, and the CFB engaged in a public education campaign.
- 2022 – CFB is newly required to publish print and online voter guides.

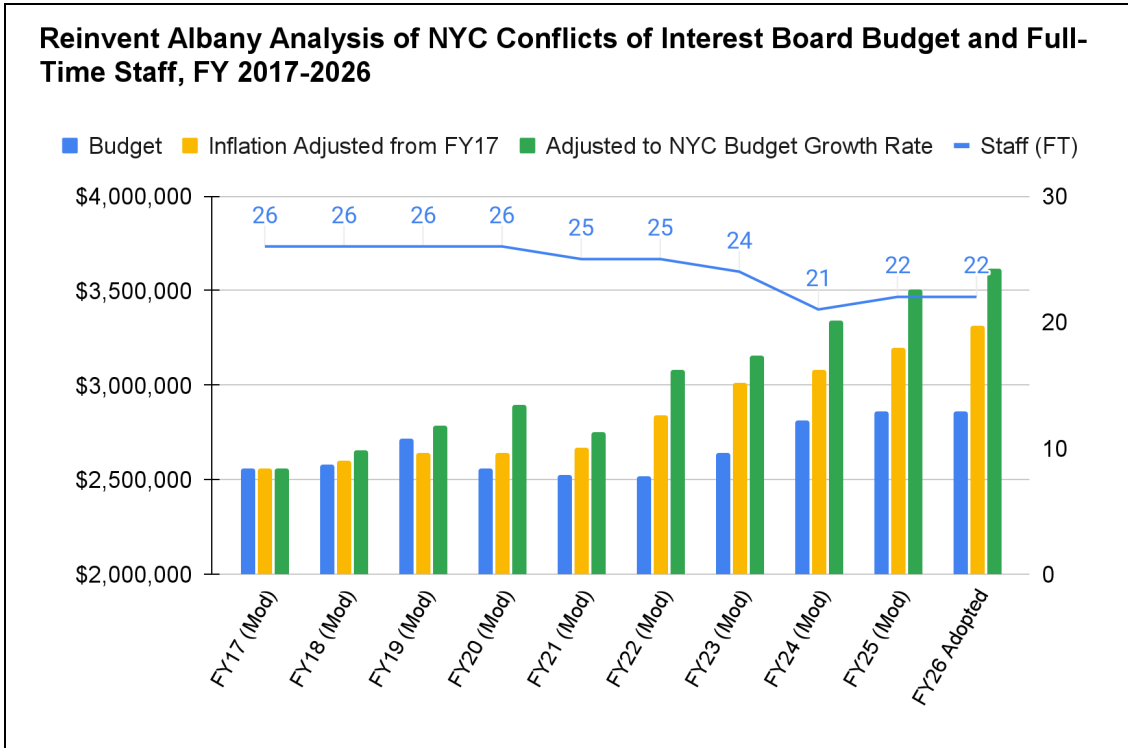
Below is a chart of CFB’s budget changes over time, compared to inflation and the growth of the NYC budget. Note that figures below are for the CFB’s personal services budget – not funds

allocated to the matching program. The CFB's personal services budget has increased from \$16 million to \$109 million from FY 2017 to FY 2026.



### ***Conflicts of Interest Board Needs Protected Budget***

We applaud the Charter Commission staff and members for their interest in protecting the COIB's budget. We request that the Commission ensure that whatever formula is used to determine funding levels for the COIB at a minimum gets it back to prior staffing highs. In FY 2017, COIB had 26 staff, yet for the FY 2026 budget, they are 4 short of this prior level, with only 22 full-time staff. The budget remained flat despite increases in inflation and growth in the NYC budget. The COIB's budget was \$2.5 million in FY 2017, and \$2.8 million in FY 2026. See the chart below and [our prior testimony](#).

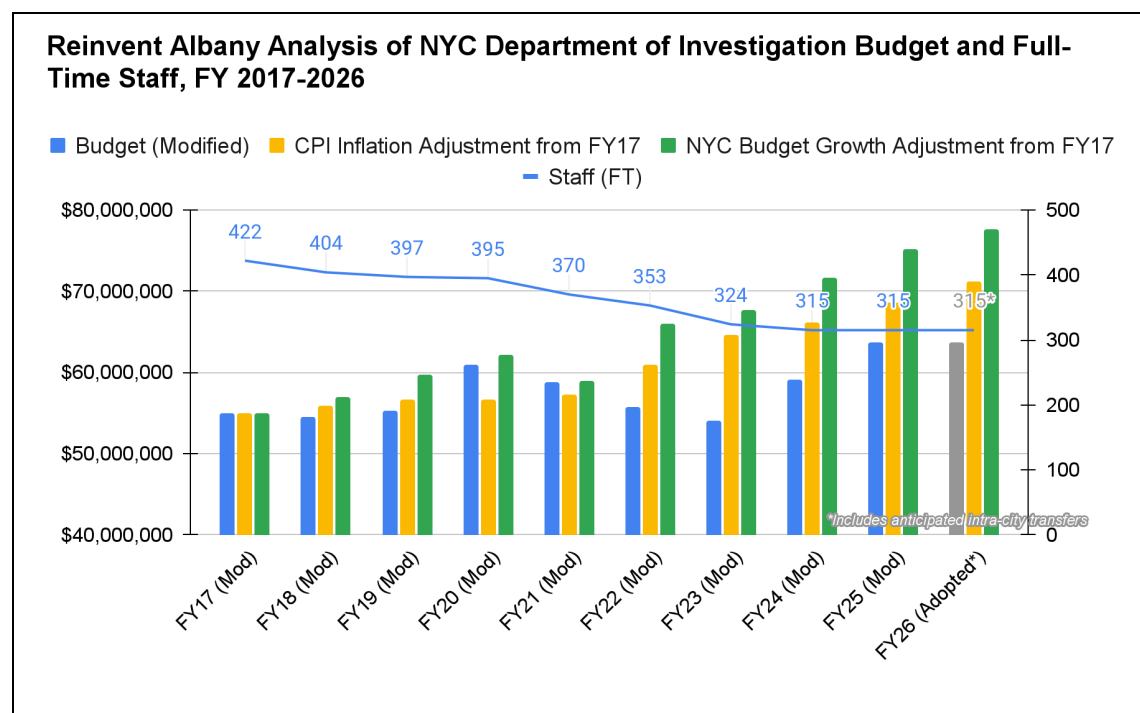


During the last decade when COIB’s budget has remained essentially flat, they were given a large new responsibility of regulating legal defense trusts under [Local Law 48 of 2019](#). There are currently two trusts in existence – including for Mayor Eric Adams – which require COIB to enforce reporting requirements for trusts’ donations and expenditures.

### ***Department of Investigation Budget and Codification of Executive Orders***

We also applaud the Charter Commission staff and members for their interest in protecting the DOI’s budget, and codifying executive orders related to oversight of city agencies and authorities.

Similar to the COIB, the DOI has seen staffing cuts and an essentially flat budget over the last decade despite increases in inflation and growth in the NYC budget. The DOI’s budget was \$54.9 million in FY 2017 by the end of the fiscal year, and is expected to reach \$63.7 million for FY 2026 after mid-year intra-city transfers. These budget levels funded 422 full-time staff in FYI 2017, and will fund 315 in FY 2026 – this represents a 25% decrease. See the chart below.



There is additional risk to DOI’s budget because of mid-year intra-city transfers from other agencies that take place during quarterly financial plan updates, but are not reflected in the adopted budget. The transfers take place due to agreements with other agencies that have Inspectors Generals not directly funded by DOI’s budget lines. We hope that the Commission’s proposals to codify of the executive orders related to DOI and creating independent budgeting will protect all IG positions throughout city government, and provide greater clarity to the public about the total scope of DOI staffing through the budget process.

### ***Independence Over Spending and Hiring***

In addition to independent budgeting, we have asked the Commission to ensure that DOI and COIB have greater authority over spending and hiring.

In Los Angeles, voters recently approved language in November 2024 that gives this authority to their Ethics Commission, along with a minimum budget of \$7 million (note that the LA Ethics Commission’s scope is bigger than COIB’s, also including lobbying and campaign finance regulation). The following language is included in LA’s City Charter:

*(b) The expenditures of the commission shall not require prior approval of City offices or personnel where the expenditures are within the Commission’s budget, unless Council makes a finding of exigent circumstances. The commission shall comply with applicable City requirements, procedures, and laws relating to the expenditures.*

*(c) The commission is not subject to hiring freezes when it operates within its budget, unless the Council makes a finding of exigent circumstances.*