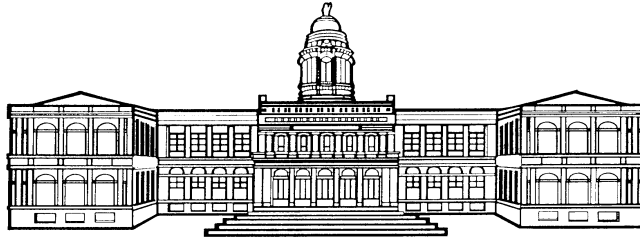


New York City Council



BUDGET REPORT

Finance Division

March 2009

***Analysis of the
Fiscal 2010 Preliminary Budget
and
Fiscal 2009 Preliminary Mayor's Management Report
for the
Taxi and Limousine Commission
Thursday, March 12, 2009***

Hon. Christine C. Quinn
Speaker

Hon. David I. Weprin, Chair
Committee on Finance

Hon. John C. Liu, Chair
Committee on Transportation

Preston Niblack, Director

Jeffrey Rodus, First Deputy Director

Jonathan Rosenberg, Deputy Director

Chima Obichere, Supervising
Legislative Financial Analyst

PREFACE

On March 12, 2009, at 10 am., the Committee on Transportation, chaired by the Hon. John C. Liu will hold a hearing on the Mayor's Fiscal 2010 Preliminary Budget and Fiscal 2009 Preliminary Mayor's Management Report for the Taxi and Limousine Commission.

Section 236 of the New York City Charter requires the Mayor to submit by January 16th a preliminary budget for the upcoming fiscal year.^a In addition, under section 12 of the City Charter, the Mayor must make public and submit to the Council by January 30th the Preliminary Mayor's Management Report (PMMR) for the current fiscal year.^b Among other things, the PMMR must contain "proposed program performance goals and measures for the next fiscal year reflecting budgetary decisions made as of the date of submission of the preliminary budget."^c The Charter also requires the Council to hold hearings on the preliminary budget and to submit recommendations to the Mayor by March 25th.^d This year, the Council will hold joint hearings on the Fiscal 2010 Preliminary Budget and the Fiscal 2009 Preliminary Mayor's Management Report.

Beginning with the Fiscal Year 2008 Adopted Budget, the Council and the Mayor's Office of Management and Budget agreed to an additional budget presentation, referred to by OMB as the budget function analysis, and by the Council as the program budget. Two agencies were initially presented in the program budget form. Beginning with the January 2008 Financial Plan (Fiscal 2009 Preliminary Budget), a total of 16 agencies are now in program budget form. The Taxi and Limousine Commission is not a program budget agency.

This report was prepared by Chima Obichere, Supervising Legislative Financial Analyst, under the supervision of Deputy Director Jonathan Rosenberg.

^a The Charter prescribes specific actions that are required as part of the annual budget submission process during a fiscal year. The Charter allows for changes, via local law, in the dates in the submission of the PMMR, as well as an extension for subsequent steps in the budget process. This year, Local Law 03 of 2009 changed the date for the submission of the Preliminary Budget to January 30th, and the date for the Council's Response to the Preliminary Budget to April 8th.

^b Local Law 03 of 2009 changed the date of submission of the PMMR to February 13, 2009.

^c New York City Charter, §12(b)(2).

^d *See id.* at §247.

Taxi and Limousine Commission (156)

The Taxi and Limousine Commission (TLC) establishes and enforces professional and uniform standards of for-hire car service and ensures public safety. Currently, TLC licenses and regulates 13,237 medallion taxicabs, 39,717 for-hire vehicles, 2,287 paratransit vehicles, 256 commuter vans and 101,564 drivers. The Commission regulates 28 taximeter shops, 25 taxicab brokers and 68 taxicab agents and sets fares charged by medallion taxicabs.

PROGRAM TO ELIMINATE THE GAP

Since the Fiscal 2009 Budget was adopted in June, the Office of Management and Budget has twice asked agency heads to submit Programs to Eliminate the Gap (PEGs) proposals. In the first round, in September, OMB sought PEG submissions equal to five percent of agency City tax-levy budgets for Fiscal 2010, with a further seven percent sought in December.

PEGs reduce the City's budget gap either by reducing an agency's City tax-levy Expense Budget spending, or by increasing City revenues. The chart below indicates the proposed PEG amounts for the TLC based on the Fiscal 2010 forecast at the time the Fiscal 2009 Budget was adopted (June 2008).

November and January Plan PEGs for Fiscal 2010 <i>(in 000s)</i>	
Fiscal 2010 Forecast at Fiscal 2009 Adoption (June 2008)	\$27,870
Expense PEGs	\$0
Revenue PEGs	\$0
Total Fiscal 2010 PEGs	\$0
PEGs as a Percent of the Fiscal 2010 Forecast	0%

PRELIMINARY BUDGET HIGHLIGHTS

The Taxi and Limousine Commission's budget is funded entirely with City tax-levy funds. The Commission's Fiscal 2010 Preliminary Budget includes \$28.9 million, a net decrease of \$1.3 million when compared to the Agency's Fiscal 2009 Adopted Budget. This decrease is due primarily to the completion of a study funded in Fiscal 2008 and Fiscal 2009 to comprehensively review TLC rules. Although, the Fiscal 2010 Preliminary Budget contains no major actions for the TLC, it does include an additional \$919,000 in Fiscal 2010 and \$1 million in Fiscal 2011 and in the outyears for collective bargaining adjustments.

AGENCY FUNDING OVERVIEW

Agency Funding Sources	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget
City	\$30,083,952	\$30,083,952	\$28,790,802
Other Categorical	\$0	\$0	\$0
Capital IFA	\$0	\$0	\$0
State	\$0	\$0	\$0
Community Development	\$0	\$0	\$0
Federal-Other	\$0	\$0	\$0
Intra-City	\$0	\$0	\$0
Total	\$30,083,952	\$30,083,952	\$28,790,802

HEADCOUNT OVERVIEW

Headcount (Uniform and Civilian)	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget
City	404	404	404
Non-City	0	0	0
Total	404	404	404

Revenue Summary

The Fiscal 2010 Revenue Budget for the Commission is projected to be \$37.6 million, a decrease of 50.6 percent or \$38.5 million when compared to the Fiscal 2009 Adopted Budget amount of \$76.1 million. The decrease exists because the authorization to sell additional taxi medallions has expired. Of the projected Fiscal 2010 revenue amount, \$27.6 million will come from medallions and for-hire vehicles licensing fees, \$3.5 million will come from taxi inspections and transfer fees, and \$6.5 million will come from taxi fines and forfeitures.

AGENCY REVENUE OVERVIEW

Agency Revenue Sources	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget
License, Permit & Franchises	\$27,600,000	\$27,600,000	\$27,600,000
Charges for Services	\$3,460,000	\$3,460,000	\$3,460,000
Fines and Forfeitures	\$6,500,000	\$6,500,000	\$6,500,000
Miscellaneous	\$38,500,000	\$25,342,000	\$0
Total	\$76,060,000	\$62,902,000	\$37,560,000

UNITS OF APPROPRIATION

The operating budget of an agency is structured into several levels, each of which provides varying levels of detail on an agency's spending plans. The City Charter requires that U/A's represent the amount appropriated for personal services (i.e. salaries) or Other Than Personal Services (i.e. supplies) for a particular program, purpose, activity or institution. The table below presents the TLC budget, comparing the Fiscal 2009 Adopted Budget to the Fiscal 2010 Preliminary Budget. The Fiscal 2009 Modified Budget reflects this year's budget at the time this financial plan was released.

U/A#	U/A Name	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget	Percent Change from Adoption
001	Personal Services	\$21,872,744	\$21,872,744	\$22,634,134	3.48%
002	Other Than Personal Services	\$8,211,208	\$8,211,208	\$6,156,668	-25.02%
	Total Agency	\$30,083,952	\$30,083,952	\$28,790,802	-4.30%

FUNDING ANALYSIS

Personal Services and Other Than Personal Services (U/As 001 and 002)

Funding in these units of appropriation provides for administrative and operational positions and other than personal services costs within the Commission. The Commission's budget also includes associated costs for fringe benefits, judgments claims and pension costs, totaling \$11.4 million, which are appropriated in the miscellaneous budget.

An additional \$486,000 in Fiscal 2009, \$919,000 in Fiscal 2010, and \$1 million in Fiscal 2011 and the outyears will be transferred from the Labor Reserve in the Miscellaneous Budget to the Commission's PS budget to cover costs associated with collective bargaining agreements.

PRELIMINARY BUDGET ACTIONS (in 000s)

The following table is a summary of the Preliminary Plan actions for Fiscal 2009 and Fiscal 2010 that are described in the Program Budget section above. The Non-City actions include State, Federal, Other Categorical, Intra-City and Capital Inter-Fund Agreement (IFA) funding changes for the TLC.

Description	Fiscal 2009			Fiscal 2010		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as per the November Plan	\$30,085	\$0	\$30,085	\$27,872	\$0	\$27,872
January Plan Programs to Eliminate the Gap (PEGs)						
			\$0			\$0
Total PEGs	\$0	\$0	\$0	\$0	\$0	\$0
January Plan New Needs						
			\$0			\$0
			\$0			\$0
Total New Needs	\$0	\$0	\$0	\$0	\$0	\$0
January Plan Other Adjustments						
Collective Bargaining	\$486		\$486	\$919		\$919
Total Other Adjustments	\$486	\$0	\$486	\$919	\$0	\$919
Total January Plan Budget Changes	\$486	\$0	\$486	\$919	\$0	\$919
Agency Budget as per the January Plan	\$30,571	\$0	\$30,571	\$28,791	\$0	\$28,791