



**NOTE ON THE FISCAL 2021 EXECUTIVE BUDGET FOR THE COMMITTEE ON  
CONSUMER AFFAIRS AND BUSINESS LICENSING  
MAY 29, 2020**

**New York City Council**

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Hon. Daniel Dromm, Chair,  
Finance Committee  
Hon. Andrew Cohen,  
Consumer Affairs and  
Business Licensing

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**Department of Consumer and Worker Protection Overview**

This report presents a review of the Department of Consumer and Worker Protections' (DCWP) Fiscal 2021 Executive Budget. The section below presents an overview of the Department's budget and how it has changed during the course of Fiscal 2020, followed by a review of the significant budget actions introduced in the Fiscal 2021 Executive Budget. Major issues related to the Department's budget are then discussed. Appendix A reports the changes made to the Fiscal 2020 and Fiscal 2021 Budgets since Adoption of the Fiscal 2020 Budget. For additional information on the Department's budget and its various programs, please refer to the Fiscal 2021 Preliminary Budget Report for the Department of Consumer Affairs at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2020/03/866-DCA.pdf>

Below is a summary of key funding changes by program area and source when comparing The Law Department's Fiscal 2021 Executive Budget to its Fiscal 2020 Adopted Budget.

<b>Department of Consumer and Worker Protection Financial Summary</b>						
<i>Dollars in Thousands</i>	FY18	FY19	FY20	Executive Plan		**Difference
	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
<b>Spending</b>						
Personal Services	\$25,463	\$27,549	\$28,933	\$28,230	\$29,168	\$236
Other Than Personal Services	14,104	14,726	14,414	13,774	14,935	522
<b>TOTAL</b>	<b>\$39,567</b>	<b>\$42,275</b>	<b>\$43,346</b>	<b>\$42,004</b>	<b>\$44,104</b>	<b>\$757</b>
<b>Personal Services</b>						
Additional Gross Pay	\$358	\$632	\$46	\$46	\$46	\$0
Full-Time Salaried - Civilian	24,710	26,613	28,218	27,600	28,484	266
Other Salaried, Unsalariated & Fringe Benefits	17	12	556	431	524	(32)
Overtime - Civilian	377	293	113	154	114	1
<b>Subtotal</b>	<b>\$25,463</b>	<b>\$27,549</b>	<b>\$28,933</b>	<b>\$28,230</b>	<b>\$29,168</b>	<b>\$236</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$1,116	\$927	\$233	\$1,038	\$1,747	\$1,514
Fixed & Misc. Charges	20	12	1	1	1	0
Other Services & Charges	12,040	13,238	13,195	11,578	12,169	(1,026)
Property & Equipment	382	142	84	347	119	35
Supplies & Materials	545	407	901	811	899	(2)
<b>Subtotal</b>	<b>\$14,104</b>	<b>\$14,726</b>	<b>\$14,414</b>	<b>\$13,774</b>	<b>\$14,935</b>	<b>\$522</b>
<b>TOTAL</b>	<b>\$39,567</b>	<b>\$42,275</b>	<b>\$43,346</b>	<b>\$42,004</b>	<b>\$44,104</b>	<b>\$757</b>

<i>Dollars in Thousands</i>	FY18	FY19	FY20	Executive Plan		**Difference
	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
<b>Funding</b>						
City Funds			\$39,390	\$37,979	\$40,222	\$832
Other Categorical			59	59	0	(59)
State			1,959	1,932	1,932	(28)
Intra City			1,938	2,035	1,950	12
<b>TOTAL</b>	<b>\$39,567</b>	<b>\$42,275</b>	<b>\$43,346</b>	<b>\$42,004</b>	<b>\$44,104</b>	<b>\$757</b>
<b>Budgeted Headcount</b>						
Full-Time Positions	392	405	435	425	422	(13)
<b>TOTAL</b>	<b>392</b>	<b>405</b>	<b>435</b>	<b>425</b>	<b>422</b>	<b>(13)</b>

*\*\*The difference of Fiscal 2020 Adopted Budget compared to Fiscal 2021 Executive Budget.*

The Department of Consumer and Worker Protections' Fiscal 2021 Executive Budget totals \$44.1 million, including \$29.2 million in Personal Services (PS) funding to support 422 full-time (FT) positions. Approximately \$40.2 million, or 91.2 percent of DCA's budget, is City tax-levy funding, with State and Intra-City funding sources representing the remainder of the Department's Fiscal 2021 Executive Budget. DCA's Fiscal 2021 budget is \$757,000 more than its Fiscal 2020 Adopted Budget of \$43.3 million, but is \$1.2 million less than the Department's Fiscal 2021 Preliminary Budget of \$45.3 million. This decrease is primarily associated with the Department's Citywide Savings Plan, which is discussed later on in the "Citywide Savings Program" section of this report. For additional information on budget actions since the Fiscal 2020 Adopted Budget, please refer to Appendix A.

## New in the Executive Budget

### Other Adjustments

The Fiscal 2021 Executive Plan introduces other adjustments of \$31,000 in Fiscal 2020 and \$61,000 in Fiscal 2021, which include the following.

- **Lease Adjustment.** The Fiscal 2021 Executive Plan includes baselined funding of \$34,000 beginning in Fiscal 2021 for increased lease expenditures at the Department's offices at 42 Broadway.
- **Collective Bargaining.** The Fiscal 2021 Executive Plan includes \$31,000 in Fiscal 2020, \$51,000 in Fiscal 2021, and baselines \$57,000 beginning in Fiscal 2022 to settle collective bargaining issues at the Department, specifically with Communications-Workers America (CWA) 1180.
- **Heat, Light and Power.** The Fiscal 2021 Executive Plan baselines \$7,000 beginning in Fiscal 2021 to increase DCWP's Heat, Light and Power budget slightly in the outyears.
- **Silver Stars.** The Fiscal 2021 Executive Plan includes a baselined decrease of \$31,000 beginning in Fiscal 2021 for the Silver Stars Program. Formerly known as Redeploy, the program allows employees eligible for retirement to shift from full-time to part-time status at the discretion of their agency, while officially filing for retirement. This initiative follows Section 212 of the New York State Retirement and Social Security Law (RSSL), which caps earnings at \$35,000 for individuals under 65 years of age who return to public employment. Although the employee benefits by earning their pension and collecting partial wages, the agency benefits by addressing inefficiencies in having full-time employees used for work that is either seasonal or does not span a full work week because part-time positions for the same

work are difficult to fill. As such, this will lead to a baselined reduction of one position at the Department.

### Citywide Savings

The Fiscal 2021 Executive Plan includes savings of \$1.5 million in Fiscal 2020, \$1.2 million in Fiscal 2021, and baselines savings of \$716,000 beginning in Fiscal 2022, which include the following.

- **Vacancy Reductions.** The Fiscal 2021 Executive Plan includes baselined budgetary savings of \$716,000 beginning in Fiscal 2021 through the permanent reduction of 11 vacant positions across the Department. DCWP has mentioned that these savings will originate from vacancies in its largest divisions, including the Licensing and Enforcement Division and the General Counsel's Office, in order to minimize the disruption to DCWP's daily operations.
- **Other than Personal Services (OTPS) Savings.** The Fiscal 2021 Executive Plan includes budgetary savings of \$850,000 in Fiscal 2020 and \$500,000 in Fiscal 2021. According to DCWP, these savings are a result of delays in Taxi and Limousine Commission (TLC) Legal Services contracts, cancellation of the Office of Labor Policy and Standards (OLPS) campaigns and savings from building maintenance repairs. Additionally, the Department will generate savings of \$500,000 in Fiscal 2021 through the reduction in its divisions' operating budgets, which include reductions in travel, training, software subscriptions, and hardware purchases.
- **PS Accruals.** DCWP will generate one-time budgetary savings of \$650,000 in Fiscal 2020 through delays in hiring for vacant positions across the Department.

### Miscellaneous Revenue

The Department's projected miscellaneous revenue streams for Fiscal 2021 total \$24.9 million, which is \$5 million less than what was projected for the same fiscal year in the Fiscal 2021 Preliminary Plan. Approximately 34.5 percent of total revenue for Fiscal 2021 originates from consent fees on sidewalk cafes, however the Fiscal 2021 Executive Budget includes numerous miscellaneous revenue changes, which include the following.

- **Consumer Affairs Licenses.** DCWP has adjusted its revenue estimate for consumer affairs licenses, recognizing a loss of \$748,000 in Fiscal 2020, due to business closures because of the coronavirus (COVID-19) pandemic.
- **Consent Fees on Sidewalk Cafes.** DCWP has adjusted its revenue estimate for consent fees on sidewalk cafes, recognizing a loss of \$6.8 million in Fiscal 2020 and a loss of \$2.9 million in Fiscal 2021 due to closures because of the COVID-19 pandemic. The decrease in revenue of \$2.9 million in Fiscal 2021 represents the loss in consent fee payments from restaurants and cafes during the period of March 1, 2020 through May 31, 2020, as per Mayoral Executive Order 105, published on April 4, 2020, which waived such fees during this period. The decrease in revenue of \$6.8 million in Fiscal 2020 represents the Office of Management and Budget's (OMB) estimate that the City will not generate any revenue from consent fees for the remainder of Fiscal 2020. However, since consent fees are paid on a quarterly basis from March – February of every calendar year<sup>1</sup>, OMB anticipates the

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<sup>1</sup> Consent fees operate on a yearly basis, from March 1 – February 28 of every calendar year. Payments are made on a quarterly basis, on March 1<sup>st</sup>, June 1<sup>st</sup>, September 1<sup>st</sup>, and December 1<sup>st</sup>.

City will generate revenue from consent fees for the remaining three quarters of consent fee payments in Fiscal 2021.

- **Consumer Affairs Fines.** DCWP has adjusted its revenue estimate for consumer affairs fines, recognizing a loss of \$900,000 in Fiscal 2020 and a baselined loss of \$2.1 million beginning in Fiscal 2021. This action is brought about by the fact that DCWP will provide fine relief to New York City businesses, through an increase in the number of curable violations issued.

For additional information regarding DCWP's miscellaneous revenue streams, please refer to Appendix B.

### **Contracts**

DCWP's Fiscal 2021 Executive Contract Budget totals \$1.7 million to provide for six contracts, which remains unchanged since its Fiscal 2021 Preliminary Plan. For additional information regarding the Department's Fiscal 2021 Executive Contract Budget, please refer to Appendix C. The Law Department's Fiscal 2021 Contract Budget totals \$32.1 million to provide for 429 contracts, which is an increase of \$1 million since its Fiscal 2021 Preliminary Plan. For additional information regarding the Department's Fiscal 2021 Executive Contract Budget, please refer to Appendix C.

## Appendix 1: Fiscal 2021 Budget Actions since Fiscal 2020 Adoption

<i>Dollars in Thousands</i>	FY20			FY21		
	City	Non-City	Total	City	Non-City	Total
<b>DCA Budget as of the Adopted 2020 Budget</b>	<b>\$ 39,390</b>	<b>\$ 3,956</b>	<b>\$ 43,346</b>	<b>\$ 39,900</b>	<b>\$ 3,909</b>	<b>\$ 43,809</b>
<b>New Needs</b>						
TLC Driver Assistance OTPS Cost	463	0	463	1,514	0	1,514
<b>Subtotal, New Needs</b>	<b>\$ 463</b>	<b>-</b>	<b>\$ 463</b>	<b>\$ 1,514</b>	<b>-</b>	<b>\$ 1,514</b>
<b>Other Adjustments</b>						
Collective Bargaining Adjustments	194	0	194	214	0	214
OTPS Savings	(250)	0	(250)	(250)		(250)
Tobacco Revenue Decrease	0	(28)	(28)	0	(28)	(28)
Marketing Campaign Reduction	(100)	0	(100)	0	0	0
PS Savings	(250)	0	(250)	0	0	0
<b>Subtotal, Other Adjustments</b>	<b>\$ (406)</b>	<b>\$ (28)</b>	<b>\$ (434)</b>	<b>\$ (36)</b>	<b>\$ (28)</b>	<b>\$ (64)</b>
<b>Total All Changes</b>	<b>\$ 57</b>	<b>\$ (28)</b>	<b>\$ 29</b>	<b>\$ 1,478</b>	<b>\$ (28)</b>	<b>\$ 1,450</b>
<b>DCA Budget as of the 2021 Preliminary Budget</b>	<b>\$ 39,447</b>	<b>\$ 3,928</b>	<b>\$ 43,375</b>	<b>\$ 41,377</b>	<b>\$ 3,881</b>	<b>\$ 45,258</b>
<b>New Needs - Exec</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other Adjustments</b>						
Lease Adjustment	0	0	0	34	0	34
Silver Stars	0	0	0	(31)	0	(31)
Collective Bargaining Adjustments	31	0	31	51	0	51
Heat, Light and Power	0	0	0	7	0	7
Intra-City Adjustments	0	98	98	0	0	0
OTPS Savings	(850)	0	(850)	(500)	0	(500)
PS Savings	(650)	0	(650)	0	0	0
Vacancy Reductions	0	0	0	(716)	0	(716)
<b>Subtotal, Other Adjustments</b>	<b>\$ (1,469)</b>	<b>\$ 98</b>	<b>\$ (1,371)</b>	<b>\$ (1,155)</b>	<b>-</b>	<b>\$ (1,155)</b>
<b>Total All Changes</b>	<b>\$ (1,469)</b>	<b>\$ 98</b>	<b>\$ (1,371)</b>	<b>\$ (1,155)</b>	<b>-</b>	<b>\$ (1,155)</b>
<b>DCA Budget as of the 2021 Executive Budget</b>	<b>\$ 37,978</b>	<b>\$ 4,026</b>	<b>\$ 42,004</b>	<b>\$ 40,222</b>	<b>\$ 3,881</b>	<b>\$ 44,103</b>

## Appendix B: Fiscal 2021 Miscellaneous Revenue Streams

DCA Miscellaneous Revenue					
Title	FY20	FY21	FY2	FY23	FY24
Consumer Affairs Licenses	\$8,600	\$7,726	\$9,311	\$7,700	\$9,311
Fees on Sidewalk Cafes	4,706	8,618	11,518	11,518	11,518
Bingo and Games of Chance	50	50	50	50	50
Weight/Measures Inspection Fees	801	743	801	743	801
Review/Consent Filing Fees	300	300	300	300	300
Photo ID & Exam Fees	187	123	187	123	187
Consumer Affairs Fines	7,600	6,400	6,400	6,400	6,400
State Tobacco Program	800	800	800	800	800
Minor Sales	500	215	215	215	215
<b>Total</b>	<b>\$23,544</b>	<b>\$24,975</b>	<b>\$29,582</b>	<b>\$27,849</b>	<b>\$29,582</b>

## Appendix C: Law Contract Budget as of Fiscal 2021 Executive Budget

<b>DCWP Fiscal 2021 Executive Contract Budget</b>						
<i>Dollars in Thousands</i>						
<b>Category</b>	<b>Fiscal 2020 Adopted</b>	<b># of Contracts</b>	<b>Fiscal 2021 Prelim</b>	<b># of Contracts</b>	<b>Fiscal 2021 Exec</b>	<b># of Contracts</b>
Contractual Services General	\$146	1	\$1,660	1	\$1,660	1
Security Services	59	2	59	2	59	2
Temporary Services	20	1	20	1	20	1
Training Program for City Employees	6	1	6	1	6	1
Professional Svcs. Other	2	1	2	1	2	1
<b>Total</b>	<b>\$233</b>	<b>6</b>	<b>\$1,747</b>	<b>6</b>	<b>\$1,747</b>	<b>6</b>