



**NOTE ON THE FISCAL 2021 EXECUTIVE BUDGET FOR THE
COMMITTEE ON FINANCE
MAY 29, 2020**

New York City Council

Hon. Corey Johnson,
Speaker
Hon. Daniel Dromm, Chair,
Finance Committee

Finance Division

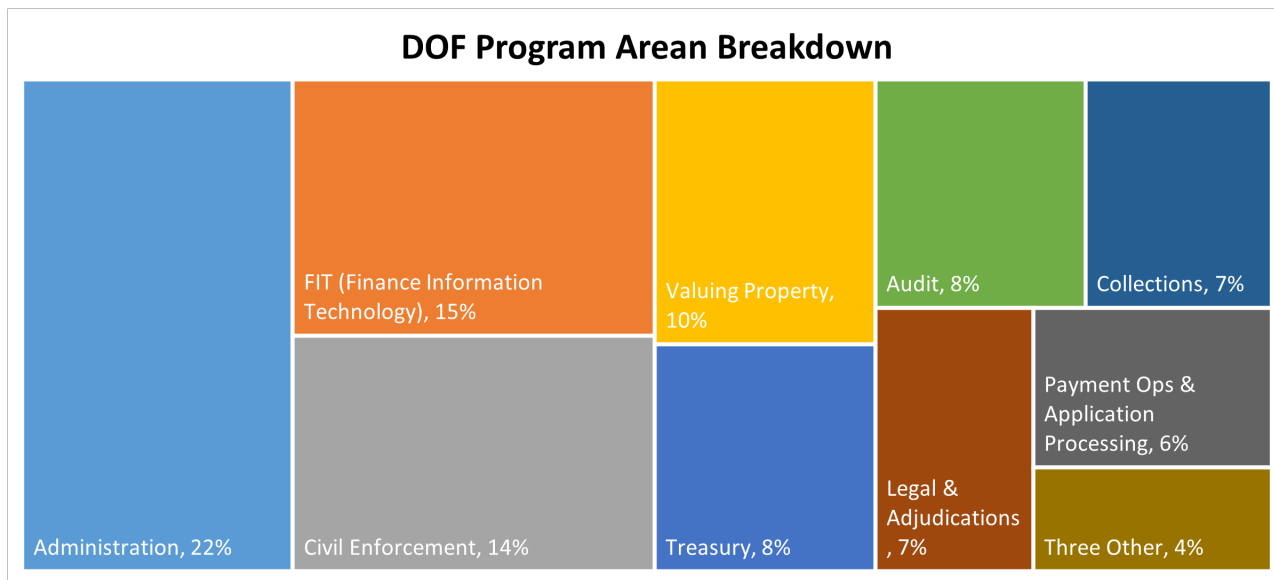
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Department of Finance Overview

This report presents a review of the Department of Finance's (DOF or the Department) Fiscal 2021 Executive Plan. The section below presents an overview of the Department's Fiscal 2021 Executive Plan and how it has changed since the Fiscal 2020 Adopted Budget. Appendix 1 provides a summary of key funding changes by program area and source when comparing DOF's Fiscal 2021 Executive Plan to its Fiscal 2020 Adopted 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 Finance by following the attached URL link:

<https://council.nyc.gov/budget/wp-content/uploads/sites/54/2020/03/836-Department-of-Finance.pdf>

DOF's expense budget is organized by 13 units of appropriation (U/A), each of which represents a function of the Department. The Department's Fiscal 2021 Executive Budget totals \$324.2 million, comprised of City and State funds. This represents a \$4.1 million increase from the Fiscal 2020 Adopted Budget. In the Fiscal 2021 Executive Plan, PS spending totals \$180.6 million, a \$2.9 million increase compared to the Fiscal 2020 Adopted Budget. OTPS spending totals \$143.6 million, a \$1.2 million increase compared to the Fiscal 2020 Adopted Budget. The additional \$4.1 million is primarily due to increased funding in three program areas, Administration (011), Treasury (022), and Valuing Property (003).



New in the Executive Plan

The Fiscal 2021 Executive Budget for DOF does not include any new needs in Fiscal 2020 or Fiscal 2021 and the outyears. Other Adjustments increased the budget by \$633,000 in Fiscal 2020 and \$4.7 million in Fiscal 2021. These increases are offset by DOF's Program to Eliminate the Gap (PEGs) totaling \$6.1 million in Fiscal 2020. See Appendix 2 for a list of all budget actions since the Fiscal 2020 budget adoption. Appendix 2 provides a detailed summary of agency budget actions since the Fiscal 2020 Adopted Budget.

Other Adjustments

- **Collective Bargaining.** The Department's Fiscal 2021 Executive Plan includes funding for collective bargaining adjustments added since the Preliminary Plan totaling \$1.1 million in Fiscal 2020, \$1.8 million in Fiscal 2021, and \$2 million Fiscal 2022 and in the outyears;
- **Fleet Size.** The Fiscal 2020 Executive Plan includes City tax-levy savings of \$325,000 in Fiscal 2020 only due to the elimination of vehicles from DOF's fleet;
- **Heat, Light and Power.** Due to a re-estimate, DOF anticipates a decrease of \$125,000 in Fiscal 2020 and a decrease of \$7,000 in Fiscal 2021 and in the outyears for costs associated with heat, light and power.
- **Lease Adjustment.** Due to re-estimates, DOF anticipates increases of \$3.1 million in Fiscal 2021 and \$2.7 million in Fiscal 2022, and in the outyears for costs associated with leased space.

Citywide Savings Program. In conjunction with the Fiscal 2021 Executive Plan, the Office of Management and Budget (OMB) released a Citywide Savings Program that outlined a plan to close a budget gap of \$2.7 billion over Fiscal 2020 and Fiscal 2021. To develop the program, OMB asked all agencies to identify efficiencies, alternative funding sources and programmatic changes, including PEGs that would yield budgetary savings. DOF has identified PEG savings totaling approximately \$6.1 million in Fiscal 2020. The savings identified by DOF include the following:

- **Booting Fee Savings & COVID Booting Suspension.** The Fiscal 2021 Executive Plan includes savings of \$3.1 million in Fiscal 2020 only due to the suspension of vehicle booting during the COVID-19 pandemic. However, these savings are generated from a reduction in anticipated fees associated with booting which is more than offset by lost revenue generated from booting. The Department expects to lose \$4.5 million in revenue from Marshal booting;
- **OCA Commission Surplus Savings.** The Fiscal 2021 Executive Plan includes savings of \$3 million in Fiscal 2020 only.

Changes by Funding Source

- DOF’s budget is largely City-funded with no federal funds and State funds accounting for less than one-half of one percent. For Fiscal 2020, City tax-levy funding for DOF reflects a net increase of \$4.1 million with State funding and funding through Intra City funds continuing to remain flat.

COVID-19

In response to the COVID-19 pandemic, New York State issued “New York State on PAUSE”, an Executive Order effective 8 p.m. on March 22 to close all non-essential businesses, prohibit all non-essential gatherings, practice social distancing of six feet in public and more. This pandemic is widespread throughout the world, but especially prevalent in New York City. The City accounts for nearly five percent of confirmed positive cases worldwide. Because of the severity of cases in New York City, agencies have had to adjust their responsibilities to help reduce the impacts of COVID-19.

The Department of Finance halted collection of additional penalties on unpaid non-judgement parking ticket or camera violations beginning March 22, 2020. The Department has decreased its anticipated Fiscal 2021 revenue from Bus Lane Cameras, Parking Violations, and ECB collections collectively by \$21.2 million. Appendix 3 provides a detailed summary of anticipated miscellaneous revenue generated by the Department in Fiscal 2020 and Fiscal 2021 compared to its Fiscal 2020 Adopted Budget.

Appendix 1: Fiscal 2021 Executive Plan Financial Summary

Department of Finance Financial Summary						
<i>Dollars in Thousands</i>	2018	2019	2020	Executive Plan		*Difference
	Actual	Actual	Adopted	2020	2021	2020 - 2021
Spending						
Personal Services	\$157,849	\$163,519	\$177,748	\$175,762	\$180,613	\$2,865
Other Than Personal Services	121,010	136,723	142,365	152,407	143,602	\$1,237
TOTAL	\$278,859	\$300,242	\$320,113	\$328,169	\$324,215	\$4,102
Budget by Program Area						
Administration	\$54,441	\$67,068	\$70,751	\$72,975	\$72,305	\$1,554
Audit	19,899	21,403	25,894	24,388	26,089	194
Civil Enforcement	40,993	40,846	46,329	42,970	46,408	80
Collections	13,091	14,341	22,864	18,598	23,093	229
Communications & Governmental Svcs	3,458	3,628	5,058	4,975	4,127	(931)
Financial Plan Savings	0	0	(8,840)	(16,047)	(10,012)	(1,172)
FIT (Finance Information Technology)	50,080	57,681	51,660	68,279	50,475	(1,185)
Legal & Adjudications	19,071	18,011	22,069	22,421	22,583	515
NYCSERV Contract Funding	3,193	4,129	3,356	2,668	3,356	0
Payment Ops & Application Processing	17,722	17,270	20,246	20,841	20,706	460
Property Records	6,290	6,003	5,769	6,463	5,974	205
Treasury	26,186	23,599	24,741	27,521	27,284	2,543
Valuing Property	24,435	26,263	30,217	32,115	31,829	1,611
TOTAL	\$278,859	\$300,242	\$320,113	\$328,169	\$324,215	\$4,102
Funding						
City Funds			\$314,836	\$322,791	\$318,917	\$4,081
State			438	513	438	0
Intra City			4,839	4,865	4,860	21
TOTAL	\$278,859	\$300,242	\$320,113	\$328,169	\$324,215	\$4,102
Budgeted Headcount						
Full-Time Positions	1,882	1,968	2,150	2,139	2,133	(17)
TOTAL	1,882	1,968	2,150	2,139	2,133	(17)

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

Appendix 2: Budget Actions since Fiscal 2020 Adoption

<i>Dollars in Thousands</i>	FY20			FY21		
	City	Non-City	Total	City	Non-City	Total
DOF Budget as of the Adopted FY20 Budget	\$314,837	\$5,277	\$320,114	\$310,458	\$5,277	\$315,735
New Needs						
Increased Credit Card Fees	2,500	0	2,500	2,500	0	2,500
BTS Post-Production Support	4,288	0	4,288		0	0
PTS Post-Production Support	2,939	0	2,939		0	0
STARS Postage	2,500	0	2,500	0	0	0
Subtotal, New Needs	\$12,227	\$0	\$12,227	\$2,500	\$0	\$2,500
Other Adjustments						
Agency Phone Plan Review	(\$29)	\$0	(\$29)	(\$57)	\$0	(\$57)
Assessor Transfer to Office of Administrative Appeals	(250)	0	(250)	(250)	0	(250)
CSBA Attorneys CB-C	266	0	266	292	0	292
DC37 Equity Panel	1,149	0	1,149	1,231	0	1,231
FY20 LGRMIF Grant	0	75	75	0	0	0
IBT L237 CB-C	31	0	31	50	0	50
L246 Collective Bargaining (IC)	1	0	1	1	0	1
PS Realignment	(15)	15	0	(16)	16	0
Transfer of Assistant Assessor	40	0	40	40	0	40
Subtotal, Other Adjustments	\$1,193	\$90	\$1,283	\$1,291	\$16	\$1,322
TOTAL, All Changes	\$13,420	\$90	\$13,510	\$3,791	\$16	\$3,822
DOF Budget as of the Fiscal 2021 Preliminary Plan	\$328,257	\$5,367	\$333,624	\$314,249	\$5,293	\$319,557
New Needs						
N/A						
Subtotal, New Needs	\$0	\$0	\$0	\$0	\$0	\$0
Other Adjustments						
Collective Bargaining CWA 1180, IC	\$0	\$3	\$3	\$0	\$5	\$5
Collective Bargaining CWA 1180 - AM	421	0	\$421	684	0	\$684
Collective Bargaining CWA 1180 - EM	689	0	\$689	1,080	0	\$1,080
Fleet Reduction	(325)	0	(\$325)	-	0	\$0
Heat, Light and Power	(125)	0	(\$125)	7	0	\$7
Lease Adjustment	0	0	\$0	3,108	0	\$3,108
OTPS Adjustment	0	8	\$8	-	0	\$0
Silver Stars	0	0	\$0	(210)	0	(\$210)
Technical Adjustment	(27)	0	(\$27)	0	0	\$0
Subtotal, Other Adjustments	\$633	\$11	\$644	\$4,669	\$5	\$4,674
Program to Eliminate the Gap (PEGs)						
Booting Fee Savings	(\$3,097)	\$0	(\$3,097)	\$0	\$0	\$0
OCA Commission Surplus Savings	(3,000)	\$0	(3,000)	0	0	0
Subtotal, PEGs	(\$6,097)	\$0	(\$6,097)	\$0	\$0	\$0
TOTAL, All Changes	(\$5,464)	\$11	(\$5,453)	\$4,669	\$5	\$4,674
DOF Budget as of the Fiscal 2021 Executive Plan	\$322,791	\$5,378	\$328,169	\$318,917	\$5,298	\$324,215

Appendix 3: Fiscal 2021 Executive Plan Miscellaneous Revenue

DOF Miscellaneous Revenue Budget Overview						
<i>Dollars in Thousands</i>						
Revenue Sources	FY18	FY19	FY20	Executive Plan		*Difference
	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
Licenses, Permits, and Franchises						
Cigarette License Fees	\$67	\$91	\$50	\$50	\$50	\$0
Subtotal	\$67	\$91	\$50	\$50	\$50	\$0
Interest Income						
Interest -Court & Fine Trust	423	644	850	340	30	(820)
Interest on Sales Tax	3,979	7,699	8,530	5,530	390	(8,140)
Subtotal	\$4,402	\$8,343	\$9,380	\$5,870	\$420	(\$8,960)
Charges for Services						
Sheriff Desk Fees & Poundage	3,566	3,603	4,754	3,100	4,754	0
Court & Trust Fees	2,436	2,286	1,600	1,600	1,600	0
On-line Title Access Fees	152	104	150	150	150	0
Credit Card Convenience Fee	13,922	13,002	8,000	12,000	10,000	2,000
City Register Fees	26,022	24,268	32,598	25,000	28,600	(3,998)
Taxes CC Convenience Fees		3,352	0	2,500	2,500	2,500
Marshal Booting	14,679	14,725	14,000	9,500	14,000	0
State Admin Reimbursement	71	69	88	88	88	0
City Collector Misc. Fees	1,049	1,040	925	925	925	0
Lower Manhattan Project	112	281	100	150	100	0
Subtotal	\$62,009	\$62,730	\$62,215	\$55,013	\$62,717	\$502
Fines and Forfeitures						
RPIE Late Penalty	8,104	7,356	5,000	8,800	5,000	0
RPTT Late Penalty	1,325	1,612	400	1,500	400	0
Motor Vehicle Fines	23,991	22,381	19,000	13,950	19,000	0
Bus Lane Camera Fines	11,390	17,168	15,500	12,000	11,400	(4,100)
Speed Camera Fines	52,000	45,056	58,339	124,500	151,500	93,161
Redlight Camera Fines	22,806	20,131	23,000	17,000	23,000	0
Parking Violation Fines	566,620	601,581	568,366	590,566	554,420	(13,946)
Collection Unit-ECB Fines	67,308	85,792	72,348	66,000	69,148	(3,200)
Cash Bail Forfeiture	561	659	490	490	490	0
Subtotal	\$754,105	\$801,736	\$762,443	\$834,806	\$834,358	\$71,915
Miscellaneous						
Treasury MISC Fees	224	1,439	425	425	425	0
Rent Stabilization Fees	8,089	8,282	7,700	15,400	15,400	7,700
Subtotal	\$8,313	\$9,721	\$8,125	\$15,825	\$15,825	\$7,700
TOTAL	\$828,896	\$882,621	\$842,213	\$911,564	\$913,370	\$71,157

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