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**Report on the Fiscal 2023
Preliminary Plan and the Fiscal 2022
Mayor's Management Report for the
Taxi and Limousine
Commission**

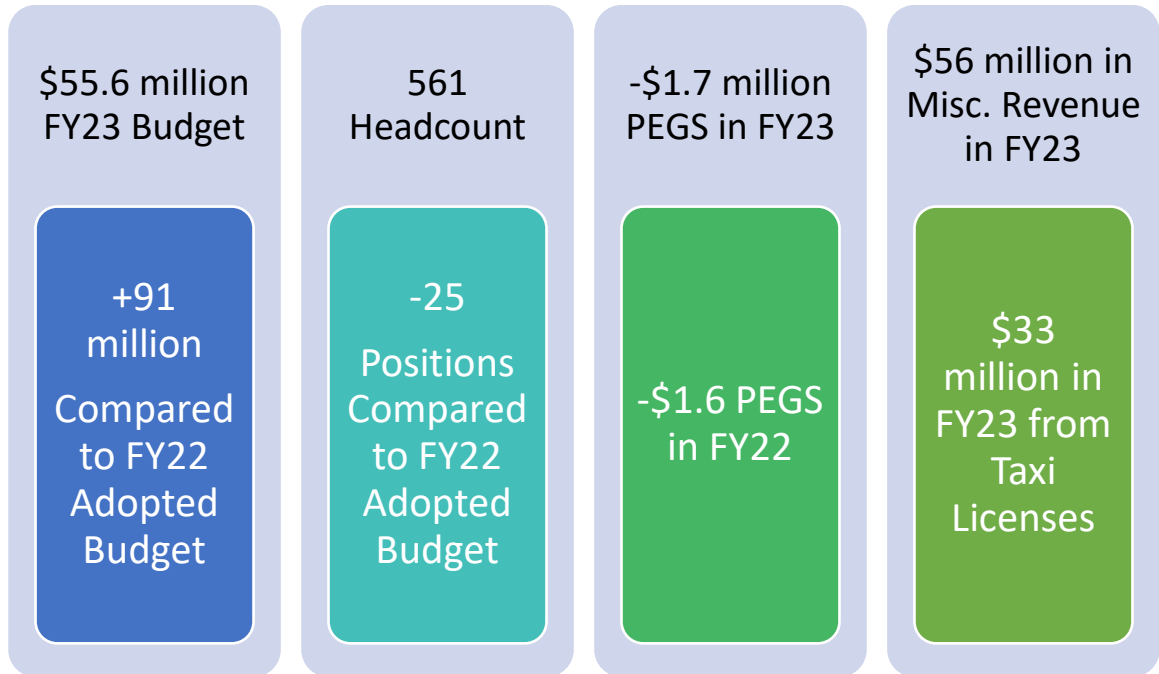
March 16, 2022

(Report prepared by John Basile)

Table of Contents

TLC Fiscal 2023 Budget Snapshot	1
TLC Financial Plan Overview	1
Introduction	1
Financial Summary.....	2
Fiscal 2023 Preliminary Budget Changes.....	2
Other Key TLC Budget Actions Since the Fiscal 2022 Adopted Budget.....	3
Headcount	4
Contract Budget.....	4
Miscellaneous Revenue	5
Fiscal 2023 Preliminary Mayor’s Management Report.....	6
Effects of COVID-19 on the For-Hire Industry	7
Appendices	9
A. Budget Actions in the November and Preliminary Plans	9
B. Contract Budget.....	9
C. Miscellaneous Revenue	10
D. TLC Regulated Industries.....	10

TLC Fiscal 2023 Budget Snapshot



TLC Financial Plan Overview

Introduction

The Taxi and Limousine Commission (TLC) ensures that New Yorkers and visitors to the City have access to taxicabs, car services, and commuter van services that are safe, efficient, sufficiently plentiful, and provide a good passenger experience. The Agency licenses and regulates all aspects of New York City's medallion yellow taxicabs, for-hire vehicles (community-based liveries, black cars, and high-volume cars), commuter vans, paratransit vehicles (ambulettes), certain luxury limousines and Green Taxis.

TLC's goals include:

- To establish and enforce professional and uniform standards of for-hire car service and to ensure public safety;
- To ensure that all licensed vehicles meet safety and emissions standards; and
- To ensure all vehicles operating as for-hire follow TLC rules and regulations, provide excellent customer service to licensees, and promote excellent customer services for passengers.

Powers and Duties. The Commission has the power and the duty to set and enforce rates of fare to be charged and collected. The Commission is also charged with holding a public hearing to assess the adequacy of the current fares and lease caps established under its rules, not later than the end of April of every odd-numbered year. Fare increases are meant to benefit drivers while lease cap increases are set to benefit fleet owners.

Financial Summary

The Taxi and Limousine Commission's Fiscal 2023 Preliminary Budget totals \$55.3 million and is funded entirely with City tax-levy funds; this represents less than one percent of the City's total Budget of \$98.5 billion. TLC's budget for Fiscal 2023 is approximately equal to the Fiscal 2022 Adopted Budget, but is significantly less than the Fiscal 2022 November Plan Budget of \$169.5, which reflected the receipt of federal stimulus funding and City funding of \$50 million for the Medallion Relief Program.

Taxi and Limousine Commission Financial Summary						
<i>Dollars in Thousands</i>						
	2020	2021	2022	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2022	2023	2022-2023
Spending						
Personal Services	\$41,690	\$40,891	\$42,285	\$39,647	\$40,680	(\$1,606)
Other Than Personal Services	11,258	12,338	13,189	128,365	14,886	1,697
TOTAL	\$52,948	\$53,228	\$55,474	\$168,011	\$55,565	\$91
Personal Services						
Additional Gross Pay	\$2,231	\$2,250	\$1,300	\$1,332	\$1,300	\$0
Full-Time Salaried - Civilian	35,436	35,155	37,594	34,923	35,989	(1,606)
Full-Time Salaried - Uniformed	0	0	0	0	0	0
Other Salaried & Unsalariated	2,391	2,350	2,235	2,235	2,235	0
Overtime - Civilian	1,214	767	807	807	807	0
P.S. Other	1	(2)	0	0	0	0
Amount to be Scheduled	0	0	204	204	204	0
Fridge Benefits	417	371	145	145	145	0
SUBTOTAL	\$41,690	\$40,891	\$42,285	\$39,647	\$40,680	(\$1,606)
Other Than Personal Services						
Contractual Services	\$3,327	\$3,777	\$3,925	\$3,915	\$3,775	\$73
Fixed & Misc. Charges	126	42	100	115,100	100	0
Other Services & Charges	6,092	6,981	6,947	7,413	8,316	(500)
Property & Equipment	378	445	489	925	967	150
Supplies & Materials	1,335	1,092	1,728	1,012	1,728	296
SUBTOTAL	\$11,258	\$12,338	\$13,189	\$128,365	\$14,886	\$1,697
TOTAL	\$52,948	\$53,228	\$55,474	\$168,011	\$55,565	\$91
Funding						
City Funds			\$55,474	\$103,011	\$55,565	\$91
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Other			0	65,000	0	0
Intra City			0	0	0	0
TOTAL	\$52,948	\$53,228	\$55,474	\$168,011	\$55,565	\$91
Budgeted Headcount						
Full-Time Positions - Civilian	584	522	586	561	561	(25)
TOTAL	584	522	586	561	561	(25)

*The difference of Fiscal 2022 Adopted Budget compared to Fiscal 2023 Preliminary Budget

Fiscal 2023 Preliminary Budget Changes

The Preliminary Financial Plan for Fiscal 2022-2026 (The Plan or the Preliminary Plan) introduces only three budgetary changes for TLC, including \$1.7 million in PEG's and \$185,000 in New Needs/Other Adjustments.

The Fiscal 2023 Preliminary Plan changes for TLC include the following:

New Needs

- **Vaccine Incentive.** On October 20, 2021, former Mayor Bill de Blasio announced that City employees who complied with the City worker COVID-19 vaccination mandate would receive an additional \$500 cash benefit. The benefit ended on Friday, October 29, at which point all City employees were required to have proof of at least one dose of the vaccine. The Preliminary Plan includes a new need of \$10,000 in Fiscal 2022 that adds to the \$23,000 included in the 2021 November Plan to fund TLC employees who are eligible to receive the vaccine incentive in Fiscal 2022.

Other Adjustments

- **Lease Adjustment.** Due to a lease adjustment, the Preliminary Plan includes an additional \$176,000 in Fiscal 2022 only.

Program to Eliminate the Gap (PEG)

- **Vacancy Reduction.** The Preliminary Plan includes PEG savings of \$1.6 million in Fiscal 2022 and \$1.7 million in Fiscal 2023 and in the outyears related to a vacancy reduction of 25 headcount positions.

Other Key TLC Budget Actions Since the Fiscal 2022 Adopted Budget

Since the Fiscal 2022 Adopted Budget, TLC has identified \$50.2 million in new needs and a net reduction of \$61.3 million in other adjustments across Fiscal 2022 and Fiscal 2023. In addition, as discussed above, as part of the Citywide Savings program, TLC identified PEG savings of \$1.4 million in Fiscal 2022 and \$1.7 million in Fiscal 2023. The changes include the following:

New Needs

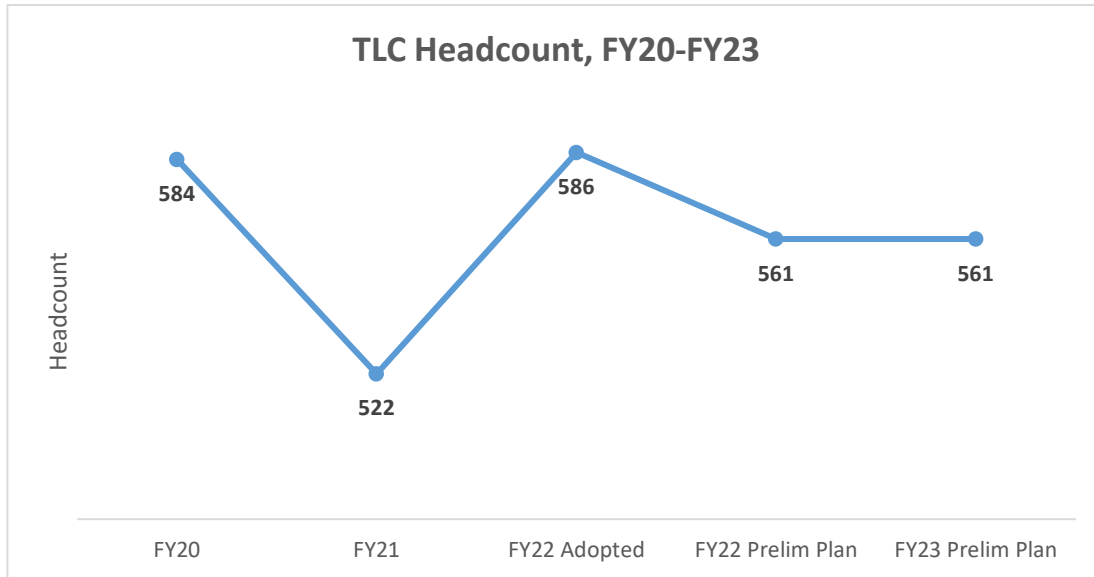
- **Medallion Relief Program.** The Medallion Relief Program (MRP), formerly the Taxi Medallion Relief Fund (TMRF), was announced by former Mayor Bill de Blasio in early March 2021 and will provide medallion owners with \$20,000 grants to help restructure loan principals and set lower monthly payments, as well as up to \$9,000 for monthly debt relief payments. The November Plan included a new need of \$50 million in Fiscal 2022 as part of MRP. This is in addition to \$65 million in federal stimulus funding for the program.

Other Adjustments

- **Hiring Delay Savings.** Due to a hiring delay, TLC anticipates a savings of \$1.1 million in Fiscal 2022.
- **MRP EDC Funds Back to TLC.** The Adopted Budget transferred \$2.9 million in federal funding in Fiscal 2021 from TLC to EDC to manage a subset of the TMRF program. However, EDC's TMRF function has since been reversed back to TLC, who will now manage the entire program. As such, the \$2.9 million was transferred back to TLC in the November Plan.
- **OSA CB Funding.** Due to a recent Organization of Staff Analysts (OSA) collective bargaining (CB) agreement, the November Plan included \$65,500 in Fiscal 2022 and in the outyears for collective bargaining costs.

- TMRF Roll FY22.** The November Plan includes a federal funding roll of \$62.1 million from Fiscal 2021 to Fiscal 2022 to properly align with the Taxi Medallion Owner Relief Funding’s program schedule.

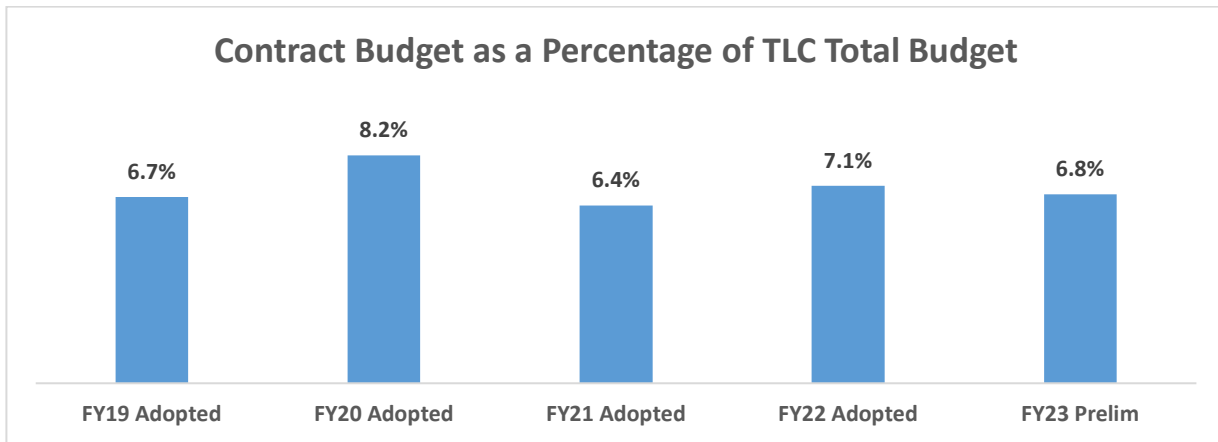
Headcount



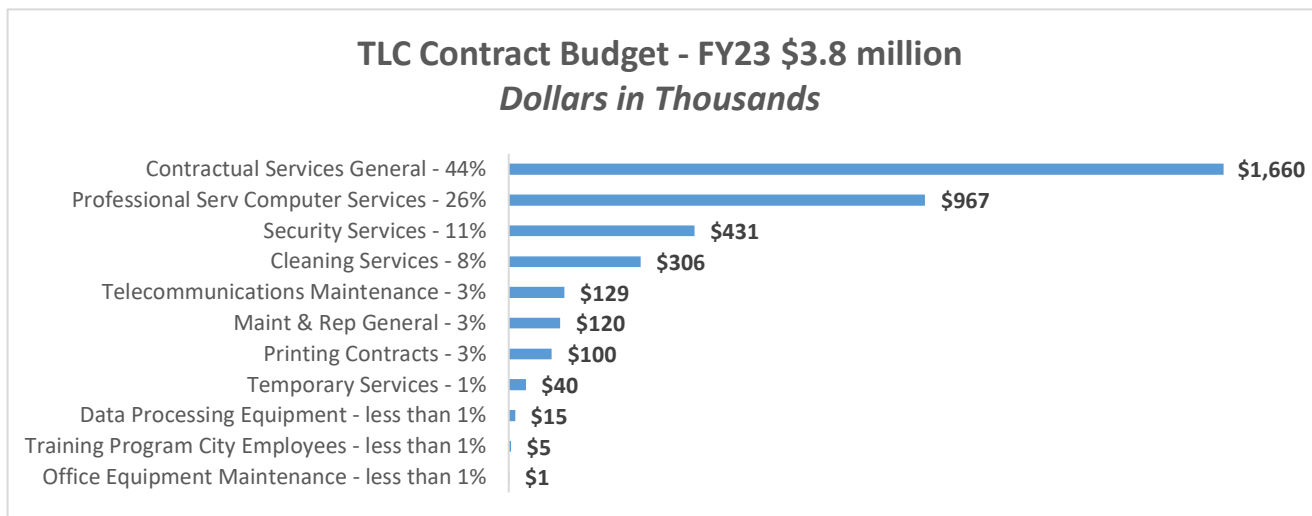
As illustrated by the chart above, the Taxi and Limousine Commission’s Fiscal 2023 Preliminary Budget provides for 561 budgeted headcount positions, a decrease of 25 positions when compared to the Fiscal 2021 Adopted Budget. The majority of headcount positions, approximately 45 percent, are for Taxi and Limousine inspectors. The Department was operating with a 16 percent staff vacancy rate as of December 2021, significantly higher than the citywide average of two percent. Overall, high vacancy rates are a persistent issue for TLC. As of December 2018, TLC had a headcount vacancy rate of 11 percent, the majority of which were for inspector positions. In December 2017, TLC had a headcount vacancy rate of 21 percent.

Contract Budget

The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services, which are defined as any technical, consultant or personnel service provided to the City by means of a contract. The Contract Budget is actually a subset of the OTPS portion of the City’s Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. The Citywide Fiscal 2023 Preliminary Contract Budget totals \$19.2 billion for procurement expenditures across all agencies.



For the TLC, the Fiscal 2023 Contract Budget totals \$3.8 million for 31 contracts, accounting for 6.8 percent of the Commission’s total budget. The total contract value in the Preliminary Plan is \$150,000 less than the Fiscal 2022 Adopted Budget. This is due to reductions to Contractual Services General contract amounts for Fiscal 2023. As indicated in the chart below, the majority of TLC contract budget is allocated to Contractual Services General at \$1.7 million (44 percent), followed by Professional Service – Computer Services at \$967,000 (26 percent), Security Services at \$431,000 (11 percent), and all other remaining contracts at \$717,000 (19 percent).

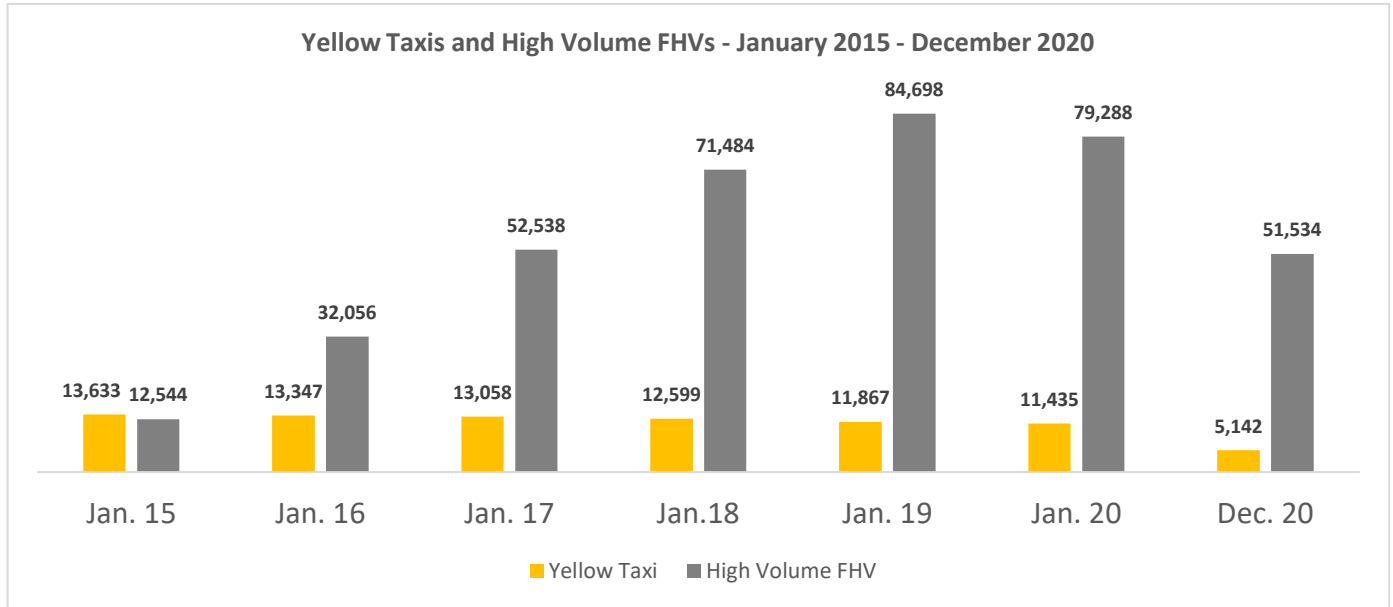


Miscellaneous Revenue

The Preliminary Plan’s Fiscal 2023 forecast for the Taxi and Limousine Commission includes miscellaneous revenues totaling \$56.1 million in Fiscal 2023 of which, \$33 million is from taxi licenses. Historically, TLC generated a significant amount of its miscellaneous revenue from the sale of Taxi Medallions. However, due to the rapid growth of the High-Volume FHV sector, there have been no new taxi medallions sold by TLC since March 2014. As such, the Preliminary Plan does not anticipate any revenue from the sale of yellow taxi medallions in Fiscal 2023 or the outyears.

As can be seen in the chart below, COVID-19 has greatly impacted the City’s taxicab industry, resulting in a significant decline in the number of active High-Volume FHV and Yellow taxi vehicles on the road. The number of unique High-Volume FHV’s declined 35 percent between January 2020 and

December 2020, while the number of active unique medallion vehicles declined 55 percent over the same period. In addition to the severe economic and personal effects of pandemic on taxi drivers, this decline may also impact TLC’s miscellaneous revenue moving forward if the effects of the pandemic do not abate.



Fiscal 2023 Preliminary Mayor’s Management Report

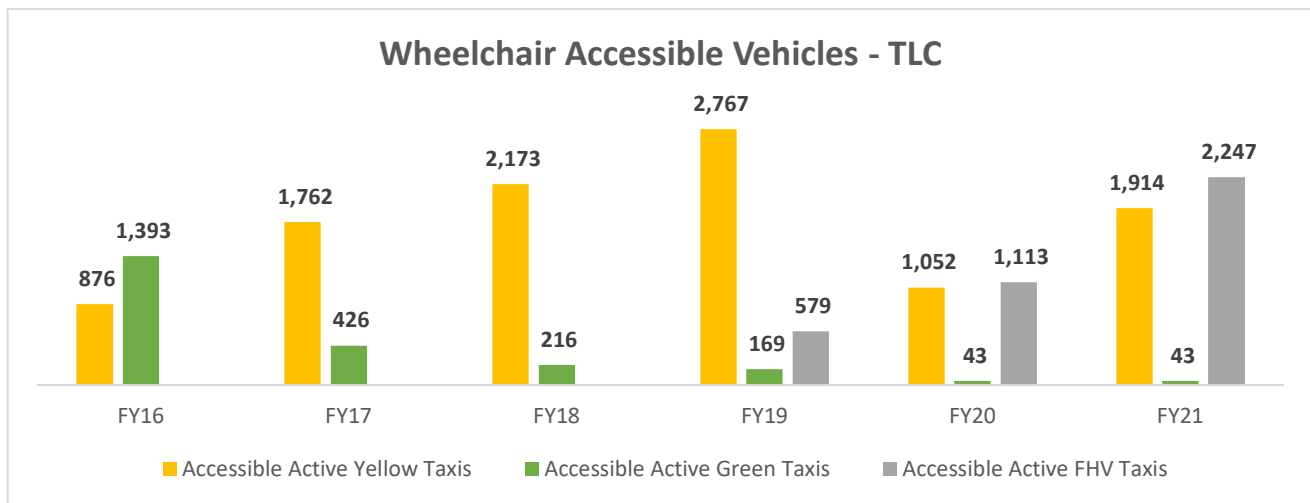
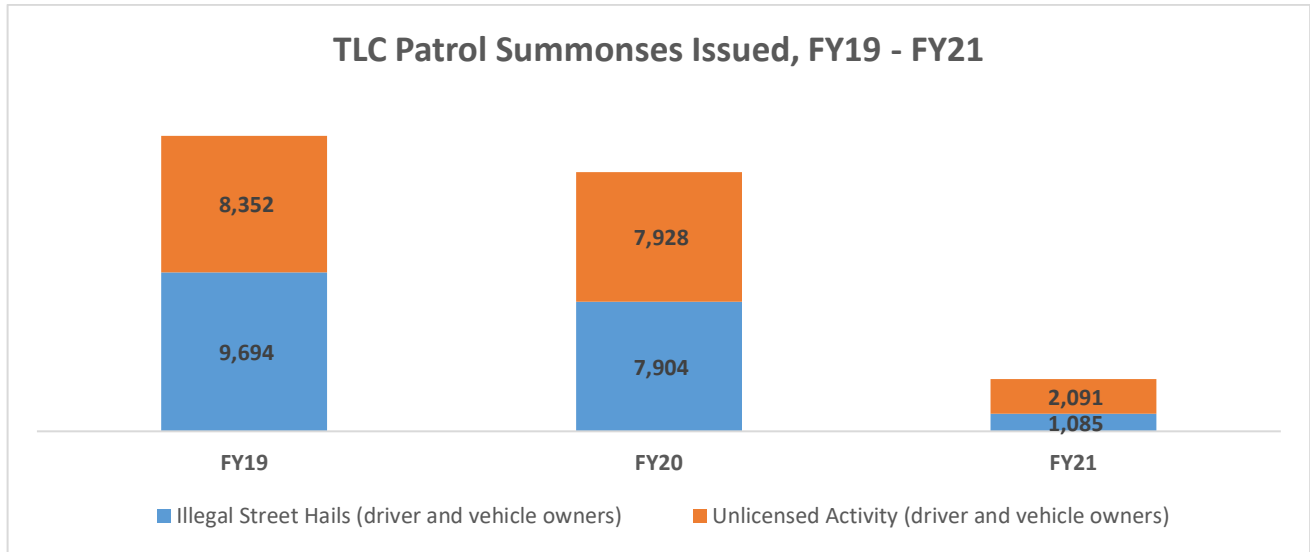
The section below outlines the effectiveness of key performance indicators from Fiscal 2019 to Fiscal 2021 and during the first four months of Fiscal 2022 across major programmatic areas at TLC. For additional information on the Commission’s performance and effectiveness across its various programs, please refer to the Fiscal 2022 Preliminary Mayor’s Management Report (PMMR) for TLC at: <https://www1.nyc.gov/assets/operations/downloads/pdf/pmmr2022/tlc.pdf>

Notable performance metrics reported by the Taxi and Limousine Commission in the Fiscal 2022 PMMR include the following:

- In the first four months of 2022, there were 5,185 active wheelchair accessible vehicles (WAVs) in the City, an increase of 50 percent when compared to the same period last year and 48 percent when compared to the end of Fiscal 2019. The number of accessible medallion vehicles remains 12 percent lower than in pre-pandemic 2019, but the number of accessible FHVs has increased from 579 in 2019 to 2,710 in the first four months of 2022.
- Patrol summonses issued for both illegal street hails and unlicensed activity dramatically decreased in 2021. This was due to an extension in TLC Enforcement duties to provide support to the City’s emergency work related to the COVID-19 pandemic. TLC Enforcement had been focused on PPE distribution to drivers, coordination of food delivery services with the Office of Emergency Management, and work with the Sheriff’s Department, including distribution of COVID-19 educational material to the public at bridge and tunnel crossings. This focus temporarily diverted enforcement efforts away from illegal street hails and unlicensed operations in the first four months of Fiscal 2021. As such, patrol summonses issued for illegal street hails and unlicensed activity declined 88 and 75 percent, respectively, when compared

to pre-pandemic 2019. As TLC Enforcement has resumed normal activities, the number of summonses issued for these violations has increased in the first-four months of 2022, to 836 for illegal street hail summons and 1,219 for unlicensed activities.

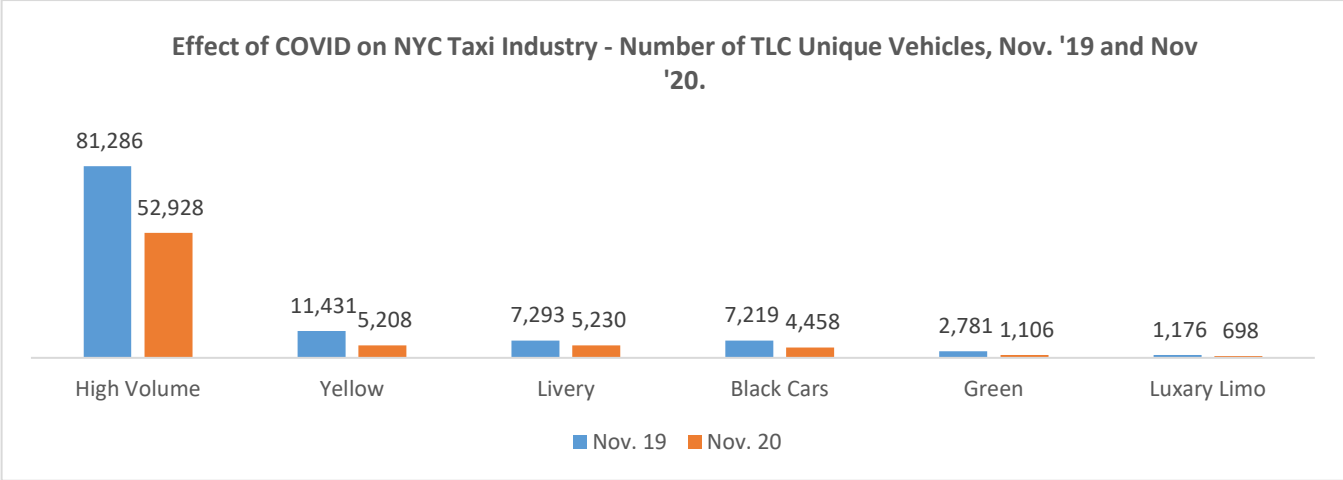
- The number of consumer complaints received has increased by more than 2,000 in the first four months of Fiscal 2022 when compared to the previous year. TLC attributes this change to an increase in the number of trips completed by TLC licensees due to a recovery from the COVID-19 pandemic, as more trips correspond to a rise in the number of consumer complains. The average processing time improved to 23 days from 25 days, which is significantly below the processing goal of 50 days.



Effects of COVID-19 on the For-Hire Industry

Overall, the COVID-19 pandemic greatly reduced the number of active unique vehicles across all TLC regulated industries in 2020. High Volume FHV’s saw a reduction of 35 percent as of November 2020 when compared to November 2019. Yellow and Green taxis declined by 54 and 60 percent, respectively. Livery vehicles, Black Cars, and Luxury Limos declined by 28 percent, 38 percent, and 41 percent, respectively. In addition, as of December 2020, there were 42,238 unique drivers working in TLC regulated vehicles, a decline of 66 percent when compared to the 124,763 unique drivers in December 2019. While TLC reported during the Fiscal 2022 Preliminary Budget hearing that it

anticipated a return of active vehicles as the City begins to reopen in 2021, the data is not currently available on their website as it had been in the past.



Appendices

A. Budget Actions in the November and Preliminary Plans

<i>Dollars in Thousands</i>	FY22			FY23		
	City	Non-City	Total	City	Non-City	Total
TLC Budget as of the Adopted FY22 Budget	\$55,474	\$0	\$55,474	\$57,171	\$0	\$57,171
November Plans - New Needs						
Medallion Loan Guarantee	\$50,000	\$0	\$50,000	\$0	\$0	\$0
Vaccine Incentive	23	0	23	0	0	0
Subtotal, November Plan - New Needs	\$50,023	\$0	\$50,023	\$0	\$0	\$0
November Plans - Other Adjustments						
Hiring Delay Savings	(\$1,109)	\$0	(\$1,109)	\$0	\$0	\$0
MRP EDC Funds back to TLC	0	2,900	0	0	0	0
OSA CB Funding	66	0	66	66	0	66
TMRP Roll FY22 Up	0	62,100	62,100	0	0	0
Subtotal, November Plan - Other Adjustments	(\$1,044)	\$65,000	\$61,056	\$66	\$0	\$66
November Plans - Program to Eliminate GAP (PEGs)						
Hiring Delay Savings	(\$1)	\$0	(\$1)	\$0	\$0	\$0
Subtotal, November Plan - PEGs	(\$1)	\$0	(\$1)	\$0	\$0	\$0
TOTAL, All Changes Nov. Plans	\$48,978	\$65,000	\$111,078	\$66	\$0	\$66
TLC Budget as of the November FY22 Budget	\$104,452	\$65,000	\$169,452	\$57,237	\$0	\$57,237
Preliminary Plan - New Needs						
Vaccine Incentive	\$10	\$0	\$10	\$0	\$0	\$0
Subtotal, Preliminary Plan - New Needs	\$10	\$0	\$10	\$0	\$0	\$0
Preliminary Plan - Other Adjustments						
Lease Adjustment	\$176	\$0	\$176	\$0	\$0	\$0
Subtotal, Preliminary Plan - Other Adjustments	\$176	\$0	\$176	\$0	\$0	\$0
Prelim. Plan - Program to Eliminate GAP (PEGs)						
Vacancy Reduction	(\$1,627)	\$0	(\$1,627)	(\$1,672)	\$0	(\$1,672)
TOTAL, All Changes Preliminary Plan	(\$1,442)	\$0	\$185	(\$1,672)	\$0	(\$1,672)
TLC Budget as of the Preliminary FY23 Budget	\$103,010	\$65,000	\$168,011	\$55,565	\$0	\$55,565

B. Contract Budget

TLC FY22 Preliminary Contract Budget				
<i>Dollars in Thousands</i>				
Category	FY22 Adopted	Number of Contracts	FY23 Preliminary	Number of Contracts
Contractual Services General	\$1,710	14	\$1,660	14
Telecommunications Maint	129	2	129	2
Maint & Rep General	120	2	120	2
Office Equipment Maintenance	1	1	1	1
Data Processing Equipment	115	1	15	1
Printing Contracts	100	3	100	3
Security Services	431	2	431	2
Temporary Services	40	3	40	3
Cleaning Services	306	1	306	1
Training Prgm City Employees	5	1	5	1
Professional Serv Computer Services	967	1	967	1
TOTAL	\$3,925	31	\$3,775	31

C. Miscellaneous Revenue

TLC Miscellaneous Revenue Budget Overview						
<i>Dollars in Thousands</i>						
Revenue Sources	FY20	FY21	FY22	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY22	FY23	FY22-FY23
Taxi Licenses	\$48,953	\$42,765	\$33,020	\$30,176	\$33,020	\$0
Hail Licenses	132	22	2,400	30	485	(1,915)
High Volume Licenses	0	0	0	0	1,500	1,500
Taxi Inspection & TLC Fees	8,270	8,132	9,700	9,500	9,500	(200)
STIP/Settlement Fines	10,375	4,736	11,600	8,700	11,600	0
Sale of Taxi Medallions	0	0	0	0	0	0
TOTAL	\$67,730	\$55,655	\$56,720	\$48,406	\$56,105	(\$615)

**The difference of Fiscal 2022 Adopted Budget compared to Fiscal 2023 Preliminary Budget*

D. TLC Regulated Industries

Yellow Taxis. There are approximately 13,587 medallions with the right to run a yellow taxi within one of the three categories below. As of January 2021, there were 4,625 unique yellow taxis on the road and 3,256 unique drivers on the road.

- **Fleets.** Fleets run garages that own and operate multiple taxis. Drivers lease taxis directly from fleets on a daily or weekly basis, with fees capped according to TLC regulations.
- **Driver-Owned Vehicles (DOV).** DOV drivers conditionally own their vehicles but lease medallions from agents who manage them for individual owners.
- **Individual Owner-Operators.** Individual Owner-Operators are drivers who own their vehicles and medallions.

Street Hail Livery (SHL). Street Hail Livery taxis (also known as Boro or Green taxis) were created as a new class of license in 2012 to provide legal, yellow-caliber taxi service to the boroughs outside of Manhattan Central Business District. There are currently 1,632 licensed boro taxis. However, as of January 2021, there were 991 unique green taxis on the road and 491 unique drivers.

- SHLs are a hybrid service, providing both street-hail and prearranged for-hire vehicle service.
- Up to 18,000 SHLs permits are available in total, per State authorization.
- SHLs are not permitted to pick up passengers in Manhattan below East 96th Street or West 110th Street or to serve airport taxi queues.

For-Hire Vehicles (FHVs)

- **High-Volume.** In August 2018, City Council passed Local Law 149 which created a separate licensing category for FHV transportation services that dispatch more than 10,000 trips per day. These for-hire service providers were referred to in the legislation as High-Volume For-Hire Services. There are currently 96,437 licensed FHVs. As of January 2020, there were 47,592 unique High-Volume vehicles on the road and 47,622 unique drivers on the road. The three largest High-Volume FHV companies in the city are Uber, Lyft, and Via. In August 2019, the Commission voted to extend by one year its cap on the issuance of FHV licenses as part of a package of rules aimed to reducing congestion.
- **Liveries (also known as Car Services or Community Cars).** Livery vehicles provide for-hire service by pre-arrangement. Currently, there are approximately 317 base stations located

throughout the five boroughs and 5,079 vehicles. The vehicles must be affiliated with a base.

- **Black Cars.** Black Cars primarily provide service for corporate clients and set fares through contracts with clients. According to TLC, there are about 458 base stations citywide and 16,281 vehicles.
- **Luxury Limousines.** Vehicles in this group generally provide chartered services. Currently, there are about 1,866 vehicles and 105 bases.
- **Paratransit.** Paratransit vehicles provide healthcare related transportation services. There are about 104 vehicles, 49 paratransit bases citywide, and 835 drivers.
- **Commuter Vans.** Commuter Vans provide service for passengers along fixed routes. There are about 34 licensed commuter vehicles and 145 drivers.