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**Report on the Fiscal 2024 Preliminary Plan
and the Fiscal 2023 Preliminary Mayor's
Management Report for the
Department of Consumer and Worker
Protection**

March 22, 2023

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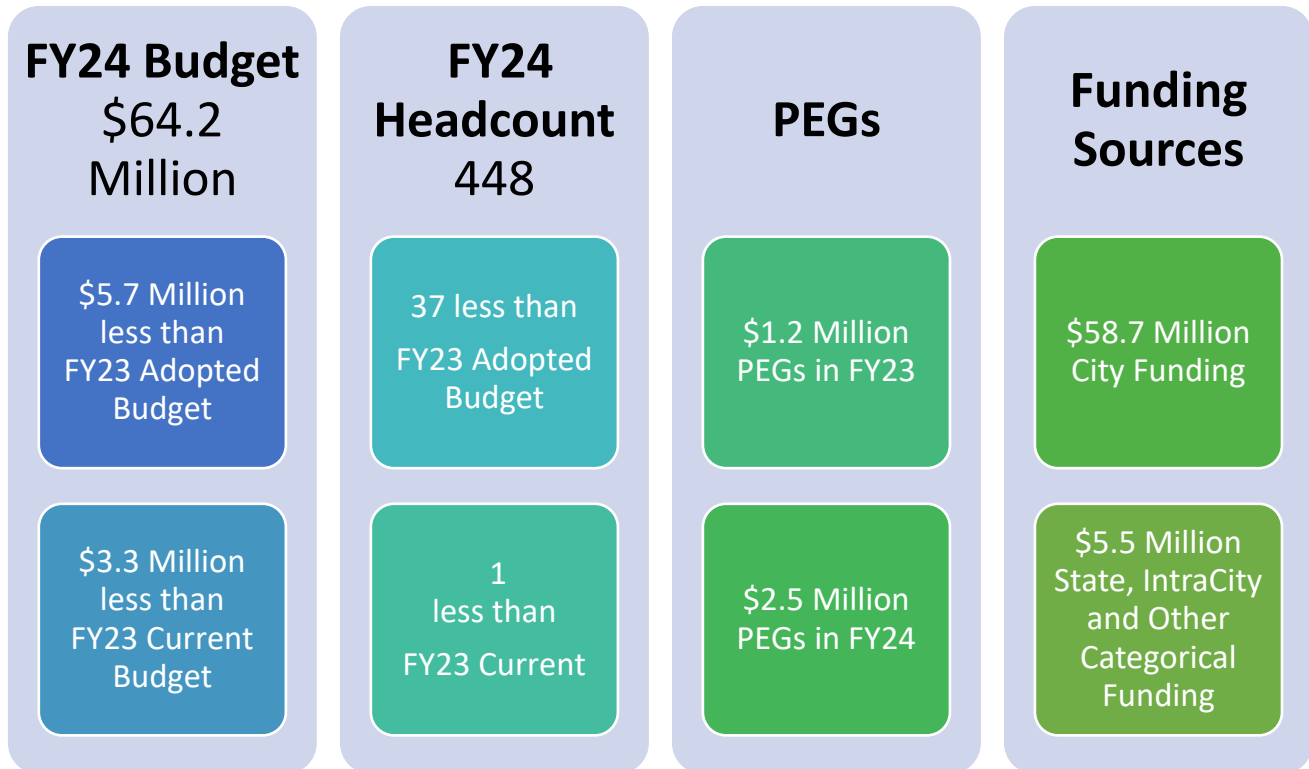
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Department of Consumer and Worker Protection Fiscal 2024 Budget Snapshot

The Department of Consumer and Worker Protection (DCWP or the Department) ensures that New York City’s consumers, businesses, and workers benefit from a fair and vibrant marketplace. The Department of Consumer and Worker Protection is a revenue-generating agency with the majority of revenue coming from licenses, permits, franchise fees, and fines.

Department of Consumer and Worker Protection Financial Plan Overview



This report provides a comprehensive review of DCWP’s expense budget including a review of the other adjustments and PEGs in the Fiscal 2024 Preliminary Financial Plan (Preliminary Plan) and an update on the contract, funding and headcount of the agency. The report also includes highlights of the agency’s performance as reported in the Preliminary Mayor’s Management Report (PMMR) and an Appendix section with agency program area charts.

The DCWP’s Fiscal 2024 is \$64.2 million including \$30.5 million or 47.5 percent in Personal Services (PS) funding to support 448 full-time positions, and \$33.7 million or 52.5 percent in Other than Personal Services (OTPS). The Department’s Fiscal 2024 Preliminary Budget is \$5.7 million (8.2 percent) less than the Fiscal 2023 Adopted Budget of \$69.9 million.

Financial Summary

The Department’s Fiscal 2024 budget decreases across all three of its program areas as compared to its Fiscal 2023 Adopted Budget. This decrease includes a \$3.5 million reduction in Personal Services (PS) expenses, along with a \$2.2 million reduction in Other Than Personal Services (OTPS) expenses. The \$5.7 million reduction is largely due to the elimination of civilian vacancies in the Preliminary Plan. The agency has stated that no programs have been eliminated or reduced as a result of the vacancy reduction. The Department’s budget for Fiscal 2024 totals \$64.2 million, of which \$58.7 million (91.4 percent) is City funded, \$3.5 million (5.5 percent) of the Department’s expenses are

funded with Intra City revenues, while the remaining \$1.9 million (3.1 percent) funded with Other Categorical funds.

Table 1: DCWP Financial Summary						
<i>Dollars in Thousands</i>						
	2021	2022	2023	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2023	2024	2023 - 2024
Spending						
Personal Services	\$26,439	\$27,244	\$34,005	\$31,341	\$30,536	(\$3,469)
Other Than Personal Services	16,077	32,180	35,912	36,143	33,665	(2,247)
TOTAL	\$42,517	\$59,424	\$69,917	\$67,484	\$64,202	(\$5,716)
Budget by Program Area						
Administration	\$13,014	\$13,583	\$16,283	\$15,059	\$13,853	(\$2,430)
Licensing/Enforcement	13,426	13,661	17,722	16,282	16,684	(1,038)
Other Than Personal Services	16,077	32,180	35,912	36,143	33,665	(2,247)
TOTAL	\$42,517	\$59,424	\$69,917	\$67,484	\$64,202	(\$5,716)
Funding						
City Funds			\$64,458	\$61,749	\$58,742	(\$5,716)
Other Categorical			0	44	0	0
State			1,932	2,163	1,932	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			3,528	3,528	3,528	0
TOTAL	\$42,517	\$59,424	\$69,917	\$67,484	\$64,202	(\$5,716)
Budgeted Headcount						
Full-Time Positions - Civilian	366	399	485	449	448	(37)
TOTAL	366	399	485	449	448	(37)

**The difference of Fiscal 2023 Adopted Budget compared to Fiscal 2024 Preliminary Budget.*

Fiscal 2024 Preliminary Budget Changes

The Preliminary Plan includes no New Needs for DCWP, \$4,848 in Other Adjustments in Fiscal 2023 and a Program to Eliminate the Gap (PEG) of \$1.2 million in Fiscal 2023 and \$2.4 million in Fiscal 2024 and in the out-years due to vacancy reductions.

Other Adjustments

- **Heat, Light, and Power** – The Fiscal 2024 Preliminary Plan includes an additional \$4,848 in Fiscal 2023 for heat, light, and power costs.

PEG's

- **Vacancy Reduction** – The Preliminary Plan includes savings of \$1.2 million in Fiscal 2023, and \$2.4 million in Fiscal 2024 through 2027 as a result of the vacancy reduction program which eliminates 36 positions at DCWP.

Headcount

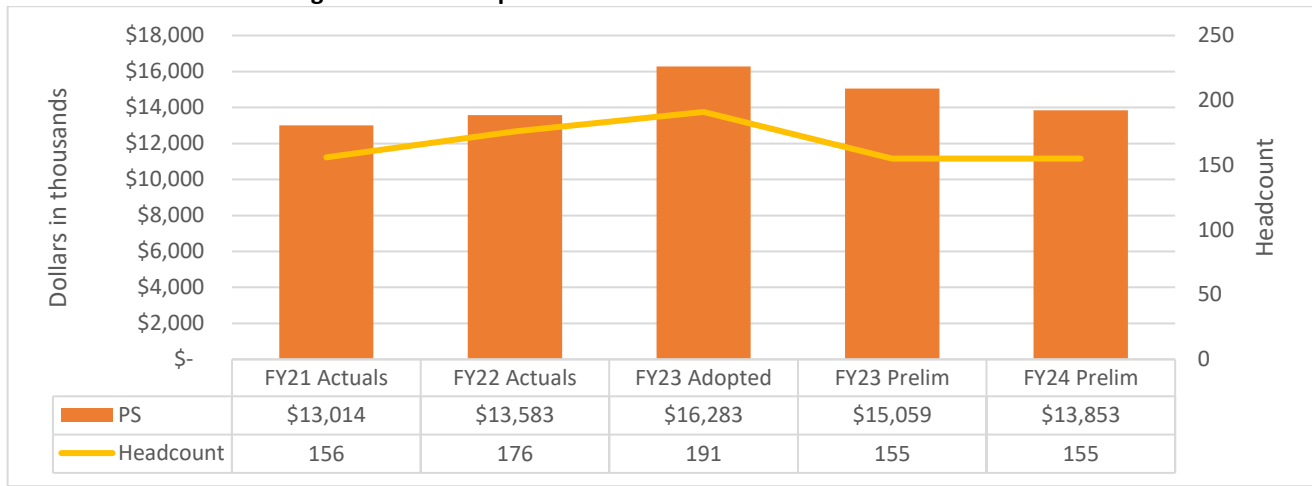
In Fiscal 2024, DCWP's headcount totals 448 full-time positions. The Licensing and Enforcement program area has the largest headcount, totaling 293 full time budgeted positions, comprising 65.4 percent of the DCWP's entire staff. The remaining 155 headcount is within the Administration program area, making up 34.6 percent of DCWP's entire staff.

DCWP Program Budget

Administration

The administration program area includes spending for operations, staffing, budgeting, materials management, and other internal administrative services. It includes Executive Staff, Data Analysis & Planning, Human Resources, Agency Services, Finance, General Services, General Counsel, Consumer Services, External Affairs, Communication & Marketing, and Information Technology. The Financial Plan includes funding for 155 positions in Administration, 36 fewer than the budgeted amount for Fiscal 2023 at Adoption. All of the vacant positions eliminated as part of the vacancy reduction plan come from the Administration program area.

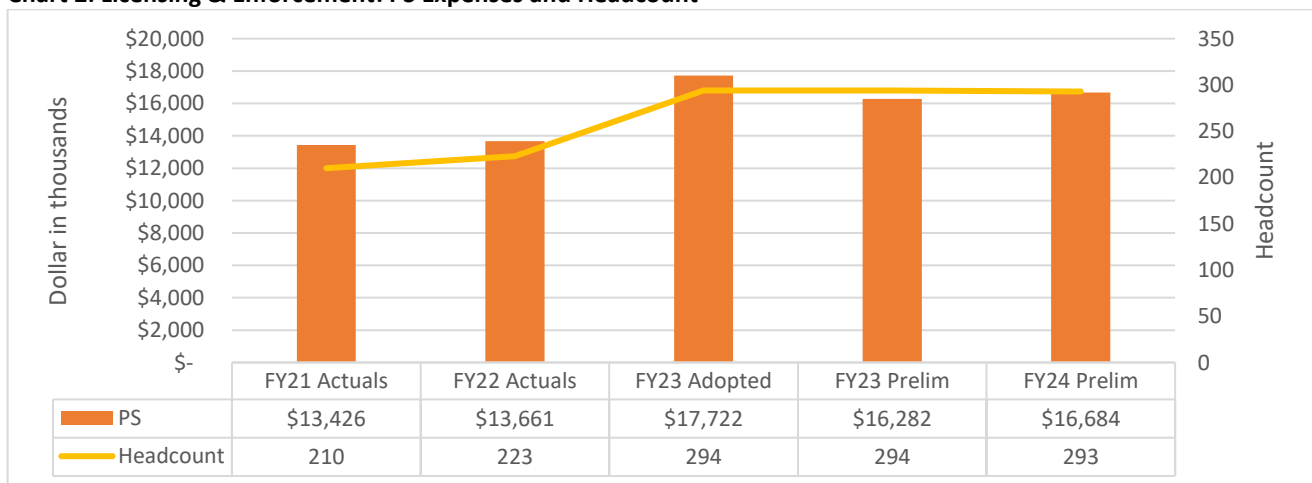
Chart 1: Administration Program Area: PS Expenses and Headcount



Licensing and Enforcement

DCWP’s Licensing & Enforcement Unit (LEU) oversees the Department’s licensing enforcement and consumer services operations. The LEU issues licenses and provides regulatory and statutory enforcement of over 50 different license categories designed to maintain fairness and integrity across the City’s various marketplaces. The LEU includes divisions such as the Licensing Division, Enforcement Division, The Office of Labor Policy and Standards, Computer Services, Auditing & Accounting, and Legal & Consumer Services. The Financial Plan includes funding for 293 positions in LEU, one fewer than the budgeted amount for Fiscal 2023 at Adoption.

Chart 2: Licensing & Enforcement: PS Expenses and Headcount



Other than Personal Services (OTPS)

The OTPS Unit of Appropriation includes all non-Personal Service funding within the Department of Consumer Affairs. It includes costs within both the Licensing and Enforcement Division and the Administration Division as well as funding for the Universal College Savings Expansion program.

Sources of Funding

The Department's budget is primarily funded by City funds, which finances \$58.7 million (91.4 percent) of DCWP's expenses. The remainder of the Department's budget is financed with Intra City funds, \$3.5 million, (5.5 percent) and \$1.9 million (3.1 percent) coming from Other Categorical funds.

DCWP Miscellaneous Revenue

DCWP is a revenue-generating agency, with the majority of revenue coming from licenses, permits, fines and franchise fees. Miscellaneous revenue generated by the Department contributes to the City's General Fund, and is not a dedicated funding source for the Department. The Preliminary Plan projects that the Department will generate revenue totaling \$19.4 million in Fiscal 2023 and \$16.7 million in Fiscal 2024. Additional information on the Department's revenue streams can be found in the appendices.

Fiscal 2024 Preliminary Mayor's Management Report

The Preliminary Mayor's Management Report (PMMR) is an annual report produced by the Mayor's Office of Operations. The PMMR includes both quantitative metrics and qualitative explanations that show how each City agency and related projects are doing and allows year-over-year comparisons to show where progress has been made, where more attention is needed and where there are opportunities for improvement. Some of the key indicators in the PMMR include:

- The number of inspections conducted during the first four months of Fiscal 2023 increased by 50 percent, from 10,844 during the same period in Fiscal 2022 to 16,291, while the number of summonses increased by 1,996 (80 percent), to 4,481. This increase is the result of the Department's return to full operations after the pandemic.
- The total amount of fines collected by DCWP attorneys and settlement officers increased by 62 percent, from \$1,892,000 in the first four months of Fiscal 2022 to \$3,070,000 in the same period in Fiscal 2023. Cases settled by agreement and penalties paid in full before their original hearing date increased from 51 percent to 52 percent.
- The number of license applications received decreased by 22 percent, from 10,921 in the first four months of Fiscal 2022 to 8,529 during of the same period in Fiscal 2023. The decline is mainly the result of two factors. Certain license categories renew only on odd years while others renew only on even year and still others are on an annual renewal cycle, so substantial differences between the renewal type creates variance in the number of applications submitted in any year.
- DCWP's Office of Labor Policy & Standards (OLPS) received 108 workplace complaints in the first four months of Fiscal 2023, down 53 (32 percent) from the same period in Fiscal 2022. The number of investigations opened decreased slightly, from 84 to 83 (one percent) while the median number of days to open investigations decreased by 49 percent, from 49 days to just 25. The number of investigations closed also decreased, from 112 to 89, a 21 percent decrease from Fiscal 2022, while the median number of days to close investigations increased

from 165 to 174, a six percent increase. The amount of restitution increased by 2,752 percent due almost entirely to a multimillion-dollar settlement with Chipotle – a case which also accounts for most of the \$1.1 million increase in penalties assessed and the more than 13,000 increase in the number of workers entitled to restitution

Appendices

A. Budget Actions in the November and Preliminary Plans

<i>Dollars in Thousands</i>	Fiscal 2023			Fiscal 2024		
	City	Non-City	Total	City	Non-City	Total
DCWP Budget as of the Adopted 2023 Budget	\$64,458	\$5,458	\$69,916	\$62,207	\$5,458	\$67,665
New Needs						
Subtotal, New Needs	\$0	\$0	\$0	\$0	\$0	\$0
Other Adjustments						
AG Checkfor Financial Literacy	\$0	\$231	\$231	\$0	\$0	\$0
Budget Increase	0	23	23	0	0	0
MOPD CR FY23 Q1	0	21	21	0	0	0
Subtotal, Other Adjustments	\$0	\$275	\$275	\$0	\$0	\$0
PEG						
Less Than Anticipated PS Spending	(\$1,484)	\$0	(\$1,484)	(\$1,000)	\$0	(\$1,000)
Telecommunication Savings	(5)	0	(5)	(16)	0	(16)
TOTAL, All Changes	(\$1,489)	\$275	(\$1,214)	(\$1,016)	\$0	(\$1,016)
DCWP Budget as of the November 2023 Plan	\$62,969	\$5,733	\$68,702	\$61,191	\$5,458	\$66,649
DCWP Budget as of the November 2023 Plan	\$62,969	\$5,733	\$68,702	\$61,191	\$5,458	\$66,649
New Needs						
Subtotal, New Needs	\$0	\$0	\$0	\$0	\$0	\$0
Other Adjustments						
Heat, Light and Power	\$5	\$0	\$0	\$0	\$0	\$0
Subtotal, Other Adjustments	\$5	\$0	\$5	\$0	\$0	\$0
PEG						
Vacancy Reduction	(\$1,224)	\$0	(\$1,224)	(\$2,449)	\$0	(\$2,449)
Subtotal, Savings Program	(\$1,224)	\$0	(\$1,224)	(\$2,449)	\$0	(\$2,449)
TOTAL, All Changes	(\$1,220)	\$0	(\$1,220)	(\$2,449)	\$0	(\$2,449)
DCWP Budget as of the Preliminary 2023 Budget	\$61,749	\$5,733	\$67,482	\$58,742	\$5,459	\$64,201

B. Contract Budget

DCWP Fiscal 2024 Preliminary Contract Budget					
<i>Dollars in Thousands</i>					
Category	Fiscal 2023 Adopted	Number of Contracts	Fiscal 2024 Preliminary	Number of Contracts	Difference
Contractual Services General	\$5,044	1	\$4,796	1	(\$248)
Security Services	59	2	360	2	300
Temporary Services	20	1	20	1	0
Training Program City Employees	6	1	11	1	5
Professional Services Other	15,002	1	15,002	1	0
TOTAL	\$20,132	6	\$20,189	6	\$57

C. Program Areas

Administration						
<i>Dollars in Thousands</i>						
	2021	2022	2023	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2023	2024	2023 - 2024
Spending						
Personal Services						
Additional Gross Pay	\$280	\$338	\$0	\$5	\$0	\$0
Full-Time Salaried - Civilian	12,656	13,176	16,255	15,012	13,824	(2,431)
Overtime - Civilian	66	20	28	29	28	0
P.S. Other	1	0	0	0	0	0
Unsalaries	11	49	1	13	1	0
Subtotal	\$13,014	\$13,583	\$16,283	\$15,059	\$13,853	(\$2,431)
TOTAL	\$13,014	\$13,583	\$16,283	\$15,059	\$13,853	(\$2,431)
Funding						
City Funds			\$16,283	\$15,059	\$13,853	(\$2,431)
Federal - Other			0	0	0	0
State			0	0	0	0
Intra City			0	0	0	0
TOTAL	\$13,014	\$13,583	\$16,283	\$15,059	\$13,853	(\$2,431)
Budgeted Headcount						
Full-Time Positions - Civilian	156	176	191	155	155	(36)
TOTAL	156	176	191	155	155	(36)

*The difference of Fiscal 2023 Adopted Budget compared to Fiscal 2024 Preliminary Budget.

Licensing/Enforcement						
<i>Dollars in Thousands</i>						
	2021	2022	2023	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2023	2024	2023 - 2024
Spending						
Personal Services						
Additional Gross Pay	\$221	\$255	\$46	\$46	\$46	\$0
Fringe Benefits	\$0	\$0	\$523	\$523	\$523	0
Full-Time Salaried - Civilian	13,165	13,314	17,066	15,626	16,028	(1,038)
Full-Time Salaried - Uniformed	0	16	0	0	0	0
Overtime - Civilian	40	26	87	87	87	0
Unsalaries	0	50	0	0	0	0
Subtotal	\$13,426	\$13,661	\$17,722	\$16,282	\$16,684	(\$1,038)
TOTAL	\$13,426	\$13,661	\$17,722	\$16,282	\$16,684	(\$1,038)
Funding						
City Funds			\$12,902	\$11,418	\$11,864	(\$1,038)
State			1,729	1,729	1,729	0
Other Categorical			0	44	0	0
Intra City			3,090	3,090	3,090	0
TOTAL	\$13,426	\$13,661	\$17,722	\$16,282	\$16,684	(\$1,038)
Budgeted Headcount						
Full-Time Positions - Civilian	210	223	294	294	293	(1)
TOTAL	210	223	294	294	293	(1)

*The difference of Fiscal 2023 Adopted Budget compared to Fiscal 2024 Preliminary Budget.

Other Than Personal Services						
<i>Dollars in Thousands</i>						
<i>Dollars in Thousands</i>	2021	2022	2023	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2023	2024	2023 - 2024
Spending						
Other Than Personal Services						
Contractual Services	\$8,096	\$24,342	\$20,132	\$26,625	\$20,189	\$57
Fixed & Misc. Charges	0	3	1	11	11	10
Other Services & Charges	6,910	6,846	14,111	7,606	12,935	(1,176)
Property and Equipment	451	214	800	704	187	
Supplies and Materials	621	774	869	1,197	344	
TOTAL	\$16,077	\$32,180	\$35,913	\$36,143	\$33,665	(\$2,248)
Funding						
City Funds			\$35,273	\$35,272	\$33,026	(\$2,247)
State			202	434	202	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			437	437	437	0
TOTAL	\$16,077	\$32,180	\$35,913	\$36,143	\$33,665	(\$2,248)

*The difference of Fiscal 2023 Adopted Budget compared to Fiscal 2024 Preliminary Budget.

D. Miscellaneous Revenue

DCWP Miscellaneous Revenue Fiscal 2020 Actuals – Prelim 2023

<i>Dollars in Thousands</i>						
Revenue Sources	FY22	FY23	FY24	FY 25	FY26	FY27
	Actual	Projected	Projected	Projected	Projected	Projected
Consumer Protection Licenses	\$5,574	\$5,600	\$6,800	\$5,600	\$6,800	\$5,600
Bingo and Games of Chance	35	50	50	50	50	50
Weights Measures Inspection Fees	562	743	801	743	801	743
Photo ID and Exam Fees	137	123	187	123	187	123
Consumer Protection Fines	9,084	12,000	8,000	8,000	8,000	8,000
State Tobacco Program	1,634	800	800	800	800	800
Minor Sales	23	100	100	100	100	100
TOTAL	\$17,049	\$19,416	\$16,738	\$15,416	\$16,738	\$15,416