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**Report on the Fiscal 2024
Preliminary Plan and the Fiscal 2023
Mayor's Management Report for the
Office of Administrative Trials and
Hearings**

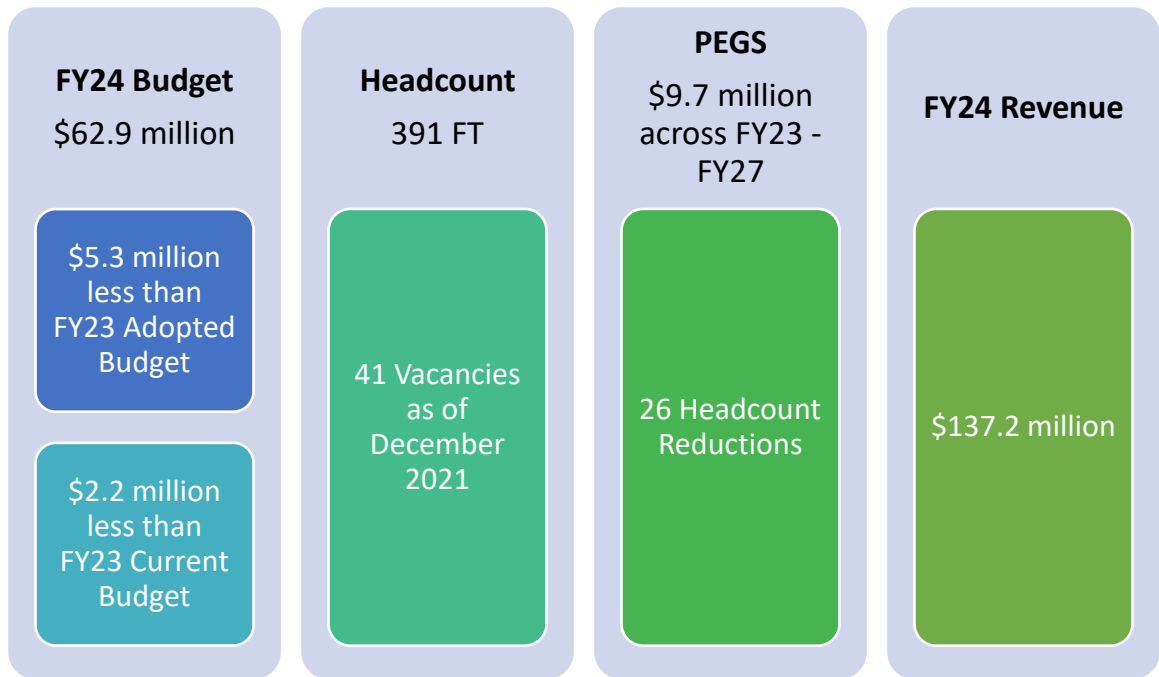
March 22, 2023

Prepared by Ross Goldstein, Financial Analyst

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Office of Administrative Trials and Hearings (OATH) Fiscal 2024 Budget Snapshot



Office of Administrative Trials and Hearings Overview

The Office of Administrative Trials and Hearings (OATH) is the City’s central, independent administrative law court. OATH has two divisions – the Hearings Division and the Trials Division. The Hearings Division conducts hearings on summonses issued by enforcement agencies for alleged violations of City rules and regulations. The Trials Division adjudicates a wide range of issues that can be referred by any City agency, board or commission. These hearings include disciplinary cases brought by City agencies against civil service employees, matters pertaining to licensing, and regulatory and enforcement authority. OATH’s Fiscal 2024 budget as presented in the City’s Preliminary Fiscal 2024 Financial Plan (Preliminary Plan) is \$62.9 million, less than one percent of the City’s entire Fiscal 2024 Preliminary Budget of \$102.7 billion. OATH’s Program to Eliminate the Gap (PEG) savings, totals \$9.7 million across the five-year plan period.

Financial Plan Summary

The following Financial Summary provides actual expenditures for Fiscal 2021 and Fiscal 2022, the Adopted Budget for Fiscal 2023 and planned spending for Fiscal 2023 and Fiscal 2024 as of the Fiscal 2024 Preliminary Budget. This information is broken down by Unit of Appropriation, funding sources, and headcount.

Table 1: OATH Financial Summary						
<i>Dollars in Thousands</i>	FY21	FY22	FY23	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY23	FY24	FY24-FY23
Personal Services						
Full-Time Salaried - Civilian	\$22,219	\$23,681	\$34,706	\$33,627	\$32,927	(\$1,779)
Overtime - Civilian	116	68	50	50	50	0
Additional Gross Pay	\$1,134	930	499	499	505	0
Unsalaries & PS Other	8,636	9,592	11,802	11,802	11,796	(6)
SUBTOTAL	\$32,114	\$34,277	\$47,057	\$45,978	\$45,278	(\$1,779)
Other Than Personal Services						
Contractual Services	\$1,438	\$1,793	\$9,557	\$9,428	\$8,178	(\$1,379)
Fixed and Misc. Charges	0	3	0	0	0	0
Other Services & Charges	7,521	6,941	9,517	8,113	7,396	(2,121)
Property & Equipment	272	374	333	383	327	(6)
Supplies & Materials	816	1,290	1,761	1,242	1,761	0
SUBTOTAL	\$10,047	\$10,401	\$21,168	\$19,166	\$17,662	(\$3,506)
TOTAL	\$42,161	\$44,678	\$68,225	\$65,144	\$62,940	(\$5,285)
Funding						
City Funds			\$68,225	\$65,144	\$62,940	(\$5,285)
TOTAL	\$42,160	\$44,678	\$68,225	\$65,144	\$62,940	(\$5,285)
Budgeted Headcount						
Full-Time Positions - Civilian	283	322	394	368	368	(26)

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

OATH’s Fiscal 2024 Preliminary Budget totals \$62.9 million, including \$45.3 million in Personal Services (PS) funding to support 368 full-time (FT) positions and \$17.7 million for Other than Personal Services (OTPS). The entirety of OATH’s Fiscal 2024 budget is funded through City tax-levy funding. While OATH’s operations are separated into the Hearings and Trials Divisions, the agency’s budget is organized into two Units of Appropriation (U/A), which include one for PS and one for OTPS)¹.

OATH’s current Fiscal 2023 budget is \$5.3 million less than its Fiscal 2023 Adopted Budget of \$68.2 million. This is primarily due to savings introduced in the November and Preliminary Financial Plans. These include a November Plan reduction of \$1.5 million for less than anticipated spending on leased space and \$1.6 million for less than anticipated PS and OTPS spending. In addition, the Preliminary Plan includes annual savings of \$2.2 million for the baseline reduction of 26 positions. Appendix A provides a summary of budget actions in both the November and Preliminary Plans.

Fiscal 2024 Preliminary Budget Changes

OATH’s Preliminary Plan does not include any new needs and one minor other adjustment of an additional \$49,000 in Fiscal 2023 for the cost of heat, light, and power.

PEG Savings

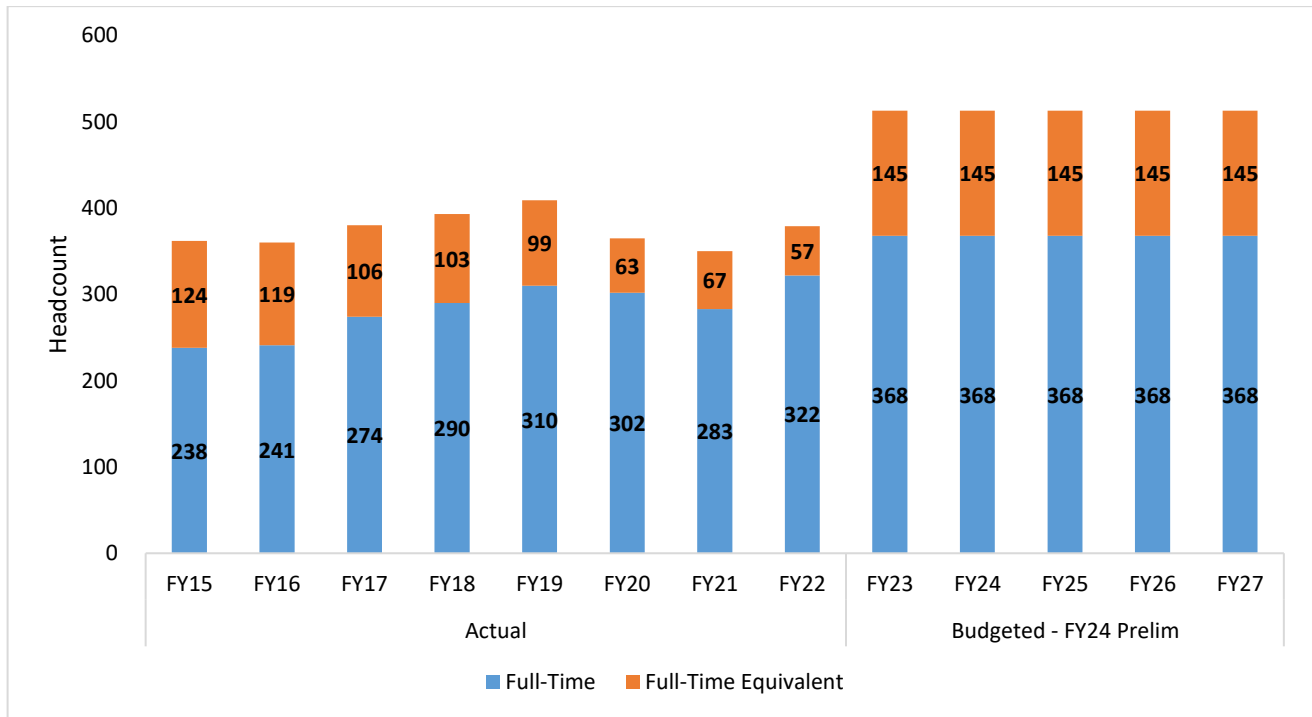
The Preliminary Plan includes savings from PEGs of \$9.7 million across the plan period, and includes the following.

- **Vacancy Reduction.** OATH will generate savings of \$1.1 million in Fiscal 2023 and baselined savings of \$2.2 million beginning in Fiscal 2024 as a result of the elimination of 26 vacant positions across the agency. The Office of Management and Budget (OMB) has not confirmed whether this would impact the lawyers that work in OATH’s Hearings Division.

¹ Units of Appropriation are the subdivisions of the City expense budget that the City Council votes upon.

Headcount

Chart 1: OATH Headcount: Actuals from FY15 – FY22, Budgeted FY23 - FY27



OATH’s Fiscal 2024 Budget includes \$45.3 million to support 368 full-time positions and 145 FTE positions. As of January 2023, OATH had 345 full-time positions filled of a budgeted total of 368. At the time the office had 23 vacancies and a 6.3 percent vacancy rate. As demonstrated in Chart 1, OATH’s actual full-time headcount increased between Fiscals 2015 and 2019, reaching a high of 310 positions in Fiscal 2019. In Fiscals 2020 and 2021, the actual full-time headcount decreased, before increasing again in Fiscal 2022 to 322 positions. Since Fiscal 2015, OATH’s actual FTE headcount has trended downward. The budgeted headcount in the Preliminary Plan is the same across all plan years, with 368 full-time positions and 145 FTE positions. Notably, both FT and FTE budgeted headcounts in the Preliminary Plan are higher than all actual headcounts since Fiscal 2015.

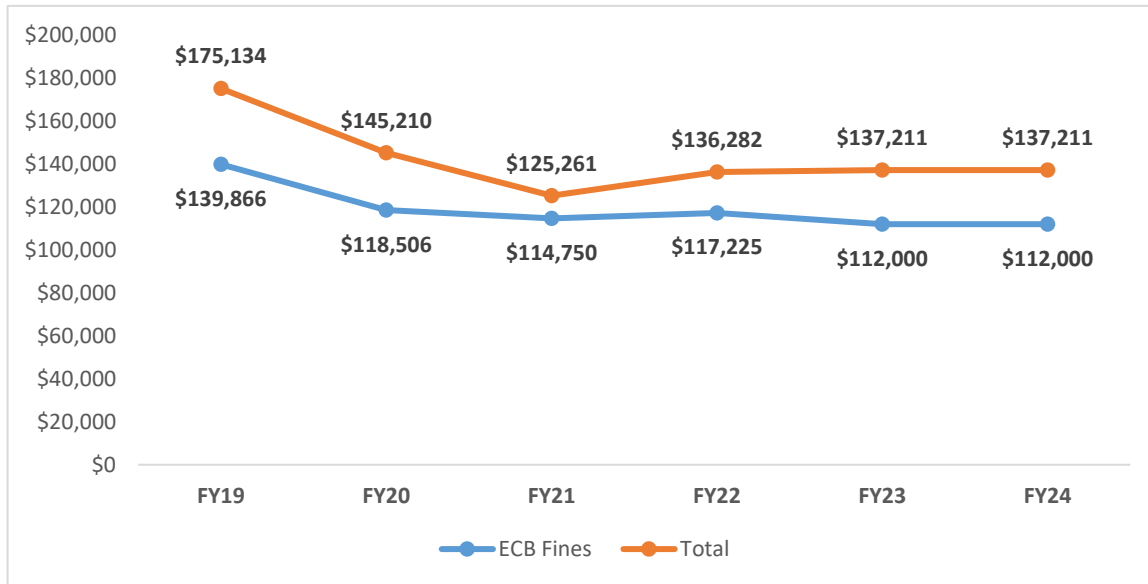
Miscellaneous Revenue

The OATH Hearings Division generates revenues for the City through the collection of fines issued for various violations. Revenue generated from Hearings Division fines are subdivided by the types of cases the tribunals adjudicate. In addition to fine revenue, a smaller share of agency revenue is generated through fees charged at the OATH Hearings Division.

As presented in Chart 2, it is projected that OATH will generate miscellaneous revenue of \$137.2 million in Fiscal 2024, unchanged from the planned collections for Fiscal 2023. The planned collections are greater than the actual collections in each of the last two fiscal years. Revenue generated from ECB fines is expected to amount to \$112 million, approximately 81.6 percent of OATH’s total miscellaneous revenue in Fiscal 2024. ECB fine revenue stems from violations issued by the Department of Sanitation (DSNY), the Department of Buildings (DOB), the Department of Environmental Protection (DEP), the Fire Department (FDNY), the Police Department (NYPD), the

Department of Transportation (DOT), among other agencies. Additional information on OATH’s miscellaneous revenue streams, is presented in Appendix C.

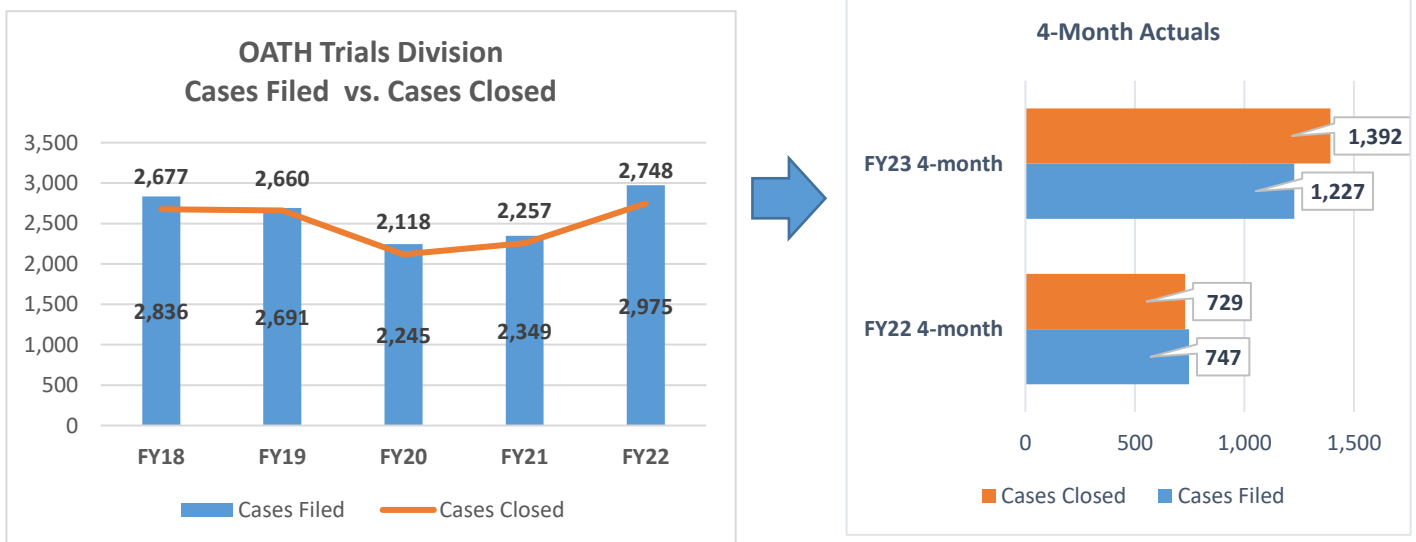
Chart 2: OATH Miscellaneous Revenue and ECB Fines: FY19-FY22 Actuals and Planned Revenue for FY23 and FY24



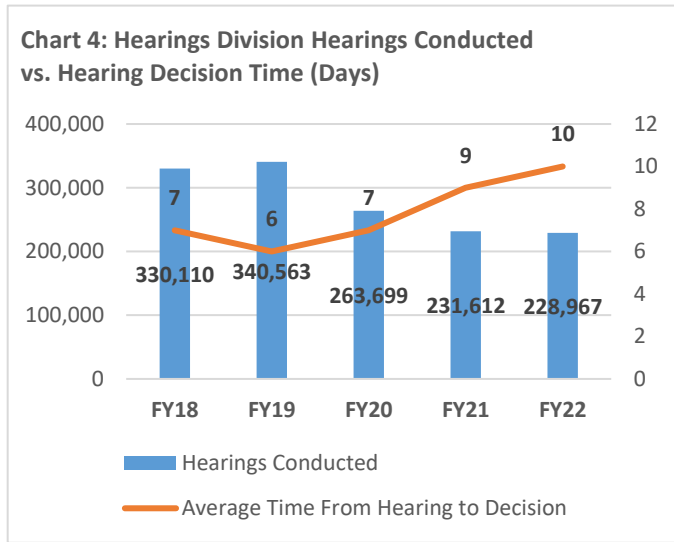
Fiscal 2023 Preliminary Mayor’s Management Report

The Preliminary Mayor’s Management Report (PMMR) for Fiscal 2023 was released in February 2023, and contains information regarding City agencies/offices that allow the public to better understand how agencies are performing. OATH’s PMMR includes numerous metrics, which provide high-level information regarding OATH’s operations, including the total number of summonses received from the issuing agency at its Hearings Division, the number of summonses with a decision rendered at the Hearings Division, among others. While the report contains valuable information, many of the metrics do not contain specified targets. OATH should strive to include certain targets, based on historical performance rates. Some notable performance metrics provided by OATH in the Fiscal 2023 PMMR include the following.

Chart 3: OATH Trials Division Cases Filed vs Cases Closed: Historical Actuals FY18 – FY22 and 4-Month Actuals FY22 and FY23



- Hearings Division.** In the first four months of Fiscal 2023, City agencies brought 1,227 cases to the OATH Trials Division which represents a 64 percent increase when compared to the number of cases filed during the same period in Fiscal 2022. The increase was mainly due to an increase in disciplinary matters brought by the Department of Correction against its civil service employees. Due to the increase in total cases brought by City agencies to the OATH Trials Division, the number of cases closed at the OATH Trials Division increased by 91 percent and the number of cases processed by Administrative Law Judges (ALJs) increased by 71 percent.
- Center for Creative Conflict Resolution.** OATH’s Center for Creative Conflict Resolution (CCCR) conducted 216 percent more consultations for City personnel in the first four months of Fiscal 2023 than during the same period in Fiscal 2022. The increase can be contributed to the signing of Executive Order 63 in 2021 which mandated each agency consult with CCCR regarding restorative justice approaches that can be incorporated into their work and assign an Alternative Dispute Resolution Coordinator to serve as a liaison to the CCCR and refer matters to the Center for services as appropriate. This order increased exposure to the CCCR resulting in more inquiries and consults. In addition, for the first time, OATH is tracking satisfaction of services provided by OATH’s CCCR. New in the PMMR is an indicator that tracks participants who reported satisfaction with conflict resolution services. In the first four months of Fiscal 2023, 96 percent of all participants reported satisfaction with the services they received.
- Adjudicate Alleged Violations of City Administrative Laws.** Over the last five years OATH’s hearing division conducted an average of 278,990 hearings annually with an average time from hearing to the issuance of a decision of eight days. OATH remained operational during the pandemic and in Fiscal 2021, the total number of summonses received from City enforcement agencies by the OATH Hearings Division decreased by 23 percent compared to the year before. In Fiscal 2022, the number of hearing conducted was 228,967, slightly less than Fiscal 2021. In Fiscal 2021, the number of OATH’s hearings that were conducted by phone increased by 1,350 percent compared to Fiscal 2020. During the first four months of Fiscal 2023 77,817 summonses were adjudicated compared to 73,799 in the same period in Fiscal 2022.



- Special Education Services.** In Fiscal 2022, the Administration and OATH signed a Memorandum of Agreement that designated OATH as the independent administrative tribunal to hold hearings related to New York City students who may require special education services. According to the PMMR, having these hearings at OATH brings independence to the hearing process and more efficient and modern court operations. In addition to added efficiency, having full-time adjudicators deciding these cases means more accountability and

more consistent standards and outcomes. The PMMR does not include indicators for special education services yet.

Appendices

A. Budget Actions in the November and Preliminary Plans

<i>Dollars in Thousands</i>	FY23			FY24		
	City	Non-City	Total	City	Non-City	Total
OATH Budget as of the Adopted 2023 Budget	\$68,225	\$0	\$68,225	\$68,356	\$0	\$68,356
PEGs						
Lease Savings	(\$1,500)	\$0	(\$1,500)	(\$1,500)	\$0	(\$1,500)
OTPS Telecommunication Savings	0	0	0	(150)	0	(150)
Telecommunication Savings	(4)	0	(4)	(12)	0	(12)
PS & OTPS Savings	(547)	0	(547)	(1,596)	0	(1,596)
Subtotal Other Adjustments	(\$2,051)	\$0	(\$2,051)	(\$3,258)	\$0	(\$3,258)
Total All Changes	(\$2,051)	\$0	(\$2,051)	(\$3,258)	\$0	(\$3,258)
OATH Budget as of the November 2022 Budget	\$66,174	\$0	\$66,174	\$65,098	\$0	\$65,098
Other Adjustments	\$49	\$0	\$49	\$0	\$0	\$0
Subtotal Other Adjustments	\$49	\$0	\$49	\$0	\$0	\$0
PEGs						
Vacancy Reduction	(\$1,079)	\$0	(\$1,079)	(\$2,158)	\$0	(\$2,158)
Subtotal PEGs	(\$1,079)	\$0	(\$1,079)	(\$2,158)	\$0	(\$2,158)
Total All Changes	(\$3,081)	\$0	(\$3,081)	(\$5,416)	\$0	(\$5,416)
OATH Budget as of the FY24 Prelim Plan	\$65,144	\$0	\$65,144	\$62,940	\$0	\$62,940

B. OATH Headcount

	Actual				Budgeted - FY24 Prelim				
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Full-Time	310	302	283	322	368	368	368	368	368
Full-Time Equivalent	99	63	67	57	145	145	145	145	145
Total	409	365	350	379	513	513	513	513	513

C. OATH Miscellaneous Revenue

<i>Dollars in Thousands</i>	Actual				FY24 Prelim	
	2019	2020	2021	2022	2023	2024
OATH Hearing Fees	\$24	\$7	\$37	\$0.20	\$11	\$11
DOHMH Fines	32,230	24,375	7,893	16,040	22,000	22,000
Environmental Control Board Fines	139,866	118,506	114,750	117,225	112,000	112,000
Taxi Fines	3,013	2,322	2,581	3,017	3,200	3,200
Total	\$175,134	\$145,210	\$125,261	\$136,282	\$137,211	\$137,211

D. OATH Fiscal 2024 Preliminary Contract Budget

<i>Dollars in Thousands</i>	FY24 Adopted		FY24 Prelim	
Category	# of Contracts	Amount	# of Contracts	Amount
Contractual Services General	18	\$3,944	18	\$3,216
Telecommunications Maint	1	153	1	153
Maint & Repair General	1	35	1	35
Office Equipment Maint	1	54	1	54
Printing Contracts	1	51	1	51
Security Services	2	1,006	2	390
Temporary Services	1	75	1	75
Cleaning Services	2	540	2	506
Training Prgm for City Employees	1	114	1	114
Professional Svcs: Direct Education Services	1	22	1	22
Professional Svcs: Other	1	3,562	1	3,562
Total	30	\$9,557	30	\$8,178