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Report on the Fiscal 2025 Preliminary Plan
and the Fiscal 2024 Preliminary Mayor's
Management Report for the

**Office of Administrative Trials
and Hearings**

March 5, 2024

Prepared by Ross Goldstein, Financial Analyst



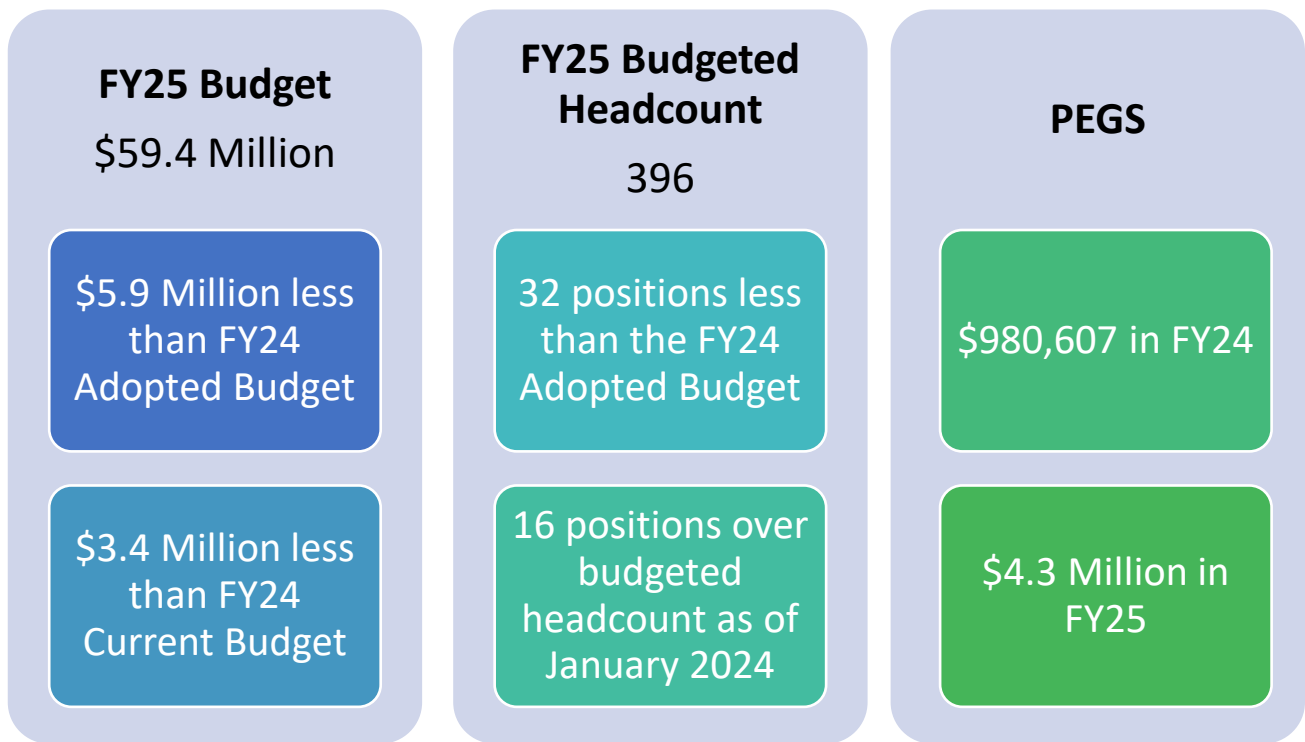
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Office of Administrative Trials and Hearings Overview

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 than 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.

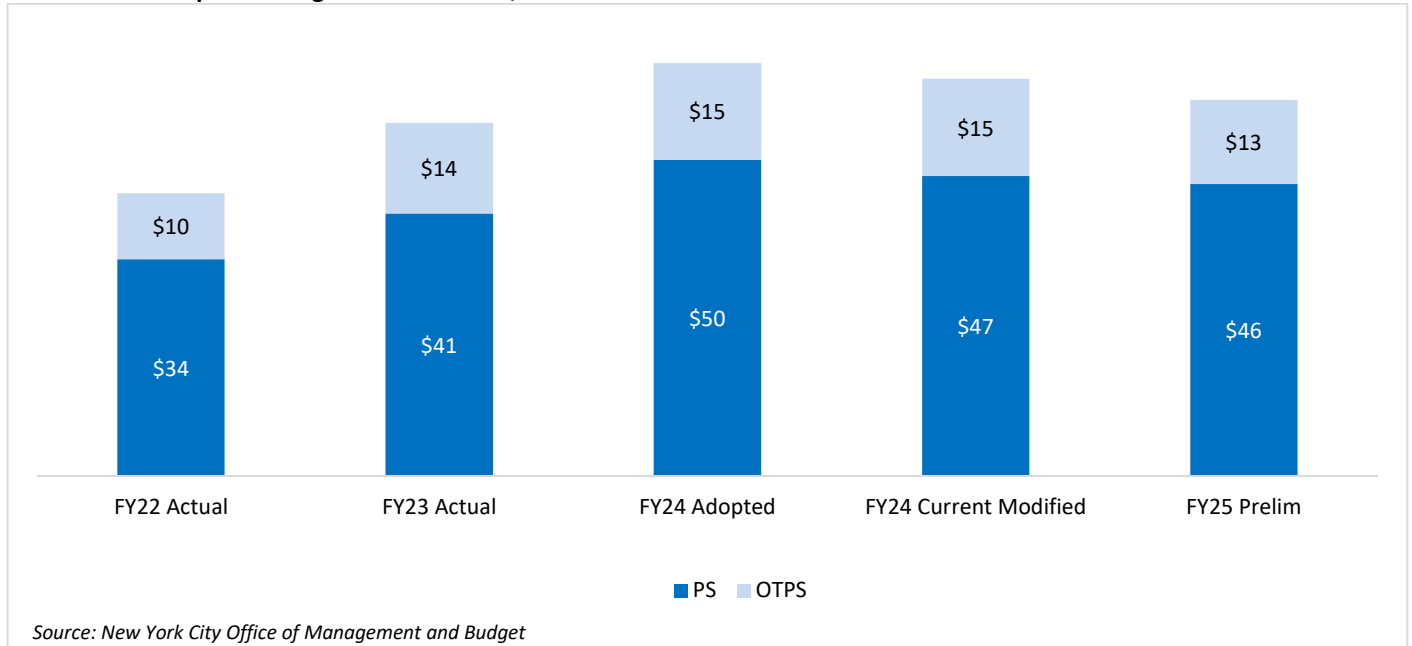
Office of Administrative Trials and Hearings Fiscal 2025 Budget Snapshot



Office of Administrative Trials and Hearings Financial Plan Overview

OATH’s Fiscal 2024 – 2028 Preliminary Financial Plan (Preliminary Plan) includes a budget of \$59.4 million in Fiscal 2025, which represents less than one percent of the City’s \$109.4 billion Fiscal 2025 budget. OATH’s Fiscal 2025 Budget includes \$46.1 million for Personal Services (PS) to support 396 full-time positions. The agency’s Other Than Personal Services (OTPS) funding totals \$13.3 million and includes \$3.6 million for contractual services. Chart 1 presents OATH’s budget broken down by PS and OTPS funding.

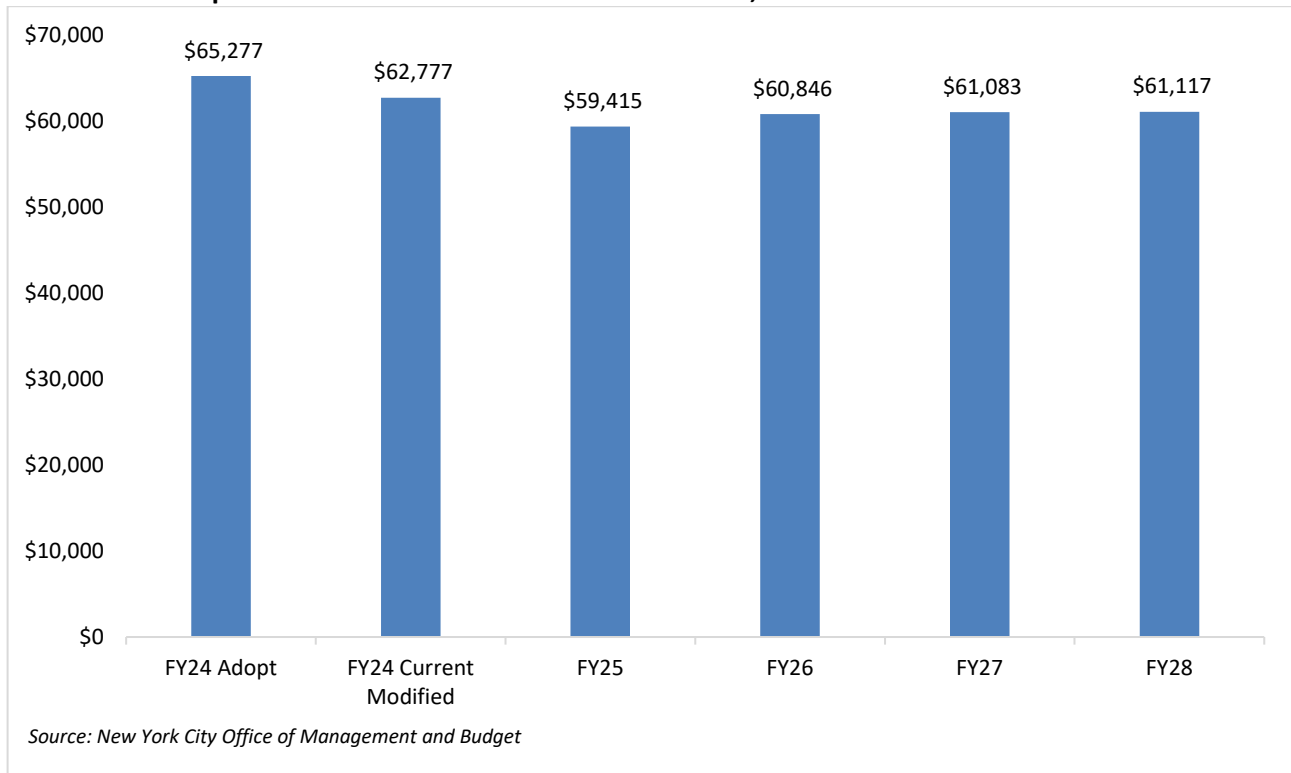
Chart 1: OATH Expense Budget – PS and OTPS, Dollars in Millions



Office of Administrative Trials and Hearings Financial Summary

The Preliminary Plan includes a \$59.4 million budget for OATH in Fiscal 2025 increasing slightly to \$61.1 million by Fiscal 2027, as shown in Chart 2.

Chart 2: OATH Department Financial Plan for Fiscal 2024-2027, Dollars in Thousands



OATH’s Financial Summary in Table 1 provides a breakdown of the total expenditures for the two Units of Appropriation (U/A) (one is for PS expenditures and the other is for OTPS expenditures), the funding sources for the agency, and its headcount. OATH’s budget is fully City-funded.

Table 1: OATH Financial Summary

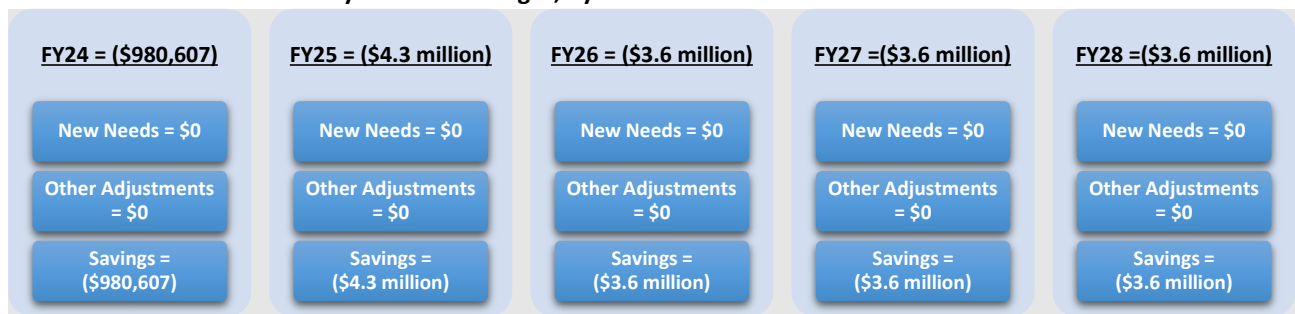
<i>Dollars in Thousands</i>	FY22 Actual	FY23 Actual	FY24 Adopted	Preliminary Plan		*Difference FY25-FY24
				FY24	FY25	
Budget by Units of Appropriation (U/As)						
U/A 001 - Personal Services	\$34,277	\$41,483	\$49,977	\$47,380	\$46,144	(\$3,833)
U/A 002 - Other Than Personal Services	10,401	14,291	15,300	15,396	13,271	(2,029)
TOTAL	\$44,678	\$55,775	\$65,277	\$62,777	\$59,415	(\$5,862)
Funding						
City Funds			\$65,277	\$62,777	\$59,415	(\$5,862)
TOTAL	\$44,678	\$55,775	\$65,277	\$62,777	\$59,415	(\$5,862)
Budgeted Headcount						
Full-Time Positions - Civilian	322	385	428	428	396	(32)
TOTAL	322	385	428	428	396	(32)

**The difference of the Fiscal 2025 Preliminary Budget compared to the Fiscal 2024 Adopted Budget.
Source: New York City Office of Management and Budget*

Fiscal 2025 Preliminary Budget Changes

Budget actions in the Preliminary Plan decreased OATH’s budget by \$980,607 in Fiscal 2024, \$4.3 million in Fiscal 2025, and \$3.6 million in the outyears, when compared to the November Plan. There were no new needs and only one technical other adjustment, with no net funding change, included in the Preliminary Plan for OATH. Program to Eliminate the Gap (PEG) adjustments in the constituted the entirety of funding change in OATH’s Preliminary Plan. Chart 3 provides a summary of OATH’s spending changes from the November Plan to the Preliminary Plan. All budget actions reflected in the November and Preliminary Plans are listed in Appendix A. The major PEGs reflected in the Preliminary Plan are detailed in the next section.

Chart 3: Fiscal 2025 Preliminary Plan Net Changes, by Fiscal Year*



**Savings in this chart are the sum of all expense savings, from all revenue sources, including but not limited to, City, State, and federal savings. As some agency PEGs may be revenue actions or savings from non-City sources, this number will not necessarily equal the agency’s PEG value.*

Table 2 presents the sum of the PEGs for each year of the Financial Plan as presented in the November and Preliminary Plans.

Table 2: OATH Total Program to Eliminate the Gap (PEG)

<i>Dollars in Thousands</i>	FY24	FY25	FY26	FY27	FY28
November Plan	(\$3,264)	(\$3,274)	(\$3,286)	(\$3,286)	(\$3,286)
Preliminary Plan	(981)	(4,274)	(3,603)	(3,603)	(3,603)
TOTAL PEGs	(\$4,245)	(\$7,548)	(\$6,889)	(\$6,889)	(\$6,889)

Source: New York City Office of Management and Budget

New Needs

There are no new needs in this Plan.

Other Adjustments

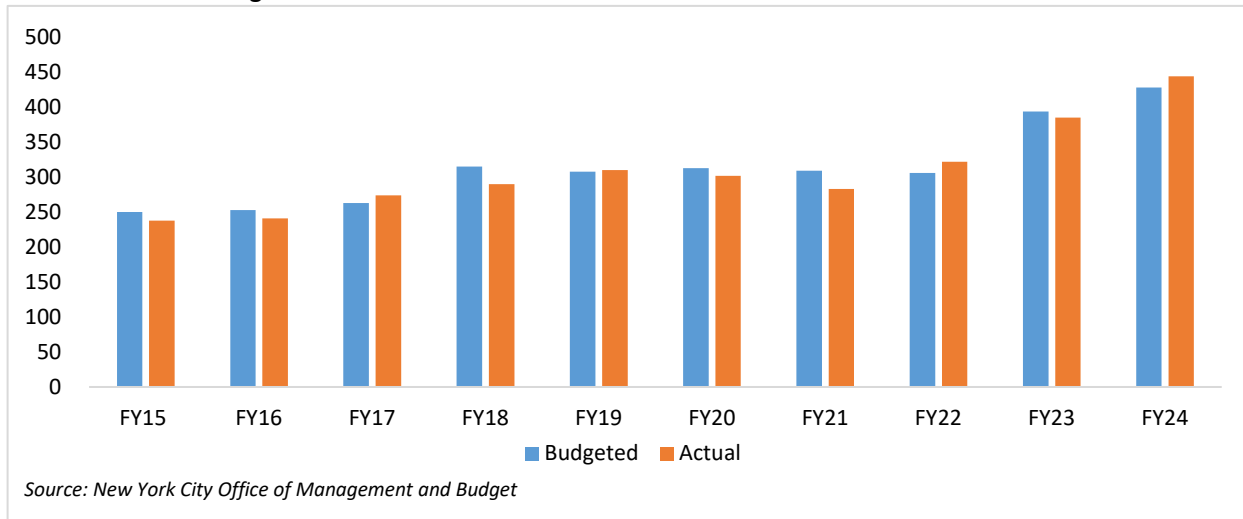
There is one technical other adjustment, with no net funding change to OATH’s budget for Fiscal 2025

Program to Eliminate the Gap (PEG)

- **Carter Case Transcription Services.** The Preliminary Plan includes a PEG of \$10,000 in Fiscal 2024 and a baselined PEG of \$1.1 million starting in Fiscal 2025 related to transcription services for special education hearings that are known as Carter Cases. OATH has taken over these hearings from the Department of Education (DOE). This is a right-sizing of a contract the DOE had in place. Unlike DOE, OATH has internal capacity to provide this service and will not need to rely on a contracted provider.
- **Hiring Freeze.** OATH’s Preliminary Plan includes PEG savings of \$1.8 million in Fiscal 2025 related to the citywide hiring freeze. The savings forecast was derived from historical employee attrition rate, taking into account the lack of hiring due to the freeze.
- **OTPS Savings.** OATH’s Preliminary Plan includes a PEG of \$453,935 in Fiscal 2024 and \$765,927 in Fiscals 2025 through 2028 from anticipated OTPS underspending. The savings are generated by reducing the budget for non-vital OTPS expenditures such as office furniture, cleaning costs, and security, as well as from increasing the number of remote hearings.
- **PS Savings.** OATH’s Preliminary Plan includes a PEG of \$420,000 in Fiscal 2024 and \$440,000 in Fiscals 2025 through 2028 from PS costs. The savings are generated by eliminating OATH’s overtime budget and reducing the use of per session hearing officers for trials.

Headcount

Chart 4: Ten-Year Budgeted vs. Actual Headcount



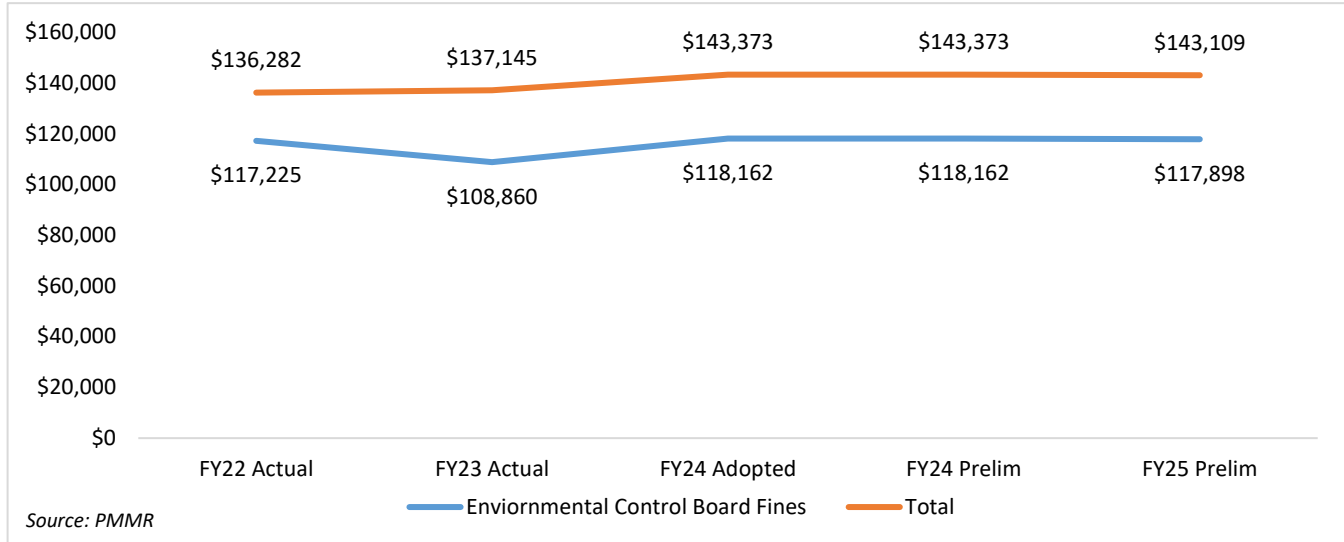
OATH’s headcount gradually has increased since Fiscal 2015, with a particular increase between Fiscals 2022 and 2024 when the budgeted headcount increased from 394 to 428, as shown in Chart 4.

Office of Administrative Trials and Hearings Miscellaneous Revenue

OATH’s 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 5, it is projected that OATH will generate miscellaneous revenue of \$143.1 million in Fiscal 2025, \$264,000 less than planned collections for Fiscal 2024. Although less than Fiscal 2024, planned collections for Fiscal 2025 are greater than the actual collections in each of the last two fiscal years. For Fiscal 2025, revenue generated from ECB fines is expected to total \$117.9 million, approximately 82.4 percent of OATH’s total miscellaneous revenue. 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), and the Department of Transportation (DOT) among other agencies. Additional information on OATH’s miscellaneous revenue streams, is presented in Appendix D.

Chart 5: OATH Miscellaneous Revenue and ECB Fines: FY22-FY23 Actuals and Planned Revenue for FY24 and FY25

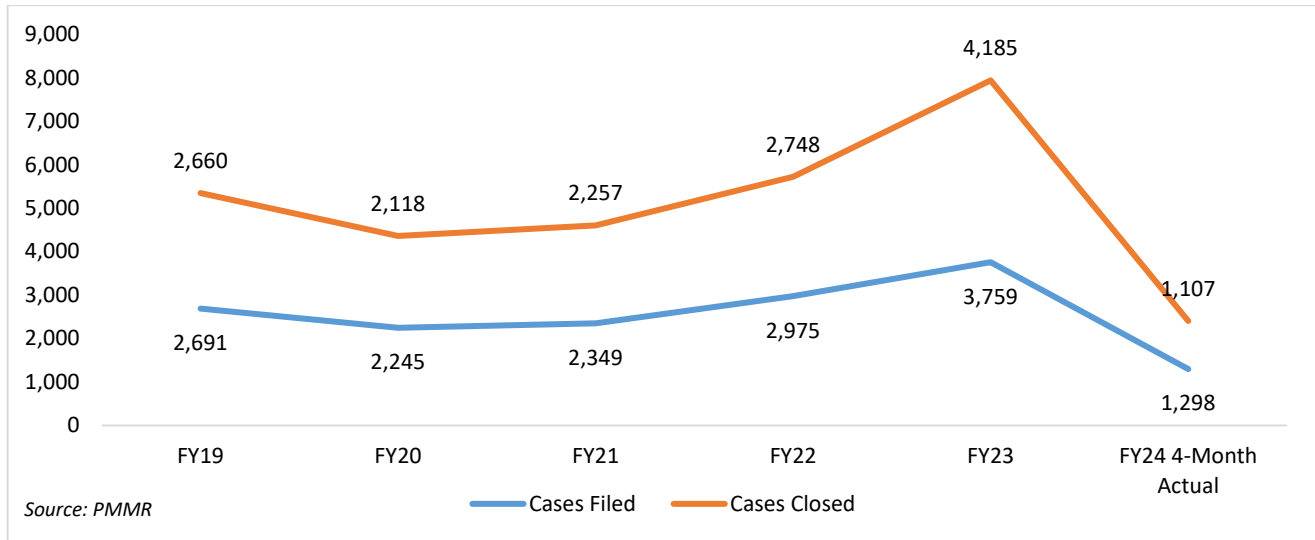


Fiscal 2024 Preliminary Mayor’s Management Report

The Preliminary Mayor’s Management Report (PMMR) for Fiscal 2024 was released in February 2024, 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 2024 PMMR include the following.

- OATH Trials Division.** The Trials Division provides fair and neutral administrative proceedings to protect due process rights. In the Trials Division, cases are adjudicated in a manner similar to civil trials but by a judge without a jury. Cases filed and cases closed at OATH have averaged 2,804 and 2,794 respectively over the last five years, as shown in Chart 6. In Fiscal 2023 OATH closed 4,185 cases compared to just 2,748 in Fiscal 2022, an increase of 52 percent, due to the resumption of case activity after COVID-19 restrictions were eased. OATH’s Trials Division received 1,298 cases in the first four months of Fiscal 2024, six percent more than in the first four months of Fiscal 2023. The number of cases closed by OATH Trials Division decreased 21 percent across comparative reporting periods and the average decision time increased 23 percent. A total of 86 percent of cases were closed within 45 days, four percent less than during the same period last year. The number of cases processed per administrative law judge decreased by 22 percent, from 99.0 to 77.6. According to the PMMR, decision times vary as a result of a variety of factors, including the nature and complexity of the cases filed, the willingness of the parties to resolve the case, and whether statutory resolution deadlines apply to the case.

Chart 6: OATH Trials Division Cases Filed vs. Cases Closed



- OATH Hearings Division.** The Hearings Division at OATH received more than 280,000 summonses from issuing agencies in the first four months of Fiscal 2024, 26 percent more than in the same period in Fiscal 2023, primarily due to an increase in summonses filed by the Departments of Environmental Protection, Transportation, and Sanitation. This resulted in 19 percent more summonses being processed by the Hearings Division. Nearly 70,000 summonses had a hearing and decision, a 20 percent increase. The increase in summonses and hearings filed in Fiscal 2024 led to an increase in the average decision time for the Hearings Division, from 9 days in Fiscal 2023 to 12 days in the current year.
- DOE Complaints Related to Special Education.** 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. The goal for OATH was to hear cases promptly and issue timely and fair decisions. The PMMR includes 10 metrics related to special education hearings with two being critical indicators for reporting. In Fiscal 2024 OATH revised the PMMR metrics so there is no year over year reporting comparison. During the first four months of Fiscal 2024, 8,149 special education cases were appointed to OATH, with 3,585 cases closed by the hearings division and approximately 14 cases closed by a hearing officer. The two critical indicators and their metrics are, cases closed within the regulatory time frame (97 percent) and the average time from appointment of OATH Special Education Hearing Officer to case closure (68 days). Including this metric within OATH means more accountability and more consistent standards and outcomes. Of note, the PMMR does not include indicators for special education services, which should be included in future reports

Appendices

A. Budget Actions in the November and Preliminary Plans

<i>Dollars in Thousands</i>	FY24			FY25		
	City	Non-City	Total	City	Non-City	Total
OATH Budget as of the Adopted FY24 Budget	\$65,277	\$0	\$65,277	\$65,451	\$0	\$65,451
Changes Introduced in the November Plan						
Programs to Eliminate the Gap (PEGs)						
Hiring Freeze	(\$1,797)	\$0	(\$1,797)	(\$883)	\$0	(\$883)
Telecommunication Savings - OATH	0	0	0	(1)	0	(1)
Vacancy Reduction	(1,467)	0	(1,467)	(2,390)	0	(2,390)
Subtotal, PEGs	(\$3,264)	\$0	(\$3,264)	(\$3,274)	\$0	(\$3,274)
Other Adjustments						
Aid to Asylum Seekers	\$10	\$0	\$10	\$0	\$0	\$0
CSBA 21-26 Collective Bargaining Adjustment	594	0	594	605	0	605
CWA 21-26 Collective Bargaining Adjustment	423	0	423	405	0	405
IBT L237 Collective Bargaining Adjustment	66	0	66	54	0	54
L300 21-26 Collective Bargaining Adjustment	31	0	31	30	0	30
UFT Collective Bargaining Adjustment	619	0	619	417	0	417
Subtotal, Other Adjustments	\$1,744	\$0	\$1,744	\$1,511	\$0	\$1,511
TOTAL, All Changes in November 2023 Plan	(\$1,520)	\$0	(\$1,520)	(\$1,763)	\$0	(\$1,763)
OATH Budget as of the November 2023 Plan Budget	\$63,757	\$0	\$63,757	\$63,689	\$0	\$63,689
Changes Introduced in the Preliminary Plan						
Programs to Eliminate the Gap (PEGs)						
Hiring Freeze	\$0	\$0	\$0	(\$1,874)	\$0	(\$1,874)
OTPS Savings	(454)	0	(454)	(766)	0	(766)
PS Savings	(420)	0	(420)	(440)	0	(440)
Space Consolidations	(60)	0	(60)	(58)	0	(58)
Storehouse re-estimate	(36)	0	(36)	(36)	0	(36)
Transcription Services Reduction	(10)	0	(10)	(1,100)	0	(1,100)
Subtotal, PEGs	(\$981)	\$0	\$0	(\$4,274)	\$0	(\$4,274)
TOTAL, All Changes in the Preliminary Plan	(\$981)	\$0	\$0	(\$4,274)	\$0	(\$4,274)
OATH Budget as of the Preliminary Plan	\$62,776	\$0	\$63,757	\$59,414	\$0	\$59,415

Source: New York City Office of Management and Budget

B. Contract Budget

OATH FY25 Preliminary Contract Budget vs FY24 Adopted Contract Budget				
<i>Dollars in Thousands</i>				
Category	FY24 Adopted	Number of Contracts	FY25 Preliminary	Number of Contracts
Cleaning Services	\$506	2	\$238	2
Contractual Services – General	3,216	18	2,110	18
Maintenance and Operation of Infrastructure	0	0	0	0
Maintenance and Repairs – General	35	1	35	1
Office Equipment Maintenance	54	1	54	1
Printing Services	51	1	23	1
Prof. Services - Computer Services	0	0	0	0
Prof. Services - Direct Educational Services to Students	22	1	7	1
Prof. Services – Other	638	1	638	1
Security Services	390	2	199	2
Telecommunications Maintenance	153	1	153	1
Temporary Services	75	1	75	1
Training Program for City Employees	114	1	83	1
TOTAL	\$5,254	30	\$3,615	30

Source: New York City Office of Management and Budget

C. Unit of Appropriations

OATH Units of Appropriation 001 and 002						
<i>Dollars in Thousands</i>						
	FY22 Actual	FY23 Actual	FY24 Adopted	Preliminary Plan		*Difference
				FY24	FY25	25-24
Spending						
U/A 001 - Personal Services						
Full-Time Salaried - Civilian	\$23,681	\$31,478	\$38,322	\$37,047	\$35,365	(\$2,958)
Overtime - Civilian	68	39	50	40	10	(40)
Full-Time Salaried - Uniformed	0	10	0	0	0	0
Additional Gross Pay	930	659	505	505	513	8
Additional Gross Pay - Labor Reserve	0	411	0	0	0	0
Fringe Benefits	6	5	0	0	0	0
P.S. Other	0	(13)	0	0	0	0
Unsalaries	9,592	8,895	11,100	9,789	10,257	(843)
Subtotal	\$34,277	\$41,483	\$49,977	\$47,380	\$46,144	(\$3,833)
U/A 002- Other Than Personal Services						
Contractual Services	\$1,569	\$4,036	\$4,594	\$3,338	\$2,970	(\$1,624)
Contractual Services - Professional Services-	224	255	660	214	645	(15)
Fixed & Misc. Charges	3	20	0	18	0	0
Other Services & Charges-	6,941	8,210	8,038	10,596	7,837	(201)
Property & Equipment	374	420	327	294	290	(36)
Supplies & Materials	1,290	1,351	1,681	936	1,528	(153)
Subtotal	\$10,401	\$14,292	\$15,300	\$15,396	\$13,271	(\$2,029)
TOTAL	\$44,678	\$55,775	\$65,277	\$62,777	\$59,415	(\$5,862)
Funding						
City Funds			\$65,377	\$62,777	\$59,415	(\$5,862)
TOTAL	\$44,678	\$55,775	\$65,377	\$62,777	\$59,415	\$5,862
Budgeted Headcount						
Full-Time Positions - Civilian	322	385	428	428	396	(32)
TOTAL	322	385	428	428	396	(32)

*The difference of Fiscal 2025 Preliminary Budget compared to Fiscal 2024 Adopted Budget.

Source: New York City Office of Management and Budget

D. Miscellaneous Revenue

OATH Miscellaneous Revenue Budget Overview						
<i>Dollars in Thousands</i>						
Revenue Sources	FY22 Actual	FY23 Actual	FY24 Adopted	Preliminary Plan		*Difference FY25-FY24
				FY24	FY25	
OATH Hearing Fees	\$0	\$0	\$11	\$11	\$11	\$0
DOHMH Fines	16,040	24,582	22,000	22,000	22,000	0
Environmental Control Board Fines	117,225	108,860	118,162	118,162	117,898	(264)
Taxi Fines	3,017	3,703	3,200	3,200	3,200	0
TOTAL	\$136,282	\$137,145	\$143,373	\$143,373	\$143,109	(\$264)

**The difference of Fiscal 2025 Preliminary Budget compared to Fiscal 2024 Adopted Budget.*

Source: New York City Office of Management and Budget