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Protection

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

# Department of Consumer and Worker Protection

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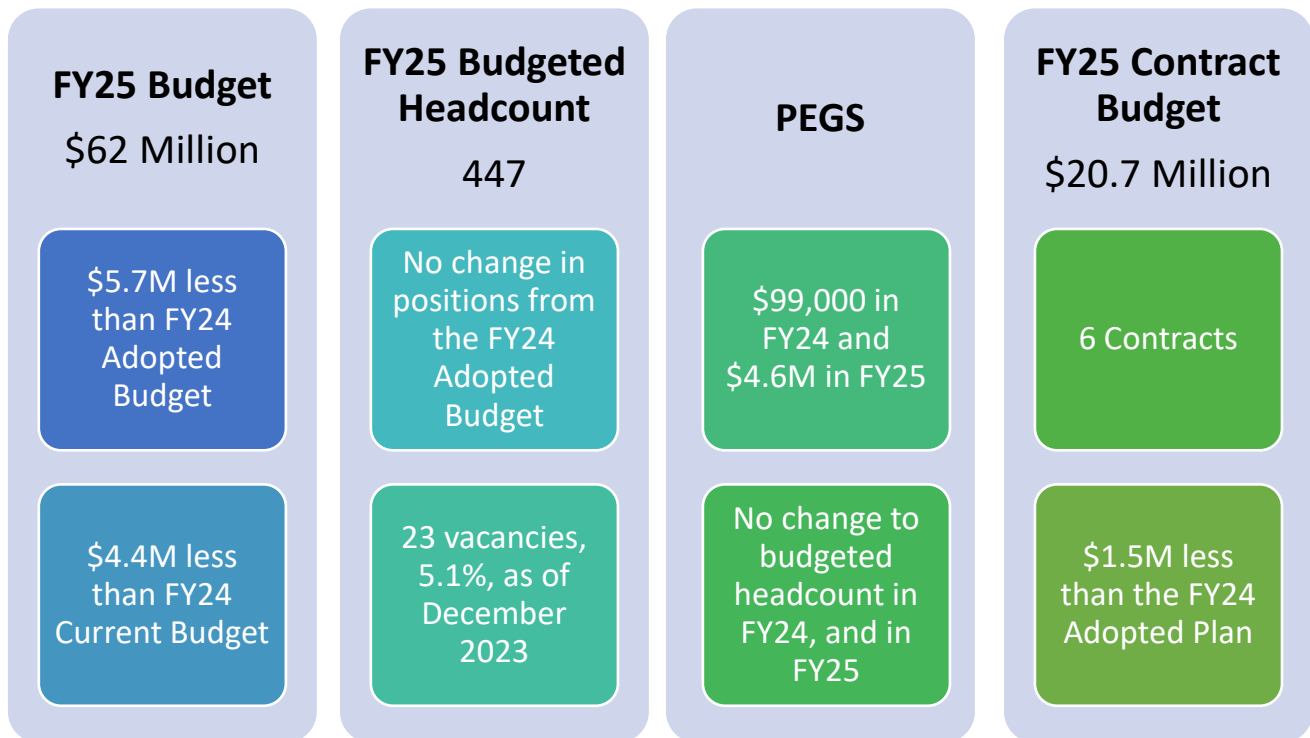
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## Department of Consumer and Worker Protection Overview

The New York City Department of Consumer and Worker Protection (DCWP or the Department) protects and enhances the daily economic lives of New Yorkers. DCWP licenses more than 45,000 businesses in more than 40 industries and enforces key consumer protection, licensing, and workplace laws that apply to countless more. By supporting businesses through equitable enforcement and access to resources, and by helping to resolve complaints, DCWP protects the marketplace from predatory practices and strives to create a culture of compliance. Through its community outreach efforts and the work of its offices of Financial Empowerment (OFE) and Labor Policy & Standards (OLPS), DCWP empowers consumers and working families by providing the tools and resources they need to be educated consumers and to achieve financial health and work-life balance. DCWP also conducts research and advocates for public policy that furthers its work to support New York City’s communities

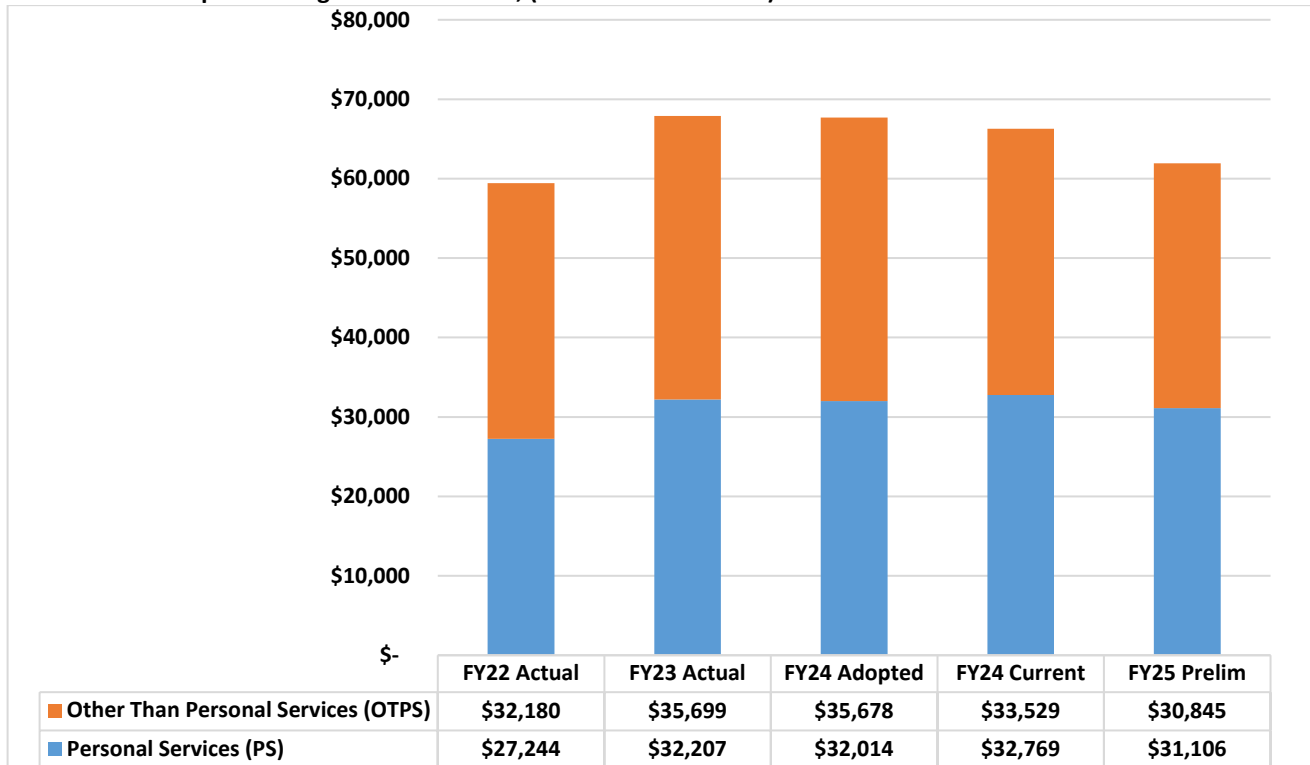
## Department of Consumer and Worker Protection Fiscal 2025 Budget Snapshot



## Department of Consumer and Worker Protection Financial Plan Overview

DCWP’s Fiscal 2024 – 2028 Preliminary Financial Plan (Preliminary Plan) includes a budget of \$62.0 million in Fiscal 2025, which is less than one percent of the City’s \$109.4 billion Fiscal 2025 budget. DCWP’s Fiscal 2025 Budget includes \$31.1 million for Personal Services (PS) to support 447 full-time positions. DCWP’s Other Than Personal Services (OTPS) funding totals \$30.8 million and includes \$20.7 million for contractual services, the majority of which is allocated for general contractual services, such as the Office of Financial Empowerment (OFE). Chart 1 presents the breakdown of PS and OTPS funding.

**Chart 1: DCWP Expense Budget – PS and OTPS, (Dollars in Thousands)**



Source: New York City Office of Management and Budget

### Department of Consumer and Worker Protection Financial Summary

The Preliminary Plan includes a \$62.0 million budget for DCWP in Fiscal 2025 growing to \$65.0 million by the end of the Plan period, an annual average expenditure growth rate of 2.4 percent. DCWP’s Fiscal 2025 budget is the lowest it has been since Fiscal 2022.

**Table 1: DCWP Financial Summary**

<i>Dollars in Thousands</i>	FY22	FY23	FY24	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY24	FY25	FY25-FY24
<b>Budget by Unit of Appropriation</b>						
Administration - 001	\$13,583	\$15,846	\$14,722	\$15,252	\$15,439	\$717
Licensing/Enforcement -002	13,661	16,361	17,292	17,535	15,667	(1,625)
Other Than Personal Services -003	32,180	35,699	35,678	33,529	30,845	(4,833)
<b>TOTAL</b>	<b>\$59,423</b>	<b>\$67,906</b>	<b>\$67,692</b>	<b>\$66,315</b>	<b>\$61,951</b>	<b>(\$5,741)</b>
<b>Funding</b>						
City Funds			\$62,085	\$60,477	\$56,293	(\$5,792)
State			1,932	2,163	1,932	0
Intra-City			3,676	3,676	3,727	51
<b>TOTAL</b>	<b>\$59,423</b>	<b>\$67,906</b>	<b>\$67,692</b>	<b>\$66,315</b>	<b>\$61,951</b>	<b>(\$5,741)</b>
<b>Budgeted Headcount</b>						
Administration	176	180	159	193	159	0
Licensing/Enforcement	223	231	288	254	288	0
<b>TOTAL</b>	<b>399</b>	<b>411</b>	<b>447</b>	<b>447</b>	<b>447</b>	<b>0</b>

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

Source: New York City Office of Management and Budget

City funds make up the bulk, 90.9 percent, of the agency’s funding in Fiscal 2025. This is 6.9 percent or \$5.7 million less than DCWP’s City funding in the Fiscal 2024 Adopted Plan. The DCWP’s budget is comprised of three spending areas. Funding for the two personal services areas (administration and licensing / enforcement) make up the majority of the Department’s total budget (50.2 percent). The

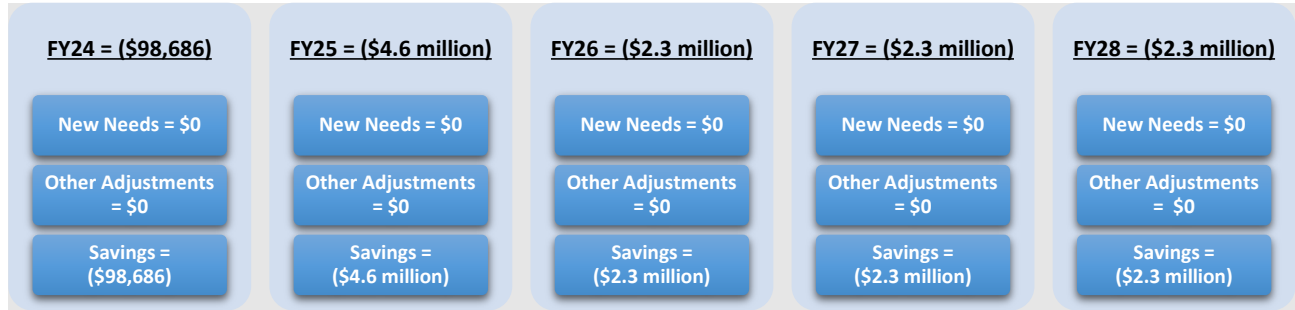
Fiscal 2025 budget for administration is \$717,000 (4.9 percent) greater than it was in Fiscal 2024 at adoption while licensing and enforcement is \$1.6 million (9.4 percent) less. DCWP’s Fiscal 2025 OTPS budget is \$4.8 million (13.5 percent) less than it was in the Fiscal 2024 Adopted Plan. The licensing and enforcement division accounts for 64.4 percent of the Department’s total budgeted headcount, while the remaining 35.6 percent is within administration.

### Fiscal 2025 Preliminary Budget Changes

The Preliminary Plan includes small changes to the agency’s budget. However, the Preliminary Plan includes the more significant changes that were proposed in the November Financial Plan. Budget actions in the Preliminary Plan decreased DCWP’s budget by \$98,686 in Fiscal 2024 and \$4.6 million in Fiscal 2025 when compared to the November Plan. Additionally, a \$2.3 million PEG was baselined for the outyears having to do with less than anticipated OTPS spending.

Chart 2 provides a summary of DCWP’s spending changes from the November Financial Plan to the Preliminary Financial Plan.

**Chart 2: 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 summarizes DCWP’s Program to Eliminate the Gap (PEG) savings across the November and Preliminary Plans.

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

Dollars in Thousands	FY24	FY25	FY26	FY27	FY28
November Plan	(\$2,359)	(\$2,377)	(\$2,400)	(\$2,400)	(\$2,400)
Preliminary Plan	(99)	(4,557)	(2,300)	(2,300)	(2,300)
<b>TOTAL PEGs</b>	<b>\$2,458</b>	<b>\$6,934</b>	<b>\$4,700</b>	<b>\$4,700</b>	<b>\$4,700</b>

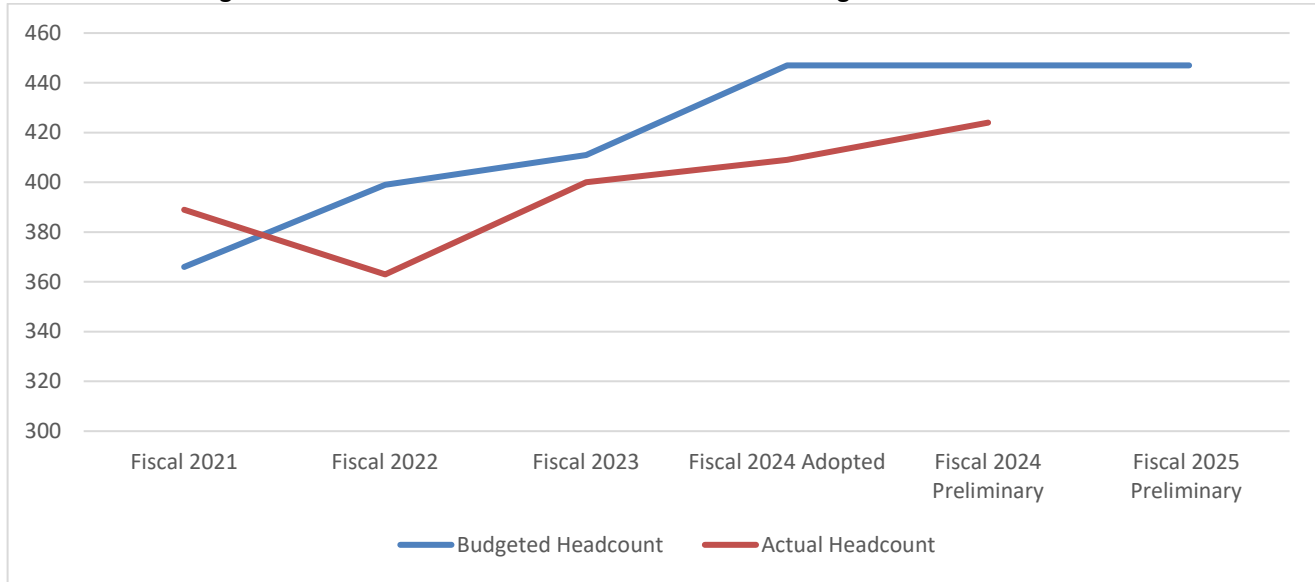
Source: New York City Office of Management and Budget

### Program to Eliminate the Gap (PEG)

- **Less Than Anticipated Spending.** The Preliminary Plan includes baselined savings of \$2.3 million beginning in Fiscal 2025. The PEG is due to a re-estimate of OTPS spending.
- **Planned Attrition.** The Preliminary Plan includes savings of \$98,686 in Fiscal 2024, and \$2.3 million in Fiscal 2025 for planned attrition. There is no headcount associated with this budget action as the savings are based on generated accruals. The Plan does not reflect savings in the outyears as the agency plans to resume hiring.

## Headcount

**Chart 3: DCWP Budgeted vs Actual Headcount: Fiscals 2021 – 2024 and Budgeted for Fiscal 2025**



The Preliminary Plan includes a budgeted headcount of 447 for DCWP in Fiscal 2025. This is unchanged from the Fiscal 2024 Adopted Plan. The Department’s actual headcount increased from 409 at Adoption to 424 currently. The overall vacancy rate for the agency is 5.1 percent, which is down from 8.5 percent at adoption. Currently DCWP’s vacancy rate is lower than the citywide average of 5.5 percent

## Department of Consumer and Worker Protection Contract Budget

The City’s Contract Budget includes all projected expenditures for general contractual services, security services, temporary services, training for city employees, and other professional services. The Contract budget is a subset of the OTPS portion of the City’s Expense Budget.

DCWP’s Fiscal 2025 budget includes \$20.7 million for contracts; \$1.5 million (6.7 percent) less than the \$22.1 million budgeted for Fiscal 2024 at adoption.

**Table 3: DCWP Contract Budget: FY24 Adopted vs. FY25 Preliminary**

*Dollars in Thousands*

Category	FY24 Adopted	Number of Contracts	FY25 Preliminary	Number of Contracts
Contractual Services - General	\$6,763	1	\$20,282	1
Security Services	360	2	360	2
Temporary Services	20	1	20	1
Training Program for City Employees	11	1	11	1
Prof Services- Other	15,002	1	2	1
<b>TOTAL</b>	<b>\$22,156</b>	<b>6</b>	<b>\$20,675</b>	<b>6</b>

*Source: New York City Office of Management and Budget*

## Department of Consumer and Worker Protection Miscellaneous Revenue

The DCWP’s Preliminary Plan includes approximately \$18.5 million of miscellaneous revenue in Fiscal 2025, no change from the Fiscal 2024 Adopted Budget. DCWP collects miscellaneous revenue from seven different sources. In Fiscal 2023, total miscellaneous revenue was \$21.8 million, \$3.3 million greater than the current plan for Fiscal 2025.

**Table 4: DCWP Miscellaneous Revenue Budget Overview**

<i>Dollars in Thousands</i>						
Revenue Sources	FY22	FY23	FY24	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY24	FY25	FY25-FY24
Consumer Protection Licenses	\$5,574	\$6,154	\$6,800	\$5,600	\$6,800	\$0
Bingo and Games of Chance	35	28	50	50	50	0
Weights Measures Inspection Fees	562	514	801	743	801	0
Photo ID and Exam Fees	137	110	187	123	187	0
Consumer Protection Fines	9,084	12,718	9,750	12,000	9,750	0
State Tobacco Program	1,634	2,230	800	2,000	800	0
Minor Sales	23	31	100	100	100	0
<b>TOTAL</b>	<b>\$17,049</b>	<b>\$21,786</b>	<b>\$18,488</b>	<b>\$20,616</b>	<b>\$18,488</b>	<b>\$0</b>

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

*Source: New York City Office of Management and Budget*

## Fiscal 2024 Preliminary Mayor’s Management Report (PMMR)

The Fiscal 2024 PMMR reports on four service areas and eight goals for DCWP. The DCWP’s service areas include: 1) protecting and advocating for consumers and ensuring businesses comply with applicable laws and regulations; 2) assisting and educating businesses about their contributions towards a fair marketplace for all; 3) educating and empowering New Yorkers with low incomes; and 4) protecting and advocating for workers.

- Mediation Process.** Complaints entering mediation increased by four percent between the first four months of Fiscal 2023 and the same period in Fiscal 2024, while the number of mediations resolved decreased by 24 percent between the same period. The decrease in mediations resolved during the first four months of Fiscal 2024 as compared to the same period in Fiscal 2023 is a result of a large portion of the Fiscal 2024 mediations initiated at the end of the period. The number of mediation complaints processed within 28 days increased from 54 percent to 58 percent between the first four months in Fiscal 2023 and the same period in Fiscal 2024. In Fiscal 2024, most mediations were completed in at least 50 days and all were completed in at least 90 days. The overall median time to resolve complaints improved by 14 percent.
- Tobacco and Licensing Inspections.** There was a 14 percent decrease in the total number of inspections, and a 19 percent decrease in tobacco inspections in the first four months of Fiscal 2024 as compared to the same period in the previous year. Proactive inspections increased 51 percent between the first four months of Fiscal 2023 and the same period in Fiscal 2024, while tobacco retail dealer and e-cigarette retail dealer inspections decreased by 19 percent between the same period. Summonses issued by proactive inspection increased by 45 percent, while summons from tobacco program inspection decreased by 20 percent.
- Compliance for Licensing.** The compliance rate with licensing regulations increased to 97 percent in the first four months of Fiscal 2024 compared to the 95 percent rate in the same period in Fiscal 2023. However, consumer protection law compliance rate decreased by five percent to 79 percent between the same period.

- **Collection of Fines.** Total amount of fines collected from settlements, pleading, and consent agreements decreased by 59 percent between the first four months of Fiscal 2023 and the first four months of Fiscal 2024. This decrease is due to operational challenges that arose from the agency's transition to its new Business Automation System.
- **Office of Financial Empowerment.** The Office of Financial Empowerment (OFE) saw a 22 percent increase in the number of clients served between the first four months of Fiscal 2023 and the same period in Fiscal 2024. The number of first-time clients increased by 42 percent; however, the clients achieving short-term financial goals within their first year in the program decreased from nine to five percent.
- **Office of Labor Policy.** The Office of Labor Policy and Standards (OLPS) saw a 180 percent increase in workplace complaints in the first four months of Fiscal 2024 as compared to Fiscal 2023.

### Budget Issues and Concerns

- **Office of Financial Empowerment (OFE)** – The OFE assists New Yorkers with low incomes by offering innovative financial education programming, however, the number of clients achieving short-term financial goals decreased from nine to five percent. That is a 44.5 percent decrease in the OFE's ability to help low-income New Yorkers.
- **Decrease in Inspections** – DCWP's total inspections dropped by 14 percent, while tobacco inspections dropped by 19 percent during the first four months of the fiscal year. The number of illegal smoke shops selling cannabis and other illegal nicotine-based products has exploded in recent years. Although DCWP does not have direct jurisdiction over cannabis sales, the Administration has placed the Department as the central agency in the City's efforts to address the proliferation in illegal smoke shops. The decrease in DCWP's inspections suggest that more resources may be needed for DCWP to effectively address this issue.



## 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
<b>DCWP Budget as of the Adopted FY24 Budget</b>	<b>\$62,085</b>	<b>\$5,608</b>	<b>\$67,69</b>	<b>\$62,395</b>	<b>\$5,657</b>	<b>\$68,052</b>
<b>Changes Introduced in the November Plan</b>						
<b>Programs to Eliminate the Gap (PEGs)</b>						
Cancel Annual Tax Season Initiative Expansion	(\$1,390)	\$0	(\$1,390)	(\$1,390)	\$0	(\$1,390)
Less Than Anticipated OTPS Spending	(964)	0	(964)	(980)	0	(980)
Telecommunications Savings - DCWP	(5)	0	(5)	(7)	0	(7)
<b>Subtotal, PEGs</b>	<b>(\$2,359)</b>	<b>\$0</b>	<b>(\$2,359)</b>	<b>(\$2,377)</b>	<b>\$0</b>	<b>(\$2,377)</b>
<b>Other Adjustments</b>						
AG Check	\$0	\$231	\$231	\$0	\$0	\$0
Buyers Local 300 Collective Bargaining Adjustment	15	0	15	13	0	13
City Service Corps Transfer	(23)	0	(23)	0	0	0
Civil Service Bar Association Collective Bargaining Adjustment	415	0	415	412	0	412
CWA L1180 Collective Bargaining Adjustment	435	0	435	400	0	400
Local 237 Collective Bargaining Adjustment	7	0	7	6	0	6
Workforce Enhancement	1	0	1	3	0	3
<b>Subtotal, Other Adjustments</b>	<b>\$850</b>	<b>\$231</b>	<b>\$1,081</b>	<b>\$834</b>	<b>\$0</b>	<b>\$834</b>
<b>TOTAL, All Changes in November Plan</b>	<b>(\$1,509)</b>	<b>\$231</b>	<b>(\$1,278)</b>	<b>(\$1,543)</b>	<b>\$0</b>	<b>(\$1,543)</b>
<b>DCWP Budget as of the November Plan</b>	<b>\$60,576</b>	<b>\$5,839</b>	<b>\$66,413</b>	<b>\$60,852</b>	<b>\$5,657</b>	<b>\$66,507</b>
<b>Changes Introduced in the Preliminary Plan</b>						
<b>Programs to Eliminate the Gap (PEGs)</b>						
Less Than Anticipated OTPS Spending	\$0	\$0	\$0	(\$2,300)	\$0	(\$2,300)
Planned Attrition	(99)	0	(99)	(2,257)	0	(2,257)
<b>Subtotal, PEGs</b>	<b>(\$99)</b>	<b>\$0</b>	<b>(\$99)</b>	<b>(\$4,557)</b>	<b>\$0</b>	<b>(\$4,557)</b>
<b>Other Adjustments</b>						
<b>Subtotal, Other Adjustments</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, All Changes in the Preliminary Plan</b>	<b>(\$99)</b>	<b>\$0</b>	<b>(\$99)</b>	<b>(\$4,557)</b>	<b>\$0</b>	<b>(\$4,557)</b>
<b>DCWP Budget as of the Preliminary Plan</b>	<b>\$60,477</b>	<b>\$5,839</b>	<b>\$66,314</b>	<b>\$56,295</b>	<b>\$5,657</b>	<b>\$61,950</b>

Source: New York City Office of Management and Budget

**B. Budget by Spending Type**

<b>Units of Appropriation</b>						
<i>Dollars in Thousands</i>						
	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>Preliminary Plan</b>		<b>*Difference</b>
	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>FY24</b>	<b>FY25</b>	<b>FY25-FY24</b>
<b>Spending</b>						
<b>Personal Services</b>						
Additional Gross Pay	\$338	\$349	\$0	\$0	\$0	\$0
Additional Gross Pay - Labor Reserve	0	276	0	0	0	0
Full-Time Salaried - Civilian	13,176	15,085	14,693	15,217	15,404	711
Overtime - Civilian	20	37,189.83	28	28	28	0
P.S. Other	(0)	1	0	0	0	0
Unsalaries	49	98	1	7	7	6
Additional Gross Pay	255	264	46	46	46	0
Additional Gross Pay - Labor Reserve	0	540	0	0	0	0
Fringe Benefits	0	0	523	523	523	0
Full-Time Salaried - Civilian	13,314	15,449	16,636	16,879	15,011	(1,625)
Full-Time Salaried - Uniformed	16	15	0	0	0	0
Overtime - Civilian	26	83	87	87	87	0
Unsalaries	50	10	0	0	0	0
<b>Subtotal</b>	<b>\$27,244</b>	<b>\$32,170</b>	<b>\$32,014</b>	<b>\$32,787</b>	<b>\$31,106</b>	<b>(\$908)</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$9,342	\$12,328	\$7,154	\$10,503	\$20,673	\$13,519
Contractual Services - Professional Services	15,000	15,007	15,002	15,102	2	(15,000)
Fixed & Misc. Charges	3	9	11	1	11	0
Other Services & Charges	6,846	6,391	12,981	7,054	9,629	(\$3,352)
Property & Equipment	214	655	187	219	187	0
Supplies & Materials	774	1,310	344	650	344	0
<b>Subtotal</b>	<b>\$32,180</b>	<b>\$35,699</b>	<b>\$35,678</b>	<b>\$33,529</b>	<b>\$30,845</b>	<b>(\$4,833)</b>
<b>TOTAL</b>	<b>\$59,423</b>	<b>\$67,869</b>	<b>\$67,692</b>	<b>\$66,315</b>	<b>\$61,951</b>	<b>(\$5,741)</b>
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<b>Budgeted Headcount</b>						
Full-Time Positions - Civilian	399	411	447	447	447	0
<b>TOTAL</b>	<b>399</b>	<b>411</b>	<b>447</b>	<b>447</b>	<b>447</b>	<b>0</b>

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