



**Department of  
Consumer Affairs**

**TESTIMONY OF**  
**COMMISSIONER JONATHAN MINTZ**  
**DEPARTMENT OF CONSUMER AFFAIRS**  
**on the**  
**FY '10 EXECUTIVE BUDGET**  
**at the joint hearing of the**  
**NEW YORK CITY COUNCIL COMMITTEES**  
**On**  
**CONSUMER AFFAIRS and FINANCE**

May 12, 2009

Good morning, Chairman Comrie, Chairman Weprin and members of the Consumer Affairs and Finance Committees. I am Jonathan Mintz, the Commissioner of the City's Department of Consumer Affairs. Thank you for the opportunity to appear before you to focus on the Department's portion of the Mayor's Executive Budget for Fiscal Year 2010 and to highlight the Department's important work in our milestone fortieth year, ensuring that consumers and businesses benefit from a fair and vibrant marketplace.

At hearings on the preliminary budget on March 30, I presented detailed testimony regarding the Department's ability to get ahead of the curve and largely reinvent itself to meet the financial challenges of people with low incomes. In the interest of time, I have appended that testimony in our official submission. In today's testimony, I will highlight how the Department has been able to truly accomplish the oft-cited "more with less" when it comes to serving the needs of consumers and businesses; enhancing and expanding the delivery of our core services, including implementing more efficient responses to consumer complaints and more efficient mediation efforts and settlements for consumers; taking licensing services online and simultaneously speeding up the processing of applications; and launching the groundbreaking array of financial empowerment programs and services that are well poised to implement the Mayor's priorities for addressing the current economic crises.

The Department's FY '10 budget projects expenses of \$20,149,185, which includes \$15,113,825 for personnel costs and \$5,035,360 for OTPS, including \$2,182,400 budgeted for the Office of Financial Empowerment.

The FY '10 Executive Budget projects revenue of \$18,955,576 compared to the FY '09 Executive budget's projected revenue of \$18,532,576. The slight deviation reflects the particular 2-year licenses statutorily due for renewal in this year.

DCA will not only meet its FY '09 budget projections, but its increased revenue target of \$21,031,000, as well. This \$2,500,000 increase represents real growth in licensed sidewalk cafes consent fees.

Now, some accomplishments behind and beyond those numbers, accomplishments that reflect efficient but aggressive protection efforts, innovative and far-reaching anti-poverty programs, and sweeping technological upgrades:

#### Focusing on Consumers

DCA developed and implemented new procedures that have not only sped up the average processing time of consumer complaints from 117 days in FY '07 to 48 days in FY '08 and 26 days for the first six months of FY '09, but have also yielded record-breaking results in garnering \$8.4 million in restitution in FY '08-- a 58% increase over the previous year. At the same time, our Consumer Services staff resolved a record 7,612 complaints in FY '08. We also streamlined and sped up the process of holding

administrative hearings for unresolved complaints, entirely eliminating the list of consumer complaints to be heard. Among other forms of restitution and fair justice, these hearings resulted in disbursing over \$1.1 million from our Home Improvement Contractor Trust Fund.

In keeping with the agency's nimble ability to be ahead of the curve in consumer protection, yesterday the Mayor announced the opening of three additional Financial Empowerment Centers and several mobile Centers throughout the City, administered by the Department's Office of Financial Empowerment. The Centers provide the gold standard in financial coaching and counseling in both English and Spanish: free, one-on-one help with money management, budgeting, financial planning, finding affordable banking services, negotiating with creditors, government benefit screening, referrals to other services and organizations, and short and long term savings. These citywide centers, available and accessible to all residents, build on the successes of the City's pilot Financial Empowerment Center, located in Melrose, the Bronx, which was launched last May by Mayor Bloomberg and became a key component of the Mayor's 18 initiatives announced in October to help New Yorkers face current economic challenges.

What we learned at our pilot site was that 79% of consumers who came to the Center were focused on paying down debt; 47% sought to get a handle more broadly on their finances, and 45% wanted to stop harassment by debt collectors..

And speaking of debt collectors, the Department is planning an aggressive approach to implementing the recently-enacted Local Law 15 that you, Mr. Chairman, this Committee and Council Member Garodnick shepherded through the Council. That new law enhances the Department's ability to prevent predatory and illegal debt collectors from trying to intimidate struggling consumers to pay debts they don't owe. We were pleased to work closely with the Council to provide New Yorkers with additional protections against inappropriate debt collection efforts.

One last update regarding our consumer work: DCA, in collaboration with the office of the Criminal Justice Coordinator, and the Departments of Sanitation and Parks, held the City's second annual Shred Fest on May 3. The event, designed to increase public awareness about identity theft prevention, capped off a month-long outreach campaign featuring posters on the sides of all 2,000 DSNY collection trucks and 450 mechanical sweepers, and flyers and information shared with all of the City's community boards, BIDs and elected officials. We were very pleased that you were able to join us, Mr. Chairman, for the press conference in Union Square to launch the event on April 28. In addition, just prior to our public shredding event, DCA co-hosted a workshop with the FTC at Fordham Law School on what businesses need to do to protect their customers and employees from identity theft.

Despite stormy weather on the day of the event, nearly 1,000 New Yorkers brought 26 tons of paper containing personal information to 11 sites throughout all five boroughs—more than twice last year's figures. Shredding services were provided free by four major shred companies and Staples donated 55 personal shredders, which were

given out to the first five participants at each location. All participants received the Department's tips on how to proactively avoid becoming victims to the fastest growing crime in America, Tips for businesses and consumers are available on DCA's website: [www.nyc.gov/consumers](http://www.nyc.gov/consumers).

### Focusing on Businesses

When delivering services to businesses, DCA's goal is to make it as easy as possible for them to comply with relevant laws. Nowhere is our commitment and progress towards this goal more apparent than in the Department's monumental leap forward leading the local vanguard on online licensing.

DCA's online new and renewal license applications have reduced the average license processing time for most categories to just three days. As of this month, more than 80% of DCA's more than 70,000 licensees can renew their licenses on line, and more than 95% will be able to do so by August, 2009.

Starting this month, seven additional industries will be able to submit applications for new licenses on line, bringing to eleven the number of industries which benefit from this efficiency. This service reflects the Department's dynamic partnership with the Departments of Information, Technology & Telecommunications and Small Business Services.

Finally, our efforts to help business do the right thing paid off in high compliance rates. In FY '08, DCA conducted just under 52,000 field inspections and found that compliance remained stable in FY '08, with inspectors issuing about 11,600 violations. We continue to work with our borough squads to ensure their efforts are focused on priority issues identified in communities throughout the City.

Thank you for this opportunity to update you. I'll be happy to answer any questions.



**Department of  
Consumer Affairs**

## **FY 2010 Preliminary Budget Report**

## **FY 2009 Preliminary Management Report**

Testimony of Jonathan Mintz  
Commissioner, Department of Consumer Affairs

Presented to:  
New York City Council  
Committee on Consumer Affairs

March 30, 2009

Good morning, Chairman Comrie, members of the Consumer Affairs Committee, and Committee staff. I am Jonathan Mintz, Commissioner of the Department of Consumer Affairs. I am pleased to have the opportunity today to highlight the important work of the Department. As many of you know, DCA this year reaches a significant milestone: 40 years of ensuring that consumers and businesses benefit from a fair and vibrant marketplace. As proud as I am of this rich tradition of public service, I am prouder still of DCA's ability to get ahead of the curve, almost reinvent itself as we did two years ago, when we launched our Office of Financial Empowerment and set about building a citywide infrastructure to address the financial challenges of New Yorkers with low incomes. This groundbreaking array of financial empowerment programs and services (about which I will testify more in a moment) were well poised to mobilize quickly to address the Mayor's priority focus on the current economic crisis.

### **Consumer Protection**

A key strategic priority for DCA is empowering and protecting consumers. Before the economic crisis, DCA had already added to its public service offerings the Office of Financial Empowerment (OFE), the first program funded by the Center for Economic Opportunity as part of Mayor Bloomberg's aggressive and innovative anti-poverty initiative. DCA had also already launched a highly skilled investigations team focused exclusively on deceptive and predatory industry practices, our Research and Investigations division. Not only has the current economic crisis impacted New Yorkers' financial situations, but it has spawned injurious practices in the marketplace, intensifying the need for DCA's services even as the City tackles fiscal constraints.

Let me highlight some of our most concentrated efforts.

### **Debt**

In hard economic times it's tough enough for struggling consumers to pay back the debts they owe. But it's downright predatory and illegal when debt collectors try to squeeze struggling consumers on debts they may not owe. In FY '08, consumers filed more than 1,200 complaints against debt collection agencies—a nearly 70% increase compared to FY '07. In fact, for the first time in agency history, debt collectors—not home improvement contractors—were our top complaint category. The Department added up the dollars consumers were erroneously dunned for and we saved New Yorkers more than \$2 million, often just a couple hundred dollars at a time—a figure representing a staggering 123% increase compared to the previous year.

Beyond seeking relief for aggrieved consumers, the Department pursued three legislative initiatives to increase protections for New Yorkers in financial straits.

I was delighted that we were able to collaborate with you, Mr. Chairman, Council Member Garodnick, the prime sponsor, and your Committee on the speedy enactment of Local Law 15 of 2009 (Intro 660-A) which Mayor Bloomberg signed recently. As you know, this legislation requires that debt buyers, businesses that buy delinquent debt and

then seek to collect through measures including lawsuits, be licensed by the Department. As an added boon to New Yorkers, to prevent abuses the law toughens the guidelines collectors must follow when contacting City residents.

On behalf of the Administration, DCA also played an important role in the enactment of the State's Exempt Income Protection Act, which shields New Yorkers' public assistance dollars, veterans' benefits, and Social Security disability payments from illegal seizure. This new law empowers banks and credit unions to better protect New Yorkers' exempt funds from commercial creditors seeking to satisfy judgments.

In addition, DCA embarked on a proactive and ultimately successful campaign to pass Chapter 472—New York Mortgage Foreclosure legislation in the New York State Legislature. This law aims to provide relief and better restructuring opportunities to homeowners with predatory mortgages who face foreclosure and it also tightens requirements for lenders and mortgage brokers to prevent the irresponsible lending that helped precipitate the housing market collapse. We are now working with the Court system and other stakeholders to implement these promising new protections.

Complementing these mediation and legislative efforts, the Department's Office of Financial Empowerment has worked aggressively to bring the powers of the City to bear to educate, empower, and protect families and individuals with low incomes. OFE painstakingly assembled a Network of every legitimate provider of financial education in the City, and then made their offerings available to all New Yorkers through a searchable directory accessible simply by calling 311 or visiting OFE's Web site: [nyc.gov/ofe](http://nyc.gov/ofe). Through the Financial Education Network (FEN), it has never been easier for New Yorkers to find free or low-cost financial education classes, workshops, and one-on-one counseling services Citywide. This successful, Citywide approach to boosting access to financial education providers already is being replicated across the country.

This Network of established nonprofits and government organizations also played a critical role during our weeklong "Your Money Helpline" phone-a-thon, which the *Daily News* and City University of New York co-sponsored from December 15 through 19. We recruited and trained more than 400 call takers—from the Administration, from CUNY, from financial institutions, from others like the Financial Planners Association, and of course from our Financial Education Network itself—to staff 48 phone lines in English and Spanish for an entire week. Volunteers directly helped nearly 9,000 callers by sharing money management information and making referrals to FEN providers and other appropriate organizations.

We took an entire one-week breather and then partnered again with FEN members to launch the City's "Pass It On" campaign, to help faith leaders across the City connect their congregants to Financial Education Network resources. In addition to the "Pass It On" workshops presented by OFE and FEN partners, OFE has distributed to faith leaders over 1,200 "toolkits" containing samples of our financial education materials and fulfilled orders for more than 125,000 educational flyers.

But the true “gold standard” of financial education is one-on-one counseling and in June 2008, the City opened its first-ever free financial counseling center: the Financial Empowerment Center in Melrose in the Bronx. In May, OFE will take this pilot to Citywide scale, opening three additional Financial Empowerment Centers in Brooklyn, Manhattan, and Queens with the ambitious goal of serving at least 15,000 New Yorkers. Mayor Bloomberg has identified these additional financial counseling centers as among his primary initiatives targeted to providing immediate and meaningful help to the City’s most vulnerable populations.

To make New Yorkers aware of this panoply of services, the Department launched a Citywide public awareness campaign focused on taking control of personal debt. You may have seen the campaign ads on subways, kiosks, bus shelters, and in newspapers throughout the City with the timely message, “Debt Stress? You are not alone. We can help you take control.” The English and Spanish ads direct people to call 311 or visit our Web site for more information and to find conveniently located financial education opportunities.

### **Tax Preparation**

As you’re aware, tax time is a huge opportunity for families with low incomes to get sizable refunds, often the single biggest checks they’ll see all year. The Mayor’s Tax Credit Campaign, the country’s largest such Citywide public awareness campaign now in its seventh year, promotes the Earned Income Tax Credit, New York City Child Care Tax Credit, and other credits available to eligible New Yorkers. OFE connects filers to the City’s more than 50 free volunteer tax preparation sites and 12 low-cost professional “Tax Prep Plus” sites in communities in all five boroughs. Now in its second year, Tax Prep Plus, extremely low-cost professional tax preparation offered at community-based organizations, is a safe and affordable tax preparation service—no refund anticipation loans or other predatory products and a fee of only \$20 for professionally prepared returns. This year, OFE broadened the program to make eligible families earning up to \$55,000 and individuals earning up to \$30,000, giving New Yorkers more options than ever to get the help they need to file their taxes and claim their refunds.

As important as it was for the Department to offer expanded opportunities for tax preparation assistance, it was even more critical for us to help families begin to get ahead and build assets for their family’s futures. No matter how troublesome the present day, planning for the future is critical to economic stability. We identified tax preparation as that “magic moment” where people could easiest start to save some money. And so the Department embarked on Year II of its unique program, SaveNYC. Offered at select free tax preparation sites, eligible tax filers were encouraged to open a CD-like savings account and, for every dollar saved from their tax refund up to \$250 for a full year, provided a 50% match. Last year, the average participant made only \$15,500 a year, yet three quarters of them were successful at keeping the money in savings. This year, filers quickly took full advantage of the program and opened the approximately 1,000 SaveNYC Accounts we offered. Stay tuned for the results of this broadly scalable approach to helping those with low incomes build assets.



Every year, the Department also focuses on protecting taxpayers in the City to ensure that professional tax preparers do right by their customers. This year, the Department broadened its annual enforcement sweep in two key ways. We inspected more businesses—a 43% increase compared to last year’s record number. We also targeted inspections to businesses that were charged with violations in 2008 and businesses operating in neighborhoods with a high percentage of Earned Income Tax Credit (EITC) filers, a population vulnerable to refund anticipation loans (RALs). As a result of the sweep, DCA inspectors issued more than 1,200 violations. Top violations included the deceptive advertisement of RALs as “rapid” or “instant” refunds. These high-interest, predatory loans are in fact bad deals for consumers who can get their full refunds directly deposited to their bank accounts by the IRS by waiting just eight to 10 days. Despite the large number of violations issued, the good news is that preparers are getting the message—compliance has increased from 56 to 65 percent.

But there’s more we can do to protect taxpayers. Currently, there are no requirements to become a tax preparer in New York State, nor any method to track the locations, products, services, or pricing information of tax preparers. According to a Government Accountability Office report, the error rate of paid-preparer returns is 56%—higher than self-prepared returns (47%). To improve the quality of tax preparation while at the same time strengthening the Department’s ability to monitor and regulate unsafe loans offered by tax preparers, DCA is working with the State legislature to require that commercial preparers be registered with the State Department of Taxation and Finance.

### **Employment Agencies**

In this economy, New Yorkers are seeking new jobs or second and even third jobs to help make ends meet. Employment agencies are a more critical industry than ever, but also a fertile ground for abuse. To make it especially clear during these hard times that DCA does not tolerate such abuse, we conducted a massive, multi-month investigation of each of the 348 employment agencies licensed by the City. As part of the investigation, the Department reviewed their contracts, applications, and receipts, and did on-site inspections. This review uncovered widespread violations throughout the industry, including illegal fees, contract violations, and illegal refund denials. The Department also shuttered agencies guilty of repeated, egregious violations, collected over \$160,000 in fines, and gathered over \$80,000 in restitution for those filing complaints with DCA.

In keeping with its guiding principle that fair enforcement and education go hand in hand, the Department also entered into aggressive settlement agreements with 159 employment agencies. In these agreements, employment agencies paid public fines and were required to attend a mandatory training to help them comply with the law. We also gave these agencies multilingual consumer tip materials to display in their reception areas. The Department is also disseminating, through its license application packets and Web site, model contracts and receipts, available in English and Spanish, which we’re increasingly seeing employment agencies use when we’re out in the field.

## **Home Heating Oil / Airport Scales**

With more families struggling to pay their heating bills, the Department toughened its inspection procedures of the truck meters and gauges for home heating oil delivery trucks, inspecting each and every fuel truck on the road both at our testing station in Brooklyn and through surprise inspections in the field. The new testing more stringently measures the amount of air that passes through a truck's pipes when oil is being delivered to ensure consumers get every drop of the home heating oil they have purchased. Trucks that fail inspection are condemned until they are fully repaired.

We annually inspect more than 1,000 home heating oil delivery trucks. Since the tighter requirements took effect in FY '08, industry compliance has risen from 73% in 2007 to 80% this fiscal year through January. The Department removed 64 trucks from the road showing inaccurate meters. That number represents an encouraging 30% decrease compared to the previous year. Companies are getting the message that every drop matters and that DCA will pull each and every inaccurate truck off the road.

With the airlines charging new and often painful fees for luggage, and anticipating the holiday rush, DCA aggressively targeted the City's airport scales to test each and every one of them for accuracy. During the month-long sweep, the Department tested all 810 scales used at LaGuardia and JFK. By Thanksgiving, and after having to go back and condemn 10 faulty scales, all scales were up to speed for New Yorkers and those coming to visit New York.

## **Home Improvements**

Home improvement contractors may have slipped to 2nd place on DCA's list of top complaint categories in FY '08, but the Department continued its aggressive and strategic enforcement efforts to protect homeowners from unlicensed and unscrupulous contractors. In June, we invited Nassau and Westchester County agencies and the New York State Consumer Protection Board to join in our second annual multi-county, 5-week enforcement sweep. Together, we issued nearly 700 violations and 17 criminal summonses or arrests, and seized more than 130 vehicles owned by unlicensed home improvement contractors. In this period, DCA on its own conducted nearly 500 undercover and other field inspections throughout the City, seized 93 vehicles owned by unlicensed home improvement contractors, and issued more than 400 additional violations based on consumer complaints.

During FY '09 to date, DCA docketed more than 500 consumer complaints about home improvement contractors and awarded just over \$5.4 million in restitution for consumers—a 67% increase over last year. The Department also fast-tracked drafting the 671 consumer docket hearing notices for administrative hearings on matters that could not be successfully mediated. The hearings resulted in the disbursement of \$1.1 million for home improvement contractor consumer cases from our Home Improvement Contractor Trust Fund.

Beyond these industry-focused efforts, the Department vigorously monitors the radar to identify and pursue other abuses. Let me highlight a few of them:

1. With the credit crunch, businesses again began promoting layaway plans as an alternative to buying on credit. To ensure that consumers knew about the deal they were getting, the Department inspected 149 such businesses and issued violations to 58 of them for failing to disclose key terms as required by law, including duration of the plan; associated fees; refund policies for payments made; required payment schedules; consequences of missing payments; and more. To date, the Department has reached 27 settlements totaling \$21,000 in fines.
2. With businesses marketing “green” products and services, DCA is monitoring to ensure that consumers heeding the Mayor’s call to be “green” are not misled. To that end DCA is working with the Federal Trade Commission to safeguard that environmental marketing claims are truthful and accurate and pursuing local enforcement that has yielded tens of thousands of dollars in fines.
3. Consumers planning vacations through travel agencies should expect to reach their destinations rather than remain at home because of agencies’ cancellations or closures. To enable consumers to rebook cancelled prepaid vacations, DCA invited the Attorney General’s Office to participate in a joint enforcement initiative that secured nearly \$350,000 in refunds for more than 1,000 New Yorkers whose prepaid vacations were illegally cancelled by the Queens-based sightseeing company, Biss Tours, Inc.

Obtaining restitution for consumers injured by violations is one of DCA’s most rewarding accomplishments, in particular during these tough times. The collaborative efforts of the Department’s many divisions have produced record-breaking results, garnering \$8.4 million in restitution for consumers, an increase of 58% over the previous record of \$5.3 million we recovered in FY ‘07. And the Department is already on track in FY ‘09 to break this record again, having already recovered \$4.3 million in restitution during the first four months of FY ‘09, as compared to \$2.8 million recovered during the same period in FY ‘08; and this year’s amount already surpasses the entire amount we recovered in FY ‘06.

The restructured Consumer Services Division played a key role in this success by implementing new procedures that speeded up the average processing time for complaints from 117 days in FY ‘07 to just 48 days in FY ‘08. For the first six months of FY ‘09, the average processing time for complaints is 26 days—a remarkable 57% *decrease* on top of last year’s significant decrease. At the same time, our Consumer Services staff resolved a record 7,612 complaints in FY ‘08.

I’ve already mentioned the industries ranked as the top two on our Top Five list for complaints—debt collection agencies and home improvement contractors. The other three are secondhand car dealers, furniture sales, and electronics stores.

Although we are proud of what DCA is able to accomplish to assist consumers injured by practices that violate the laws we enforce, I must reiterate that often our hands are tied behind our backs because DCA still lacks hearing authority to adjudicate violations for all of the consumer protection laws we are charged to enforce. From FY '03 to FY '07, DCA obtained more than five times as much in restitution for consumers from licensees (where cases were hearable) than from non-licensees. The average amount of restitution recovered for consumers from FY '03 through FY '07 was almost twice as high from licensees as from non-licensees. I encourage the Council to ensure that DCA's ability to protect consumers and promote fairness in the marketplace be strengthened by closing this loophole and granting DCA full hearing authority to adjudicate violations of all laws we are mandated to enforce, rather than just some.

Performing inspections every day in every borough is our fundamental tool for ensuring a fair and vibrant marketplace. In FY '08, DCA conducted just under 52,000 field inspections, a slight drop from the approximately 53,000 conducted in FY '07. Compliance remained stable in FY '08, with inspectors issuing 11,600 violations compared to just under 11,000 the previous year. We continue to work with our borough squads to ensure their efforts are focused on priority issues identified in communities throughout the City.

DCA's tobacco teams, enhanced by trained teens who work with them undercover, continue to produce strong results, with the City's cigarette retail dealers getting the message that it's bad business—not to mention against the law—to sell cigarettes to minors. The teams conducted approximately 15,000 inspections in FY '08, a slight decrease from FY '07. Compliance reached 91% for the 7,450 inspections performed during the first six months of FY '09, five percentage points higher than the rate during the first six months of FY '08. Overall compliance in FY '08 was 89%. Very promising numbers, but still not 100%.

Educating consumers and businesses is yet another tool for ensuring a fair and vibrant marketplace. Two particular educational efforts merit note:

- DCA partnered with CUNY to help the next generation of consumers shop and spend wisely by expanding the Department's Consumer Campus online resource to include financial education information for students *and* by placing this resource directly on CUNY's Web site. DCA welcomed becoming an instant resource for CUNY's 500,000-strong student body on consumer issues, such as choosing a credit card, preventing identity theft, understanding student loans, and purchasing cell phones and used cars.
- Last spring, DCA joined with the Administration's Office of the Criminal Justice Coordinator, Sanitation, and Parks to launch "Shred Fest," the City's first-ever free shredding event aimed at raising public awareness about how people can better protect themselves from identity theft. More than 1,000 New Yorkers shredded almost 27,000 pounds of paper at 11 sites throughout the City. Given

the success of that event, we've already scheduled the City's 2nd Annual Shred Fest, which will be May 3.

## **Businesses**

During this economic downturn, DCA is constantly searching for additional ways to make it easier for businesses to thrive by streamlining the processes to get and renew licenses, and stepping up our efforts to help them know how they can do right by their customers.

Administering licenses has been a bedrock function of DCA for 40 years. Today, DCA licenses more than 70,000 businesses in 55 different industries, ranging from locksmiths and laundromats to pawn shops and tow truck companies. While this core licensing function hasn't changed, what has changed is how businesses can get and renew licenses—and even pay fees and fines.

With strong encouragement from Mayor Bloomberg and under the guidance of First Deputy Mayor Patricia Harris, DCA's licensing functionality is now an online enterprise. By year's end, some 30 industries will be able to apply for new licenses online and DCA's Online License Renewal Service will be available to 95% of the Department's licensees. These online services also help businesses access important forms that they can fill out easily and on their own and we've used this transition to significantly reduce the number of documents businesses need to submit to complete their applications.

DCA works vigilantly to make sure that businesses have easy access to information and advice about how to "get it right" for New Yorkers and our tens of millions of visitors. In addition to regular meetings with industry leaders and presentations to business groups in every borough, we also:

- Widely disseminate an array of multilingual, business-oriented publications like the pocket guide *10 Things Every Business Should Know* (translated to Spanish and Chinese and available in Russian online)
- Post online specifically compiled sections of the laws and rules relevant to each industry
- Hold an annual Business Education Day when DCA hits the streets with partners from Small Business Services, local BIDs, and Community Boards to issue advice—not violations—to businesses in all five boroughs. (In September—which marked the 6th year of Business Education Day—DCA and partners visited more than 1,200 businesses in 15 high-traffic retail areas Citywide.)

To help businesses comply with federal regulations regarding the digital television (DTV) transition, DCA created a Frequently Asked Questions (FAQs) flyer in English and Spanish which the Department both posted online and mailed to the thousands of electronic store licensees with their renewal applications. DCA also

conducted a month-long sweep of 130 electronic stores and secondhand electronic dealers throughout the five boroughs. More than 80% of stores were in compliance with the federal regulations requiring retailers to notify shoppers who purchase analog TVs that those sets will work after the transition only with the purchase of additional equipment. While Congress delayed the transition date to June 2009, DCA, along with other City agencies and partners in the Council, is doing its part to update New York's businesses—and consumers—to facilitate the transition.

While it bears repeating that license fees do not generate revenue for the City, they do help the City cover the costs of administering those licenses. Through March of FY '09, the Department collected \$4,278,446 in license fees. This total is down slightly from the \$4,493,490 collected in FY '07 during the same period. This slight decrease is largely attributable to the transfer of Ticket Reseller licensing to the New York State Department of State.

Using a more targeted approach that streamlined the process and initiated collection efforts earlier against delinquent violators, the Department has collected 77% of assessed fines within a 45-day period. Although fines collected dropped from \$8.2 million in FY '07 to \$7.5 million in FY '08, the decline largely reflects the high compliance rate resulting from the successful work of the Department's undercover tobacco enforcement program.

In our Licensing Center at 42 Broadway, the Department made a strategic decision to slightly redeploy some staff from some intake windows to other licensing process operations. As planned, this redeployment slightly increased average waiting time from 10 to 15 minutes, but more importantly it allowed us to shorten the time to issue licenses to a mere three days on average. During the first four months of FY '09, the Department processed 13,662 applications.

Turning to the fiscal front, the Department's revenue projection of \$18.9 million for FY '10 remains unchanged from last year's preliminary budget projections. The FY '09 projection increases from \$18.5 million to \$21 million for the January Financial Plan. The \$2.5 million increase represents a revised projection for sidewalk café consent fees revenue (from \$4.5 to \$7 million). We remain comfortable with meeting the current year's revenue targets.

As of the January Financial Plan, the FY '10 preliminary budget projects expenses of \$19,979,768 which include \$14,884,892 for personnel and \$5,094,876 for OTPS. The FY '10 January Financial Plan is \$3.6 million (\$1.7 million for personnel and \$1.9 million for OTPS) higher than the FY '09 January Financial Plan. This increase takes into account OFE, which was included in the January Plan; recurring incremental payments; collective bargaining; and differential payments.

DCA was proud to join Mayor Bloomberg this year in creating nimble responses to aid New Yorkers in crisis and to expand not just the vision of what municipal government can and should do on behalf of its residents, but what City government

actually is doing. By continually remaking ourselves to meet the challenges of the times, DCA strives to deliver on the Mayor's great promise—which DCA shares—of offering broader, better public services even in the face of tightening belts.

Thank you again for this opportunity to appear before you to discuss our preliminary budget and management report. I am happy to answer any questions you may have.