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HEARING ON THE FISCAL YEAR 2014 EXECUTIVE BUDGET FOR THE

OFFICE OF ADMINISTRATIVE TRIALS & HEARINGS

May 13, 2013

EXECUTIVE BUDGET HIGHLIGHTS

- **OATH Fiscal 2014 Budget.** OATH's proposed Fiscal 2014 Expense Budget totals \$35 million, including \$27.5 million in Personal Services funding to support 248 full-time positions.
- **OATH Program to Eliminate the Gap (PEG).** Since Adoption, the financial plan for OATH includes a PEG action that generates baseline expense savings of \$754,000 beginning in Fiscal 2013 by reducing the hours of part-time hearing officers at health tribunals. Furthermore, OATH projects additional baseline ECB fine revenue of \$2.6 million from an increase in case processing.
- **Administrative Tribunal Fine Revenues.** OATH generates revenues for the City through the collection of fines issued by the tribunals for various violations. Revenues totaled \$159.8 million in Fiscal 2012. The table below outlines actual revenues in Fiscal 2011 and 2012 and projected revenues in Fiscal 2013-2016.

<i>In Thousands</i>	Actual		Planned			
	2011	2012	2013	2014	2015	2016
ECB Fines	87,174	94,888	\$84,883	\$94,394	\$94,161	\$94,137
DOHMH Fines	45,631	53,639	41,000	45,000	45,000	45,000
TLC Fines	10,416	11,270	7,060	7,758	7,471	7,298
TOTAL	\$143,221	\$159,797	\$132,943	\$147,152	\$146,632	\$146,435

Note: According to OMB, the outstanding debt resulting from unpaid ECB fines between Fiscal 2002 and Fiscal 2010 totals approximately \$850 million.

FINANCE DIVISION

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OVERVIEW

This report provides an overview of the Office of Administrative Trials and Hearings' Fiscal 2014 Budget, and a review of the significant initiatives included in the Executive Budget. Appendix 1 reports the changes made to the Fiscal 2013 and Fiscal 2014 Budget since adoption of the Fiscal 2013 Budget.

OATH Financial Summary

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Exec. Plan	2014 Exec. Plan	*Difference 2013- 2014
Spending					
Personal Services	\$24,348	\$28,120	\$27,539	\$27,505	(\$615)
Full-Time Salaried – Civilian	13,918	15,441	15,571	15,526	85
Other Salaried & Unsalaries	9,843	12,134	11,301	11,434	(700)
Additional Gross Pay	527	384	544	505	121
Overtime - Civilian	60	161	124	40	(121)
Other Than Personal Services	\$6,115	\$7,366	\$7,015	\$7,507	\$141
Supplies and Materials	1,557	1,304	1,248	1,780	477
Property and Equipment	513	684	962	561	(122)
Other Services and Charges	2,257	3,135	2,555	3,104	(31)
Contractual Services	1,773	2,244	2,248	2,061	(182)
Fixed and Misc. Charges	15	0	2	0	0
TOTAL	\$30,464	\$35,486	\$34,554	\$35,012	(\$474)
Funding					
<i>City Funds</i>		\$35,486	\$34,470	\$35,012	(\$474)
<i>Federal Funds</i>		\$0	\$83	\$0	\$0
TOTAL	\$30,464	\$35,486	\$34,554	\$35,012	(\$474)
Headcount	238	247	248	248	1

*The difference of Fiscal 2013 Adopted compared to Fiscal 2014 Executive Plan funding.

The Executive Budget for OATH includes \$35 million for Fiscal 2014. Personal Services comprises approximately 79 percent of the agency's total Fiscal 2014 budget and provides for 248 full-time positions. The OATH's Contract Budget totals \$2.1 million for 19 contracts and is 28 percent of the agency's total OTPS budget.

TRIBUNALS

The chart below summarizes the Fiscal 2014 budgets of the four administrative tribunals.

FY 2014 Executive Budget

<i>In Thousands</i>	PS	OTPS	Total	Headcount
OATH	\$4,054	\$1,793	\$5,847	46
Health	\$4,800	\$459	\$5,259	46
TLC	\$2,859	\$198	\$3,057	26
ECB	\$15,792	\$5,057	\$20,849	130

OATH Tribunal

The OATH Tribunal conducts disciplinary, disability, and adjudicatory hearings for City agencies. Hearings conducted by the OATH tribunal include: disciplinary cases brought by City agencies against civil service employees; matters pertaining to licensing, regulatory and enforcement authority, including cases involving City contractors; holders of various City licenses and loft tenants and their landlords; and hearings conducted after the New York City Police Department (NYPD) seizes vehicles of drivers accused of crimes.

DoHMH Health Tribunal

The OATH Health Tribunal provides hearings for individuals and businesses charged with violating laws relating to or affecting health within New York City. The OATH Health Tribunal does not issue Notices of Violation (NOVs) and does not conduct inspections. The Tribunal schedules about 65,000 cases each year. Most of the cases involve public health and environmental sanitation, with the largest number of cases coming from inspections of food service establishments.

Taxi and Limousine Commission (TLC) Tribunal

The TLC Tribunal is responsible for holding hearings on tickets that are issued by the TLC, NYPD and the Port Authority of NY/NJ. These tickets are issued to TLC licensees and non-licensees for violations of NYC laws and TLC rules and regulations. The TLC Tribunal is not a part of the TLC. Tribunal judges do not work for the TLC and are independent, impartial decision-makers.

Environmental Control Board (ECB)

ECB is the City's largest tribunal, adjudicating some 250,000 violations per year. The ECB hears cases in which New York City has charged a person or business with violating City laws that protect health, safety, and a clean environment. These violations are not crimes. Those parties found guilty of an ECB charge receive a fine and may be ordered to fix the violation(s).

APPENDIX 1: BUDGET ACTIONS IN THE NOVEMBER, PRELIMINARY AND EXECUTIVE PLANS

<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
OATH Budget as of Adopted 2013 Plan	\$35,486	\$0	\$35,486	\$35,488	\$0	\$35,488
Program to Eliminate the Gap (PEGs)						
Reduced Hearing Hours	(754)		(754)	(754)		(754)
Rent Savings	(400)		(400)			0
TOTAL, PEGs	(\$1,154)	\$0	(\$1,154)	(\$754)	\$0	(\$754)
New Needs						
Agency Executive Council	85		85	85		85
TOTAL, New Needs	\$85	\$0	\$85	\$85	\$0	\$85
Other Adjustments						
Technical Adjustment	54		54	193		193
Federal Funding (Superstorm Sandy)		83	83			0
TOTAL, Other Adjustments	\$54	\$83	\$137	\$193	\$0	\$193
TOTAL, All Changes	(\$1,015)	\$83	(\$932)	(\$476)	\$0	(\$476)
OATH Budget as of Exec 2014 Plan	\$34,471	\$83	\$34,554	\$35,012	\$0	\$35,012