

**Testimony of Commissioner Samuel A.A. Levine
New York City Department of Consumer and Worker Protection
Before the Committee on Consumer and Worker Protection
Hearing on Fiscal Year 2027 Preliminary Budget**

March 19, 2026

Introduction

Hello, Chair Epstein and members of the Committee on Consumer and Worker Protection. I am Samuel Levine, Commissioner of the Department of Consumer and Worker Protection (DCWP). Today, I am joined by our General Counsel, Michael Tiger, my Chief of Staff, Carlos Ortiz, and our Deputy Commissioner of the Office of Labor Policy & Standards, Elizabeth Wagoner. Thank you for the opportunity to be here today before this committee to testify on the work of our agency and its budget for Fiscal Year 2027.

DCWP is the nation's leading municipal enforcement agency charged with delivering economic justice. DCWP leverages its authority to bring New Yorkers real economic relief and protect them from predatory, deceptive, and unconscionable practices that violate their rights as consumers and workers. This includes pioneering cutting-edge protections, such as the City's Consumer Protection Law, Protected Time Off Law, Fair Workweek Law, and Delivery Worker Laws, including the Minimum Pay Rate for delivery workers. Through licensing more than 45,000 businesses in over 45 industries, DCWP ensures fair competition and a level playing field for responsible small businesses that are integral to New York City's vibrant communities. DCWP also provides essential services such as free tax preparation for individuals and families as well as tax prep services for self-employed workers and small businesses, and one-on-one financial counseling to ensure New Yorkers keep more of what they earn and can plan for their futures. DCWP is committed to making sure New York City is a fairer, more affordable place to live.

I am incredibly honored to be entrusted with leading DCWP in its next chapter under Mayor Mamdani's Administration. Under my tenure, I promise that DCWP will be a champion for New Yorkers and our mission to deliver economic justice to consumers and workers across our city will be stronger than ever. I look forward to being a close partner with this Council, and I thank you for your work passing historic legislation and supporting DCWP's work. Today, I will provide the committee with a fiscal overview of our agency, our successes of the past year, and our path forward continuing to build a fairer, more affordable city for all.

DCWP's Budget

For Fiscal Year 2027, DCWP's preliminary budget is approximately \$73.4 million, with an authorized headcount of 484 and an active headcount of 425. Of this active headcount, only 387 are dedicated to DCWP's work. Last year our team conducted more than 52,000 inspections and 1,230 investigations on behalf of consumers and workers, securing \$47.5 million in real economic relief for New Yorkers. Our Financial Empowerment Centers helped nearly 10,000 clients with free one-on-one financial counseling, and our NYC Free Tax Prep program completed more than 110,000 tax returns for New Yorkers. We are beyond proud of the work that we have accomplished this past year, and, with Mayor Mamdani standing beside us, we are looking forward to being able to accomplish even more for the City.

Championing Consumers Against Predatory Businesses and Corporate Greed

Since our landmark Consumer Protection Law was passed more than half a century ago, we have used our authority to safeguard the rights of New York City consumers and focused our efforts on securing economic relief, protecting New Yorkers from deceptive and unconscionable business practices, and ensuring that NYC is a fair marketplace for all businesses who comply with the law. Last year alone, DCWP returned \$3.1 million to New York City consumers. And we are continuing this work aggressively, just this year we have already announced major lawsuits against businesses exploiting and cheating New Yorkers, seeking millions in penalties and restitution for aggrieved consumers. Our case against Extra Space takes on the business for their false advertising, bait-and-switch tactics, and clear violations of our Consumer Protection Law, for which we are seeking at least \$5 million in penalties and restitution. We are also seeking nearly \$20 million from Radiant Solar for its deceptive and illegal schemes that drove up utility costs for consumers. Finally, DCWP has also taken legal action against three major employment agencies, CMP, Golden Rose, and Eleny's, for systematically exploiting economically vulnerable individuals with illegal "advance fees." This action has already led to almost \$1 million in restitution for New Yorkers seeking employment to feed and house their families, and we are continuing this work.

In the last year, our mandate grew, and we worked to establish new and innovative protections for consumers across the five boroughs. Last June, we implemented Council Member Osse's historic FARE Act, banning costly forced broker fees and ensuring prospective tenants have clarity on other fees related to the rental. We also implemented Speaker Menin's Safe Hotels Act, creating stronger standards for consumers and workers at hotel. This implementation highlighted the efficiency of our licensing customer service, with licenses being approved in only two days, and in-person wait times being an average of only four minutes. In support of small businesses, we worked with Speaker Menin on the enactment of a DCWP license reform package, which eases regulatory burdens and modernizes requirements for small businesses across the city. And, we advocated strongly in favor of the passage of the Street Vendor Reform package, allowing more of our city's smallest small businesses to operate in compliance with City laws.

In the Mamdani Administration, DCWP is taking aggressive and innovative measures to leverage our authority to ensure that New York consumers have a fierce protector in city government. Under Mayor Mamdani, we announced the adoption of the strongest prohibition of hotel junk fees in the country, which will protect New Yorkers traveling outside the city and those visiting our great city from facing unexpected and costly fees when traveling. Just last month we also announced the publication of the Stopping Harassment and Intimidation and Ensuring Lawful Debt (SHIELD) Collection rule or SHIELD, a new debt collector rule that provides New Yorkers with the nation's strongest protections against debt collector harassment. That rule surpasses the protections afforded by federal regulations and delivers 1st-in-the-nation innovative regulations related to the collection of medical debt.

In this new era of accountability, we will go further than ever before to crack down on deceptive and predatory corporate practices, like junk fees and onerous subscription traps. Predatory industries have been put on notice—comply with the laws of New York City or face the consequences. Just yesterday, Deputy Mayor Su officially launched the City's Junk Fees Taskforce, and we are excited about the potential to develop more groundbreaking policy to stop these practices that directly impact affordability for New Yorkers. And, Mayor Mamdani's Rental Ripoff Hearings have been a major step in identifying the key issues affecting renters in our city, including onerous and costly fees. This is all to say that we are

here to deliver economic relief to consumers who have been wronged, we have sent a clear message that preying on New Yorkers will come with serious consequences.

Restoring Economic Justice for Working New Yorkers

DCWP has been and will continue to be here to ensure that workers across our city can come to our office has consistently set the standards for workers' rights and labor standards across the nation. Our cutting-edge worker protection laws not only establish greater stability in workers' schedules, incomes, and employment, but also ensure that workers are treated fairly and with dignity. When companies violate workers' rights, we prioritize monetary relief for workers and hold employers accountable to the fullest extent of the law. 2025 was a historic year for DCWP's worker protection efforts. With this committee, we passed laws to strengthen existing protections, and we delivered a record-breaking \$44.4 million in restitution to more than 24,000 workers through enforcement of cornerstone workplace laws. This includes the biggest worker protection settlement in New York City history—a landmark \$38.9 million settlement with Starbucks for violations of our Fair Workweek Law.

DCWP is a national leader in developing and implementing cutting-edge protections to raise labor standards for workers across industries. In 2025, we strengthened our cornerstone workplace laws while advocating for protections in new industries. With the help of Council Members Nurse, Gutierrez, and Abreu, we expanded our Delivery Worker Laws, strengthening protections related to tipping and pay transparency, and expanding the minimum pay rate to grocery delivery workers and other existing protections to all contracted delivery workers. We also worked closely with Councilmember Krishnan to pass much-needed deactivation protections for delivery workers and for-hire vehicle drivers, securing stability in employment for tens of thousands of hard-working New Yorkers. With the help of labor partners, and Council Member Hudson, we fought to enact the Aland Etienne Safety and Security Act, which will provide security guards that keep us safe each and every day with better pay and benefit standards. And just last month, our strengthened Protected Time Off law went into effect for 4.3 million New York City workers, requiring an additional 32 hours of unpaid time off and expanding the reasons for which an employee can use time off, including childcare, workplace violence, public benefits hearings, and more. This law, as well as our [February Benchmark Report](#), represents a standard for workers rights and stable schedules for the rest of the nation.

This is just the beginning. DCWP has already made great strides this year—we have already taken on businesses and major corporations that exploit their workers. We recently announced a major win against creative production company, Splashlight, for violations of our Freelance Isn't Free Act, securing \$500,000 for freelance workers who were cheated out of their hard-earned payments. At the start of the year, we released a report that revealed the corporate greed of businesses like Doordash and Uber, exploiting and cheating their workers out of \$550 million with tricks to make it harder for customers to tip. In January, we also announced a lawsuit against the delivery app, Motoclick, for egregious violations of the Delivery Worker Laws. And, through our team's efforts, we were able to get thousands of wrongfully deactivated delivery workers their jobs back, and secured nearly \$5 million in restitution. But we aren't stopping there, because thanks to City Council, DCWP will be delivering even more for workers. We are working to implement laws that expand workers protections, and improve labor standards for workers. None of this could have been achieved without the relentless efforts of workers, advocates, and this Council, and DCWP looks forward to these continued partnerships and doing even more this year.

Setting New Yorkers Up for Success

Over the course of the past two decades, DCWP has remained committed to supporting New Yorkers across the city by helping them reach their financial goals. Our financial empowerment work has impacted hundreds of thousands of New Yorkers and their families through vital research, educational resources and direct services that help them take control of their financial health. As a part of the affordability agenda, we want to ensure that New Yorkers are able to keep more of their hard-earned money and that they are protected from being ripped off.

Each year, New York City Free Tax Prep saves New Yorkers tens of millions in tax preparation fees for expensive paid filing services while ensuring they can keep the entirety of their tax refund. DCWP's trusted providers across 141 tax prep sites provide free professional tax preparation services to thousands of New Yorkers. Last year, our program helped file more than 110,300 tax returns through NYC Free Tax Prep, saving clients nearly \$40 million in preparer fees and maximizing their refunds and access to valuable credits like the Earned Income and Child Tax Credits. This year, we are aiming to grow those savings, all while cracking down on exorbitant charges and deceptive practices that too often fill the tax industry. We have already cracked down on predatory tax preparers who use junk fees and deceptive practices to exploit the people of this city, and we are accelerating enforcement, deploying inspectors across the city to ensure tax preparers are following the law. New Yorkers can say goodbye to fees without sacrificing quality. DCWP will make sure you claim every credit you're entitled to.

DCWP's Financial Empowerment Centers offer New Yorkers free, confidential, one-on-one financial counseling sessions with trained financial counselors. These sessions help individuals and families achieve their financial goals and make a huge difference for households by addressing savings, banking, credit, debt, including student loan debt, and much more. Since their inception, Financial Empowerment Centers have served nearly 100,000 clients, increasing their savings by a total of \$15.4 million and reducing their debt by more than \$130 million. In 2025, DCWP expanded our Financial Empowerment Centers to eight NYC Health + Hospital and MetroPlusHealth sites, giving us the opportunity to serve even more New Yorkers and provide vital resources to assist constituents manage their money in the midst of the affordability crisis. We also announced our Financial Literacy for Youth Initiative, expanding financial and consumer education to the youth and families of our city - helping to set them up for success. Through this initiative, we will bring financial educators to NYC Public Schools and youth serving programs, developing a financially-healthy environment for students and their families.

Conclusion

We want to make clear that under the Mamdani Administration, more than ever before, DCWP is committed to delivering economic justice to all New Yorkers and making New York City a fairer, more affordable place to live, and work. We will protect New Yorkers by unleashing consumer protections against corporate greed, strengthening cornerstone protections for workers, and bringing economic relief and financial health to New Yorkers and their families. DCWP wants New Yorkers to know with full confidence—whether you are a worker, a consumer, or a household looking to improve your financial health—you have a champion and passionate ally in city government.

I'd like to express my sincere appreciation once again for the opportunity to testify today on the incredible work of DCWP. We are eager to carry forward the torch of Mayor Mamdani's affordability agenda and we look forward to partnering with you all in this new era of economic justice for all New Yorkers.

Lastly, I'd like to thank my team for the support they've shown me from the moment I stepped into this role. In short order, our team has taken major steps to step up our efforts to protect workers and consumers from exploitation and bringing economic relief to countless New Yorkers across the city. As the Administration moves forward with an ambitious vision for economic justice, I am confident that together, we will transform this city into one that is fairer, more affordable and more just. I look forward to answering your questions. Thank you.



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INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA – UAW

SHAWN FAIN, *PRESIDENT* • MARGARET MOCK, *SECRETARY-TREASURER*
VICE-PRESIDENTS: LAURA DICKERSON • MIKE BOOTH • RICH BOYER

TESTIMONY FROM AARON EISENBERG, POLITICAL DIRECTOR, UAW REGION 9A FOR 3/19 DCWP BUDGET HEARING

Thank you for having us. I am testifying in support of expanding DCWP funding and scope. Last week, UAW Region 9A led a letter to the Mayor, FDM, and DM Su calling for expansion of DCWP funding. We were joined on that letter by union siblings, worker centers, and workers rights organizations. What we said in that letter rings true:

After years of disinvestment – and the passage of a variety of nation-leading civil rights and new worker protection laws which require expanded agency enforcement staffing, not reductions - neither of these modest-sized agencies can withstand further cuts. They should be exempt from appointing a savings officer to recommend further cuts to their budgets. As DCWP explained in 2025, “We urgently need new resources to implement the minimum pay rate for the broader delivery workforce.... It is very important — to actually realize the minimum pay rate — to be appropriately staffed for it.”

In the Mayor’s inaugural address he acknowledged the transformative moment we are in and promised to govern expansively and audaciously. We stand now — as we did on inauguration day — to ask you to stand with us to realign your budget with our shared principles. Economic justice will not be achieved without funding. The scope of DCWP’s enforcement responsibilities has grown dramatically in recent years — including in just the past few months as the City Council has passed urgently needed and nationally significant new protections for security guards, delivery workers, ride hail drivers, and construction workers on affordable housing projects. And DCWP continues to be the enforcement agency for numerous other laws that are critical to working-class New Yorkers, including to the members of the city’s trade unions that sustain hundreds of thousands of our city’s working families, such as the Safe Hotels Act, the Grocery Workers Retention Act, the City’s Paid Safe and Sick Leave Law, Fair Workweek Laws, the Temporary Schedule Change Law, and the Freelance Isn’t Free Act. And the recent landmark Starbucks Fair Workweek Law settlement will require significant ongoing monitoring and

oversight by the agency. These laws all require robust enforcement and regulatory efforts. And New York's success or failure will have national implications.

Increasing these budgets is a sound investment. Enforcement activities put money back into New Yorkers' pockets and bring in revenue in the form of civil penalties. In 2025, DCWP settled one case for \$39 million dollars. With more attorneys, investigators, and examiners, DCWP could be revenue positive.

Thank you for holding this hearing and we hope that you augment DCWP funding to a \$130 Million Level.



Hello, my name is Dylan Ward. Thank you for the opportunity to submit testimony to the committee. In my role as the Legal Program Director for the Freelancers Union, I spend a great deal of time working closely in partnership with the Department of Consumer and Worker Protection (DCWP) on issues affecting independent workers across the city.

In 2025 the Freelancers Union engaged with 368 freelancers' complaints about worker issues including: nonpayment or delayed payment, unsafe working conditions, employer misclassification, harassment, retaliation, contract manipulation and other violations of freelancers' rights. When we receive a complaint, one of the first questions that I ask the freelancer is whether they have submitted a *Freelance Isn't Free Act* complaint with DCWP.

Through written demand letters and the DCWP process, we resolved 104 freelancer complaints in 2025. In this work, DCWP was instrumental in providing both the legal legitimacy that motivated bad acting hiring parties to come to the table and rectify their abuses, and if necessary, providing a rebuttable presumption that freelancers could take to court. Through coordinated efforts with DCWP in 2025, the Freelancers Union Legal Program identified \$1,972,494 in unpaid labor, and recovered \$209,907.

In 2026, we have been excited to take our joint efforts a step further. Thanks to the keen interest of DCWP leadership under Sam Levine, Litigation Director, Emily Hoffman and Senior Staff Counsel, Emily Whalen – we are actively pursuing enforcement through multiple high-impact collection action cases involving dozens of unpaid freelancers owed hundreds of thousands of dollars, and other wide scale pattern-and-practice violations of FIFA.

Just recently I had two New York-based freelance journalists reach out about a nonpayment issue with a well-known national magazine. They told me they were prepared to sue the publication for their full fee after an unexplained lack of communication from the publication after reporting their piece. Once they told me their story and I assessed the details, I advised them to immediately file a FIFA complaint with DCWP before raising the stakes with a lawsuit. They had fully-reported the story, and then could not get ahold of their editor or anyone else at the magazine for months. These journalists had incurred thousands of dollars in travel fees, interviewing, and reporting a story in Arizona. Within a day after DCWP delivered the notice of the FIFA complaint, the magazine's editor reached out to make an offer. While they are currently still negotiating a fair fee for the story, it is clear that DCWP has played a crucial role in empowering and giving the leverage they deserve to get fair pay for their labor.

I have countless stories like these through our work at the Freelancers Union with DCWP, and am excited to continue fighting for just pay and enforcement of the Freelance Isn't Free Act in partnership with DCWP in the future.

Dylan Ward
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Testimony from the Hotel & Gaming Trades Council

New York City Council Hearing, FY27 Preliminary Budget Hearing, Committee on Consumer and Worker Protection

The Hotel & Gaming Trades Council strongly supports additional city funding for the Department of Consumer and Worker Protection and their agenda, which is crucial for the agency to uphold the protections, safeguards, and dignity New York’s workforce deserves.

We respectfully urge an increase in funding for DCWP of at least \$25 million in Fiscal Year 2027, up from its current \$15 million, and to ensure that the agency is exempt from future budget cuts and hiring freezes, including Programs to Eliminate the Gap (PEGs) proposed in the preliminary budget.

This funding is critical. DCWP’s role in protecting workers and consumers has expanded dramatically in recent years—especially for workers across the hospitality industry. The laws in place are only as strong as DCWP’s ability to uphold them, and the Agency has demonstrated their commitment and ability to do so in a way that substantially improves workers’ day-to-day lives.

For hotel workers, DCWP’s enforcement is especially vital. The passage of the Safe Hotels Act marked a landmark achievement for our industry, establishing clear, enforceable standards around safety, cleanliness, and fair employment practices, while prohibiting illegal subcontracting. However, these protections require robust oversight, including regular inspections, investigations, and compliance monitoring. All of this is dependent on adequate agency staffing and resources.

Looking ahead, enforcement will become even more important. As we prepare to renegotiate our industry-wide contract for the first time in more than 14 years, the Hotel Service Disruption Act will play a key role in ensuring transparency and fairness for both workers and guests. By requiring hotels to notify guests of service disruptions, including labor disputes, and allowing penalty-free cancellations in the instance of a strike, the law strengthens consumer confidence while reinforcing workers’ rights.

We recognize that the City faces difficult fiscal choices, but it is crucial that we do not make sacrifices at the expense of protecting workers. Budget cuts to DCWP would undermine enforcement of regulations that protect not just hotel workers, but New York City’s entire workforce.

At its core, this is about ensuring that the laws passed by this Council are meaningful and enforceable. Without adequate funding, even the strongest protections risk becoming hollow promises. We look forward to continuing to work in partnership with City Hall and the City Council to ensure that DCWP has the resources it needs to uphold the rights, dignity, and safety of working New Yorkers.

Sincerely,

Megan Wylie
Political Director, Hotel & Gaming Trades Council, AFL-CIO



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**Written Testimony by Access Justice Brooklyn
Before the New York City Council Committee on Consumer and Worker Protection**

March 19, 2026

Chair Epstein and Members of the Committee:

Access Justice Brooklyn respectfully submits this testimony to call the Council's attention to the need for additional resources to effectively operate limited-scope programs for pro se consumer defendants in Brooklyn Civil Court. Access Justice Brooklyn has provided high-quality, pro bono legal services and education to the Brooklyn community for more than three decades, helping ensure a more accessible legal system and equitable borough, and our services benefit thousands of Brooklyn residents each year.

New York City's Civil Courts have jurisdiction over monetary claims of up to \$50,000, such as credit card debt, auto loans, medical debt, student loans, and rental arrears. To assist defendants in these matters, two limited-scope legal services programs operate across the New York City Civil Court system: the Consumer Legal Advice and Resource Office (CLARO) programs, and the Volunteer Lawyer for the Day (VLFD) programs. Not-for-profit legal services organizations staff these programs in each borough, largely in partnership with law schools to increase the programs' capacity.

In Brooklyn, Access Justice Brooklyn operates both the CLARO and VLFD programs, where we have seen a significant, sustained increase in the number of consumer defendants seeking help since the COVID-19 pandemic. As many as 70 to 80 people come to the weekly, walk-in CLARO clinic on a given day, and most of those individuals also seek assistance on the date of their court appearance through VLFD. According to our data, Access Justice Brooklyn handled nearly 3,200 matters at CLARO and VLFD in calendar year 2019 and more than 4,400 matters in calendar year 2025 – an increase of nearly 40 percent, reliant on the same level of staff resources. This also exceeds the number of cases seen through these programs at other borough courts.

This high volume at CLARO and VLFD results in part from the extraordinarily high number of consumer credit cases filed at Brooklyn Civil Court, which regularly sees over 300 weekly appearances in the pro se part alone, as well as strong support for the program by the court, other legal services providers, and even the plaintiff's bar. The overwhelming request for CLARO and VLFD services also mirrors larger trends: rates of credit card delinquency have risen steadily since early 2022, peaking again last quarter¹ – giving us reason to assume continued and even increased need for legal help in these cases.

As the designated provider operating these programs in Brooklyn Civil Court, Access Justice Brooklyn sees and helps current and former Brooklyn residents with most of these cases – from credit card debt

¹ Federal Reserve Bank of New York. *Quarterly Report on Household Debt and Credit*. February 2026.
https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/pdf/HHDC_2025Q4

to medical debt to auto loans; attempts to collect on exempt income such as Social Security payments, often affecting older adults; and cases filed when the statute of limitations has expired. Assistance at CLARO and/or VLFD can therefore be highly useful to defendants, including but not limited to: demonstrating that their income and assets are exempt from collection under state and federal law; helping submit claims of medical or financial hardship and requests for discontinuances from plaintiffs; and assisting in rebutting affidavits of service to overturn default judgments resulting from improper service of process.

Without CLARO and VLFD, pro se consumers are largely left unaware of such options for their defense: a standard CLARO service involves helping consumers amend their answers to include their true defenses, and explaining their rights under local, state and federal consumer protection laws. For example, under the newly passed Stopping Harassment and Intimidation and Ensuring Lawful Debt (SHIELD) Collection Rule, consumers will have expanded protections and stronger rights to dispute alleged debt. However, the efficacy of this Rule relies on consumer awareness of those rights or how to assert them; assistance at CLARO is a primary means by which consumers are made aware of such options for their defense.

The increased demand for assistance in Brooklyn Civil Court far exceeds CLARO program capacity, resulting in long wait times for assistance. While consumers begin to arrive hours before the clinic begins, we cannot guarantee our ability to meet with every person – and often, after five hours of appointments, there are still people whom we do not have capacity to assist. On a given day, Access Justice Brooklyn attorneys can see approximately 20 people at CLARO, depending on the number and complexity of each consumer’s issues, and the remaining people are assisted by volunteer lawyers and law students under our supervision. As a result, the program is highly reliant on volunteer availability; during a week when these volunteers are unable to assist at CLARO, we may only be able to meet with about 30 percent of consumers seeking help, illustrating a substantive gap in resources necessary to operate the program consistently and effectively.

Further, while many cases can be straightforward, individuals often request assistance to vacate default judgments granted on the basis of defective or improper service, a problem that this body and the courts have been fighting for decades. Many individuals also need help fighting motions for judgment – individualized, complicated issues that require more time to resolve than the time available at CLARO. This assistance also does not account for complicated defenses, such as those that arise in landlord-tenant cases and that then apply in rental arrears actions, or the problem of coerced debt experienced by survivors of intimate partner violence – an issue for which there are now stronger protections, through passage of the coerced debt bill recently signed by Governor Hochul (A.3038-A / S.1353-B).

Consumer debt is often the result of broader, systemic challenges to economic security. During the pandemic, expanded benefits and stimulus payments allowed families to save money; however, this trend has reversed since the lapse of such programs. Nearly 30 percent of people report that they cannot afford an unexpected cost of over \$400,² and nearly half of New York City households report struggling to meet housing, food, and medical expenses.³ Credit cards often represent a tantalizing, but

² Empower. *The Safety Net*. 2025. <https://www.empower.com/the-currency/money/safety-net-emergency-savings-research>

³ The Fund for the City of New York & United Way of New York City. *Overlooked & Undercounted: Struggling to Make Ends Meet in New York City*. 2023. <https://unitedwaynyc.docsend.com/view/dh9h3h7q9478bzf9>

ultimately destructive means of meeting such costs. According to the Robin Hood Foundation's Poverty Tracker Report, the number of New Yorkers living in poverty is higher now than in the last decade, attributable to the constriction of the social safety net and high costs of housing and other basic needs, and many others are experiencing material hardship.⁴ As a result, it stands to reason that a summons and complaint alleging a claim of rental arrears, or a debt buyer's claim to an unpaid credit card bill, announces to a New Yorker that they need to consider running a tab on their utilities bill or reducing grocery costs in order to pay these debts.

Outside of its general impact on families' financial stability, consumer debt also deepens issues of racial equity and carries significant adverse consequences for mental health. Over half of Americans carrying credit card balances have reported that they experienced anxiety about their financial situation, and several studies have found that individuals carrying debt are three times more likely to experience mental health challenges than those without debt.⁵ As borrowers in communities of color are more likely to be contacted by debt buyers than borrowers in predominantly White neighborhoods,⁶ this dynamic also heightens the mental health impact of debt on these communities.

Despite New York State's increased investment in civil legal services over the last two decades, the rate of representation in New York City Civil Court has remained persistently low. In 2008, approximately 1% of defendants appeared with full-representation counsel, and as of 2022, the percentage of defendants with counsel remained at less than 3%. As most consumer defendants are people with low incomes, access to private counsel represents a prohibitive expense, making the Civil Court's pro se programs their only source of legal assistance. The CLARO and VLFD programs therefore represent crucial resources for consumers without representation, and the status of these programs in Brooklyn Civil Court illustrates that the need for assistance has outpaced the level of capacity that funding currently supports. These programs have largely maintained their level of impact through the generous support of volunteers and through the efforts of our staff to meet with as many people as possible despite time and resource constraints.

To improve our capacity to address these challenges, and to better serve Brooklyn residents facing overwhelming debt, Access Justice Brooklyn requests the Council's support for our Speaker's Initiative request in the FY 2027 Budget. This funding would also allow us to expand beyond limited-scope defense and provide full representation to consumer litigants, including in coerced debt matters for survivors of domestic violence. Further, it would enable us to bring cases against bad-faith debt buyers and hard-money lenders, combating predatory behavior that unduly burdens so many New Yorkers.

We invite the Committee to visit our CLARO clinic, held every Thursday in Brooklyn Civil Court, to witness the demonstrated need for additional resources and capacity to effectively serve consumers. For further information about this issue, as well as Access Justice Brooklyn's request in the FY 2027 Budget, please contact Lilia Toson, President & CEO, at lilia@accessjusticebk.org.

⁴ Robin Hood Foundation and Columbia University's Center on Poverty and Social Policy. *The State of Poverty and Disadvantage in New York City*, Vol. 8. March 2026. <https://robinhood.org/news/2026-annual-poverty-tracker-report-release/>

⁵ Wiltshire JC et al. "Problems paying medical bills and mental health symptoms post-Affordable Care Act." *AIMS Public Health*. 2020. doi: 10.3934/publichealth.2020023. PMID: 32617355; PMCID: PMC7327393

⁶ FINRA Foundation. *Financial Capability in the United States*, 6th Edition. July 2025. <https://finrafoundation.org/sites/finrafoundation/files/2025-07/NFCS-Report-Sixth-Edition-July-2025.pdf>



**Powering a
more equitable
New York**

Testimony by
Community Service Society of New York
New York City Council
Department of Consumer and Worker Protection Budget Hearing
Thursday, March 19, 2026

Introduction

The Community Service Society of New York (CSS) thanks the Department of Consumer and Worker Protection (DCWP) and the City Council for the opportunity to submit testimony as part of the Fiscal Year budget hearing process. For more than 180 years, CSS has worked to advance economic justice and remove structural barriers that prevent low- and moderate-income New Yorkers from achieving upward economic mobility.

Through the Financial Coaching Corps (FCC), the Education Debt Consumer Assistance Program (EDCAP), and Managed Care Consumer Assistance Program (MCCAP), CSS provides direct services to thousands of New Yorkers each year while identifying emerging harms in consumer financial markets that require strong oversight, enforcement, and sustained investment in trusted service delivery systems.

Our work closely aligns with DCWP's mission to protect and empower consumers and to ensure that financial products and services operate in the best interests of New Yorkers. In the context of increasingly complex consumer credit markets and emerging predatory practices, robust enforcement authority, accessible complaint resolution pathways, and long-standing partnerships between DCWP and trusted community-based organizations are essential to preventing harm and promoting both short- and long-term economic stability and mobility.

Emerging Consumer Risks and the Need for Oversight

Through the Financial Coaching Corps, CSS works with New Yorkers who are actively seeking to build savings, stabilize credit, and move toward economic security. Increasingly, these efforts are undermined by risky and insufficiently regulated consumer financial products, most notably Buy Now, Pay Later (BNPL) services. Marketed as appealing, interest-free alternatives to credit cards, BNPL products can cause significant harm by imposing excessive fees for missed payments, triggering rapid collections activity, and negatively impacting credit scores. Credit damage from BNPL use can raise the cost of other essential financial products, such as auto insurance, and limit access to housing, making it more difficult and expensive for New Yorkers to meet basic needs. Payday loan apps are another way New Yorkers are being trapped in cycles of perpetual debt. These

high-interest products exploit workers and individuals experiencing financial hardship and disproportionately harm Black, Latino, and younger New Yorkers.

FCC coaches also continue to encounter widespread harm caused by predatory debt relief and credit repair companies that make deceptive claims, charge upfront and ongoing monthly fees, and delay or completely derail legitimate debt resolution. Rather than improving consumers' financial situations, these practices often leave New Yorkers worse off, with higher debt balances and more credit damage.

Strong regulatory oversight, effective enforcement, and accessible complaint pathways through DCWP are critical to preventing these abuses, stopping bad actors systemically, and providing redress to New Yorkers who are already struggling financially. At the same time, investment in individualized, free, and trusted services such as those provided through the Financial Coaching Corps and DCWP's Financial Empowerment Centers is more critical than ever. As financial scams and predatory practices continue to proliferate, New Yorkers need reliable, human-centered assistance to navigate complex financial decisions and should never be left vulnerable to these predatory companies.

Student Loan Repayment Stress as a Consumer Protection Issue Across Lending Markets

As the City's primary consumer protection agency, DCWP must address student loan repayment stress as a systemic consumer protection issue by strengthening access to its consumer complaint system and using complaint data to enforce fair lending and servicing practices across intertwined credit markets.

Student loan repayment challenges do not exist in isolation. CSS research shows that borrowers experience significant financial stress not only from education debt, but also from credit cards, medical bills, auto loans, and housing costs.¹ Borrowers are not falling behind because they are unwilling to pay. They are struggling because the cost of basic necessities has risen faster than wages. Housing, food, childcare, utilities, and high interest rates across consumer credit products leave households with little room to keep up. More than half of student loan borrowers are managing multiple types of debt at the same time, and when one obligation slips, others often follow, destabilizing an entire household budget and economic security.

Recent economic and credit data reinforce the seriousness of this dynamic. Student loan borrowers who fall behind are now far more likely than before the pandemic to have other consumer debt, including credit cards, auto loans, and mortgages, and to miss payments on those balances as well.² As student loan payments resumed and collections started (which was only for a short period of time as they are now paused again) and negative credit reporting returned, many borrowers likely found themselves over leveraged across several lending products with virtually no margin for error. Higher interest rates, servicing mistakes, and inconsistent repayment guidance have further increased the

¹ Community Service Society of New York (CSS), *When Engagement Feels Futile: Borrower Perspectives on Student Loan Repayment*, December 2025, <https://www.cssny.org/publications/entry/when-engagement-feels-futile-borrower-perspectives-on-student-loan-repayment>.

² Li, Weihua. "Student-Loan Borrowers Behind on Payments Rack Up Other Types of Debt." *Bloomberg News*, March 12, 2026. <https://www.bloomberg.com/news/articles/2026-03-12/student-loan-borrowers-behind-on-payments-rack-up-other-types-of-debt>

risk of cascading delinquencies and default.³ Today, approximately one in four federal student loan borrowers face default, impacting more than 400,000 New Yorkers.

These risks are compounded by a student loan servicing and relief system that remains confusing, difficult to navigate, and often unresponsive. Federal oversight of student loan servicers is non-existent, leaving borrowers without reliable accountability or consumer safeguards.⁴ Confusion about repayment options, frequent policy shifts, poor communication from servicers, drive borrower disengagement, and mistrust. This environment creates an opening for scams and document processing companies that charge illegal fees, provide misleading information, and divert borrowers away from legitimate help. EDCAP often assists borrowers only after they have already suffered substantial financial and credit harm.

This merging of affordability pressures, servicing failures, and predatory targeting demands strong consumer protection intervention. DCWP is uniquely positioned to respond by strengthening its consumer complaint system, using complaint data to identify systemic patterns of harm, and enforcing fair lending and servicing standards across interconnected credit markets. These actions are critical to preventing further financial instability and protecting New Yorkers who are already under significant economic strain.

Private Student Loans and Escalating Consumer Protection Concerns

For borrowers with private student loans, consumer protection gaps are severe. Private education loans lack income-driven repayment options, meaningful hardship protections, and robust servicing oversight, leaving borrowers with few avenues for relief when they encounter billing errors, abusive practices, or unaffordable payments. As a result, enforcement and complaint resolution depend heavily on state and local consumer protection infrastructure, including DCWP.

These risks are growing rapidly as federal policy changes accelerate a shift toward the private student loan market. The elimination of key federal borrowing options and new borrowing caps will leave more students and families with unmet need, pushing them toward private credit to finance higher education. Yet many households, particularly in low- and moderate-income communities and communities of color, lack the credit profiles required to access private loans, threatening to widen already severe racial and economic disparities in college access and completion.

At the same time, the private student loan market remains highly opaque. Students and families lack clear, comparable information about lenders, interest rates, underwriting standards, and repayment terms, making it difficult to make informed decisions at a high-stakes moment often shaped by urgency and emotional pressure. As exposure to lightly regulated private education loans increases, strengthening DCWP's consumer complaint system and enforcement capacity will be essential to identifying harm early and preventing long-term financial damage.

³ Scott, Delisle, and Kevin Carey. *Trump's Student Loan Delinquency Crisis, Unmasked*. The Century Foundation, February 20, 2026. <https://tcf.org/content/report/trumps-student-loan-delinquency-crisis-unmasked/>.

⁴ U.S. Government Accountability Office. *Federal Student Loans: Education Needs to Address Gaps in Servicer Oversight (GAO-26-108534)*. March 2026. <https://www.gao.gov/products/gao-26-108534>.

The Critical Role of Direct, Human-Centered Financial Empowerment Services

One lesson is clear across all these issues: strong consumer protection cannot rely on enforcement alone. New Yorkers need direct, human-centered assistance from trained counselors they trust to successfully navigate complex financial markets.

Programs such as DCWP's Financial Empowerment Centers, the Financial Coaching Corps (FCC), the Education Debt Consumer Assistance Program (EDCAP), and health-related consumer assistance programs like the Managed Care Consumer Assistance Program (MCCAP) provide exactly this kind of support. In-person, one-on-one counseling helps consumers understand their options, resolve disputes, avoid predatory products, and take proactive steps toward long-term financial stability.

These programs also serve as an early warning system for DCWP by surfacing emerging trends, abusive practices, and market failures in real time. Long-term investment in these established and trusted programs ensures continuity, effectiveness, and deep community trust, particularly for New Yorkers most vulnerable to financial harm. As DCWP considers budget priorities, it is imperative to strengthen existing financial empowerment infrastructure rather than divert limited resources to unproven or duplicative tools. Sustained funding for direct service programs and the consumer complaint system ensures timely assistance, enforcement informed by lived experience, and consumer protections that remain equitable and responsive to the needs of everyday New Yorkers.

Conclusion

CSS urges the City to continue supporting DCWP's consumer protection mission through sustained investment in enforcement, complaint resolution, and trusted community-based consumer assistance and financial empowerment programs. These systems play a critical role in protecting New Yorkers from financial harm and advancing economic stability and mobility.

For more information, please contact Carolina Rodriguez, Director of the Education Debt Consumer Assistance Program (EDCAP), at crodriguez@cssny.org or 212-614-5457.



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DRUM

Testimony to the New York City Council City Council Committee on Consumer and Worker Protection New York City Council Budget and Oversight Hearings

March 19, 2026

Good afternoon. My name is Fahd Ahmed, and I am the Executive Director at DRUM – Desis Rising Up & Moving. I would like to thank Chair Epstein and the Committee for the opportunity to submit this testimony in support of the creation of a Workers Rights Organizing and Education Initiative. DRUM is a membership-based organization of over 10,000 low-income South Asian and Indo-Caribbean immigrants, adults, and youth, building community power for immigrant justice, civil rights, worker rights and education rights.

As New York City enters a new era to confront the affordability and economic crisis, we have a critical opportunity to center workers and economic justice in building a city where all New Yorkers can live and work with rights and dignity. In coalition with Workers Justice Project, Street Vendor Project, and Laundry Workers Center we are requesting the creation of a \$5 million Worker Rights Organizing and Education Initiative to support grassroots organizations with extensive experience building deep connections with non-traditional workers, including street vendors, laundry workers, day laborers, and delivery workers. This initiative would enable targeted outreach and education on the new rights recently passed by the NYC Council, including Just Cause protections and street vending reforms, strengthening networks to set the stage for stronger worker protections to come.

DRUM organizers are out in our communities every single day, talking to workers in the streets, their workplaces, their homes, and their community institutions and spaces. Our organizers engage workers in Bangla, Creolese, English, Hindi, Nepali, Pashto, Punjabi, and Urdu. They know the proper networks and methods through which trust is generated or eroded. The vast majority of these workers are not reached by unions, governmental agencies, or broader worker education programs. Many of them work in substandard wage and safety conditions. Even if they somehow hear about worker protection laws, many of them assume that they don't apply for their benefit. These are the kinds of workers we engage, educate, and organize.

Multilingual community engagement is essential to ensure that these non-traditional workers understand their rights and have clear pathways to exercise and defend them. Without this investment, new protections risk remaining on paper. With it, these policies can create real economic stability, job security, and dignity — building a city that is not only more affordable, but more just, and setting the stage for stronger worker protections to come.

Thank you for accepting our testimony today. It is DRUM hope that the City Council creates a Workers Rights Organizing and Education Initiative in this year's budget, to invest in the workers who have stepped out of the shadows to win historic labor protections.

Fahd Ahmed
Executive Director
DRUM – Desis Rising Up & Moving



Good afternoon Chair Epstein and members of the Committee.

My name is Camara Jackson, Founder and CEO of Elite Learners, Inc. Thank you for the opportunity to testify.

Elite Learners is a New York City–based community organization with a strong presence in Brooklyn and partnerships that allow us to support families across multiple boroughs. Through our community programming, including our housing work with homeowners, we regularly assist residents facing housing fraud and deed theft.

Deed theft is one of the most devastating forms of consumer fraud affecting New York City homeowners. Victims are often longtime residents, seniors, immigrants, and families facing financial hardship who are targeted by bad actors offering foreclosure “assistance,” loan modifications, or quick cash deals. Many homeowners do not realize they have signed documents transferring ownership of their property until it is too late.

Through our housing work, Elite Learners helps homeowners identify fraudulent transactions, connect with legal teams, and navigate the process required to challenge deed transfers. That often includes coordinating with the Department of Finance, working with District Attorney offices when fraud is suspected, and helping families gather documentation and pursue legal action to protect their homes.

Through this work, we have helped families preserve homes that represent decades of work and generational stability.

Prevention is just as important. Elite Learners also conducts proactive outreach in communities where homeowners may be vulnerable to predatory actors. We help residents recognize warning signs of deed theft, review suspicious documents, and connect with trusted legal assistance before a transfer occurs.

For these reasons, we encourage the Council ramp up efforts to protect homeowners and ensures residents in your districts have access to trusted help before, during, and after deed fraud occurs. We are happy to be a resource as you tackle this issues.

Thank you for the opportunity to testify.

LEGAL SERVICES FOR THE WORKING POOR

City Fiscal Year 2027

City Council Preliminary Budget Hearing
Committee on Consumer and Worker Protection

March 19, 2026

Introduction

Thank you, Chair Epstein, the Committee on Consumer and Worker Protection and the New York City Council at large for the long-standing support of the Legal Services for the Working Poor Coalition. My name is Matthew Schedler and I am the Supervising Attorney in charge of the Consumer Law Project at CAMBA Legal Services, one of the five members of the Legal Services for the Working Poor (LSWP) Coalition that also includes Housing Conservation Coordinators (HCC), Mobilization for Justice, Northern Manhattan Improvement Corporation, and TakeRoot Justice. The Coalition was created with support from the City Council over 20 years ago to address the civil legal needs of working poor and other low-income New Yorkers whose income is slightly higher than the poorest New Yorkers, thus rendering them ineligible for free civil legal services. LSWP's services are critical to ensure working New Yorkers maintain financial independence and help them preserve economic stability in communities across New York City.

The Ask and the Why

In Fiscal Year 2026, the LSWP initiative was funded in the City Council budget under Legal Services for Low-Income and Working-Class New Yorkers, totaling \$9,255,000, with each of the five Coalition members receiving \$455,000. In Fiscal Year 2027, CAMBA and the other members of the Legal Services for the Working Poor Coalition are requesting a \$600,000 allocation from the City Council, which includes a full restoration of the \$455,000 allocated in Fiscal Year 2026. A \$600,000 allocation to each of the 5 Coalition partners would support critical legal services and allow providers to deepen their impact in the practice areas of immigration, consumer, workers rights and benefits law. The impacts of cuts, actions and policy changes on the Federal level threaten the social safety net and puts working poor New Yorkers at risk for immigration abuses, illegal debt collection, the wrongful termination of benefits and other threats to their wellbeing. We call on the City Council to make critical investments into legal services in Fiscal Year 2027, including the Legal Services for the Working Poor initiative. Added resources are vital to safeguard against Federal policy that attacks working poor New Yorkers.

We continue to see that working poor New Yorkers, who can barely make ends meet, face catastrophic consequences as a result of a civil legal problem. Common problems include not being paid for their work or not being paid overtime; identity theft; the freezing of a bank account as a result of a collection lawsuit they did not even know about; or being denied public benefits to which they are entitled. The consequence of these problems can lead to other problems, including increased risk of eviction or foreclosure. These working New Yorkers can end up spiraling downward to join the ranks of the poor if they do not have access to lawyers to assist them. Our legal services organizations represent New Yorkers across all five boroughs in

consumer, foreclosure, immigration, benefits, employment, and housing matters in addressing these matters.

One example of our work is the case of Mr. G. After a long search, in 2022 Mr. G found employment at a job he enjoyed. Unfortunately this made him ineligible for the public assistance he was receiving, and when his landlord tried to raise the rent he knew he could no longer afford his apartment. He moved out at the end of his lease, turning in his keys to the rental office. Years later, Mr. G found out he had been sued in New York City Civil Court when he received his landlord's application for a default judgment seeking rent from 2022 through 2024. Mr. G was shocked. He did everything right- he paid his rent, he moved out on time, and he was still being sued for tens of thousands of dollars he did not owe. To make matters worse Mr. G did not find out he had been sued until after he was in default because he was never properly served. The process server who claimed to serve Mr. G in this case had a long history of lying about service including Mr. G's case. The server claimed to be performing service at a location 20 minutes away from Mr. G's apartment 3 minutes before he allegedly served Mr. G. CAMBA is representing Mr. G and helping him fight this misconduct, but his case illustrates the abuses working poor New Yorkers face every day. The legal services our organizations provide are critical to helping clients fight in state, appellate, and federal courts and administrative agencies so this type of conduct does not go unchecked. Our work helps not only the individuals we serve but has impact beyond those individuals as they highlight this type of unscrupulous practice, and create opportunities for us to push back on these practices in a more systemic way.

Conclusion

This Council's funding for Legal Services for the Working Poor is the only funding that specifically targets the civil legal needs of working people to ensure continued self-sufficiency for

families struggling to survive in New York City. It is *vital*ly important that the City Council not only continue to support this flexible funding stream but increase its funding so that the legal service organizations are able to meet the needs of their clients by providing a diverse array of civil legal services to working poor New Yorkers. We urge the Council to fully invest in civil legal service initiatives overall and for the Legal Services for the Working Poor allocation in particular. In Fiscal Year 2027, the Legal Services for the Working Poor Coalition is respectfully asking the City Council to enhance the allocation of each of the 5 Coalition partners from \$455,000 to \$600,000. Thank you.



WRITTEN TESTIMONY PRESENTED TO
THE NEW YORK CITY COUNCIL
COMMITTEE ON CONSUMER AND WORKER PROTECTION
AT THE
BUDGET AND OVERSIGHT HEARINGS
ON THE
PRELIMINARY BUDGET FOR FISCAL YEAR 2027,
THE PRELIMINARY CAPITAL PLAN FOR FISCAL YEARS 2027-
2030 AND THE FISCAL 2026 PRELIMINARY MAYOR'S
MANAGEMENT REPORT

BY

Carolyn E. Coffey (ccoffey@mjllegal.org/212-417-3701)

March 19, 2026

250 Broadway, 8th Floor, Hearing Room 2

Mobilization for Justice, Inc.

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Thank you, Chair Harvey Epstein, and the members of the New York City Council Committee on Consumer and Worker Protection for the opportunity to submit testimony about the imperative need to increase the budget of New York City's Department of Consumer and Worker Protection (DCWP).

The mission of Mobilization for Justice (MFJ) is to achieve justice for all. MFJ prioritizes the needs of people with low incomes, who are disenfranchised, and those who have disabilities as they struggle to overcome the effects of social injustice and systemic racism. We provide the highest-quality free, direct civil legal assistance, conduct community education and build partnerships, engage in policy advocacy, and bring impact litigation. Our Consumer Rights Project provides advice, counsel, and representation to New Yorkers with limited incomes who are regularly taken advantage of by companies that treat them unfairly and that subject them to various abusive and deceptive practices. Our Workplace Justice Project helps low-wage and immigrant workers discriminated against and exploited in the workplace.

The Department of Consumer and Worker Protection is an important agency that impacts all aspects of daily life in New York City and plays an integral role in the City Council's and Mayor's priority to make New York City affordable. DCWP brings enforcement actions against businesses and employers that try to profit off the backs of ordinary New Yorkers, including, recently, Radiant Solar, Extra Space, and Golden Rose Employment Agency. DCWP implements regulations—including its recent groundbreaking debt collection rules—that level the playing field by holding entire industries accountable. And it provides a forum for filing complaints and obtaining mediation for aggrieved New Yorkers. DCWP's Financial Empowerment Centers also serve a critical role in building credit and reducing debts, keeping money in New Yorkers' pockets.

Desperate New Yorkers harmed by predatory businesses and employers regularly contact MFJ for help with problems related various aspects of the marketplace that are within DCWP's purview, including debt collection, process serving, home improvement construction, and automobile sales, among others. We see how unscrupulous businesses exploit New Yorkers and deny them paid leave and wages and subject them to overcharges, junk fees, and sharp practices. MFJ's vulnerable clients rely on DCWP to protect them. Especially in light of the erosion of protections at the federal level and the gutting of the Consumer Financial Protection Bureau, a robust City agency that prioritizes consumers is an absolute imperative.

MFJ has a history of working closely with DCWP on policy, rulemaking, and enforcement actions. We know firsthand how limited resources can stymie efforts at real reform and limit the reach of the agency, even under new and dynamic leadership. Without adequate funding, bad actors in New York City will thrive. **We therefore urge the City Council and the Mayor to double DCWP's budget to \$130 million so that it can carry out the Mayor's vision of an affordable, inclusive, and livable City.**



Written Testimony of Miriam Clark, NELA/NY, for the Record
For the March 19, 2026, City Council Budget Hearing
re: Department of Consumer and Worker Protection

My name is Miriam Clark. I am a partner in the law firm of Ritz Clark & Ben-Asher LLP, where I represent employees, enforcing their rights under federal, state, and city laws. I am also a former president of NELA/NY and member of NELA/ NY's Legislative Advocacy Committee. The National Employment Lawyers Association (NELA) is a national organization of attorneys dedicated to the vindication of employees' rights. NELA/NY is NELA's New York State affiliate, consisting of more than 450 members.

I submit this testimony on behalf of NELA/NY to call on the Administration and City Council to fully invest in the Department of Consumer and Worker Protection, to ensure that it is able to fulfill its crucial mission of protecting the City's workers, especially the most vulnerable.

DCWP's portfolio has ballooned just over the past year, for example, expanding protections for delivery workers, fast food workers, and pregnant workers. Key amendments protecting delivery workers went into effect just last month. Also in 2025, the Department was charged with enforcing the new Right to Pre-Natal Leave law, which for the first time allows pregnant women to take job-protected time off to protect their health. In just one week this year, DCWP "[released a report](#) slamming DoorDash and Uber for cutting workers out of tips and sued another company, Motoclick, and its CEO, alleging stolen pay and illegal fees." <https://www.cityandstateny.com/personality/2026/01/heres-why-you-keep-seeing-mamdanis-consumer-protection-commissioner-everywhere/410873/>. Meanwhile, the recent landmark Starbucks Fair Workweek Law settlement will require significant ongoing monitoring and oversight by the agency.

The Council and DCWP have every right to be proud of these significant advancements in the rights of workers. But without sufficient funding for enforcement, workers will not be able to enforce these laws or reap their benefits. Even before the recently enacted worker protections went into effect, DCWP data showed some disturbing indications that the volume of complaints was exceeding the Department's current enforcement capacity. For example, the 2025 PMMR states:

The number of all worker protection complaints received increased 31 percent from 312 during the first four months of Fiscal 2024 to 408 during the first four months of Fiscal 2025. This is principally due to the introduction of minimum pay rules for app-based restaurant delivery workers. The number of investigations opened decreased by 17 percent, from 167 to 138. The median days to assess

complaints increased by 157 percent over comparative reporting periods, from 28 days to 72 days. This is due to increased complaint volume.
<https://www.nyc.gov/assets/operations/downloads/pdf/pmmr2025/dcwp.pdf>

Even more disturbingly, the report states:

The number of workers entitled to restitution decreased by 56 percent from the first four months of Fiscal 2024 to 1,552 workers in the first four months of Fiscal 2025, while the amount of worker restitution assessed also decreased by 68 percent to \$1,976,923. The amount of civil penalties collected decreased by 61 percent to \$206,903. Id.

This shortfall continued into 2025: Streetsblog reported that “between July and September last year, the agency received 312 complaints. In the same period this year, it received 408 — an increase of 31 percent. The onslaught made it more difficult for the agency to function, with completed investigations dropping from 167 to 138 — a decrease of 17 percent.

And the investigations that did get completed took longer; the median time to assess complaints tripled from 28 to 72 days.” <https://nyc.streetsblog.org/2025/09/22/agency-needs-more-funding-to-expand-delivery-worker-protections>

While the Department has been hailed as “small but mighty,” it is not staffed by miracle workers. That’s why the Mayor during his campaign, advocated for doubling the agency’s budget from \$65 million to \$130 million <https://www.cityandstateny.com/personality/2026/01/heres-why-you-keep-seeing-mamdani-consumer-protection-commissioner-everywhere/410873/> recognizing the agency’s crucial role in protecting the most vulnerable. Unfortunately, the current proposed budget cuts leave the agency’s budget virtually flat at \$74 million, just as the agency’s mandate is significantly expanding.

We recognize that particularly in light of federal cuts, difficult budgetary choices must be made. But they should not be made on the backs of the deliveristas whose rights the Administration and City Council have pledged to protect, pregnant women afraid of being fired for attending prenatal care appointments, or New Yorkers who have to come to work sick to avoid being fired from their jobs. We therefore urge the Administration and the City Council to adequately fund the DCWP at the \$130 million level proposed by the mayor last year.

We also urge the Administration and the Council to consider requiring that the majority of civil penalties collected by DCWP (i.e., funds that are owed to the City, not damages being redistributed to workers), stay with the agency. Doing so would ensure that as the DCWP’s success continues, its budget and enforcement capacity will grow for years to come.

Testimony of Paul K. Sonn

National Employment Law Project

New York City Council Budget and Oversight Hearings on the Preliminary Budget for Fiscal Year 2027: Dep't of Consumer and Worker Protection

Before the Committee on Consumer and Worker Protection

250 Broadway, 8th Floor
New York, New York

March 19, 2026

Paul K. Sonn
State Policy Program Director

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Good afternoon Chair Epstein and members of the Committee. Thank you for the opportunity to testify today.

My name is Paul Sonn, and I am with the National Employment Law Project. We are a national workers' rights organization headquartered here in New York City, and we have long partnered with the City Council and the Department of Consumer and Worker Protection (DCWP) to strengthen and enforce critical protections for working people.

We recognize that this is a tough budget year when in general agency priorities will need to be trimmed, not expanded. But despite that overall context, we believe that there is a strong case and need to treat DCWP differently. In particular, DCWP is one of the places where strategic investment of increased funding will deliver the greatest return for New Yorkers. The reasons are straight-forward.

First, DCWP is one of the most crucial frontline agencies for delivering on the Mayor and Speaker's affordability agenda. For working families struggling to keep up with rising costs, this agency delivers real, tangible relief—recouping millions each year in unpaid wages for Uber drivers, delivery workers, and freelancers, enforcing paid sick leave, protecting fair scheduling, and broadly ensuring that New Yorkers are not cheated out of their wages or misled as consumers. These are not abstract benefits; they are dollars back in people's pockets and stability in their daily lives.

Second, the Mayor and City Council have rightly taken pride in passing nation-leading worker protection laws. But those laws are only meaningful if they are enforced. The fiscal notes associated with the new worker protection laws passed by the City Council in 2025 and early 2026 alone indicated a need for 304 more staff lines at a cost of more than \$19 million a year.¹ The

¹ Those new DCWP laws passed during 2025 and early 2026 include: [Protected Time Off Expansion](#), [Grocery Delivery Worker Minimum Wage](#), [Licensing of Self-storage Warehouses](#), [Immigrant Service Providers \("Notarios"\) public awareness](#), [Security Guard Minimum Wage](#), [Ride Hail Driver Deactivation](#), [Delivery Worker Deactivation](#), and [Street Vendor License Expansion](#).

Mayor and City Council must find a way to provide the increased funding that these new laws require.

Third, and critically in a constrained fiscal environment, investing in DCWP is not just aligned with economic justice—it is also aligned with sound fiscal management because DCWP enforcement generates revenue for the City. DCWP enforcement not only recovers tens of millions of dollars each year for New York workers and consumers—money that goes back into their pockets and is then spent at neighborhood businesses. But it also brings in civil penalties and fines that support the City’s budget. In 2025, a single [enforcement action against Starbucks resulted in \\$39 million](#) in relief that included \$3.4 million in fines and costs for the City.

With additional attorneys, investigators, and enforcement staff, the agency could expand this work—recovering more for New Yorkers while also generating additional revenue. That makes this one of the rare areas in the budget where increased investment can partially pay for itself.

Fourth, strong enforcement supports responsible businesses. When low-road companies are allowed to ignore the law, they gain an unfair advantage over employers that are playing by the rules by treating their workers and customers right. A well-resourced DCWP ensures a level playing field—and benefits both workers and the majority of law-abiding businesses that are the backbone of New York’s economy.

Finally, in the scheme of New York City government, DCWP is a tiny but mighty agency. Its budget is just 1% the size of the NYPD’s. [Doubling DCWP’s budget to \\$130 million as Mayor Mamdani called for during his campaign](#) and as the city’s leading unions and worker justice organizations, including ours, have recently called for in a sign-on letter would reflect just one twentieth of one percent of the City’s budget. There are many ways that that small cost could be offset, including by trimming the proposed growth in NYPD expenditures.

Chair Epstein, we know you agree, as you laid out in [your excellent Daily News op-ed this week with Lorelei Salas calling for a DCWP budget increase](#).

It is urgent that the Mayor and the Speaker work together to find a way to make that happen.

Thank you very much.



New York City Coalition For Domestic Work
Written Testimony - Committee on Consumer and Worker Protection
March 19, 2026

The New York City Coalition for Domestic Work urge the City Council to **double the Department of Consumer and Worker Protection budget to \$135 million to strengthen its enforcement capacity and hire 400 inspectors, investigators, and legal staff.**

The NYC Coalition for Domestic Work represents the nearly 250,000 nannies, house cleaners, and home care workers who provide essential care and support to New Yorkers. Our coalition comprises Adhikaar, Carroll Gardens Association, Damayan, Hand in Hand: The Domestic Employers Network, La Colmena, and the National Domestic Workers Alliance New York Chapter, organizations with membership throughout the five boroughs. Domestic workers organized for decades to win fundamental rights like minimum wage, paid overtime, protections against discrimination and harassment, paid sick leave, among other rights. In fact, New York was the first state in the country to pass a domestic worker bill of rights.

DCWP is responsible for enforcing some of those protections —such as paid sick leave. For over a decade, organizations that are part of this coalition have built a strategic and effective partnership with the DCWP Paid Care Division, dedicated to joint domestic workers outreach and education with accessible Know Your Rights materials and trainings. Rights are only useful if individuals are aware of them and can exercise them. To improve the working conditions of domestic workers, it is essential that we continue and expand our partnership with DCWP, especially given the current national political climate which has become even harder to reach immigrant workers, in particular domestic workers who work isolated in private homes and are more likely to fear coming forward and reporting labor rights abuses.

In addition, DCWP launched an innovative project called the Mediation Program in 2022, which has become a critical resource for domestic workers in New York City, providing a fair, accessible, and effective pathway to resolving workplace disputes and recovering unpaid wages, including unpaid sick leave and other rightful earnings. Through careful mediation, workers and employers fully engage in a voluntary process that encourages open dialogue, mutual understanding, and particularly fair resolutions. Many domestic workers have effectively used this program to recover lost wages and secure the benefits they are entitled to, ensuring that their labor is valued and respected.

It is important to build up the DCWP budget to maintain and grow enforcement programs. With increased funding, more domestic workers will be able to know their rights and employers comply with their obligations, access remedies for labor violations and use services like mediation.

That's why we are calling on the Council to increase DCWP's enforcement capacity to \$135 million significantly. Right now, New York City is owed at least \$1.5 billion in unpaid penalties from large corporations and bad-actor landlords. New Yorkers follow the rules every day. Corporations should, too. Thank you.

New York City Coalition For Domestic Work
Written Testimony - Committee on Consumer and Worker Protection
March 19, 2026

Thank you, members of the Committee on Consumer and Worker Protection, for the opportunity to share my testimony.

My name is [NAME], and I'm with [ORG]. I'm here today to speak on behalf of the New York City Coalition for Domestic Work to urge the City Council to double the Department of Consumer and Worker Protection budget to \$135 million to strengthen its enforcement capacity and hire 400 inspectors, investigators, and legal staff.

The NYC Coalition for Domestic Work represents the nearly 250,000 nannies, house cleaners, and home care workers who provide essential care and support to New Yorkers. Our coalition comprises Adhikaar, Carroll Gardens Association, Damayan, Hand in Hand: The Domestic Employers Network, La Colmena, and the National Domestic Workers Alliance New York Chapter, organizations with membership throughout the five boroughs. Domestic workers organized for decades to win fundamental rights like minimum wage, paid overtime, protections against discrimination and harassment, paid sick leave, among other rights. In fact, New York was the first state in the country to pass a domestic worker bill of rights.

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It is important to build up the DCWP budget to maintain and grow enforcement programs. With increased funding, more domestic workers will be able to know their rights and employers comply with their obligations, access remedies for labor violations and use services like mediation.

That's why we are calling on the Council to increase DCWP's enforcement capacity to \$135 million significantly. Right now, New York City is owed at least \$1.5 billion in unpaid penalties from large corporations and bad-actor landlords. New Yorkers follow the rules every day. Corporations should, too.

Thank you for taking the time to hear my testimony.



Testimony by the New York Legal Assistance Group (NYLAG)

Before the New York City Council Consumer and Worker Protection Committee regarding:

Preliminary Budget Hearing

March 19, 2026

Chair Epstein, Council Members, and staff, good afternoon and thank you for the opportunity to submit written testimony to the Committee on Consumer and Worker Protection about the FY26 budget. My name is Daphne Schlick. I am the Director of the Consumer Protection Unit at New York Legal Assistance Group (NYLAG), and I submit this testimony in support of funding for civil legal services to assist New Yorkers in need, including those who are struggling with issues related to consumer debt.

NYLAG uses the power of the law to help New Yorkers in need combat social, racial, and economic injustice. We address emerging and urgent legal needs with comprehensive, free civil legal services, impact litigation, policy advocacy, and community education. NYLAG serves immigrants, seniors, the homebound, families facing foreclosure, renters facing eviction, low-income consumers, those in need of government assistance, children in need of special education, domestic violence survivors, persons with disabilities, patients with chronic illness or disease, low-wage workers, low-income members of the LGBTQ community, Holocaust survivors, veterans, as well as others in need of free legal services.

The Consumer Protection Unit

NYLAG's Consumer Protection Unit (CPU)'s attorneys and paralegals work on and litigate issues related to consumer debt. They fight for the rights of individuals and families who have become victims

of abusive, deceptive, and unfair debt collection and lending practices and help get them out of debt. CPU attorneys defend clients in credit card, auto lending, medical, and student loan debt proceedings; they assist student loan borrowers with their federal student loans; they fight against unjust foreclosure and lending practices; and advise and assist clients in filing for a Chapter 7 consumer bankruptcy discharge. NYLAG also files impact cases to stop predatory debt collection and consumer fraud.

Consumer Debtors Need Civil Legal Services

NYLAG would like to thank the City Council for the generous funding provided in FY26 to support legal services. That funding supports our work on behalf of veterans, immigrants, survivors of domestic violence, and countless others. Without that funding, many of our neighbors in need would have gone unserved. Although the City provides unparalleled support for legal services, one area where the need remains great and largely unmet is legal services for consumer debtors.

The economic and social consequences of insufficient civil legal services for consumer-debt related cases are significant and often overlooked by civil legal service funders. Consumer debt cases are many times disregarded as a legal problem that does not involve the “essentials of life.” Consumer debt litigation, however, threatens low-income New Yorker’s limited wages and assets that in turn threaten the “essentials of life,” such as housing, basic income, and personal safety. Without financial stability, every other essential of life will fail.

In New York, civil court judgments give creditors undeniable power: a judgment creditor wins the power to garnish wages, levy bank accounts, and restrict low-income New Yorkers’ access to money that the individual needs to pay rent, buy food, or remain financially

independent from an abuser for a staggering 20 years. Creditors rarely win judgments after trial; many judgments are obtained because consumers are not served and then fail to file an answer on time.¹ Consumer cases continue to surge and there is no indication that they will slow down in the future. In fact, with the deafening of the CFPB, the economy flailing, and the dismantling of key student loan protections such as the SAVE plan, we can expect worse in the coming years. Yet we can be sure that, as is consistent year after year, the number of litigants who are represented by an attorney in their cases will be in the very low single digits, while creditor plaintiffs are always represented by counsel.

High consumer filings coupled with the lack of adequate judicial resources results in a court culture that pushes settlements, even when they are unaffordable or unsustainable, and dissuades litigants from raising meritorious legal defenses or asserting the right to go to trial. What is more, consumer defendants are constantly improperly served with process: sewer service remains an ever so prevalent problem in New York City. As the Court of Appeals highlighted in 1987, deceptive practices in service of process deprive defendants of their day in court and lead to fraudulent default judgments that are often associated with consumer debt actions.² Unfortunately, despite limited improvements, faulty service is still a major issue that afflicts debt collection cases. There is much discussion about the default rate in consumer credit cases and not enough about the pervasive issues of bad service and lack of legal counsel that cause

¹ Chris Albin-Lackey, Human Rights Watch, Rubber Stamp Justice, US Courts, Debt Buying Corporations, and the Poor (Jan 20, 2016) *available at* https://www.hrw.org/sites/default/files/report_pdf/us0116_web.pdf. The Summary of the report provides a succinct overview of the problem. See *Burks et. al. v. Gotham Process et. al.*, 20 Civ. 1001 (E.D.N.Y. 2020) (class action case filed by NYLAG complaining of Defendants unfair practices in failing to lawfully serve process).

² *Barr v. Department of Consumer Affairs of the City of New York*, 70 N.Y.2d 821, 8

many consumers to default in the first place. Moreover, aged judgments, entered at a time of widespread sewer service, remain, and continue to haunt New Yorkers to this day.³ NYLAG has assisted countless clients who learn about 10 plus year old judgments after a sudden wage garnishment or bank restraint. Challenging these judgments can be complicated given the passage of time and difficulty in accessing archived court files. For the unrepresented, this is even more challenging as they are not familiar with the specific legal standards that need to be raised to successfully challenge the default judgment.

Today, I would like to focus on these two areas of consumer debt that, based on our experience, are in dire need of additional legal services and support for those legal services: Aged judgments which we refer to as **Zombie Judgments** and **student loan debt**.

Zombie Judgment Defendants Need Legal Assistance to Help Combat Improperly and Fraudulently Obtained Default Judgment That Destroy Their Financial Independence

NYLAG's CPU is on the ground, supporting nearly 3,500 clients each year with a range of consumer issues. This includes operating the Volunteer Lawyer for a Day Project where NYLAG attorneys litigate in consumer court 3 days per week in the Bronx, Queens, and monthly in Staten Island providing limited representation to pro se defendants. Through this work we have seen an exponential increase in what we call "zombie judgments," which are the most difficult cases for pro se defendants to handle on their own and where civil legal services could have the greatest impact.

³ See *Dupres v. Houslanger*, 19 Civ. 6691 (E.D.N.Y. 2019) (class action complaint filed by NYLAG complaining of Defendants unfair practices in litigating and opposing consumers' challenges to motions challenging service of process). See also *McCrobie v. Palisades, et al.*, 1:15-CV-00018 (class action challenging the unfair practices of enforcing aged judgments that were obtained through alleged failure to serve process).

Consumers discover they have zombie judgments when a judgment creditor forcefully garnishes wages or bank account years after the judgment was first granted. This is because creditor plaintiffs often improperly serve debtor defendants, and often even falsify affidavits of service alleging that they had served defendants. DCWP is intimately familiar with process servers who have lost their licenses, and are regularly and actively investigating them due to alleged fraud. These same process servers pretend to notify defendants that they are being sued but fail to do so in actuality. When defendants are unaware of the lawsuit, they do not know to show up in court and a default judgment is awarded against them. This judgment lasts a whopping 20 years in New York and judgment creditors often sit on judgments for five, ten, even nineteen years before executing them. In fact, many of the creditors stand to benefit from waiting: they can accrue post judgment interest and can try to collect the alleged debt once the defendant has finally managed to accrue some savings. In addition, years later, most folks will have forgotten where they were physically when allegedly served, or any of the surrounding details, are afraid to testify, and are blindsided and overwhelmed by collection attempts.

In most cases, consumers hit with a zombie judgment have been working for years to obtain higher education and save money and have managed to become financially stable all while being unaware that the lawsuit existed. A barrier to success in generating systemic change is shifting the court culture of believing that defendants “owe the money” and do not have meritorious defenses to the creditors’ claims. Judges often stigmatize people experiencing financial distress or poverty, assuming they charged luxury items and should pay, ignoring that people are using credit for basic survival needs (clothing, food, school items, things needed for employment, etc.), and punitive interest accruing. They overlook how predatory the credit

and collection industry are and how these tactics are geared towards hitting low-income and communities of color specifically with expensive credit designed to fail. Consumers' very strong legal defenses can be diminished or overlooked by judges. Zombie judgments represent some of the most pervasive and harmful forms of debt collection abuse because they target unsuspecting consumers, many of whom do not actually owe the debt.

Zombie judgment creditors can lien property, garnish wages, and restrain bank accounts for 20+ years. These judgments lead to financial instability and prohibits wealth building. Without an attorney representing them, these defendants are lost when it comes to understanding their rights, let alone how to unravel their case to release bank accounts or stop wage garnishments. We know clients who have simply paid zombie debts that they know fully are not theirs—just to put an end to the harassment and pressure. These cases hit single parent households—usually single mothers—and BIPOC communities harder than others.

In contrast, when NYLAG staff represent zombie judgment defendants, we are able to swiftly vacate the judgment and reveal the underlying problem. Many times just our presence representing the defendant in a limited capacity leads to the Judge vacating the judgment and the plaintiff withdrawing their case. While zombie judgments are recognized by consumer protection advocates, NYLAG—as well as any other legal services organization—only has capacity and funding to chip away at a small number of individuals effected. For every one client we help, there are hundreds waiting in their place. We have limited funding to eradicate this damaging and ubiquitous process and request additional substantial funding to continue this important work for New York Families. NYLAG wants to continue to assist low-income and BIPOC New Yorkers in vacating default judgments and

dismissing zombie judgment cases obtained using predatory practices, but we need the financial support to do so. If we receive support to do this work, we can alleviate debt burdens, preserve wages and savings, and foster wealth building.

Implementing targeted funding specifically for zombie judgment victims not only acknowledges the tremendous impact judgments can have on a family's wealth and ability to generate wealth, but also seeks to deter harmful practices which have hindered low-income communities for generations, yet have gone unaddressed in the policy space. We wish to directly target these cases and consumers and disrupt the consumer debt landscape by shedding light on these unscrupulous practices, which largely occur behind the scenes and unnoticed.

Student Loan Borrowers Need Legal Assistance to Help Combat Trillions of Dollars in Student Loan Debt

The statistics related to student loan debt is staggering and should give pause to anyone who is paying attention. Americans owe trillions in student loan debt. The statistics from the Student Loan Borrower Center are staggering: An estimated 2 million delinquent borrowers have seen their credit fall from near-prime or better into subprime territory, from 680 to 580 on average. This decline in credit scores raises borrowing costs and makes it substantially more difficult—if not impossible—for borrowers to purchase a home or a car, open a credit card, obtain a personal loan, or access other loans to make ends meet. There are at least 2.3 million student loan borrowers in New York alone in 2025 with nearly one quarter of them already delinquent, with this number increasing daily. Black and Hispanic or Latino student loan borrowers are more likely to have difficulty repaying their loans than their White peers, according to a significant body of research.⁴ Two thirds of student debt is

owed by women and Black women carry around 20% more student debt than their white counterparts.⁵

NYLAG's work in assisting more student borrowers in a meaningful way has never been so crucial. Student loan debt programs (income-driven repayment, forgiveness programs, discharge options) are full of technical rules, deadlines, and paperwork. Even small mistakes can cost someone thousands of dollars or disqualify them entirely. In addition, loan servicers, collection agencies, and often the federal government have legal teams and systems in place. Borrowers—especially those already struggling financially—are usually on their own. This creates an imbalance that leads to errors, abusive practices, or illegal collections which often go unchallenged. Support for legal services attorneys becomes even more critical when federal policy shifts restrict access to student loan relief or make programs harder to use—like many of the changes that are happening to borrowers now.

Moreover, the private student loans made available to many students who attended for-profit institutions are predatory and designed to fail.⁷

⁴ [The Student Loan Default Divide: Racial Inequities Play a Role, April 4, 2025, Pew.org](#)

⁵ Advocacy Groups Request Meeting with Biden Administration Regarding the Impact of Student Loan Debt on Black Women (Jan. 31, 2022) *available at* <https://www.nclc.org/media-center/advocacy-groups-request-meeting-with-biden-administration-regarding-the-impact-of-student-loan-debt-on-black-women.html> releases/education-department-approves-415-million-borrower-defense-claims-including-former-devry-university-students.

⁶ See Brookings Institute, The looming student loan default crisis is worse than we thought, <https://www.brookings.edu/research/the-looming-student-loan-default-crisis-is-worse-than-we-thought/>.

⁷ See Stacy Cowley, New York Times, Navient agrees to cancel 66,000 student borrowers' loans to settle claims of predatory lending (Jan. 13, 2022) .

Legal service attorneys are often the only line of defense for borrowers facing overwhelming student loan debt—especially in the private loan market, where there are few protections and aggressive collections are commonplace. As recent policy shifts have made relief harder to access and enforcement more vital, the need for skilled legal advocacy has grown exponentially. With additional funding, we can expand direct representation, stop unlawful collections, challenge improper servicing practices, and ensure that vulnerable borrowers are not left to navigate a high-stakes legal system alone.

Many defaulted private student loans end up as debt collection cases in the New York courts. Putative creditors often lack proof of ownership, akin to a traditional debt buyer case, and do not possess the documentation necessary to prove the thousands of dollars they claim as damages in their cases. Despite the attention to this problem and known lack of documentation, default judgments are still constantly an issue that stands against borrowers. These borrowers end up in default for the same reason as any other consumer debt case, which include issues related to lack of legal service of process and lack of access to legal counsel. It appears that the overwhelming majority of New Yorkers facing a debt collection case for a private student loan end up in default or settling for money based on questionable proof.

For federal student loans (loans held by the U.S. government), borrowers face collection without any statute of limitations. The government can administratively garnish wages, offset tax returns, and even take a borrowers' social security if they are in default. For many borrowers, default could have been avoided given that abuses in student loan servicing is rampant and widespread.

We stand ready and qualified to help those who are victims of fraud, deception, or predatory lending, whether it be from credit card debt, medical debt, or student loan debts. The one character that each of these areas have in common is the lack of civil legal service providers to take on meritorious cases that impact a meaningful number of consumers who are victims of predatory lending and crushing debt. Debilitating debt is a cycle that affects New Yorker consumers specifically and everyone indirectly. New Yorkers deserve access to legal representation that allows them to maintain or achieve financial stability —*especially* during these difficult, uncertain and ever changing times. Please help us to help New York families.

Thank you for the opportunity to testify today. I look forward to a strong continued partnership with the Council and the Mayor's Office to work towards the recovery of our City through access to justice for those in need.

Respectfully submitted,

New York Legal Assistance Group

NEW YORK TAXI WORKERS ALLIANCE

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March 20, 2026

Committee on Consumer and Worker Protection
New York City Council
New York City Hall
New York, NY 10007

Re: T2026-1370: Preliminary Budget Hearing – Consumer and Worker Protection

Dear Chair Epstein and Members of the Consumer and Worker Protection Committee:

On behalf of the 28,000 members of the New York Taxi Workers Alliance (NYTWA), a majority of whom work for High-Volume For-Hire Vehicle (HVFHV) services such as Uber and Lyft, I write to stress the need for the Department of Consumer and Worker Protection (DCWP) to receive full funding so that it can adequately enforce the promise of an end to arbitrary, unexplained, and economically devastating driver deactivations that was envisioned when the Council passed Intro. 276 earlier this year.

Building off the Council's success in establishing just cause protections for fast food workers, Intro. 276 established the nation's strongest just cause protections for for-hire drivers. For years, drivers have been fired ("deactivated") with no advance notice, often without ever receiving an explanation, and with no meaningful way to contact the companies to present evidence or challenge their deactivations. The results are often devastating. More so than for traditional W2 employees, these sudden terminations can turn drivers' lives upside down. Drivers take on significant long-term expenses to work for Uber and Lyft that do not go away when they are deactivated; beyond the loss of income, drivers are stuck making car and insurance payments for their work vehicles, but now with no income to do so. In response to these conditions, the Council passed Intro. 276 by an overwhelming margin. Then-Mayor Adams vetoed it, and the Council responded by overriding his veto by an even larger margin.

On paper, Intro. 276 is the strongest for-hire driver deactivation protection framework in the country, but it will only be as successful as its enforcement, and successful enforcement requires full funding of DCWP's mission.¹

¹ The NYTWA notes that other jurisdictions that passed driver deactivation laws sought to fund driver organizations to provide deactivation appeal support by way of surcharges to passengers. The NYTWA rejected such a model in favor of a combination of a private right of action and robust municipal investigative and enforcement powers.

What robust enforcement means is two-fold: At one level, it requires enough staff to properly investigate, resolve and, where necessary, prosecute unlawful deactivations.² Enforcement is more than just prosecution. Second, and more broadly, robust enforcement requires enforcing compliance with data reporting and notice requirements that allow the deactivation protection law to work fairly and meaningfully, regardless of whether a driver chooses private or public enforcement. As just one example, in substance the law requires that deactivation decisions are made objectively and fairly; in practice, determining this requires that the companies provide aggregate data about disciplinary policies and practices. This allows drivers to defend themselves from pretextual deactivations where they find themselves punished for behavior condoned for other drivers. Similar provisions related to driving performance data and customer feedback are necessary to verify companies' allegations of misconduct, and to evaluate alleged infractions in the context of a driver's entire work history. Even if individual drivers pursue private enforcement, only DCWP can in the first place enforce the framework which requires companies to collect, maintain, and share this information, and then hold the companies to account if they fail to do so.

In recent years, the City has ensured that sufficient resources exist to create better policy in the HVFHV sector. New York City's nation-leading data reporting requirements allow for TLC to observe trends in driver pay, vehicle utilization, and customer pricing. Without this information, TLC would be flying blind in looking to determine whether there are too many, or not enough vehicles on the road, whether driver pay remains adequate, or whether customers are paying for similar service from year-to-year. A similar focus on regular data provision, and the availability of such data to drivers, is necessary for driver deactivation protections to function properly.

The NYTWA notes that when City government has sought to regulate the appropriateness of TLC-licensed driver conduct as part of its disciplinary oversight, there has never been a question of sufficient resources. TLC moves quickly, prosecutes zealously, and devotes the resources of a significant number of staff, including attorneys, to micro-managing driver conduct. As an example, during a recent year, a NYTWA review of TLC summons data received via the FOIL showed over 20 instances where TLC summonsed drivers for a discourtesy violation, carrying a penalty of \$300, for the offense of speaking in the wrong "tone of voice."³ Surely, if sufficient funding can be allocated for City attorneys to expeditiously litigate the proper tone of drivers' voices, the City should be able to prioritize providing DCWP with full funding to oversee similar issues of driver conduct with an eye towards workplace fairness and preventing unjustified and arbitrary terminations.

Intro. 276 enforcement is a matter of economic justice and a significant opportunity to show that just cause protections can work in multiple industries and at scale. But more simply, given the privatization of for-hire driver discipline over the last decade, it is also the bare minimum needed to maintain the modicum of fairness and due process that existed when TLC issues detailed

² While the NYTWA insisted that Intro. 276 include both a pre-complaint informal mediation process and a private right of action for drivers to pursue cases in court or arbitration where such avenues are appropriate, many cases will be better suited to public enforcement given, for example, the investigatory powers granted to DCWP that a private litigant would lack.

³ See, e.g. CV10091670S ("Respondent driver spoke to complaining witness in a raised tone of voice"); CV10088708S ("Respondent driver spoke to complaining witness in a hostile tone of voice"); CV10089698S ("Respondent driver spoke to complaining witness in a condescending tone of voice"); CV10085953S ("Respondent driver spoke to complaining witness in a rude tone of voice.") (TLC summons data on file with the author.)

summons, provides drivers information about underlying complaints, and disciplines drivers via OATH hearings where TLC bears the burden of proof. After decades of such TLC enforcement, driver discipline and oversight has largely been transferred to private employers; rather than calling 311, many passengers simply file complaint with the companies themselves. Yet, in an era where the HVFHV companies command 85% percent of total market share,⁴ not counting trips they dispatch to taxis, and share their deactivation decisions with each other, being deactivated by one company becomes tantamount to effectively having your TLC license revoked. This should not happen without a meaningful, fully-funded process.

Drivers assume physical and financial risk every day when they go to work in one of the most dangerous jobs, while still being treated as independent contractors who pay for all their expenses. Taking on all this risk, they deserve, at the least, the protection to keep doing so without fear that it could all be taken away without explanation or appeal. DCWP's mission to enforce the driver deactivation protection law must be fully funded.

Respectfully submitted,

/s/Zubin Soleimany

Zubin Soleimany

Senior Staff Attorney

New York Taxi Workers Alliance

⁴ See <https://toddschneider.com/dashboards/nyc-taxi-ridehailing-uber-lyft-data/> (Date accessed: Mar. 20, 2026).



**Written Testimony by Protect Borrowers
at a Public Hearing before the
Committee on Consumer and Worker Protection
of the
New York City Council**

Oversight - The Preliminary Budget for Fiscal Year 2027, The Preliminary Capital Plan for
Fiscal Years 2027-2030 and The Fiscal 2026 Preliminary Mayor's Management Report
(T2026-1370)

March 19, 2026

Chair Epstein and Members of the Council and Committee:

Protect Borrowers submits this testimony urging the City Council to increase funding for the Department of Consumer and Worker Protection (DCWP). Protect Borrowers (formerly Student Borrower Protection Center) is a team of experts, lawyers, and advocates fighting to build an economy where debt doesn't limit opportunity. We investigate financial abuses, take predatory companies to court, and push for policies to protect working people from debt traps. We aim to deliver immediate relief to families while building power and driving systemic change.

New York City, like the rest of the country, is experiencing an affordability crisis. At the same time, the federal government has completely abdicated its responsibilities to protect consumers and workers. DCWP is well positioned to fill this void by identifying, investigating, and prosecuting companies taking advantage of New Yorkers, which its track record makes clear. However, it needs more enforcement attorneys, investigators, inspectors, and other staff in order to meet the growing need in the city. New Yorkers cannot afford anything short of a robust and fully-staffed DCWP.

In the absence of federal oversight, NYC residents are vulnerable to unlawful and abusive business practices and corporate power.

Federal law prohibits unfair methods of competition and unfair or deceptive acts or practices in trade or commerce, and separately prohibits unfair, deceptive, or abusive acts or practices related to consumer financial products or services. These are two very powerful laws with well-established norms and regulations. However, they are primarily enforced by federal agencies, namely the Federal Trade Commission and the Consumer Financial Protection Bureau. Without these two agencies, households and small businesses nationwide do not benefit from these federal protections.

Under the Trump Administration, the FTC and CFPB are both abdicating their responsibilities to enforce these laws, and New Yorkers are paying the price.

During the first year of the second Trump Administration, the FTC has taken a pro-industry and partisan approach to consumer and worker protections. For example, President Trump unlawfully fired two Democratic FTC Commissioners,¹ and appointed Andrew Ferguson as Chair, who as a minority commissioner regularly dissented in the agency's consumer protection decisions and has a much narrower view of the agencies' authority.² The FTC chose to abandon defense of a rule banning non-compete provisions that had been challenged by industry,³ also reopened and set aside consent agreements against companies that were entered into by the previous administration.⁴

The federal government's abdication is even more stark with the CFPB, which the Trump Administration has gutted. The administration is actively trying to close the agency, firing nearly all staff and attempting to cut off its funding, which has resulted in ongoing litigation that will ultimately determine the agency's future.⁵ In the meantime, the CFPB has dismissed or terminated the majority of its enforcement actions,⁶ pardoned some of the worst corporate offenders responsible for over \$3 billion in consumer harm,⁷ and stopped complying with at least 87 statutory mandates.⁸ The agency has also summarily rescinded over a decade of guidance and

¹ Kim Phan et al., *Trump Fires the Two Democratic FTC Commissioners: What This Means Going Forward*, Consumer Fin. Servs. Law Monitor (Mar. 21, 2025), <https://www.consumerfinancialserviceslawmonitor.com/2025/03/trump-fires-the-two-democratic-ftc-commissioners-what-this-means-going-forward/>.

² *The Federal Trade Commission Bureau of Consumer Protection Under the Second Trump Administration: Top 10 Things to Know About Priorities, Enforcement, and Case Law Developments*, Debevoise & Plimpton (Apr. 29, 2025),

<https://www.debevoise.com/insights/publications/2025/04/the-federal-trade-commission-bureau-of-consumer>.

³ Press Release, *Federal Trade Commission Files to Accede to Vacatur of Non-Compete Clause Rule*, Fed. Trade Comm'n (Sept. 5, 2025),

<https://www.ftc.gov/news-events/news/press-releases/2025/09/federal-trade-commission-files-accede-vacatur-non-compete-clause-rule>.

⁴ Press Release, *FTC Reopens and Sets Aside Rytr Final Order in Response to the Trump Administration's AI Action Plan*, Fed. Trade Comm'n (Dec. 22, 2025),

<https://www.ftc.gov/news-events/news/press-releases/2025/12/ftc-reopens-sets-aside-rytr-final-order-response-trump-administrations-ai-action-plan>.

⁵ See generally, Stefanie Jackman et al., *CFPB Complies with Court's Funding Order in NTEU v. Vought*, Consumer Fin. Servs. Law Monitor (Jan. 12, 2026),

<https://www.consumerfinancialserviceslawmonitor.com/2026/01/cfpb-complies-with-courts-funding-order-in-nteu-v-vought/>.

⁶ Memorandum, *Dismissed/Terminated CFPB Enforcement Actions*, Protect Borrowers & Consumer Fed. of America (July 7, 2025),

<https://consumerfed.org/wp-content/uploads/2025/07/CFPB-Pending-Enforcement-Actions-v2-Fellows-2.pdf>.

⁷ Memorandum, *Trump-Led CFPB Pardons Repeat Offender Corporations for Violations Causing Over \$3 Billion of Consumer Harm*, Protect Borrowers & Consumer Fed. of America (Mar. 26, 2025),

<https://protectborrowers.org/wp-content/uploads/2025/03/Repeat-Offender-CFPB-Pending-Enforcement-Actions.pdf>.

⁸ Memorandum, *Statutory Requirements for Continuous Operations of the CFPB*, Protect Borrowers & Consumer Fed. of America (Feb. 13, 2025),

<https://protectborrowers.org/wp-content/uploads/2025/02/CFPB-Statutory-Requirements-2.13.25.pdf>.

interpretive rules,⁹ deprioritized its work related to certain topics such as medical debt and student loans,¹⁰ and announced that its examiners—who are charged with auditing companies for compliance with applicable consumer protections—must make a “humility pledge” to each company before commencing an exam.¹¹ The cumulative effect of these actions has already caused an estimated \$18 billion in costs for working families.¹²

Available data make clear that this federal abdication is affecting New Yorkers. Based on publicly available data from the CFPB’s consumer complaint database, the number of complaints filed by NYC residents increased by 63 percent in 2025 relative to 2024, totalling 184,830 in 2025.¹³

Complaint Volume	2024	2025	Percent Change
Bronx	31,133	53,232	70.98%
Kings	35,965	54,761	52.26%
New York	14,873	24,518	64.85%
Queens	26,981	45,339	68.04%
Richmond	4,480	6,980	55.80%
Total	113,432	184,830	62.94%

⁹ Consumer Fin. Prot. Bureau, *Interpretive Rules, Policy Statements, and Advisory Opinions; Withdrawal*, 90 Fed. Reg. 20084 (May 12, 2025), <https://www.federalregister.gov/documents/2025/05/12/2025-08286/interpretive-rules-policy-statements-and-advisory-opinions-withdrawal>.

¹⁰ Alan S. Kaplinsky et al., *CFPB rescinds enforcement, supervisory priority documents, outlines new priorities for 2025*, Consumer Fin. Monitor (Apr. 17, 2025), <https://www.consumerfinance.com/2025/04/17/cfpb-rescinds-enforcement-supervisory-priority-documents-outlines-new-priorities-for-2025/>.

¹¹ Press Release, *CFPB’s Supervision Division Releases New ‘Humility Pledge,’* Consumer Fin. Prot. Bureau (Nov. 21, 2025), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-supervision-division-releases-new-humility-pledge/>.

¹² Memorandum, *Trump’s Consumer Financial Protection Agenda—or Lack Thereof—Has Already Cost Americans More Than \$18 Billion*, Protect Borrowers & Consumer Fed. of America (June 24, 2025), <https://protectborrowers.org/wp-content/uploads/2025/06/MEMO-The-Cost-of-Trumps-CFPB-.pdf>.

¹³ Analysis of CFPB consumer complaint data on file with Protect Borrowers.

At the same time that the number of complaints to the CFPB increased across the city, the number of complaints from NYC that were resolved and included relief to consumers fell by approximately 10 percentage points.¹⁴

Percent of Closed Complaints with Consumer Relief	2024	2025	Percentage Point Change
Bronx	52.55%	42.85%	9.70
Kings	51.74%	41.36%	10.38
New York	49.79%	40.26%	9.53
Queens	51.57%	41.70%	9.87
Richmond	51.01%	41.70%	9.31
Total	51.64%	41.74%	9.90

Notably, although it had the largest absolute increase, complaints to the CFPB from New York City residents increased at a lower rate than most of the regions in the state. The largest percentage increases in the number of complaints filed were in the Finger Lakes, Mohawk Valley, Capital Region, and Western New York.¹⁵

Region	2024	2025	Difference	Percent Change
Capital Region	2,222	4,996	2,774	124.84%
Central N.Y.	2,211	4,155	1,944	87.92%
Finger Lakes	3,175	8,457	5,282	166.36%
Long Island	27,021	45,756	18,735	69.33%
Mid-Hudson	17,921	31,866	13,945	77.81%
Mohawk Valley	158	412	254	160.76%
North Country	230	284	54	23.48%
New York City	113,307	184,830	71,523	63.12%
Southern Tier	671	1,065	394	58.72%

¹⁴ Analysis of CFPB consumer complaint data on file with Protect Borrowers.

¹⁵ Analysis of CFPB consumer complaint data on file with Protect Borrowers.

Tug Hill Seaway	309	413	104	33.66%
Western N.Y.	3,730	7,695	3,965	106.30%
Total	181,803	306,909	125,106	68.81%

We believe the fact that New York City saw a lower rate of increase in complaints is attributable in significant part to DCWP. No other part of the state has an agency like DCWP empowered and able to fill the void left by the federal government at the local level.

DCWP is one of the few city agencies whose jurisdiction applies to all New Yorkers, every day, and puts money back in their pockets.

DCWP protects New Yorkers in all aspects of their personal and professional lives by enforcing the city’s consumer and worker protection laws. It has a phenomenal track record of putting money back into people’s pockets. So far in 2026, it has collected nearly \$6 million from companies that broke the law, more than \$5 million of which is restitution that goes directly to the New Yorkers who were harmed.¹⁶ In 2025, it collected \$38.9 million in penalties and restitution from one settlement alone.¹⁷

For this reason, New Yorkers literally cannot afford to underinvest in DCWP. Unfortunately the preliminary budget does just that. This year’s proposed budget would ultimately reflect an 8% funding cut. The Fiscal Impact Statements submitted to the Council in recent years show that the agency needs over 300 new hires to fulfill its new legislative mandates, but the proposed budget allots only 9 new hires. This does not meet existing staffing needs, and it does not meet the moment New Yorkers are facing.

Making sure DCWP is fully funded and staffed is a sound investment. For this reason, we urge the Committee and the Council to double the agency’s current budget.

Please contact Winston Berkman-Breen, Legal Director with Protect Borrowers, at winston@protectborrowers.org with any questions.

¹⁶ Press Release, Dep’t of Consumer and Worker Prot., *Mayor Mamdani Announces \$5 Million Settlement, Reinstatement of as Many as 10,000 Wrongfully Deactivated Food Delivery Workers* (Jan. 30, 2026), <https://www.nyc.gov/site/dca/news/012-26/mayor-mamdani-5-million-settlement-reinstatement-as-many-10-000-wrongfully>.

¹⁷ Press Release, Dep’t of Consumer and Worker Prot., *Mayor Adams, DCWP Announce \$38 Million Settlement With Starbucks in Largest Worker Protection Settlement in City History* (Dec. 1, 2025), <https://www.nyc.gov/site/dca/news/032-25/mayor-adams-dcwp-38-million-settlement-starbucks-largest-worker-protection>.



TESTIMONY

Preliminary Budget Hearing:

“New York City’s Worker Cooperative Business Development Initiative:
Worker Cooperatives- An Essential Model for Business Sustainability and Recovery”

Presented to

New York City Council hearing, Committee on Consumer & Worker Protection
Hon. Harvey Epstein, Chair
Thursday March 19, 2026

Prepared By:

Catherine Murcek, Worker-Owner
Samamkaya Yoga Back Care & Scoliosis Collective
& Oasis Solidarity Collective

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Thank you Chair Epstein and Honorable Council Members of the Committee for Consumer and Worker Protection for the opportunity to testify. My name is Catherine Murcek and I am a worker-owner at two NYC-based businesses—the Samamkaya Yoga Back Care & Scoliosis Collective and Oasis Solidarity Collective—and I am an elected member of the Advocacy Council coordinated by the NYC Network of Worker Cooperatives (NYCNoWC), a partner organization of the Worker Cooperative Business Development Initiative (WCBDI). Our community of democratic worker-run businesses is predominantly led by women and people of color, representing communities across the five boroughs and a wide array of industries from cleaning to catering, manufacturing, media, childcare, and more. Thanks to the City Council's support over the last decade, our city has the largest network of cooperatives in the United States! I am testifying today to ask you to please **continue to support the great work of WCBDI** by enhancing their funding to **\$5,097,082**, and I also urge you to **ramp up efforts to regulate commercial rents** for small businesses across the city to protect us from displacement from our neighborhoods.

The first cooperative I joined, Samamkaya Yoga Back Care & Scoliosis Collective (www.samamkayabackcare.com), is a very special, small studio focusing on the therapeutic applications of yoga for people with a wide range of body types and ability levels, including those with Scoliosis, herniated discs, spinal fusion, and we even have an adaptive yoga class for folks with more limiting disabilities. In this way we work in support of disability justice by giving all bodies access to a yoga practice. Our business formed in 2015 when a group of instructors highly skilled in therapeutic yoga for back issues were feeling exploited and underappreciated at another studio and decided to start their own worker cooperative, which is, in other words, a business that is co-owned and democratically-run by its workers.

Because of the then newly-funded citywide initiative of WCBDI, the founding members were able to access legal support from NYCNoWC to form the business as an LLC cooperative, including the filing of formation documents and execution of an Operating Agreement that details a system for sharing profit based on the number of hours worked at the studio. One of the founders was fortunately able to provide a zero interest personal loan to the business to build out the small studio space in Chelsea to the very specific requirements of alignment-focused therapeutic yoga. In addition, through NYCNoWC's Principle 6 program the studio was over the years able to have business cards printed for all faculty members by Radix Media Cooperative. We have also been grateful to have attended a number of free workshops and business coaching sessions over the years from NYCNoWC, BOCnet, and CAMBA.

Joining Samamkaya as a worker-owner nine years ago has been a truly transformative experience for me. In an industry where most yoga instructors are accustomed to being treated as independent contractors, to be able to have a vote in decisions about the business that will affect its members was deeply empowering. In addition, because cooperatives are built on certain principles including concern for community, one worker one vote, and training and education for its members, it has felt incredibly rewarding to be part of a values-driven business. Cooperatives allow the freedom to get involved in different aspects of the business that one

might not have thought of before; to learn and grow in new ways. For example, I joined my co-op's Finance Committee, not because I have any special expertise, but so I can learn and grow more comfortable understanding our business's finances. Furthermore, every member has incentive for the business to do well because every member is financially and energetically invested in the business and will do what it takes to see the business succeed.

This became even more clear for me at the beginning of the COVID-19 pandemic when so many non-essential businesses like mine were forced to close their doors. All our members snapped into action as much as they were able, divvying up the tremendous labor of researching different platforms we might use to switch to online offerings and different grants that might be available to help keep us afloat. We completely revamped our schedule, pay, and fee structures in an equitable way that would make it easier on the studio but also for the teachers who were ineligible for unemployment; we worked together to find the best possible solution for both the business and its workers.

We were hopeful when SBS announced the Employee Retention Grant and Small Business Continuity Loan, but we were not eligible for the grant because we all work part-time and we really could not consider taking on more debt at this time since we still have a large debt from our start-up costs. For that reason we were extremely grateful to have access to technical support from WCBDI partners and a couple small grants specific to worker co-ops. This support provided pro bono legal services with TakeRoot Justice to help us with the negotiation of our lease and NYCNoWC's Cooperative Sustainability Fund which allowed us to pay for consulting sessions to help us manage some communication and distribution of labor challenges during the transition, and to strategize for the future. NYCNoWC's grant fund has also been a huge support for my other co-op, Oasis Solidarity Collective, which is made of a diverse group of worker-owners with the mission of providing training and education on worker cooperatives and meeting facilitation services with an anti-oppression lens. The Cooperative Sustainability Fund allowed us to cover the cost of a new website as we go through a re-branding strategy.

Even though both of my small cooperative businesses are surviving, it is incredibly difficult to thrive in this economic environment. While Samamkaya was one of the fortunate few small businesses I know of to have been able to negotiate our rent, we did so on the condition that we renew our lease for another ten years, during which period our rent will gradually rise to "market rate". Unfortunately, this means our future remains uncertain because our numbers have not recovered to pre-pandemic levels and we have very limited opportunities for growth due to the small capacity of our space and the limits to how much people are willing to pay for yoga. Further, the suggestion that commercial rents reset to a reasonable level post-pandemic is a myth, as well-loved, viable businesses continue to close every year due to unreasonable rent hikes—a problem that has existed well before the pandemic. Most cooperatives in NYC cannot even afford to rent space for their business because the rents are so prohibitive. Commercial tenants have extremely limited protections from being pushed out by exorbitant rent hikes or evictions, even when they have built a community around their space and spent tens of thousands of dollars building it out specific to their needs, as my yoga co-op has. This causes the death of so many viable, well-loved businesses, like two of the yoga studios I used to work

for before they sadly had to close because their landlords were not so reasonable. Other traditionally-run studios I know of either reduced teachers' pay and number of classes, let go of teachers, or even closed their doors indefinitely. Because of the resiliency of the cooperative model, and because of the wonderful support offered by the WCBDI partner organizations and the cooperative ecosystem, I am more convinced than ever that cooperative businesses are necessary for building a strong and resilient economy. Further, the overall system should not be based on the luck of the draw and the whims of the particular landlord that you end up with. A fair and just system of **commercial rent stabilization** would help small businesses like mine to feel secure enough to plan for the future and would protect the cultural fabric of our great city.

I urge the City council to continue **to support and build on the Worker Cooperative Business Development Initiative, enhancing its funding to \$5,097,082** so that all the incredible partner organizations involved can continue providing legal services, education, and technical assistance to our growing community of locally-driven community-focused businesses. The way that the initiative partners coordinate and collaborate with each other is groundbreaking and shows a real commitment to economic democracy within development in addition to empowering small businesses through workplace democracy. They continued uninterrupted services throughout the pandemic and in many cases added services that were outside their original plans, like workshops to help worker owners respond to the crisis, information about available resources, and support for loan and grant applications. They provided informational workshops on the Corporate Transparency Act and the state-level LLC Transparency Act when cooperative businesses were concerned and confused about complying. They are also putting additional efforts into Know Your Rights workshops for our immigrant community members who are facing the fear and stress in the current racist moment where ICE has increased in power and strength. The initiative also ensures that worker-owners have "a seat at the table" when making important decisions through the leadership skill building program of NYCNoWC's Advocacy Council, which gives worker-owners the training and support they need to bring their voices to policy spaces. NYCNoWC also does a lot to ensure worker-owners in NYC are well-informed and engaged on important policy efforts.

There is so much we are eager to explore with the City Council to help ensure that the workers in our small business communities aren't just surviving, but thriving. Most worker cooperatives in our community have not been able to **access affordable commercial spaces**, and we would deeply appreciate assistance with that. We have a dream of creating cooperative co-working hubs in every borough but for now, we lack the resources and capacity to make that a reality. Ideally these hubs would be developed using the **Community Land Trust** model in order to foster community control and economic democracy. Cooperatives are also eager to take on **procurement opportunities** with city agencies, but have had trouble accessing city contracts due to a variety of factors. In addition, **access to direct financing** has been a major barrier for many co-ops to access capital to start up their business or to help it grow. For now, the best option for most co-op startups is through the innovative model used by The Working World, a CDFI and another partner in the WCBDI which supports every one of its loan recipients with education and technical assistance to help them succeed, and only accepts repayment once the

business is profitable, but their resources are limited and they need your support. Please refer to www.workercoop.nyc for more info about our municipal policy priorities.

Finally, in coalition with and in support of aligned sister organizations, I urge you to support long term community-driven efforts toward a just economy by supporting the following. **1) Reintroduce** the former Intro 93 for **commercial rent stabilization, Draft a version A, and hold a hearing on it.** City council needs to take this very seriously in order to protect our broader small business community from future continued closures and displacement in the aftermath of the pandemic. Rents were already too high before the pandemic began, so we need long-term solutions to prevent further displacement of small businesses across the city. Landlords should not be allowed to quadruple a small business's rent in order to get the highest bidder into a commercial space, pushing out a local small business in favor of a wealthy chain store, but there is currently no law preventing that. **2) Please consider a new round of grant opportunities--as opposed to loans--with expanded eligibility and language access to allow for more types of small businesses** to get back on their feet on the long road to economic recovery. **3) Fund community-based organizations engaged in merchant organizing and outreach** to give small businesses across the city the voice they deserve. **4) Increase accessibility to SBS services for Limited English Proficiency immigrant small business owners** by expanding language capacity within the agency. **5) Preserve permanent funding** for the **Commercial Lease Assistance program** in the budget.

In conclusion, democratic workplaces in our most vulnerable communities help protect against wealth extraction by building up community wealth, the capacity for community self-determination, and by protecting jobs and wages. My cooperative community members and I urge you to continue to support the great work of WCBDI by enhancing their funding to **\$5,097,082** and to build on all efforts that prioritize the protection of NYC's women, immigrants, and BIPOC small business workers from displacement—to ensure a just economy for all, not just the wealthy few. Thank you for your work and for considering my testimony.



**Testimony to the New York City Council City Council
Committee on Consumer and Worker Protection**

March 19th, 2026

Good afternoon. My name is Mohamed Attia, I am the Co-Director of the Street Vendor Project. I would like to thank Chair Epstein and the Committee members for the opportunity to testify today.

The Street Vendor Project (SVP) is a membership-based organization with more than 3,300 vendor members. We strive to support street vendors across the 5 boroughs by providing direct services such as small business consultations, legal representation, and access to a wide variety of resources. We also organize to build power to the vendors community across the city and ensure that their voices are heard, and they have a seat at the table when policies and rules are being developed that will impact their livelihoods. Vast majority of our members are immigrants who hail from across the globe. Given the diversity of our membership, our services are offered in 7 different languages, Arabic, Bangla, English, French, Mandarin, Spanish and Wolof, thanks to the diversity of our small team.

We respectfully request that the council consider our funding applications for this fiscal year, since SVP is almost the only entity providing education, outreach and small business services to street vendors in NYC.

Street vendors are non-traditional workers running the smallest businesses in our city, and they need the city's support to thrive.

Earlier this year, the City Council passed a historic landmark package of legislations, including Local Law 54-2026, that will create a total of 21,500 new licenses for street vendors.

11,000 of which will go to food vendors as Supervisory Licenses, a system that is still new to the vendors community, that has created a lot of confusion with the existing system that has been in place for decades.

10,500 of the new licenses will be offered to merchandise vendors as General Vendor Licenses. A substantial change to a 47-year-old law that a lot of vendors don't know about.

We respectfully request that the City Council prioritize creating a new initiative to ensure sufficient resources to all non-traditional workers across our city.

Street vendors, delivery workers, laundry workers, and many others need support from the city to make sure they are aware of the new systems, protections, and laws that the city has created.

The laws and reforms are as good as they're followed, and we have to do our part to ensure workers are aware of the reforms taking place, so they can benefit from them.

We also urge the Council to ensure that there's adequate funding to the Department of Consumer and Worker Protection this coming fiscal year, so they have the capacity needed to implement the local laws recently passed and release the 10,500 licenses for vendors.

We're looking forward to working with the City Council to deliver the reforms and changes to the hardest working people who call NYC home.

Thanks

Mohamed Attia

**Written Testimony Submitted to the New York City Council
Committee on Consumer and Worker Protection
Fiscal Year 2027 Budget Hearing: Department of Consumer and Worker Protection
(DCWP)
Submitted by: Will Sealy, Founder and CEO, Summer, PBC
Date: March 19, 2026**

Introduction

Summer respectfully submits this testimony in support of continued funding for a New York City student debt relief initiative administered in partnership with the Department of Consumer and Worker Protection. Founded by former experts from the U.S. Department of Education and the Consumer Financial Protection Bureau, Summer is a mission-driven financial services company helping New Yorkers navigate the federal student loan system and plan for college, for free.

Student debt relief is not a peripheral concern. It's a cornerstone of Mayor Mamdani's affordability agenda. Alongside housing, childcare, and transit costs, student loan payments are one of the most significant drains on household budgets for working New Yorkers.

Summer's partnership with the City is a direct, proven vehicle for that agenda: since launching in May 2025, Summer has already delivered \$70 million in projected student loan savings for New Yorkers, surpassing our contractual 5x savings guarantee. That means projected savings have already outpaced year-one program costs fivefold. This program is well-positioned to meet the City's ambitious goal of keeping \$1 billion in the pockets of New Yorkers. We urge the Council to sustain this investment in the FY2027 budget as a centerpiece of the administration's affordability platform.

The Crisis Facing New York Borrowers

For the first time since the COVID-19 payment pause ended in 2023, federal student loan borrowers must resume payments or face financially crippling consequences. New York City's estimated **1.4 million borrowers** collectively owe approximately \$59.6 billion in student loan debt. Monthly payments now compete directly with rising housing and childcare costs—the exact pressures Mayor Mamdani has made central to his affordability agenda—pushing vulnerable New Yorkers to the brink of default.

Across New York state, defaults surged by 155,000 borrowers between October–December 2025, reaching 434,000. That's the equivalent of one New Yorker defaulting every minute, or enough to fill Madison Square Garden eight times.

The federal landscape is making things worse. Repayment options are vanishing, new deadlines are being imposed, and federal collection enforcement, including wage garnishment and tax refund seizures, is resuming in 2026. The passage of the One Big Beautiful Bill Act in

July 2025 has further restructured federal loan programs, creating new complexity that most borrowers cannot navigate without expert guidance.

For New Yorkers already managing tight household budgets, a single missed deadline or bureaucratic error can result in hundreds of dollars in avoidable costs or lost forgiveness eligibility. **Every dollar lost to a missed deadline or an avoidable default is a dollar that cannot go toward rent, groceries, or childcare**, the very tradeoffs this administration has pledged to eliminate. Without continued investment in this program, hundreds of thousands of New Yorkers will face these consequences alone.

What Summer Does

Summer offers a streamlined digital platform available at nyc.gov/studentloans that connects all New York City residents with free, expert guidance on federal loan assistance programs, including Income-Driven Repayment (IDR) and Public Service Loan Forgiveness (PSLF). No paperwork is required, and residents can enroll in minutes.

This is affordability infrastructure — the same way the City invests in free tax prep and tenant legal services, this program gives New Yorkers access to expert help they could not otherwise afford.

Beyond the digital platform, Summer's Member Success Team, professionals with backgrounds in finance, college planning, and years of student loan industry experience, provides high-touch, individual support through chat, email, and individual consultations. To date, Summer has conducted over 1,332 online and 137 one-on-one support sessions with employees and sent more than 36,700 proactive communications to keep New Yorkers on track, maintaining a **96.4 percent satisfaction rate**. The platform also provides free college savings planning for parents, including connections to NYC Kids RISE Saving for College accounts, **extending the Mamdani affordability agenda to the next generation** by helping families get ahead of the debt crisis before it starts.

Program Rollout and Operational Readiness

Summer has transitioned from a planned initial rollout phase to full operational capacity. Following a successful five-agency beta launch in May 2025, the program has rolled out to over 100 City agencies employing 120,000 staff, with the remaining 240,000 employees completing onboarding in early 2026. As of November 2025, the platform is fully available to all New York City residents across all five boroughs.

Summer has operated as a close strategic partner to the City, investing significant leadership time and technical expertise to meet the complex needs of New Yorkers. This has included accelerating the resident deployment two and a half months ahead of contract milestones, engineering custom PSLF routing logic to prevent administrative rejections at large agencies like DOE and H+H, deploying Spanish-language staffing for consultations, and re-architecting reporting to include borough-level breakdowns. Summer has participated in more than 20

public-facing sessions with City staff and engaged over 2,500 employees through webinars. The infrastructure is now fully in place to support mass adoption among the approximately 1.4 million New Yorkers with student loan needs.

Results to Date

Early data confirms the program is delivering substantial, measurable economic relief:

- \$68 million in projected savings already delivered and counting
- \$507/month (\$6,084/year) in average savings per participant applying to federal repayment plans — equivalent to an 11 percent increase in take-home pay
- 68,520 months (5,710 years) of qualifying employment certified toward PSLF for New Yorkers working to reach the required 120 month (10-year) eligibility threshold to achieve forgiveness, with Summer driving applications from applicant signature to Department of Education submission in a median of three days
- More than 20 percent of applications contained substantive, disqualifying errors that Summer detected and corrected before submission, preventing costly rejection cycles, payment spikes, or missed forgiveness milestones
- 500 New Yorkers with loans already in default were identified and guided toward rehabilitation options, stopping tax seizure and wage garnishment

The program's users reflect the City's essential workforce, not an elite demographic. Participants range in age from 20 to 60+, with an average age of 41.5 and average income of \$77,560. Nearly **60 percent earn under \$75,761**, and the median income and family size qualifies as Low Income under NYC Department of Housing Preservation & Development standards. **Approximately 40 percent report sub-prime or near-prime credit scores below 680, and 1 in 8 report carrying debt without completing their degree**, the population statistically most at risk of default. This program is not a subsidy for the upwardly mobile; it is a lifeline for the City's working families.

The Funding Gap: Why Investment Must Continue

The Summer-NYC partnership is already delivering life-changing results to New Yorkers; what is missing is the reach. Without activation of marketing resources and continued contract funding in FY2027, this program will fail to reach the hundreds of thousands of New Yorkers who need it most — at precisely the moment the federal student loan crisis is intensifying. **Allowing this program to lapse would be a direct setback to the Mayor's affordability agenda, abandoning a proven tool at the worst moment.**

The Council should also understand the fiscal return on this investment. By reducing monthly loan payments, participants gain meaningful discretionary income that flows back into the local economy. Our analysis estimates approximately **\$40/month (\$480/year) in potential sales tax revenue** per borrower enrolling in lower-cost repayment plans, generating **up to \$45 million in annual sales tax revenue** for New York City. **This program pays for itself.**

The Stakes in 2026: Why Urgency Matters

The coming months represent a critical window for New York borrowers, with several federal changes creating urgent deadlines:

- **New Repayment Assistance Plan (RAP)** launches July 1, 2026, offering potentially lower payments for borrowers earning below \$70,000, but with a 30-year forgiveness term and new minimum payment requirements that require careful analysis.
- **SAVE Plan Shutdown:** The Department of Education has effectively shut down the SAVE plan and will force over seven million borrowers to switch plans. New Yorkers will need expert help navigating to the best available alternative before legacy repayment plans sunset in 2028.
- **Parent PLUS Deadline:** Many Parent PLUS borrowers must take steps on their loans by April 1, 2026 to retain access to lower-cost IDR options and PSLF eligibility by the July 1 deadline.
- **Elimination of Grad PLUS Loans:** Starting July 1, 2026, the One Big Beautiful Bill Act eliminates Grad PLUS loans and tightens federal borrowing limits, placing thousands of New York families at risk of turning to predatory private lenders to finance higher education.

Each of these deadlines is an affordability crisis waiting to happen. Summer is operationally prepared to guide New Yorkers through each of these changes. We are actively developing a partnership with a major credit bureau to enable earlier detection of delinquency through opt-in credit data, and have hired dedicated staff to coordinate outreach with City stakeholders in the most vulnerable neighborhoods.

Opportunities to Accelerate Impact with Council Support

With adequate funding the Summer-NYC partnership can put \$1 billion back in New Yorkers pockets. City Hall support can act as a force multiplier to this work. In addition to funding, Summer respectfully requests the Council's support in the following areas, which will directly increase program outcomes:

- **Promote as a signature City Hall Affordability Initiative:** Promotion equals participation. A re-launch of this program, consistent with the Mamdani Administration's affordability agenda, combined with immediate deployment of DCWP marketing allocation for co-branded toolkits and citywide activation, would rapidly expand enrollment.
- **Community Partner Activation:** The City's relationships with labor unions, employers, and community organizations are among the most powerful trusted messengers available. City Hall can help champion this initiative with key labor leadership to open doors and secure warm hand-offs to large member networks – **connecting the administration's affordability message directly to working people through the organizations they already trust.**

- **System Integration:** Further embed Summer into City workflows, including HR onboarding, unemployment counseling, and public benefit delivery, building on our current integrations with Financial Empowerment Centers and NYC Free Tax Prep. **Weaving student debt relief into the City's broader affordability infrastructure helps ensure no New Yorker falls through the cracks.**

Summer In Action: New York Borrowers

These numbers represent real New Yorkers whose financial lives have been transformed by this program, the kind of concrete affordability outcomes that define the Mamdani administration's promise. Some representative examples of New Yorkers helped include:

- **Laid-off worker avoids default.** A city resident facing a \$217 monthly payment recently lost her job, putting her at immediate risk of default. Summer helped her enroll in an IDR plan, dropping her monthly payment to \$0 and protecting her from credit damage and tax seizure.
- **Working mother's payment drops from \$1,584 to \$0.** A New Yorker earning \$56,000 annually was trapped in a 10-Year Standard plan with a \$1,584 monthly payment on \$150,000 in debt—or more than 30 percent of her gross income. After enrolling through Summer, her payment dropped to \$0, effectively doubling her disposable income.
- **Public servant receives \$250,000 in forgiveness.** A city employee with over 15 years of public service had qualified for PSLF forgiveness since 2021 but was unaware due to the program's complexity. Summer identified her eligibility, facilitated employment certification, and her servicer processed full forgiveness within one week, eliminating \$250,000 in debt and triggering a cash refund for years of unnecessary payments.

Conclusion

Summer's partnership with DCWP is more than a contract. It is a core delivery mechanism for **Mayor Mamdani's affordability agenda**. Student debt is one of the most direct drains on household budgets for working New Yorkers, and this program is already proving it can deliver relief at scale, on time, and at a return that far exceeds its cost. We respectfully urge the Council to maintain this funding in the FY2027 budget and to partner with us in making this program as visible and accessible as the Mayor's affordability agenda demands.

Respectfully submitted,

Will Sealy
Founder and CEO, Summer PBC



TESTIMONY IN SUPPORT OF RENEWING FUNDING TO
SUPPORT LOW-WAGE IMMIGRANT WORKERS

Testimony from Tito Sinha

TakeRoot Justice Director of Workers' Rights Practice

Citywide Immigrant Legal Empowerment Collaborative (CILEC)

New York City Council Committee on Consumer and Worker Protection

March 19, 2026

TakeRoot Justice ("TakeRoot") thanks the New York City Council Committee on Consumer and Worker Protection for the opportunity to submit this testimony as a member of the Citywide Immigrant Legal Empowerment Collaborative ("CILEC"), a consortium of several NYC legal services providers and community-based organizations supporting immigrant workers through the Low-Wage Worker Support initiative.

Low-Wage Worker Support is the only dedicated City funding that ensures that the City's low-wage and immigrant workers have redress from wage theft, sick leave and minimum pay violations, discrimination, retaliation and other workplace injustices. In the last few years, the funding has supported our work in representing immigrant workers with claims of sick leave violations, sick leave retaliation, and wage theft before the City's Department of Consumer and Worker Protection ("DCWP"). We request that the Council renew and increase LWWS funding from \$2 million in FY26 to \$3 million in FY27. LWWS funding has remained the same for nearly 10 years, and an increase is needed to cover increasing costs and the escalating demand for services supporting immigrant workers.

In the last year, CILEC LSPs recovered approximately \$6.3 million in unpaid wages and damages. Since January 2020, TakeRoot has obtained approximately \$4.5 million in settlements and recoveries for workers. In the last year, CILEC LSPs advised and represented nearly 1,000 workers and conducted over 50 KYR trainings. LWWS funding makes this work possible providing financial recovery, education and empowerment for low-wage and immigrant workers.

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Because of DCWP's robust enforcement of the Protected Time Off Law, workers have been able to receive redress for employers' denial of protected time off, retaliatory termination for taking or requesting protected time off, and failure to provide notice of rights under the law. Thus, workers have been able to recover backpay for unlawful retaliation, sick leave pay, and statutory penalties. We commend DCWP's investigators and counsel for working collaboratively with us in advancing the rights of New Yorkers and believe that our work to bring claims supports the agency to better enforce the City's law and the agency's mission to protect workers' rights. However, this crucial funding has lagged behind other priorities requiring last-minute saves from workers' rights advocates and the City Council to work to renew the funding.

We respectfully request City Council to demonstrate its ongoing commitment to the City's low-wage and immigrant workers by renewing and expanding Low-Wage Worker Support Initiative for employment-related legal services funding from \$2 million to \$3 million. This expansion will stabilize the funding so low-wage and immigrant workers can continue to receive this essential advocacy through vital civil legal services and community outreach. Failure to renew and expand this funding will have a devastating impact on low-wage and immigrant workers, leaving them without high-quality and culturally sensitive representation in their efforts to obtain economic and worker justice.

Now, more than ever in this dangerous time of attacks on immigrants' rights and on our democracy, low-wage and immigrant workers need champions from advocates such as TakeRoot Justice and our allied CILEC partners, and they need a robust enforcement agency such as DCWP. But our ability to retain and hire staff and maintain and expand crucial administrative infrastructure to continue this life-sustaining work under Low-Wage Worker Support requires expanded and sustainable funding.

We thank the City Council for your continued support for low-wage and immigrant workers through this essential funding.

Thank you.

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March 19, 2026

The Legal Aid Society's Testimony to Double the Budget of the Department of Consumer and Worker Protection

Submitted by Rebekah Cook-Mack

Thank you for the opportunity to present this testimony. I am a Staff Attorney in the Employment Law Unit of The Legal Aid Society.

The Department of Worker and Consumer Protection (DCWP) is a national leader in worker protection. It should be funded commensurate with its importance. Instead, the Preliminary Budget cuts the DCWP budget by almost 10% at a time when its portfolio serving New York City's consumers and workers is expanding. **We call on the Mayor to reverse course and double the DCWP budget to \$130 million as promised during his campaign.** The Mayor's vision for economic justice cannot be achieved without fully funding the agencies responsible for enforcing protections for New York City's workers and consumers. The Preliminary Budget cuts funding to the portfolio that falls under the purview of the newly established Deputy Mayor for Economic Justice by over \$250 million—the amount it proposes increasing the NYPD budget by. This is not audacious governance. We ask Council to join us in pressing for a budget that reflects the critical role DCWP plays in the lives of working New Yorkers and its centrality to a more affordable and just NYC for all.

I. The Legal Aid Society

The Legal Aid Society is built on one simple but powerful belief—that no New Yorker should be denied the right to equal justice. We want to remain a beacon of hope for New Yorkers who feel neglected, regardless of who they are, where they come from, or how they identify. From our start nearly 150 years ago, our growth has mirrored that of the city we serve. Today, we are proud to be one of the largest and most influential social justice law firms in New York City and nationwide. Our staff delivers justice in

Justice in Every Borough.

every borough, working tirelessly to defend our clients and dismantle the hidden, systemic barriers that can prevent them from thriving. As passionate advocates for individuals and families, LAS is an indispensable component of the legal, social, and economic fabric of our city.

Last year, LAS provided direct holistic legal services to 475,000 individuals and their families through our Civil, Criminal, and Juvenile Rights Practices. Over 2 million New York City residents benefited from our direct representation, affirmative litigation, and legislative and policy advocacy. Our work across these Practices provides us with unique insights into the challenges facing marginalized communities in NYC and an unparalleled ability to effect change on a greater scale.

Our Civil Practice works with low-income New Yorkers experiencing a broad range of civil legal issues that, without assistance, can escalate into situations with cascading effects that threaten their stability and keep families locked in cycles of poverty. Our specialized units cover the full spectrum of civil legal needs, including housing and homelessness; homeowner stabilization, family law and domestic violence; immigration; special education; health; community development; consumer issues; employment; government benefits and disability; taxes; and holistic services for vulnerable populations including immigrants, the elderly, adults and children with disabilities, and people living with HIV/AIDS.

The Employment Law Unit represents low-wage workers in employment-related matters such as claims for violations of leave laws, unpaid wages, discrimination, trafficking, and unemployment insurance. Our clients are overwhelmingly people of color living paycheck to paycheck. The Unit conducts litigation, outreach, and advocacy designed to assist the most vulnerable workers in New York City, among them, low-wage workers who are sexually harassed; discriminated against based on race, national origin, immigration status, pregnancy, disability, sex, sexual orientation, gender identify, age, domestic violence, or criminal background; or denied reasonable accommodations needed due to pregnancy or disabilities.

To ensure that their workplace rights are protected, we often assist clients with filing complaints to agencies like DCWP. For example, we connected a Starbucks worker who had called Legal Aid's hotline seeking help when her hours were cut with DCWP.

Because of illegal reductions in her work hours and last-minute changes to her work schedule, she was struggling to retain her second job and was worried about how she would continue to pay her bills. The Employment Law Unit helped her submit a complaint to DCWP, which investigated her workplace. She was one of the 15,000 New Yorkers included in the recent \$38.9 million Starbucks settlement.

The Economic Equities Projects at LAS include the Consumer Law and Bankruptcy Project, the Foreclosure Prevention and Homeownership Preservation Project, the Trust and Estates Project, the Low-Income Tax Clinic, and the Community Development Project. Our Consumer Law and Bankruptcy Project serves all five boroughs and assists low-income New Yorkers in fighting unlawful debt collection, either through defensive litigation or by bringing affirmative actions in court to prevent predatory practices that take advantage of low-income New Yorkers and strip wealth from communities. Our Foreclosure Prevention Project defends working-class homeowners in the Bronx and Queens in mortgage and property tax default cases and deed theft cases. The Foreclosure Prevention Project brings affirmative litigation to invalidate hard money loans, prevent investors from preying on gentrifying neighborhoods, and preserve intergenerational wealth. The Economic Equities Projects conduct extensive community outreach to educate New Yorkers on their rights, our services, and how to protect themselves from lending abuses and scams.

Through these projects, we work closely with DCWP, relying on their enforcement power to protect vulnerable New Yorkers where legal services are unable to assist. For example, solar panel scams are endemic in parts of Queens and the Bronx, but because of arbitration clauses in these contracts, it can be very difficult to bring private litigation. However, DCWP is not confined by arbitration clauses. Recognizing this synergy, the Consumer Law and Bankruptcy Project reached out to DCWP and informed the Agency of the patterns we were seeing. DCWP stepped up. LAS began referring homeowners to DCWP where arbitration clauses hindered our ability to resolve individual problems. DCWP acted quickly, and in January 2026, it brought an action against Radiant Solar, one of New York City's larger solar contractors. DCWP is an important partner for New York City's consumers: its work protects people from abuse and achieves resolutions for people who have been the victims of scams. In the absence of federal enforcement due to the dismantlement of the CFPB, DCWP is more essential now than ever.

II. DCWP Requires Additional Funding

DCWP urgently needs increased funding. The agency's portfolio has expanded over the past year and will continue to grow in the coming year. Essential protections for delivery workers, security guards, street vendors, and hotel workers have all expanded. The Fiscal Impact Statements for these expansions make the case for increased funding clearly: to meet its obligation under the laws the city recently passed, DCWP needs to hire over 300 employees at an estimated cost of almost \$20 million dollars for FY27.

DCWP needs this additional staff to meet the mandates of new laws that were already passed, including New York City's groundbreaking—first in the nation—laws regulating the deactivation of app-based delivery workers and rideshare drivers. These laws require robust enforcement and thoughtful regulation. As a blueprint for regulating gig economy platforms, this legislation's success or failure will have national implications. Therefore, New York City has a responsibility to workers here in the city and around the country to vigorously enforce our laws. The OMB estimates DCWP needs 170 additional staff members “to establish a compliance division of 170 staff to inspect all claims of wrongful deactivation of for-hire vehicle drivers” and an additional 34 staff to do this work for delivery drivers.¹ The Preliminary Budget does not include funding for these critical staff and instead cuts the DCWP budget. The nation is watching, and New York City must find the funds to do this effectively.

DCWP's work improves the lives of New York's workers. It enforces the City's Fair Work Week laws ensuring that fast food workers receive a reliable work schedule so that they can find childcare, attend school, work second jobs, and plan for their futures. Importantly, DCWP conducts workplace-wide investigations so that problems are solved systemically. For example, its recent landmark Starbucks Fair Workweek Law settlement will improve the lives of over 15,000 workers. This settlement will require significant ongoing monitoring and oversight by the agency, and DCWP must be funded to do this work. Unfortunately, the Mayor's Preliminary Budget requires DCWP to do more with less. This is untenable. The city cannot meet the needs of its workforce

¹ See Fiscal Impact Statements for both bills here:

<https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=6557685&GUID=B1AD10BE-3B1B-4782-8AE8-65B9C1E20563&Options=ID%7CText%7C&Search=276> and
<https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=7480055&GUID=265D0ED3-FB2F-48B9-AF70-79973B11E094&Options=ID%7CText%7C&Search=1332>

without more funding. In addition to the recently passed laws and the Starbucks settlement, DCWP is the enforcement agency responsible for numerous laws such as the city's Paid Safe and Sick Leave Law, Fair Workweek Laws, Grocery Workers Retention Act, Temporary Schedule Change Law, and Freelance Isn't Free Act. This work is crucial to ensuring that New York City's workers have access to sick leave and reliable schedules. This work underpins a just workplace for New York City's workforce.

DCWP was not adequately funded to effectively do the essential work it is tasked with. As Streetsblog reported in September 2025:²

The Department of Consumer and Worker Protection, which oversees the 80,000-worker delivery industry, says it needs funding for 20 new employees to properly regulate app giants and ensure they pay the city-mandated minimum wage — but the Adams administration only allocated funding for *four* positions ... and then allocated even less during final budget negotiations with the Council.

The shortfall has left the agency struggling to respond to worker abuse complaints — and to now sound the alarm against its own mayor, though not in so many words.

“We urgently need new resources to implement the minimum pay rate for the broader delivery workforce,” Deputy Commissioner Elizabeth Wagoner [testified at a recent](#) Council hearing. “It is very important — to actually realize the minimum pay rate — to be appropriately staffed for it.”

The department had asked for the 20 new employees during preliminary budget hearings, but the budget left the agency hanging, part of a pattern of the mayor and Council neglecting the workers' rights department.

² <https://nyc.streetsblog.org/2025/09/22/agency-needs-more-funding-to-expand-delivery-worker-protections>

DCWP's work also improves the lives of New York's consumers. Just this February (2026), DCWP announced much anticipated and far-reaching debt collection regulations. These regulations will greatly level the playing field between consumers and debt collectors. First, debt collectors can no longer get away with failing to verify the debt within a short amount of time and providing documentation, enabling consumers to figure out how best to defend themselves. Additionally, consumers will no longer be endlessly harassed by multiple calls a day. Instead, debt collectors will be limited to three calls or texts within a seven-day period. But, for these regulations to achieve their potential, DCWP must have the staff required to enforce them. These regulations will save New Yorkers money by preventing them from being harassed into paying debts they do not owe.

We ask Council to join us in pressing the Mayor to increase the DCWP budget to \$130 million for FY27.

We thank the Council for its consideration of this testimony. For more information or to address concerns, please feel free to contact me at rcook-mack@legal-aid.org or (212) 298-5311.



March 18, 2026

Harvey Epstein, Chair
Committee on Consumer and Worker Protection
New York City Council
New York, New York 10007

Dear Chair Epstein and Members of the Committee:

The National Association of Consumer Advocates writes to express our support of full and ample funding for the Department of Consumer and Worker Protection (DCWP). As the entire country is facing an affordability crisis, New York City is gradually becoming a national model for bringing down costs for its residents. The DCWP is central to that endeavor.

In light of the ongoing weakening of federal consumer protections, it is crucial that New York City provide DCWP with the necessary resources to combat predatory business practices that harm families, workers, and small businesses. Amid the precipitous decline of consumer law enforcement on the federal level, the DCWP's work to issue and enforce strong protections has never been more important.

We have observed the many ways in which the DCWP has delivered economic justice on behalf of consumers and workers. This agency has successfully tackled junk fees, overcharges, debt collection abuses, bait-and-switch pricing, and other predatory schemes that rip off New Yorkers. All of it has facilitated lower prices as well as fair and equitable treatment of residents.

The DCWP's work is not only crucial for compensating harmed consumers and workers, its law enforcement and protective rules deter unfair, abusive, and deceptive schemes in the marketplace and the workplace. Thus, a well-resourced DCWP will help to level the playing field for honest, law-abiding businesses.

Accordingly, we urge the City to provide the DCWP with all the resources it needs to protect and empower New York consumers.

Thank you for your consideration.

Sincerely,

Christine Hines
Senior Policy Director

Double DCWP Funding and Make Lawbreaking Corporations Pay What They Owe (Make 'Em Pay)

Good morning Chair and members of the Committee on Consumer and Worker Protection, and thank you for the opportunity to testify.

My name is Alan Abraham], and I'm with The People's Plan]. I'm here today to speak about the Department of Consumer and Worker Protection and its role in holding corporate actors accountable as part of our broader *Make 'Em Pay* campaign.

Right now, New York City is owed at least \$1.5 billion in unpaid penalties from large corporations and bad-actor landlords whose violations harm workers, tenants, and small businesses.

DCWP is responsible for enforcing some of the most important worker protections and consumer laws in our city — from wage theft and paid sick leave to unfair business practices. But it is under-resourced relative to the scale of violations it is meant to address.

When enforcement is weak, bad actors treat penalties as optional — just a cost of doing business — while workers lose wages, consumers are exploited, and responsible businesses are undercut.

That's why we are calling on the Council to significantly invest in DCWP's enforcement capacity — including doubling its budget to \$135 million and adding 400 inspectors, investigators, and legal staff.

This is about deterrence, fairness, and protecting New Yorkers — and it is one essential piece of a broader *Make 'Em Pay* strategy to hold corporate lawbreakers accountable across agencies.

New Yorkers follow the rules every day. Corporations should too.

Thank you.

Testimony in Opposition of Raising the Minimum Wage

Hello, Chairperson and members of the committee,

Thank you for the opportunity to speak today.

My name is Brandon Lee Clayton. I was born and raised in New York City, and I am proud to be from the Bronx. I come from an impoverished background, so I know firsthand the realities of economic hardship. I understand what it means to begin in minimum wage jobs, to navigate difficult circumstances, and to work toward something greater. But I also know the value of discipline, sacrifice, and education, because I made the decision to rise beyond those circumstances by investing in myself academically and professionally. I earned my bachelor's degree in business, went on to earn my MBA, and I am currently in law school pursuing my Juris Doctor. So, when I speak on this issue, I do so from a perspective shaped by both lived experience and higher education. I understand the struggle from the ground level, but I also understand the importance of preserving incentives for growth, achievement, and advancement.

When I was growing up, minimum wage was around five dollars an hour. But beyond the wage itself, there was also a broader understanding of what minimum wage work was meant to be. It was seen as an entry point into the workforce, a place to gain experience, build a résumé, learn responsibility, and begin the process of moving upward. It was a stepping-stone, not a destination. It was not generally treated as the kind of position one was supposed to build an entire long-term career around. And that understanding was tied to a larger value system: if you wanted more out of life, you were expected to strive for more. In any field, whether business, academics, athletics, or leadership, success does not come from remaining at the minimum threshold. It comes from growth, discipline, sacrifice, and the willingness to push beyond where you started. That is the lens through which I view this issue. I believe our policies should encourage people to pursue advancement and excellence, not weaken the distinction between entry-level work and the achievements that come through sustained effort and self-improvement.

It is from that personal and professional perspective that I appear before you today in opposition to the proposal to raise the minimum wage in New York City to \$30 per hour.

My position is not rooted in a lack of concern for working people. To the contrary, I fully recognize that many New Yorkers are under enormous financial strain. The cost of rent continues to rise. Food prices are high. Gas, tolls, transportation, and other basic living expenses have become increasingly burdensome. Working people across this city are being squeezed from every direction, and many are struggling to make ends meet.

That problem is real. It is serious. And it deserves a real solution.

However, I do not believe that raising the minimum wage to \$30 per hour is the right solution. In my view, such a move would create broader economic harm, place greater pressure on small businesses and consumers, distort the labor market, and weaken the very structure that is supposed to encourage education, advancement, and long-term economic mobility.

At its core, minimum wage was intended to establish a floor, not an equalizer across fundamentally different categories of work. Minimum wage jobs have traditionally served as entry points into the workforce. They are stepping-stone positions that help individuals gain experience, learn responsibility, and begin building a path toward greater opportunity. They were not designed to erase the distinction between entry-level labor and occupations that require years of education, training, certification, licensing, debt, or professional development.

That distinction matters.

A functioning economy should preserve incentives for people to invest in themselves. It should reward those who pursue higher education, vocational training, trade certifications, specialized skill development, and career progression. It should reflect a hierarchy of compensation based on preparation, responsibility, expertise, and contribution. If that structure is flattened too aggressively, then the message being sent is that the additional effort, sacrifice, and investment required to move beyond entry-level work does not carry meaningful value.

That is a dangerous message.

If the City cannot require employers to raise wages across the board for degree-holding professionals, skilled workers, and certified employees at the same time it raises the minimum wage, then it cannot justify raising the minimum wage to \$30 an hour. Without that broader adjustment, the result is not fairness but wage compression, where the distinction between entry-level work and earned professional advancement is weakened. That sends a dangerous message: that education, training, and sacrifice no longer carry meaningful economic value.

What happens is wage compression. What happens is that individuals who spent years earning degrees, attending trade schools, obtaining certifications, taking on debt, and working to qualify for higher-skilled positions find themselves earning wages that are not meaningfully different from those in jobs requiring far less formal preparation. A person who enters the workforce after college, graduate school, or technical training should not find that the financial reward for that effort has been reduced to the point where the distinction is nearly erased.

If minimum wage rises to \$30 per hour, that is roughly the equivalent of more than \$60,000 per year for full-time work before taxes. That places many minimum wage positions in the same earnings range as entry-level professional jobs, trade-based jobs, and roles that require substantial educational or credentialing investment. If salaries for those professions do not rise as well, then the system is no longer rewarding higher effort and higher preparation in any meaningful way.

That is not fairness. That is imbalance.

To be clear, this is not about disrespecting individuals who work in fast food, retail, supermarkets, or other entry-level positions. All work has dignity. Every worker deserves respect. But respecting all workers does not require us to pretend that all jobs carry the same barriers to entry, the same level of skill, the same level of sacrifice, or the same long-term economic purpose. We can respect labor without erasing the distinction between starting points and earned professional advancement.

And if we do erase that distinction, we should not be surprised by the consequences.

If younger generations increasingly conclude that they can earn essentially the same income without going to school, without learning a trade, without pursuing certification, and without developing higher-level skills, then this kind of policy does not strengthen the workforce. It weakens it over time. It discourages ambition. It undermines educational incentives. It sends the message that going beyond the minimum threshold is optional because the system will minimize the difference anyway.

At a time when this country, and this city in particular, should be promoting stronger educational attainment, workforce development, and skill-building, I do not believe we should be advancing policies that unintentionally signal the opposite. Education remains one of the most important tools for individual growth, long-term earning potential, innovation, and civic strength. We should be reinforcing its value, not diminishing it.

There is also the broader economic concern. Businesses do not absorb dramatic labor cost increases in a vacuum. A major increase in minimum wage can lead to higher consumer prices, reduced hours, hiring slowdowns, layoffs, benefit cuts, or greater reliance on automation. In a city where residents are already burdened by high rent, congestion pricing, transportation costs, and rising prices on everyday goods, this proposal risks intensifying the affordability crisis rather than solving it.

If the goal is to help struggling New Yorkers, then the city should focus more directly on the drivers of financial hardship: housing costs, taxes, transportation burdens, utility expenses, and inflationary pressure on basic goods. It should invest in education, workforce development, entrepreneurship, vocational pathways, and policies that help people move into higher-paying careers. Those are solutions that strengthen the economy without dismantling the value of advancement.

I am not arguing that wages should never increase. If an increase is to be considered, it should be measured, realistic, and part of a broader economic framework. But a jump to \$30 per hour is too extreme, too disruptive, and too disconnected from the larger wage ecosystem. If policymakers cannot ensure that all other wage levels will rise accordingly, preserving structure, hierarchy, and meaningful reward for those who invested in their education and professional development, then they should not be imposing this increase at all.

New York City should be a place that rewards growth, discipline, and aspiration. It should not create a framework in which the distinction between minimum entry-level work and skilled or educated labor is blurred to the point of irrelevance. A policy that weakens incentives for

education and advancement may sound compassionate in the short term, but in the long term it risks harming the workforce, the economy, and the culture of ambition that this city should be encouraging.

For those reasons, I respectfully oppose the proposal to raise the minimum wage in New York City to \$30 per hour.

Thank you for your time and consideration.

Brandon-lee Clayton

Concerned New Yorker

My name is Jeff Zysman, and I am the ambassador for the Innovative Planning and Advocacy Department. The Innovative Planning and Advocacy Department has helped me integrate into the community and achieve my goals. My top 3 goals are to be professional while in the community, to be safe, and to be more independent.

It has taught me to advocate for what I want and what I need to be able to help others get what they want and need as well. It taught me that I have a voice and the right to express myself and to speak my mind for what is right, to express my concerns or doubts, and have a say in what I need and what I want out of life.

I have a passion to do so because it benefits others just like myself. I go to Albany to attend upcoming rallies and conferences to advocate for issues such as **fair compensation for Direct Support Professionals', or DSPs, to increase the wage by 7.8%.**

I have also met with Senators like Senator Kristen Gillibrand, Patricia Fahy, Liz Kruger and Assembly Members like Linda Rosenthal and Tony Simone. I also meet with the Office of People with Developmental Disabilities, or OPWDD, monthly to discuss and vote on budget increases.

The Innovative Department also creates workshops. My favorite workshop that I participated in was the Right of the Month. I learned a lot about what my rights are with someone with a disability such as freedom to choose what I want to do in my spare time, the freedom and the right to vote for local and state legislation. I also won a certificate, and I got promoted to ambassador. These experiences has helped me become an ambassador by gaining hands on experience **by getting involved in local and statewide legislation.**

On my free time, I enjoy going to the gym and working out. I also go bowling on the weekends out in Long Island with friends. I am also working on a second bowling fundraiser for CFS. **On my last bowling fundraiser, I raised over \$10,000.**

EMS Workers are a uniquely exploited part of the workforce that needs a sector minimum wage enacted to protect them. The workforce is abused with poverty wages to the point that there is not adequate staff for the ambulances, and now response times are climbing.

When we learned about asthma in school, they said it was like breathing through one of those thin coffee straw stirrers. So tomorrow when you have your coffee, I ask you to grab one of those thin stirrers, and try breathing through it for 17 minutes-because during February, that was the average time it took for an ambulance to arrive for a life threatening emergency in NYC. Do you know what the time was for a non life threatening emergency? Nearly 40 minutes. If any of our grandparents fell and broke their hip-it's not life threatening-but would we want them lying on the ground waiting 40 minutes to receive pain medicine?

Traffic, overuse of the 911 system, and poor road conditions all contribute to the worsening response times. There are many creative solutions to solving each of these issues-but none of the solutions will work if we don't have the EMTs or paramedics to staff the ambulances. There is a well known staffing crisis for EMTs and paramedics within the FDNY for various reasons. The most important reason is that EMS are far underpaid. Why risk your mental and physical health working on an ambulance when most, if not all, starting positions at McDonald's pay more than the hourly starting pay for an EMT? Why brave the snow on your way to work when you could get paid nearly \$9/hour more to shovel it?

I say this with no disrespect to fast food workers or anyone that has helped clear our city these past few days-but I think we can all agree that we want our ambulances to arrive faster than our Big Macs. Until we secure Parity Pay for EMS-no one will stay in this profession longterm. What's worse-is that we have the money to do it.

Of the nearly 2.6 billion dollar budget for FDNY in 2025, only 418 million was allocated to EMS. But EMS generated almost 400 million in revenue-it essentially paid for itself. So I ask, why is less than 1 percent of the budget spent on the EMTs and paramedics than respond to approximately 75% of the calls?