

**New York City Council**  
**Hon. Julie Menin, Speaker of the Council**  
**Hon. Linda Lee, Chair, Finance Committee**  
**Hon. Gale Brewer, Chair, Governmental Operations, State and Federal Legislation Committee**

**Report on the Fiscal 2027 Preliminary Plan,  
the Fiscal 2027 Preliminary Capital Commitment Plan, and the Fiscal 2026  
Preliminary Mayor’s Management Report for the Committee on Governmental  
Operations, State and Federal Legislation**

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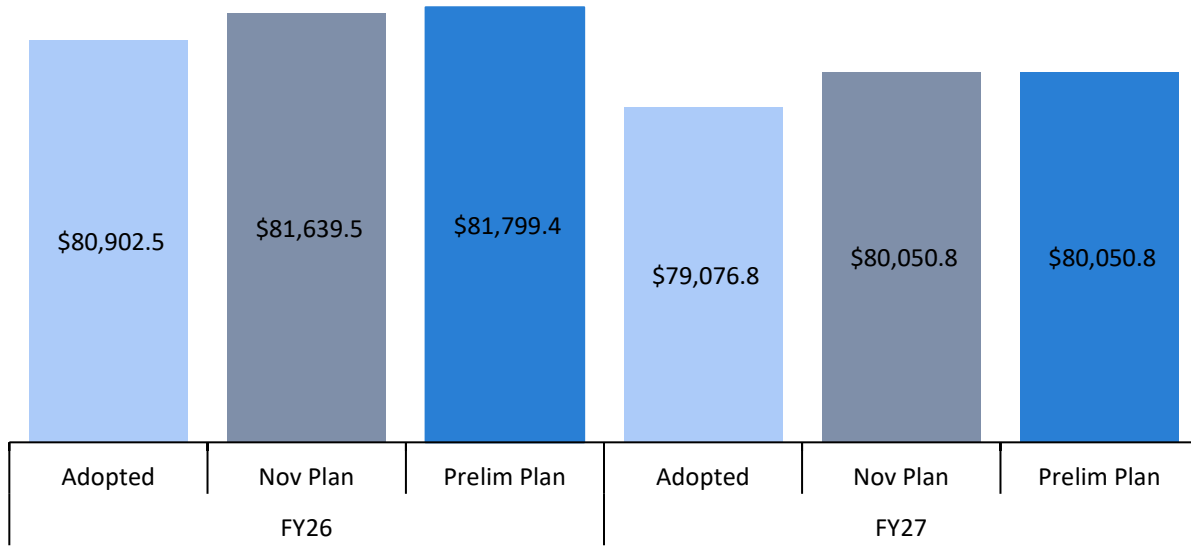
## **Fiscal 2027 Preliminary Plan**

*Office of Administrative Trials and Hearings Budget Overview*

The Office of Administrative Trials and Hearings (OATH or the Office) is the City’s central, independent administrative law court. The Office consists of three divisions which include the Trials, Hearings, and Special Education Hearings divisions, all of which adjudicate a wide range of issues. The Hearings Division conducts hearings on summonses issued by enforcement agencies for alleged violations of City rules and regulations. The Trials Division adjudicates a wide range of issues that can be referred by any City agency, board, or commission. These hearings include disciplinary cases brought by City agencies against civil service employees, matters pertaining to licensing, and regulatory and enforcement authority. The OATH Special Education Hearings Division adjudicates disputes about special education services provided to children who reside in the City.

The Preliminary Financial Plan for Fiscal 2026-2030 (Preliminary Plan), includes a proposed Fiscal 2027 budget of \$80.1 million for OATH unchanged from the November Plan. OATH’s Fiscal 2026 budget in the Preliminary Plan is \$159,869 (0.2 percent) more than its \$81.6 million Fiscal 2026 budget in the November Plan. The current Fiscal 2027 budget is \$851,725 less than the \$80.9 million Fiscal 2026 budget at adoption.

### Comparison of the Last Three Financial Plans



Dollars in Thousands

Source: New York City Office of Management and Budget

## OATH Financial Summary

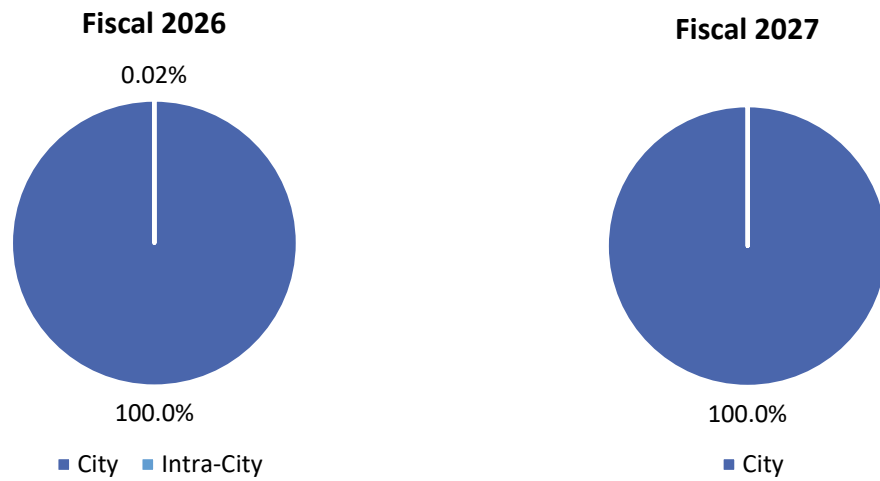
Dollars in Thousands	FY24	FY25	FY26	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY26	FY27	FY27 - FY26
<b>Budget by Unit of Appropriation</b>						
001 - Personal Services	\$53,311	\$56,175	\$62,207	\$62,324	\$62,689	\$481
002 - Other Than Personal Services	13,949	15,470	18,695	19,475	17,362	(1,333)
<b>TOTAL</b>	<b>\$67,261</b>	<b>\$71,644</b>	<b>\$80,903</b>	<b>\$81,799</b>	<b>\$80,051</b>	<b>(\$852)</b>
<b>Funding</b>						
City Funds			\$80,903	\$81,785	\$80,051	(\$852)
Intra-City			0	15	0	0
<b>TOTAL</b>	<b>\$67,261</b>	<b>\$71,644</b>	<b>\$80,903</b>	<b>\$81,799</b>	<b>\$80,051</b>	<b>(\$852)</b>
<b>Budgeted Headcount</b>						
Full-Time Positions - Civilian	422	460	468	470	470	2
Full-Time Equivalent Positions			125	125	127	0
<b>TOTAL</b>	<b>422</b>	<b>460</b>	<b>593</b>	<b>595</b>	<b>597</b>	<b>2</b>

\*The difference of Fiscal 2027 Preliminary Budget compared to Fiscal 2026 Adopted Budget.

Source: New York City Office of Management and Budget

## Budget by Funding Source

Fiscal 2027 City Funds: 100.0 percent



Source: New York City Office of Management and Budget

## Personal Services (PS) and Other Than Personal Services (OTPS)



Dollars in Thousands

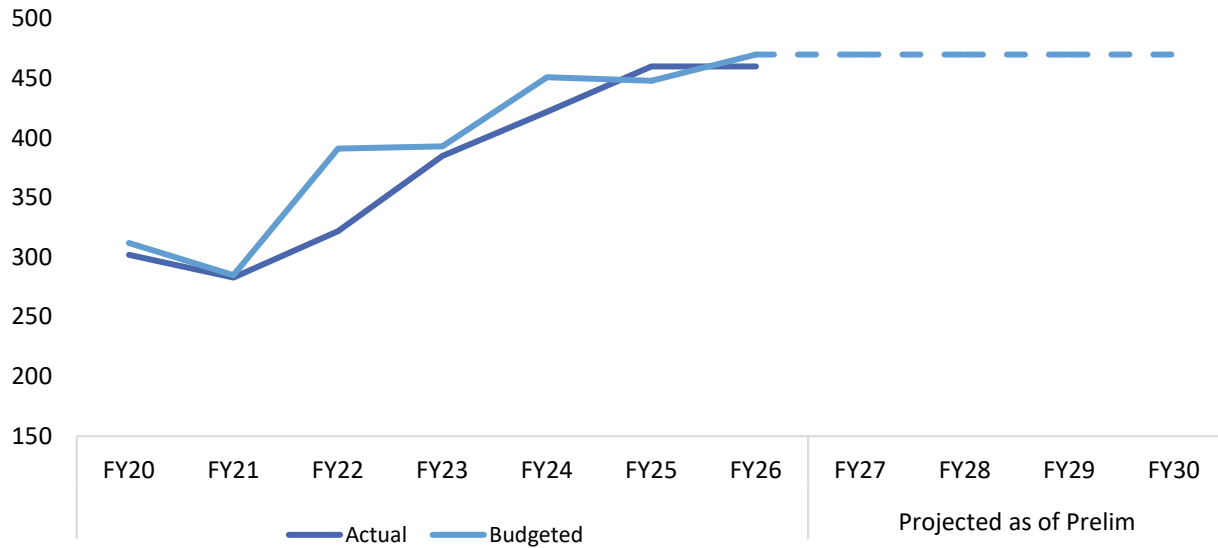
Source: New York City Office of Management and Budget

## Headcount

FY26 Budgeted Full-Time Positions: 470  
 Actual Headcount as of January 2026: 460

FY27 Budgeted Full-Time Positions: 470  
 Vacancy Rate as of January 2026: 2.1 percent

**Budgeted and Actual Headcount FY20-FY30**



Source: New York City Office of Management and Budget

*Note: Budgeted and actual headcounts are as of the end of the fiscal year, except for Fiscal 2026 where budgeted headcount is as of the Preliminary Plan and actual headcount is as of January 2026.*

## OATH Contract Budget

Fiscal 2027 Contract Budget: \$6.4 million  
 Number of Contracts in Fiscal 2027: 30

<i>Dollars in Thousands</i>				
Category	FY26 Adopted	Number of Contracts	FY27 Preliminary	Number of Contracts
Cleaning Services	\$238	2	\$238	2
Contractual Services - General	8,010	22	4,859	18
Maintenance and Repair - General	35	1	35	1
Office Equipment Maintenance	54	1	54	1
Printing Contracts	23	1	23	1
Professional Services - Direct Education Services	7	1	7	1
Professional Services - Other	638	1	638	1
Security Services	199	2	199	2
Telecommunications Maintenance	153	1	153	1
Temporary Services	75	1	75	1
Training Programs for City Employees	83	1	83	1
<b>TOTAL</b>	<b>\$9,515</b>	<b>34</b>	<b>\$6,364</b>	<b>30</b>

Source: New York City Office of Management and Budget

## Preliminary Plan Changes

### Significant Preliminary Plan Changes Other Adjustments

- Leases.** The Preliminary Plan includes an additional \$144,989 in City funding in Fiscal 2026 only to support lease costs that exceed what is already budgeted. This funding relates to three different leased locations, two in Queens and one in the Bronx.

FY26 = \$159,869	FY27 = \$0	FY28 = \$0	FY29 = \$0	FY30 = \$0
New Needs = \$0	New Needs = \$0	New Needs = \$0	New Needs = \$0	New Needs = \$0
Other Adjustments = \$159,869	Other Adjustments = \$0	Other Adjustments = \$0	Other Adjustments = \$0	Other Adjustments = \$0
Savings = \$0	Savings = \$0	Savings = \$0	Savings = \$0	Savings = \$0

*Savings in this chart are the sum of all expense savings, from all revenue sources, including but not limited to, City, State, and federal savings.*

## Preliminary Mayor's Management Report

The Preliminary Mayor's Management Report (PMMR) for Fiscal 2026 reports on five service areas and five goals for OATH. Noteworthy metrics that were reported are detailed below.

- OATH Trials Division – Cases Filed, Closed, and Settlement Rate.** OATH's Trials Division provides fair and neutral administrative proceedings to protect due process rights. In the Trials Division, cases are adjudicated in a manner similar to civil trials but by a judge without a jury. In Fiscal 2023, OATH closed 3,874 cases, decreasing to 3,583 cases in Fiscal 2024. In Fiscal 2025, OATH closed 2,606 cases, a decline of 26.3 percent from the prior year. In the first four months of Fiscal 2026, OATH closed 871 cases, 13.6 percent less than the 1,008 closed during the same period in Fiscal 2025. OATH filed 788 cases in the first four months of Fiscal 2026, 12.2 percent fewer cases than in the first four months of Fiscal

2025. According to the PMMR, the decrease was largely due to a drop in case filings from the Department of Correction and a decrease in the number of licensing cases brought by the Taxi and Limousine Commission. Over the past few fiscal years the number of filings have declined from 3,759 in Fiscal 2023 to 2,556 in Fiscal 2025, a 32 percent decline. OATH's Trial Division had a settlement rate of 56 percent in the first four months of Fiscal 2026, slightly exceeding the target of 55 percent, but seven percent below the rate during the same period last fiscal year. The average time for OATH's Trials Division to issue decisions after records close was 40.0 business days in the first four months of Fiscal 2026, which was slightly faster than the 40.7 business days it took in Fiscal 2025, but slower than all other time periods reported in the PMMR. The 40.0 day average for the first four months of Fiscal 2026 was 50.9 percent slower than the 26.5 day average in the first four months of Fiscal 2025. The PMMR indicates that resolution times fluctuate due to various factors outside OATH's control, including the nature and complexity of filed cases as well as whether a case is subject to urgent statutory or court-mandated resolution deadlines.

- **OATH Hearings Division – Summonses, Adjudications, and Decisions Rendered.** The Hearings Division at OATH received 356,503 summonses from issuing agencies in the first four months of Fiscal 2026, 8.8 percent less than in the same period in Fiscal 2025. In the first four months of Fiscal 2026, 122,363 summonses were resolved through pre-hearing activities and 248,229 decisions were issued, which is 7.0 percent less and 12.4 percent more, respectively, than during the same period last year. OATH held 89,752 hearings in the first four months of Fiscal 2026, which was an increase of 14.5 percent when compared to the first four months of last fiscal year. Hearings held include those conducted by phone, those conducted in person, those conducted with written defenses submitted online, and those conducted with written defenses submitted by mail. All of these types of hearings saw increases between the same periods in Fiscals 2025 and 2026, the largest increase was in-person hearings, which increased by 49.1 percent. The PMMR noted that while there was a substantial increase for in-person hearings, they constitute less than two percent of all hearings conducted.
- **Complaints Related to Special Education.** In Fiscal 2022, the Administration and OATH signed a Memorandum of Agreement that designated OATH as the independent administrative tribunal to hold hearings related to City students who may require special education services. OATH's goal was to hear cases promptly and issue timely and fair decisions. The two critical indicators included for this service area are the percentage of special education cases closed within the regulatory time frame and the average time from appointment to OATH to case closure. For the first metric, in the first four months of Fiscal 2026 OATH closed 66.4 percent of cases within the regulatory time frame, which is below the target of 90 percent and 19.3 percent below the rate in the same period in the prior year. For the second metric, OATH averaged 116.3 days to close a case which was 38.7 percent more than the 83.9 days during the same period in the prior fiscal year. The PMMR noted that this increase was the result of many cases being filed during the July 2024 surge which were closed more quickly than normal. This resulted in a much lower average in Fiscal 2025, while the rates seen thus far in Fiscal 2026 returning to expected levels. In the first four months of Fiscal 2026, 7,859 cases were filed and

appointed to OATH’s Special Education Hearing Division and 3,913 cases were conducted, this is a decline of 31.3 and 43.3 percent, respectively, when compared to the same period in the prior fiscal year. The percentage of special education cases where parents are represented by counsel or other representation was 93.3 percent in Fiscal 2024, declining to 85.1 percent in Fiscal 2025. In the first four months of Fiscal 2026 96.0 percent of parents in special education cases were represented, a 15.2 percent increase over the same period in the prior fiscal year.

## Budget Issues and Concerns, Including Federal and State Budget Risks

- Headcount.** In recent years OATH has taken on significant new responsibilities, including the adjudication of matters related to special education cases and cannabis enforcement. In Fiscal 2025, OATH had an actual headcount of 460, which was greater than its budgeted headcount of 448. The Office’s budgeted headcount in Fiscal 2026 and in the outyears increased to 470 positions, with 460 positions filled as of January 2026. Given the Mayoral mandate to eliminate half of all vacancies and the considerable growth in legal matters handled by OATH, the Administration should evaluate if further increases to budgeted headcount are needed for OATH (rather than reductions) to efficiently and effectively adjudicate all legal matters within its jurisdiction.

## Miscellaneous Revenue

- The Preliminary Plan includes approximately \$148.9 million of OATH miscellaneous revenue in Fiscal 2027, \$2.1 million greater than the Fiscal 2026 Adopted Budget.

*Dollars in Thousands*

Revenue Sources	FY24 Actual	FY25 Actual	FY26 Adopted	Preliminary Plan		*Difference FY27-FY26
				FY26	FY27	
DOHMH Fines	\$24,138	\$26,481	\$22,000	\$22,000	\$22,000	\$0
Environmental Control Board Fines	120,124	144,934	121,582	132,834	123,717	2,135
OATH Hearing Fees	1	1	11	11	11	0
Taxi Fines	2,380	1,628	3,200	3,200	3,200	0
<b>TOTAL</b>	<b>\$146,643</b>	<b>\$173,043</b>	<b>\$146,793</b>	<b>\$158,045</b>	<b>\$148,928</b>	<b>\$2,135</b>

*\*The difference of Fiscal 2027 Preliminary Budget compared to Fiscal 2026 Adopted Budget.  
Source: New York City Office of Management and Budget*

## Supporting Budget Charts

### Budget Actions in the November and Preliminary Plans

<i>Dollars in Thousands</i>	FY26			FY27		
	City	Non-City	Total	City	Non-City	Total
<b>OATH Budget as of the Adopted FY26 Plan</b>	<b>\$80,902</b>	<b>\$0</b>	<b>\$80,902</b>	<b>\$79,077</b>	<b>\$0</b>	<b>\$79,077</b>
<b>Changes Introduced in the November 2025 Plan</b>						
<b>Other Adjustments</b>						
Additional Clerk's Office Staffing	\$117	\$0	\$117	\$234	\$0	\$234
Postage	350	0	350	200	0	200
Remote Hearing Services	270	0	270	540	0	540
<b>Subtotal, Other Adjustments</b>	<b>\$737</b>	<b>\$0</b>	<b>\$737</b>	<b>\$974</b>	<b>\$0</b>	<b>\$974</b>
<b>TOTAL, All Changes in November 2025 Plan</b>	<b>\$737</b>	<b>\$0</b>	<b>\$737</b>	<b>\$974</b>	<b>\$0</b>	<b>\$974</b>
<b>OATH Budget as of the November 2025 Plan</b>	<b>\$81,639</b>	<b>\$0</b>	<b>\$81,639</b>	<b>\$80,051</b>	<b>\$0</b>	<b>\$80,051</b>
<b>Changes Introduced in the FY27 Preliminary Plan</b>						
<b>Other Adjustments</b>						
Leases	\$145	\$0	\$145	\$0	\$0	\$0
Summonses	0	15	15	0	0	0
<b>Subtotal, Other Adjustments</b>	<b>\$160</b>	<b>\$0</b>	<b>\$160</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, All Changes in the FY27 Preliminary Plan</b>	<b>\$160</b>	<b>\$0</b>	<b>\$160</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>OATH Budget as of the FY27 Preliminary Plan</b>	<b>\$81,784</b>	<b>\$15</b>	<b>\$81,799</b>	<b>\$80,051</b>	<b>\$0</b>	<b>\$80,051</b>

Source: New York City Office of Management and Budget

## Budget by Unit of Appropriation

<b>Units of Appropriation (U/A): 001 - Personal Services and 002 - Other Than Personal Services</b>						
<i>Dollars in Thousands</i>						
	FY24	FY25	FY26	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY26	FY27	FY27-FY26
<b>Spending</b>						
<b>Personal Services</b>						
Full-Time Salaried - Civilian	\$42,025	\$45,251	\$49,045	\$49,162	\$49,368	\$323
Additional Gross Pay	1,975	1,308	522	522	522	0
Overtime - Civilian	128	78	10	10	10	0
Fringe Benefits	14	12	0	0	0	0
P.S. Other	0	(23)	0	0	0	0
Unsalaries	9,171	9,549	12,630	12,630	12,788	158
<b>Subtotal</b>	<b>\$53,311</b>	<b>\$56,175</b>	<b>\$62,207</b>	<b>\$62,324</b>	<b>\$62,689</b>	<b>\$481</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$2,291	\$2,822	\$9,515	\$7,084	\$6,364	(\$3,151)
Supplies and Materials	1,009	1,525	1,620	1,880	1,616	(4)
Fixed and Misc. Charges	32	1	0	4	0	0
Property and Equipment	297	225	296	588	290	(6)
Other Services and Charges	10,320	10,896	7,263	9,919	9,092	1,829
<b>Subtotal</b>	<b>\$13,949</b>	<b>\$15,470</b>	<b>\$18,695</b>	<b>\$19,475</b>	<b>\$17,362</b>	<b>(\$1,333)</b>
<b>TOTAL</b>	<b>\$67,261</b>	<b>\$71,644</b>	<b>\$80,903</b>	<b>\$81,799</b>	<b>\$80,051</b>	<b>(\$852)</b>
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