

THE COUNCIL OF THE CITY OF NEW YORK

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Hearing on the Fiscal Year 2013 Executive Budget

Office of Administrative Trials and Hearings

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Office of Administrative Trials and Hearings Fiscal 2013 Budget Overview

The Office of Administrative Trials and Hearings (OATH) is an independent agency that conducts administrative hearings for City agencies, boards or commissions. OATH oversees the operations of four tribunals: the OATH Tribunal; the Environmental Control Board (ECB); and as of Fiscal 2012, the Department of Health and Mental Hygiene (DoHMH) Health Tribunal and the Taxi & Limousine Commission (TLC) Tribunal. These tribunals hold more than 400,000 hearings annually on a diverse range of issues. OATH also offers training services through the Administrative Judicial Training Institute.

This report presents an analysis of the OATH's Fiscal 2013 budget as proposed in the Executive Budget. A financial summary for OATH is presented, along with a discussion of the administrative tribunals. The report then identifies changes to OATH's budget proposed since Adoption.

OATH Financial Summary

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Exec. Plan	2012 Exec. Plan	*Difference 2012 - 2013
Spending					
Personal Services	\$17,313	\$25,981	\$26,518	\$28,074	\$1,556
Full-Time Salaried – Civilian	10,123	16,222	14,717	15,395	678
Other Salaried & Unsalariated	6,423	9,249	10,967	12,134	1,167
Additional Gross Pay	738	349	667	384	(284)
Overtime - Civilian	29	161	167	161	(5)
PS Other	0	0	1	0	(1)
Other Than Personal Services	\$6,009	\$7,538	\$7,399	\$7,366	(\$33)
Supplies and Materials	1,448	1,261	1,715	1,304	(412)
Property and Equipment	578	360	688	684	(4)
Other Services and Charges	1,982	3,187	2,889	3,145	256
Contractual Services	1,995	2,730	2,101	2,234	133
Fixed and Misc. Charges	7	0	6	0	(6)
TOTAL	\$23,322	\$33,519	\$33,917	\$35,440	\$1,522
Funding					
<i>City Funds</i>	\$23,322	\$33,519	\$33,917	\$35,440	\$1,522
TOTAL	\$23,322	\$33,519	\$33,917	\$35,440	\$1,522
Headcount	172	244	247	247	3

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 Executive Plan funding.*

The Executive Budget for OATH includes \$35.4 million for Fiscal 2013. Personal Services comprises approximately 79 percent of the agency's total Fiscal 2013 budget and provides for 247 full-time positions.

The OATH's Contract Budget totals \$2.3 million for 20 contracts and is 31 percent of the agency's total OTPS budget.

The significant increase in OATH's budget between Fiscal 2011 and Fiscal 2012 reflects the transfer of both the DOMHM Health Tribunal (43 positions) and TLC Tribunal (24 positions) to OATH.

Tribunals

The chart below summarizes the Fiscal 2013 budgets of the four administrative tribunals.

FY 2013 Executive Budget

<i>In Thousands</i>	PS	OTPS	Total	Headcount
OATH	\$2,373	\$1,465	\$3,838	33
Health	\$4,407	\$354	\$4,761	43
TLC	\$2,625	\$35	\$2,660	24
ECB	\$17,893	\$5,506	\$23,399	145

OATH Tribunal

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

DoHMH Health Tribunal

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

TLC Tribunal

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

ECB

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

Administrative Tribunal Fine Revenues

OATH generates revenues for the City through the collection of fines issued by the tribunals for various violations. Revenues were \$143.2 million in Fiscal 2011 and are expected to increase to

\$150.9 million in Fiscal 2013. The table below outlines actual revenues in Fiscal 2010 and 2011 and projected revenues in Fiscal 2012-2015.

<i>In Thousands</i>	Actual		Planned			
	2010	2011	2012	2013	2014	2015
ECB Fines	\$91,100	87,174	\$87,330	\$91,322	\$91,110	\$90,929
DOHMH Fines	36,403	45,631	45,240	49,103	49,103	49,103
TLC Fines	5,626	10,416	8,400	10,480	10,890	10,890
TOTAL	\$133,129	\$143,221	\$140,970	\$150,905	\$151,103	\$150,922

The Department of Finance (DOF), through the use of an outside collection agency, collects ECB fines that are past due. In Fiscal 2011, the DOF collected \$28 million in past due ECB fines. According to OMB, the outstanding debt resulting from unpaid ECB fines between Fiscal 2002 and Fiscal 2010 totals approximately \$850 million.

Budget Actions in the November, Preliminary & Executive Plans

The Fiscal 2013 November, Preliminary and Executive Plans for OATH include several budget actions and adjustments that increase the agency's budget by approximately \$399,000 in Fiscal 2012 and \$1.9 million in Fiscal 2013.

<i>Dollars in Thousands</i>	FY 2012			FY 2013		
	City	Non-City	Total	City	Non-City	Total
OATH Budget as of FY 2012 Adopted Plan	\$33,519	\$0	\$33,519	\$33,519	\$0	\$33,519
Program to Eliminate the Gap (PEGs)						
Additional Tribunal Revenue	\$360		\$360	\$1,580		\$1,580
TOTAL, PEGs	\$360	\$0	\$360	\$1,580	\$0	\$1,580
New Needs						
Licensing and Maintenance	\$37		\$37	\$38		\$38
TOTAL, New Needs	\$37	\$0	\$37	\$38	\$0	\$38
Other Adjustments						
Taxi Adjudications				\$300		\$300
Collective Bargaining	2		2	3		3
TOTAL, Other Adjustments	\$2	\$0	\$2	\$303	\$0	\$303
TOTAL, All Changes	\$399	\$0	\$399	\$1,921	\$0	\$1,921
OATH Budget as of FY 2013 Exec. Plan	\$33,918	\$0	\$33,918	\$35,440	\$0	\$35,440

Programs to Eliminate the Gap (PEGs)

- Additional Tribunal Fine Revenue.** As per the 2011 November Plan, OATH anticipates additional fine revenue of \$360,000 in Fiscal 2012 and \$1.6 million in Fiscal 2013 and in the outyears from an increase in case processing and adjudications at the ECB and the Health Tribunals.

New Needs

- Licensing and Maintenance.** The November Plan also includes a new need of \$37,000 in Fiscal 2012, which increases to \$44,000 by Fiscal 2016 for maintenance and software licensing for an electronic case filing and management system.

Other Adjustments

- Taxi Adjudications.** Lastly, the November Plan includes baseline funding of \$300,000 beginning in Fiscal 2013 for additional TLC Administrative Law Judge staff hours to handle the increased enforcement efforts of the TLC. Revenues generated by this action will more than cover the cost of the additional staff hours.