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# IBO's Programmatic Review of the 2006 Budget as of the November Financial Plan

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*Department of  
Consumer Affairs (DCA)*

IBO

New York City  
Independent Budget Office

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## Introductory Note

IBO's programmatic reviews of the 2006 budgets of selected city agencies are intended to assist the public and elected officials better understand the allocation of budgetary resources to city services by presenting agency budgets in a way that is more closely aligned with the actual programs, functions, and services of major city agencies.

The current city budget presentation inhibits understanding and participation in three ways.

First, agency budgets, organized into broad *units of appropriation*, do not easily allow users to understand how much money is being spent from one year to the next on the programs and services that citizens and their elected representatives care about—programs such as job training, childhood lead-poisoning prevention, HIV/AIDS prevention and treatment, after-school programs, immigrant services, affordable housing construction, and recreation programs.

Second, budget proposals are presented in terms of Financial Plan changes, rather than in terms of year-to-year comparisons. A proposed cut, or “PEG,” of \$1 million in a program is presented without information on how much was previously projected for spending on that program in previous Financial Plans, and whether the \$1 million “cut” would leave spending lower, higher, or the same as previous years’ spending levels. This presentation often manifests itself in annual debates over “hidden cuts” and what has been “baselined” in the Financial Plan. This manner of presenting the budget makes it difficult to understand the consequences for agency programs of budgetary decisions.

Finally, it is virtually impossible to link spending decisions to program results. Although at one time the city was a trailblazer in performance reporting, the lack of linkage between performance data reported in the Mayor’s Management Report and elsewhere, and clear spending information, makes it difficult for citizens, elected officials, and even agency managers to know what they are getting for their money and to evaluate alternatives. Our programmatic budget presentations integrate existing performance data from the Mayor’s Management Report, Capstat, and other sources produced by the Mayor’s office alongside spending figures, to provide a unified presentation of both spending and performance.

Our goal in preparing these budget reviews has been to hew as closely as possible to how the agencies themselves present their organization, programs, and services, on their official Web sites and other sources, including using the agencies’ own language to describe programs in most cases. While we have sought, and in most cases received, considerable input from agencies in the preparation of the program budget reviews, our presentations are not necessarily how the Mayor’s budget office or the agencies themselves would present their budgets, were they to do so in programmatic terms. Nonetheless, we think that our presentations can be instructive and point the way toward how to improve understanding of the city’s budget in a way that enhances public participation in the budget process.

IBO will periodically update our program budgets. We will continue to separately issue our analysis of the Preliminary Budget, including of selected agency budgets, as we have every year as required by City Charter section 246.

We welcome your comments or questions, which you may direct to IBO at (212) 442-0632, or by e-mail to [ibo@ibo.nyc.ny.us](mailto:ibo@ibo.nyc.ny.us).

# Department of Consumer Affairs

## MISSION

The Department of Consumer Affairs' (DCA) mission is to foster a marketplace that consumers trust and in which honest businesses thrive. DCA has two primary jobs: to protect the rights of consumers and license many small businesses.

## AGENCY DESCRIPTION

DCA answers inquiries and responds to complaints from thousands of people annually. DCA mediates thousands of disputes between consumers and merchants and sometimes resorts to legal action against businesses to secure consumer restitution.

DCA also licenses more than 60,000 businesses in 55 categories. DCA enforces the regulations on these businesses and curbs misleading and deceptive trade practices among all businesses. DCA works with trade associations and community-based organizations to provide free information and business seminars to merchants about their obligations under the law.

## FIVE-YEAR EXPENDITURE TRENDS BY PROGRAM AREA

<b>Department of Consumer Affairs</b>					
<i>Dollars in millions</i>	2002	2003	2004	2005	2006 Current Modified
	Actual	Actual	Actual	Actual	
<b>Spending by Program Area</b>					
Enforcement	\$4.40	\$4.21	\$4.88	\$4.69	\$4.41
Licensing	1.98	1.92	2.11	2.50	2.41
Adjudication & Collections	1.44	1.40	1.29	1.57	1.68
Communications	1.27	1.18	1.04	1.00	1.05
Administration	5.21	5.23	5.30	5.62	5.75
<b>TOTAL</b>	<b>\$14.30</b>	<b>\$13.95</b>	<b>\$14.63</b>	<b>\$15.39</b>	<b>\$15.30</b>
<b>Spending by Object</b>					
Personal Services	\$11.40	\$10.79	\$11.37	\$11.77	\$12.19
OTPS	2.90	3.16	3.26	3.62	3.11
<b>Full-time Personnel*</b>	<b>222</b>	<b>222</b>	<b>228</b>	<b>221</b>	<b>220</b>
SOURCE: IBO.					
NOTES: *Full-time personnel: June 30 actual for 2002 through 2005; budgeted positions for 2006. Actual full-time staffing as of November 30 for 2006.					

**Performance Results:** See program sections.

## Department of Consumer Affairs

### PROGRAM CHART

Program Area	Programs
Enforcement	General Youth Tobacco
Licensing	General Health
Adjudication & Collections	
Communications	
Administration & Legal	General Legal

**PROGRAM AREA: Enforcement**

The DCA Enforcement Division conducts inspections citywide to make sure that the laws protecting consumers are upheld. The division enforces the weights and measures, consumer protection, and business licensing laws. The laws are enforced by inspecting New York City businesses, initiating legal action to halt deceptive trade practices, targeting businesses that illegally sell cigarettes to minors, and confiscating the vehicles of unlicensed and illegal home improvement contractors or tow truck operators.

The Enforcement program area includes two programs: general enforcement and youth tobacco enforcement.

<b>Enforcement</b>	2004	2005	2006
<i>Dollars in thousands</i>	Actual	Actual	Current
	Expenses	Expenses	Modified
			Budget
<b>Spending</b>	<b>\$4,885</b>	<b>\$4,689</b>	<b>\$4,410</b>
Personal services	4,660	4,301	4,234
Other than personal services	225	388	176
<b>Funding</b>			
City	n.a.	n.a.	3,560
Intracity	n.a.	n.a.	733
State	n.a.	n.a.	117
<b>Full-time Positions</b>	84	81	78
<b>Programs</b>			
General	\$3,352	\$3,238	\$3,677
Youth Tobacco	\$1,533	\$1,451	\$733
SOURCE: IBO.			
NOTE: Full-time personnel: Actual as of June 30 for 2002 through 2005; as of November 30 for 2006.			

***Performance Results:***

<b>Key Performance Measures</b>	Type of Indicator	2002	2003	2004	2005
Consumer Protection Law refund and receipt compliance rate (%)	Outcome	n.a.	n.a.	n.a.	89%
Weights & Measures Law compliance rate (%)	Outcome				
- Gasoline pumps		98%	98%	97%	98%
- Fuel trucks		89%	92%	93%	91%
Inspected stores complying with regulations (%)	Outcome	85%	83%	85%	82%
Second time tobacco regulation offenders (%)	Outcome	19%	17%	18%	28%
SOURCE: Mayor's Management Report.					

### General Enforcement

DCA enforces the city's Consumer Protection Law, which forbids all "deceptive or unconscionable trade practices in the sale, lease, rental, or loan, or in the offering for sale, lease, rental, or loan of any consumer goods and services, or in the collection of consumer debts." Under the law, DCA has authority to adopt rules prohibiting practices it defines as deceptive or unconscionable. DCA also enforces the city's Licensing Law, which applies to 55 types of businesses. By licensing, DCA keeps tabs on businesses and can intervene directly when consumers have complaints. Licensed businesses are subject to sanctions and penalties if they violate any of the laws and rules the DCA enforces.

In addition, DCA enforces the city's Weights and Measures law, which requires that any item must be sold by its true weight or measure. Scales must pass tests for accuracy, and the consumer should see the same numbers that the vendor sees. Finally, DCA also regulates the retail sale of gasoline to ensure that gasoline dealers do not provide preferential treatment for certain customers, require purchases of other goods as a precondition for gas purchase, or deny having a commodity when it is actually available.

<b>General Enforcement</b> <i>Dollars in thousands</i>	2004 Actual Expenses	2005 Actual Expenses	2006 Current Modified Budget
<b>Spending</b>	<b>\$3,352</b>	<b>\$3,238</b>	<b>\$3,677</b>
PS	3,331	3,226	3,648
OTPS	20	12	29
<b>Funding</b>			
City	n.a.	n.a.	3,560
State	n.a.	n.a.	117
<b>Full-time Positions</b>	84	81	78
SOURCE: IBO.			
NOTE: Full-time personnel: Actual as of June 30 for 2002 through 2005; as of November 30 for 2006.			

### Performance Results:

<b>General Enforcement</b> <b>Performance Statistics</b>	Type of Indicator	2002	2003	2004	2005
Weights & Measures and					
Consumer Protection inspections	Output	38,114	36,038	12,119	11,901
Weights & Measures violations	Output	8,151	11,141	2,901	1,288
Consumer Protection violations	Output	8,393	6,056	945	1,760
License inspections	Output	67,237	26,428	12,816	12,545
License violations	Output	22,758	15,512	1,963	2,182
Home improvement contractor					
(HIC) inspections	Output	4,819	1,990	n.a.	n.a.
HIC citations issued	Output	95	294	458	433
HIC confiscations	Output	85	53	83	325
SOURCE: Mayor's Management Report.					
NOTE: Change in reporting methodology for inspections beginning in 2004.					

### Youth Tobacco Enforcement

The DCA licenses cigarette retailers in New York City, and enforces city and state laws that prohibit the sale of tobacco to minors. DCA hires teens to work with agency inspectors and go undercover to curb illegal sales to minors. Accompanied by a DCA inspector, teens conduct more than 14,000 routine inspections year-round in all five boroughs. If a store illegally sells cigarettes to minors, the vendor is given a violation and faces both city and state penalties, including fines and loss of license.

<b>Youth Tobacco Enforcement</b> <i>Dollars in thousands</i>	2004 Actual Expenses	2005 Actual Expenses	2006 Current Modified Budget
<b>Spending</b>	<b>\$1,533</b>	<b>\$1,451</b>	<b>\$733</b>
PS	1,328	1,075	586
OTPS	205	376	146
<b>Funding</b>			
Intra-city	n.a.	n.a.	733
<b>Full-time Positions</b>	0	0	0
SOURCE: IBO.			
NOTE: Full-time personnel: Actual as of June 30 for 2002 through 2005; as of November 30 for 2006.			

### *Performance Results:*

<b>Youth Tobacco Enforcement Performance Statistics</b>	Type of Indicator	2002	2003	2004	2005
Number of Inspections	Output	10,683	12,509	14,588	12,745
Tobacco violations issued	Output	1,737	2,096	2,120	2,347
SOURCE: Mayor's Management Report.					

**Department of Consumer Affairs**  
Licensing

**PROGRAM AREA: Licensing**

DCA issues licenses to more than 60,000 businesses in 55 categories. It operates the DCA Licensing Center, which manages the issuance of licenses. Businesses requiring licenses include home improvement contractors, cigarette dealers, sidewalk cafes, debt collectors, parking lots and tow truck companies – to name a few. The division also processes licenses for the New York City Department of Health.

The Licensing program area is divided into two programs: general licensing and health licensing.

<b>Licensing</b>		2004	2005	2006
<i>Dollars in thousands</i>		Actual	Actual	Current
		Expenses	Expenses	Modified
				Budget
<b>Spending</b>		<b>\$2,108</b>	<b>\$2,502</b>	<b>\$2,409</b>
Personal services		1,833	2,053	2,133
Other than personal services		275	449	275
<b>Funding</b>				
City		n.a.	n.a.	1,263
Intracity		n.a.	n.a.	1,146
<b>Full-time Positions</b>		49	47	47
<b>Programs</b>				
General Licensing		\$1,178	\$1,306	\$1,173
Health Licensing		\$930	\$1,197	\$1,236
SOURCE: IBO.				
NOTE: Full-time personnel: Actual as of June 30 for 2002 through 2005; as of November 30 for 2006.				

***Performance Results:***

<b>Key Performance Measures</b>	Type of Indicator	2002	2003	2004	2005
License Law compliance rate (%)	Outcome	n.a.	n.a.	n.a.	78%
Licensing Center wait time (minutes)	Service				
	Quality	9.5	17.7	14.0	13.0
SOURCE: Mayor's Management Report.					



**Department of Consumer Affairs**  
Licensing

**General Licensing**

This program includes costs related to DCA's business licensing responsibilities.

<b>General Licensing</b> <i>Dollars in thousands</i>	2004 Actual Expenses	2005 Actual Expenses	2006 Current Modified Budget
<b>Spending</b>	<b>\$1,178</b>	<b>\$1,306</b>	<b>\$1,173</b>
PS	1,178	1,306	1,173
OTPS	0	0	0
<b>Funding</b>			
City	n.a.	n.a.	1,173
<b>Full-time Positions</b>	35	32	30
SOURCE: IBO. NOTE: Full-time personnel: Actual as of June 30 for 2002 through 2005; as of November 30 for 2006.			

***Performance Results:***

<b>General Licensing</b> <b>Performance Statistics</b>	Type of Indicator	2002	2003	2004	2005
Current number of licenses	Demand	106,818	105,493	110,620	112,721
Licenses and permits issued	Output	35,980	41,711	37,497	39,138
New applications accepted	Output	12,365	14,425	11,706	15,435
SOURCE: Mayor's Management Report.					

### Health Licensing

This program includes DCA's responsibilities for processing licenses for the New York City Department of Health.

<b>Health Licensing</b>			
<i>Dollars in thousands</i>			
	2004 Actual Expenses	2005 Actual Expenses	2006 Current Modified Budget
<b>Spending</b>	<b>\$930</b>	<b>\$1,197</b>	<b>\$1,236</b>
PS	655	747	961
OTPS	275	449	275
<b>Funding</b>			
City	n.a.	n.a.	90
Intra-city	n.a.	n.a.	1,146
<b>Full-time Positions</b>	14	15	17
SOURCE: IBO.			
NOTE: Full-time personnel: Actual as of June 30 for 2002 through 2005; as of November 30 for 2006.			

**Performance Results:** No reported performance statistics.

**PROGRAM AREA: Adjudication and Collections**

The City fields thousands of complaint calls each year. When a complaint falls within DCA's legal jurisdiction, the DCA will mediate between the consumer and the store owner or merchant. In some cases, if the issue can't be resolved, DCA's administrative law judges will hear the case. When appropriate, the Legal Division pursues litigation against businesses that defraud consumers.

The DCA collects fines from licensed and unlicensed businesses that violate the Consumer Protection, Licensing, and Weights and Measures Laws.

<b>Adjudication and Collections</b> <i>Dollars in thousands</i>			
	2004 Actual Expenses	2005 Actual Expenses	2006 Current Modified Budget
<b>Spending</b>	<b>\$1,293</b>	<b>\$1,571</b>	<b>\$1,676</b>
Personal services	1,293	1,571	1,676
Other than personal services	0	0	0
<b>Funding</b>			
City	n.a.	n.a.	1,676
<b>Full-time Positions</b>	<b>33</b>	<b>32</b>	<b>33</b>
SOURCE: IBO. NOTE: Full-time personnel: Actual as of June 30 for 2002 through 2005; as of November 30 for 2006.			

***Performance Results:***

Key Performance Measures	Type of Indicator	2002	2003	2004	2005
Consumer complaints received	Demand	5,807	4,258	4,316	6,019
Consumer complaints closed	Output	6,459	4,489	4,289	5,330
- Complaints resolved in favor of consumer	Output	4,306	2,832	2,377	2,958
- Other resolution (court, invalid, withdrawn, hearing, out of business)	Output	2,153	1,878	1,645	2,372
Complaints resolved to the satisfaction of businesses and consumer	Service Quality	51%	54%	54%	55%
Valid complaints in mediation	Output	6,012	4,251	4,373	6,116
Complaint processing time (%):	Service Quality				
- within 0-29 days		46%	45%	43%	32%
- within 30-45 days		24%	27%	29%	19%
- over 45 days		30%	28%	28%	50%
Ave. complaint processing time (days)	Outcome				
- Parking lots		27	25	29	70
- Furniture stores		23	18	29	57
- Electronic stores		23	20	30	54
- Home improvement contractors (unlicensed)		24	25	23	83
- Home improvement contractor (licensed)		28	21	23	143
Consumer restitution awarded (in 000s)	Outcome	\$3,296	\$7,016	\$3,110	\$3,668
Total Agency Collections (in 000s)	Outcome	\$4,397	\$4,983	\$6,858	\$8,035
In-house Collections (in 000s)	Outcome	\$2,724	\$2,362	\$1,346	\$1,447
SOURCES: Mayor's Management Report and Department of Consumer Affairs.					

**Department of Consumer Affairs**  
Communications

**PROGRAM AREA: Communications**

DCA uses the press, the Web, publications, speaking engagements, and seminars to educate both consumers and businesses about their rights and responsibilities. DCA coordinates two citywide efforts to help New Yorkers improve their financial status. The agency also recommends legislation to protect consumers and organizes coalitions to support it.

<b>Communications</b>	2004	2005	2006
<i>Dollars in thousands</i>	Actual	Actual	Current
	Expenses	Expenses	Modified
			Budget
<b>Spending</b>	<b>\$1,040</b>	<b>\$1,003</b>	<b>\$1,055</b>
Personal services	1,040	1,003	1,055
Other than personal services	0	0	0
<b>Funding</b>			
City	n.a.	n.a.	1,055
<b>Full-time Positions</b>	20	20	20
SOURCE: IBO.			
NOTE: Full-time personnel: Actual as of June 30 for 2002 through 2005; as of November 30 for 2006.			

**Performance Results:** No reported performance statistics.

**Department of Consumer Affairs**  
Administration & Legal

**PROGRAM AREA: Administration & Legal**

This program area covers general administration functions that support DCA's various program areas. This includes litigation and mediation activities by the Legal Division to support DCA's enforcement efforts.

<b>Administration &amp; Legal</b>			
<i>Dollars in thousands</i>	2004 Actual Expenses	2005 Actual Expenses	2006 Current Modified Budget
<b>Spending</b>	<b>\$5,301</b>	<b>\$5,622</b>	<b>\$5,752</b>
Personal services	2,546	2,840	3,089
Other than personal services	2,756	2,782	2,663
<b>Funding</b>			
City	n.a.	n.a.	5,660
Intracity	n.a.	n.a.	92
<b>Full-time Positions</b>	42	41	42
<b>Programs</b>			
General Administration	\$4,338	\$4,533	\$4,656
Legal	\$963	\$1,088	\$1,096
SOURCE: IBO.			
NOTE: Full-time personnel: Actual as of June 30 for 2002 through 2005; as of November 30 for 2006.			

***Performance Results:***

<b>Key Performance Measures</b>	Type of Indicator	2002	2003	2004	2005
Settlements from lawsuits and seizures	Outcome				
- Total settlement amount (in 000s)		\$535	\$1,167	\$2,259	\$1,730
- Average settlement amount		\$2,316	\$2,499	\$2,469	\$1,627
SOURCE: Mayor's Management Report.					

**Department of Consumer Affairs**  
Administration & Legal

**General Administration**

This program includes general administration and information systems management activities that support DCA's various programs.

<b>General Administration</b> <i>Dollars in thousands</i>	2004 Actual Expenses	2005 Actual Expenses	2006 Current Modified Budget
<b>Spending</b>	<b>\$4,338</b>	<b>\$4,533</b>	<b>\$4,656</b>
PS	1,583	1,751	1,993
OTPS	2,756	2,782	2,663
<b>Funding</b>			
City	n.a.	n.a.	4,564
Intra-city	n.a.	n.a.	92
<b>Full-time Positions</b>	26	24	23
SOURCE: IBO. NOTE: Full-time personnel: Actual as of June 30 for 2002 through 2005; as of November 30 for 2006.			

**Performance Results:** No reported performance statistics.

## Legal Affairs

This program includes DCA's litigation and mediation activities that bring affirmative legal actions to enforce the City's Consumer Protection Laws, License Enforcement Laws and Weights and Measures Laws, both in court and in the agency's administrative tribunal. This program also supports DCA's other duties to protect the public, including resolving complaints, responding to inquiries, and reviewing proposed consumer legislation.

<b>Legal Affairs</b>		2006	
<i>Dollars in thousands</i>		2004	2005
		Actual	Actual
		Expenses	Expenses
			Current
			Modified
			Budget
<b>Spending</b>		<b>\$963</b>	<b>\$1,088</b>
PS		963	1,088
OTPS		0	1
			2
<b>Funding</b>			
City		n.a.	n.a.
			1,096
<b>Full-time Positions</b>		<b>16</b>	<b>17</b>
			19

SOURCE: IBO.  
NOTE: Full-time personnel: Actual as of June 30 for 2002 through 2005; as of November 30 for 2006.

## Performance Results:

<b>Legal Affairs</b>		Type of			
<b>Performance Statistics</b>		Indicator	2002	2003	2004
Total cases opened		Output	1,012	576	915
- License Law			506	264	367
- Padlock Law			209	181	296
- Consumer Protection Law			287	131	170
- Weights and Measures Law			10	0	82
					0

SOURCE: Mayor's Management Report.