



**TESTIMONY
OF THE
NEW YORK PUBLIC INTEREST RESEARCH GROUP
BEFORE THE
JOINT HEARING OF THE SENATE FINANCE AND ASSEMBLY WAYS & MEANS
COMMITTEES REGARDING THE
FISCAL YEAR 2025-2026 EXECUTIVE PUBLIC PROTECTION BUDGET PROPOSAL
February 13, 2025
Albany, N.Y.**

The New York Public Interest Research Group (NYPIRG) is a non-partisan, non-profit, research and advocacy organization. Consumer protection, environmental preservation, health care, higher education, and governmental reforms are our principal areas of concern. We appreciate the opportunity to testify on the governor’s executive budget on public protection.

This testimony focuses on the needs of the Small Claims Courts of New York State. We urge that the final budget agreement add sufficient funding to ensure that this overlooked but important resource will be able to meet the needs of New Yorkers. Based on our experience running our “Small Claims Court Action Centers,” it is our view that the dramatic declines in case filings in recent years is due in part to underfunding, which has led to extremely lengthy delays in cases and reduced court personnel.

Small Claims Court, also known as the “People’s Court,” is a low-cost, informal court where people without attorneys can bring claims for relatively small amounts of money – below \$10,000 in New York City, and \$5,000 or below in other jurisdictions around the state. One of the virtues of Small Claims is also that it operates more quickly and efficiently than higher courts, and cases are supposed to resolve faster than cases in the higher trial courts. The Court is utilized by, among others, tenants attempting to reclaim their security deposits; homeowners who have hired contractors who have failed to perform services; employees who have experienced wage theft; and any consumer who has fallen prey to a deceptive or fraudulent business practice. The Court is an essential tool for ordinary people to win back their hard-earned money without having to hire an expensive attorney.

NYPIRG operates a statewide hotline called the Small Claims Court Action Center (SCCAC), where we provide free legal information and assistance in guiding litigants through the process of Small Claims, from filing the case to collecting judgments. We speak to 700-800 people utilizing the Small Claims Courts every year. Many of the New Yorkers contacting NYPIRG’s Small Claims Court Action Centers are referred to us by the Attorney General, the New York State Bar Association, the New York City Bar Association, and New York City’s 311 service, among others. NYPIRG is the only organization in the state that focuses on providing assistance to those who need to use the Small Claims Courts.¹

¹ NYPIRG’s Small Claims Court Action Centers provide free information, assistance and counseling for clients with consumer and small claims court matters. Counseling is primarily conducted by undergraduate college students and

In recent years, the “People’s Court” has experienced a dramatic decline in the number of case filings. In 1997, there were more than 90,000 cases filed in Small Claims throughout New York State.² In 2022, there were only about 25,000 cases filed in the Small Claims Courts,³ including NYC Civil, City Courts and District Courts (Long Island).⁴ Even before the pandemic reduced caseloads, there were only about 34,500 cases filed in 2019.⁵ This amounts to a decrease in case filings of approximately 75% over a 25-year period.

According to a soon-to-be-released NYPIRG report, litigants in many Small Claims courts currently experience long wait times for their cases to be calendared. Particularly in New York City, claimants typically can expect to wait at least six months and sometimes up to a year after filing a claim for their first scheduled court date. Anecdotally, some clients report to us that it takes two years or more to fully resolve their case. The abnormally long wait times to have a case calendared is likely having a chilling effect on the overall filing numbers. Many consumers may simply give up on the possibility of reclaiming money they are owed, unsure whether they will not be able to obtain justice in this forum. Again, it is worth emphasizing that Small Claims Court was designed to be an expedited process. Justice delayed is justice denied is as true in small claims court as any other judicial forum.

One of the main reasons for the increasingly long delays in Small Claims may well be that current funding levels are inadequate to provide an efficient and expedited judicial result. Per the annual OCA budget reports, funding for courts of original jurisdiction (which includes most criminal and civil filings throughout the state) has not kept up with inflation. In 2008 (the earliest publicly available budget report on OCA’s website), courts of original jurisdiction were allocated approximately \$222 million.⁶ In fiscal year 2024, they were allocated \$293.5 million.⁷ If funding levels had kept up with inflation, courts of original jurisdiction should receive at least \$322.6 million in fiscal year 2025.⁸ While courts of original jurisdiction received a budget of \$307.4 million for fiscal year 2025⁹ – a substantial increase over the previous year – this is still approximately \$15.2 million short of basic levels of inflation.

interns and lay staff supervised by NYPIRG attorneys. Legal advice and courtroom representation are not provided. Services are provided free-of-charge and there is no means testing for our services.

² 20th Annual Report of the Chief Administrator of the Courts (1997), Page 9, Table 5, <https://ww2.nycourts.gov/sites/default/files/document/files/2018-05/ar20-1fin.pdf>.

³ New York State Unified Court System, 2022 Annual Report, Page 67, Table 9 and Page 68, Table 11, https://www.nycourts.gov/legacyPDFS/22_UCS-Annual_Report.pdf

⁴ The Town Courts and Village Courts in most areas of the state have Small Claims Parts, but their data is not included in the state Office of Court Administration reports.

⁵ New York State Unified Court System, 2019 Annual Report, Page 41, Table 9 and Page 42, Table 11, https://www.nycourts.gov/legacypdfs/19_UCS-Annual_Report.pdf.

⁶ New York State Unified Court System Budget, Fiscal Year 2008-2009, page 152, ww2.nycourts.gov/sites/default/files/document/files/2019-03/0809BudgetWhole.pdf.

⁷ New York State Unified Court System Budget, Fiscal Year 2024, page 30, https://ww2.nycourts.gov/sites/default/files/document/files/2022-11/FY2024_FINAL_JudiciaryBudget.pdf.

⁸ Calculated using the Bureau of Labor Statistics Consumer Price Index Inflation Calculator, www.bls.gov/data/inflation_calculator.htm.

⁹ New York State Unified Court System Budget, Fiscal Year 2025, page 67, www.nycourts.gov/LegacyPDFS/admin/financialops/FPCM-PDFs/V2_jdbgt/FY2025_FINAL-JudiciaryBudget.pdf.

It is difficult to find data on specific funding levels for Small Claims, as OCA distributes funds to local court administrators throughout the state, who then have discretion to decide how to allocate the funds amongst the courts under their supervision. From years of advocating on Small Claims Court issues, however, we do know that this is typically an overlooked and underappreciated court that likely has not seen increases in the number of judges and clerks in many years.

For Fiscal Year 2026, OCA has proposed an overall budget increase of \$268.2 million, bringing the budget for the state judiciary to \$3 billion.¹⁰ We urge OCA, as well as local court systems that distribute funds, to prioritize funding for Small Claims Court operations in particular.

Besides delays in having their cases heard, a major reason consumers may be filing fewer Small Claims cases is the difficulty collecting judgments from the court. In previous studies by NYPIRG, we found that more than 40% of claimants who win their cases fail to collect a penny of their judgment.¹¹ A recent NYPIRG report surveying a more limited dataset of Small Claims litigants suggests that the collection success rate may be significantly worse than the dismal rates in earlier reports.¹²

New York is not without responses to what has long been viewed as the Achilles Heel of Small Claims Court. In the aforementioned report on the difficulty of collecting judgments, NYPIRG provides a number of recommendations to aid judgment creditors in the collections process. Some of these recommendations require the clerks, as well as the judges, to do more to aid the largely *pro se* litigants in Small Claims, whether by directly assisting litigants in filling out necessary forms to locate judgment debtor assets, or better enforcing laws on the books meant to help locate and secure debtor assets. Such reforms would require more resources directed to Small Claims to ensure that both clerks and judges have the flexibility and time to provide more assistance to litigants. We also recommend that the Legislature conduct a dedicated public hearing on the small claims court to receive testimony from consumers, court watchdogs, court personnel and attorneys.

We therefore urge that the final budget agreement provide adequate funding levels for Small Claims Court so that consumers can efficiently seek justice in this important judicial forum. At the very least, funding for Small Claims should keep pace with inflation.

Thank you for the opportunity to testify.

¹⁰ Lee, Brian, “NY Court Leaders Ask for 10% Judiciary Budget Increase,” *New York Law Journal*, December 2, 2024.

¹¹ *Nowhere Else to Turn: A Study of the Albany Small Claims Court*, NYPIRG, 1978; *Winning Isn't Everything: A Study of the New York City Small Claims Court*, NYPIRG, 1976.

¹² *Small Claims, Small Changes: A Survey of Albany Small Claims Court 45 Years Later*, NYPIRG, 2024.