



**New York City Council**

Christine C. Quinn, Speaker

**Finance Division**

Preston Niblack, Director

Jeffrey Rodus, First Deputy Director

**Hearing on the Mayor's Fiscal Year 2012 Preliminary Budget &  
the Fiscal Year 2011 Preliminary Mayor's Management Report**

**Department of Homeless Services**

March 24, 2011

**Committee on General Welfare**

Hon. Annabel Palma, Chair

Latonia McKinney, Deputy Director, Finance Division  
Crystal Coston, Legislative Financial Analyst

## Summary and Highlights

<i>Dollars in Thousands</i>	2010 Actual	2011 Adopted	2011 Feb Plan	2011 Feb Plan	Difference 2011 vs. 2012*
Personal Services	\$120,337	\$119,259	\$120,157	\$116,637	(\$2,622)
Other than Personal Services	821,648	720,313	925,016	687,322	(32,991)
<b>Total</b>	<b>\$941,984</b>	<b>\$839,572</b>	<b>\$1,045,173</b>	<b>\$803,959</b>	<b>(\$35,613)</b>

\*Variance between the Fiscal 2011 Adopted Budget and the Fiscal 2012 Preliminary Budget.

### Fiscal 2012 Preliminary Plan Highlights

DHS' budget reduction target is \$935,000 for Fiscal 2011 and \$18 million for Fiscal 2012. To meet this target DHS proposes to increase revenue by improving reimbursement claims for adults and families in shelter, as well as reduce and restructure a number of services and programs including the following:

- Increase Performance Targets for Shelter providers via its Graduated Payment System (GPS); (see pg. 16)
- Restructure Adult Shelter Provider Performance Payments; (see p.11)
- Implement Performance based Payment component for Family Hotel Providers; (see pg.16 )
- Increase Adult Shelter Diversions; (see pg. 10.)
- Eliminating contracted security guards in family shelters; (see pg. 15)
- Requiring Families with Children to Share Rooms. (See pg. 16)

### State Fiscal Year 2011-12 Executive Budget Highlights

- **Eliminate Support for Advantage.** The State Fiscal 2011-12 Executive Budget proposal to eliminate funding for the Work Advantage Program, administered through the Department of Homeless Services (DHS), will impact the City's ability to provide rental subsidies for nearly 15,000 single adults and families transitioning out of shelter (see pg 24)
- **Reduce State Adult Shelter Cap.** The State Fiscal 2011-12 Executive Budget proposes to reduce its cap for City Adult Shelter Support from \$84.7 million to \$69 million, a reduction of \$15.7 million or 18.5 Percent. (see pg 11)

# Department Of Homeless Services (DHS)

The Department of Homeless Services (DHS), in partnership with public agencies and the business and nonprofit communities, prevents homelessness and provides temporary emergency shelter for eligible homeless people in a safe, supportive environment. DHS manages 11 City-run and 192 privately-run shelter facilities, consisting of 51 adult facilities and 152 family facilities. DHS also provides outreach services available 24 hours a day, seven days a week, as well as homeless prevention services through community-based programs.

### Key Public Services Areas

- Prevent homelessness.
- Conduct outreach to street homeless people.
- Provide temporary emergency shelter for eligible homeless people.
- Work with homeless individuals and families to develop and implement independent living plans.

### Critical Objectives

- Increase the number of people prevented from becoming homeless.
- Ensure the availability of temporary shelter for homeless individuals and families.
- Maintain shelter safety and cleanliness.
- Increase client engagement and responsibility in moving to permanent housing.
- Reduce clients' length of stay in shelters.
- Increase placements into permanent housing.
- Reduce re-entries into the shelter service system.

SOURCE: Mayor's Fiscal 2011 Preliminary Management Report

## DHS Financial Summary

Dollars in Thousands

	2009 Actual	2010 Actual	2011 Adopted	2010 Feb Plan	2012 Feb Plan	*Difference 2012 vs. 2011
<b>Budget by Program Area</b>						
Adult Shelter Administration & Support	\$6,609	\$8,182	\$5,710	\$8,201	\$8,201	\$2,491
Adult Shelter Intake and Placement	7,809	8,053	8,699	8,463	9,060	361
Adult Shelter Operations	204,220	208,060	203,593	255,339	261,318	57,725
Family Shelter Administration & Support	5,851	5,467	5,874	5,752	5,752	(122)
Family Shelter Intake and Placement	26,620	24,544	25,925	23,336	23,913	(2,012)
Family Shelter Operations	369,267	393,808	357,736	390,460	382,831	25,095
General Administration	64,837	61,328	55,580	62,562	57,519	1,939
Outreach, Drop-in and Reception Services	22,450	18,962	12,985	19,049	12,852	(133)
Prevention and Aftercare	27,022	27,349	30,718	38,713	8,548	(22,170)
Rental Assistance and Housing Placement	116,624	186,229	132,751	233,298	33,964	(98,787)
<b>TOTAL</b>	<b>\$851,310</b>	<b>\$941,984</b>	<b>\$839,572</b>	<b>\$1,045,173</b>	<b>\$803,959</b>	<b>(\$35,613)</b>
<b>Funding</b>						
City Funds	NA	NA	\$304,043	\$339,108	\$329,060	\$23,867
Council Funding						
State	NA	NA	1,150	1,150	0	(1,150)
Federal - Community Development	NA	NA	214,894	228,585	216,564	1,670
Federal - Other	NA	NA	10,242	13,147	4,553	(5,689)
Intra City	NA	NA	134,883	187,740	145,941	11,057
<b>TOTAL</b>	<b>\$785,533</b>	<b>\$851,310</b>	<b>\$839,572</b>	<b>\$1,045,173</b>	<b>\$803,959</b>	<b>(\$35,613)</b>

\*Variance between the Fiscal 2011 Adopted Budget and the Fiscal 2012 Preliminary Budget.

**Department of Homeless Services Financial Summary (cont'd)**

<i>Dollars in Thousands</i>	2009 Actual	2010 Actual	2011 Adopted	2010 Feb. Plan	2012 Feb Plan	*Difference 2012 vs. 2011
<b>Positions</b>						
Fulltime Positions	2,026	1,920	2,048	2,011	1,914	(134)
<b>TOTAL</b>	<b>2,026</b>	<b>1,920</b>	<b>2,048</b>	<b>2,011</b>	<b>1,914</b>	<b>(134)</b>

\*Variance between the Fiscal 2011 Adopted Budget and the Fiscal 2012 Preliminary Budget.

The Council has routinely provided funding for homeless prevention programs. The Council provided funding for DHS's homeless prevention fund, which provides emergency grants for families at risk of eviction. The grants help to keep families in their homes and avoid the shelter system. The Council also provided funding for the continuation of medical services for individuals in shelter.

**FY 2011 Council Changes at Adoption by Program Area**

*Dollars in Thousands*

<b>Adult Shelter Operations</b>	
Medical Services Partial PEG Restoration	1,200
<b>Subtotal</b>	<b>\$1,200</b>
<b>Prevention and Aftercare</b>	
Citywide Homeless Prevention Fund Initiative	250
<b>Subtotal</b>	<b>\$250</b>
<b>Rental Assistance and Placement; Adult Shelter Operations</b>	
Furnish-A-Future Partial PEG Restoration	400
<b>Subtotal</b>	<b>\$400</b>
<b>TOTAL</b>	<b>\$1,850</b>

## Fiscal 2012 Preliminary Contracts Budget

The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services, which are defined as any technical, consultant or personal service provided to the City by means of a contract. The Contract Budget is actually a subset of the Other Than Personal Services (OTPS) portion of the City's Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. In January, it is prepared with the Departmental Estimates, and in late April it is submitted to the Council with the Executive Budget. Finally, the Council adopts the entire budget (Expense, Revenue, Contract and Capital) before the end of each fiscal year.

The Contract Budget sets forth anticipated contractual spending for each agency by unit of appropriation, broken down by object codes, number of contracts per category and the corresponding dollar value anticipated to be expended in each category. The Contract Budget is a plan -- an agency's blueprint or forecast of what services it anticipates it will need to purchase during the next fiscal year. The following table provide the Department of Homeless Services' contract budget for Fiscal 2012.

Category	Number	Budgeted	Pct of DHS Total
Contractual Services General	33	\$493,081	0.1%
Telecommunications Maintenance	2	58,000	0.0%
Maint & Repair of Motor Vehicle Equipment	1	17,500	0.0%
Maint & Repair, General	31	5,763,721	0.9%
Office Equipment Maintenance	6	34,500	0.0%
Data Processing Equipment	1	12,800	0.0%
Printing Contracts	5	181,530	0.0%
Security Services	7	23,041,063	3.6%
Temporary Services	16	639,697	0.1%
Cleaning Services	3	2,059,878	0.3%
Transportation Expenditures	1	1,269,810	0.2%
Homeless Family Services	282	343,654,465	54.1%
Homeless Individual Services	138	254,992,156	40.2%
Training Programs for City Employees	6	498,488	0.1%
Maintenance & Operations of Infrastructure	1	79,899	0.0%
Professional Services Accounting & Legal	2	463,715	0.1%
Professional Services Legal	1	12,000	0.0%
Professional Services Engineer & Architect	2	120,298	0.0%
Professional Services Computer	2	1,644,556	0.3%
Professional Services Other	1	8,500	0.0%
<b>Preliminary Budget</b>	<b>541</b>	<b>\$635,045,567</b>	<b>100.0%</b>

# Capital Program

## Capital Budget Summary

The February 2011 Capital Commitment Plan includes \$101.1 million in Fiscal 2011-2014 for the Department of Homeless Services (all City funds). This represents less than one percent of the City’s total \$33.2 billion February Plan for Fiscal 2011-2014. The agency’s February Commitment Plan for Fiscal 2011-2014 is 18 percent less than the \$123.8 million scheduled in the September Commitment Plan, a decrease of \$22.7million.

Over the past five years (2006-2010) the Department of Homeless Services has committed an average of 45.7 percent of its annual Capital plan. Therefore, it is assumed that a portion of the agency’s Fiscal 2011 Capital plan will be rolled into Fiscal 2012, thus increasing the size of the Fiscal 2012-2015 Capital plan. Since adoption last June, the Capital Commitment Plan for Fiscal 2011 has decreased from 80.6 million to 56.2 million, a reduction of \$24.4 million or 30.3 percent.

Currently the Department of Homeless Services appropriations total \$95.1 million in City funds for Fiscal 2011. These appropriations are to be used to finance the agency’s 56.1 million City-funded Fiscal 2011 Capital Commitment Program. The agency has \$39 million, or 41 percent more funding than it needs to meet its entire Capital Commitment Program for the current fiscal year.

### 2011-2014 Commitment Plan: Adopted and Preliminary Budget

*Dollars in Thousands*

	FY11	FY12	FY13	FY14	Total
<b>Adopted</b>					
Total Capital Plan	\$80,599	\$10,776	\$18,919	\$13,507	<b>\$123,801</b>
<b>Prelim</b>					
Total Capital Plan	\$56,181	\$18,951	\$15,135	\$10,806	<b>\$101,073</b>
<b>Change</b>					
Level	(\$24,418)	\$8,175	(\$3,784)	(\$2,701)	<b>(\$22,728)</b>
Percentage	-30.30%	75.86%	-20.00%	-20.00%	<b>-18.36%</b>

## 2012-2021 Ten-Year Capital Strategy

According to DHS’s Ten-Year Capital Strategy, the major focus of its Preliminary Ten-Year Capital Strategy is the maintenance and development of transitional housing for homeless families and single adults. The Department’s Ten-Year Preliminary Capital Plan totals \$65.1 million. As indicated in the chart below, \$28.6 million, or 43.9 percent is planned for transitional housing for single adults, \$21.2 million, or 32.6 percent is planned transitional housing for homeless families, and \$15.3 million, or 23.5 percent is planned for Management Information Systems (MIS) and equipment.

### Transitional Housing for Homeless Families and Single Adults

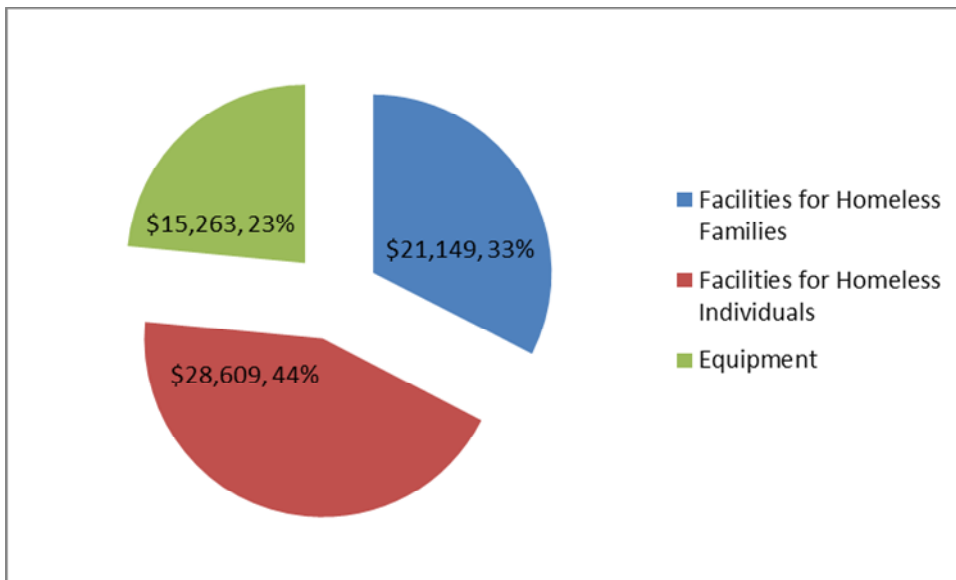
The Preliminary Ten-Year Capital Strategy allocates 77 percent of funding to the rehabilitation and development of these facilities. Major priorities for the agency continue to be code compliance, fire safety,

and exterior building stabilization. Major family projects include the exterior building upgrades at various shelters including the HELP 1 family residence building in Brooklyn. Adult projects include building upgrades at the Park Avenue Armory, Borden Avenue shelter, and various other facilities.

**Management Information Systems (MIS) and Equipment**

The Department’s primary information technology initiative is the development of a new client tracking system for families and adults.

***Dollars in Thousands***



# Program Areas

## Adult Shelter Administrative and Support

This program consists of the administrative and support functions of the adult shelter system.

The proposed budget for adult shelter administration and support in Fiscal 2012 is \$2.5 million more than the Fiscal 2011 Adopted Budget. This increase can be attributed to an increase in City funding for personal services costs.

<i>Dollars in Thousands</i>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Adopted</b>	<b>2010 Feb. Plan</b>	<b>2012 Feb Plan</b>	<b>*Difference 2012 vs. 2011</b>
<b>Spending</b>						
Full-Time Salaried - Civilian	\$6,075	\$7,355	\$5,205	\$7,696	\$7,696	\$2,491
Other Salaried and Unsalariated	27	8	5	5	5	0
Additional Gross Pay	205	262	55	55	55	0
Overtime - Civilian	301	555	445	445	445	0
Fringe Benefits	1	2	0	0	0	0
<b>Subtotal</b>	<b>\$6,609</b>	<b>\$8,182</b>	<b>\$5,710</b>	<b>\$8,201</b>	<b>\$8,201</b>	<b>\$2,491</b>
<b>Total</b>	<b>\$6,609</b>	<b>\$8,182</b>	<b>\$5,710</b>	<b>\$8,201</b>	<b>\$8,201</b>	<b>\$2,491</b>
<b>Funding</b>						
<b>City Funds</b>	<b>NA</b>	<b>NA</b>	<b>\$3,963</b>	<b>\$6,454</b>	<b>\$6,454</b>	<b>\$2,491</b>
<b>State</b>	<b>NA</b>	<b>NA</b>	<b>\$1,636</b>	<b>\$76</b>	<b>\$76</b>	<b>(\$1,560)</b>
Adult Shelter Cap	NA	NA	63	63	63	0
Local Admin Fund- PS Admin	NA	NA	1,560	0	0	(1,560)
Safety Net	NA	NA	7	7	7	0
State TANF Assistance	NA	NA	6	6	6	0
<b>Federal</b>	<b>NA</b>	<b>NA</b>	<b>\$111</b>	<b>\$1,671</b>	<b>\$1,671</b>	<b>\$1,560</b>
Federal TANF Assistance	NA	NA	13	13	13	0
FFFS- PS Admin	NA	NA	99	1,659	1,659	1,560
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>\$5,710</b>	<b>\$8,201</b>	<b>\$8,201</b>	<b>\$2,491</b>

*\*Variance between the Fiscal 2011 Adopted Budget and the Fiscal 2012 Preliminary Budget.*



## Adult Shelter Intake and Placement

The Adult Shelter system has four intake centers: three for women and one for men. The intake center for men is located in Manhattan, while the centers for women are in the Bronx, Brooklyn, and Queens. As a result of legal decisions in the early 1980s, single adults are guaranteed a right to shelter and do not have to apply for shelter as in the family system.

The proposed budget for adult intake and placement in Fiscal 2012 is \$361,000 more than the Fiscal 2011 Adopted Budget. This projected increase can be attributed to City funding for personal services.

<i>Dollars in Thousands</i>	2009 Actual	2010 Actual	2011 Adopted	2010 Feb Plan	2012 Feb Plan	*Difference 2012 vs. 2011
<b>Spending</b>						
Full-Time Salaried - Civilian	\$6,741	\$6,904	\$5,591	\$6,727	\$7,291	\$1,700
Other Salaried and Unsalariated	0	0	0	0	0	0
Additional Gross Pay	536	485	1,118	245	278	(840)
Overtime - Civilian	448	570	1,969	1,469	1,469	(500)
Fringe Benefits	85	94	21	21	21	0
<b>Total</b>	<b>\$7,809</b>	<b>\$8,053</b>	<b>\$8,699</b>	<b>\$8,463</b>	<b>\$9,060</b>	<b>\$361</b>
<b>Funding</b>						
<b>City Funds</b>	NA	NA	\$6,919	\$6,308	\$7,104	\$185
<b>State</b>	NA	NA	\$1,780	\$1,228	\$1,228	(\$552)
Adult Shelter Cap	NA	NA	778	1,228	1,228	449
Local Admin Fund- PS Admin	NA	NA	1,001	0	0	(1,001)
<b>Federal</b>	NA	NA	\$0	\$928	\$728	\$728
Emergency Shelter Grant	NA	NA	0	200	0	0
FFFS- PS Admin	NA	NA	0	728	728	728
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>\$8,699</b>	<b>\$8,463</b>	<b>\$9,060</b>	<b>\$361</b>

\*Variance between the Fiscal 2011 Adopted Budget and the Fiscal 2012 Preliminary Budget.

## Adult Shelter Operations

The Adult Shelter system is comprised of 49 facilities that operate 7,185 beds. As in the family system, single adults living in shelters have access to a wide range of social services, including mental health treatment, substance abuse treatment, and employment training.

The proposed budget for adult shelter operations in Fiscal 2012 is \$57.7 million greater than the Fiscal 2011 Adopted Budget. This can be attributed to projected increases in City and State funds as a result of the increase of adults in shelter.

<i>Dollars in Thousands</i>	2009 Actual	2010 Actual	2011 Adopted	2010 Feb Plan	2012 Feb Plan	*Difference 2012 vs. 2011
<b>Spending</b>						
Full-Time Salaried - Civilian	\$13,450	\$13,686	\$15,500	\$15,937	\$16,460	\$960
Full-Time Salaried - Uniformed	0	3	0	0	0	0
Overtime - Civilian	787	997	773	704	704	(70)
Additional Gross Pay	1,026	1,106	1,010	984	1,176	167
Fringe Benefits	123	123	58	58	58	0
<b>Subtotal</b>	<b>\$15,385</b>	<b>\$15,915</b>	<b>\$17,341</b>	<b>\$17,683</b>	<b>\$18,398</b>	<b>\$1,057</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$171,043	\$175,384	\$168,265	\$218,960	\$223,105	\$54,840
Fixed and Misc Charges	4	7	7	9	7	0
Other Services and Charges	11,467	9,949	11,357	12,564	13,684	2,328
Property and Equipment	279	489	728	639	728	0
Social Services	331	332	499	0	0	(499)
Supplies and Materials	5,711	5,985	5,395	5,485	5,395	0
<b>Subtotal</b>	<b>188,835</b>	<b>192,146</b>	<b>186,252</b>	<b>237,656</b>	<b>242,921</b>	<b>56,669</b>
<b>Total</b>	<b>\$204,220</b>	<b>\$208,060</b>	<b>\$203,593</b>	<b>\$255,339</b>	<b>\$261,318</b>	<b>\$57,725</b>
<b>Funding</b>						
<b>City Funds</b>			<b>\$185,129</b>	<b>\$194,310</b>	<b>\$205,145</b>	<b>\$20,016</b>
<b>State</b>			<b>\$14,988</b>	<b>\$50,850</b>	<b>\$53,759</b>	<b>\$38,771</b>
Adult Shelter Cap			9,314	45,757	45,757	36,444
Local Admin Fund- AOTPS Admin			641	0	0	(641)
Local Admin Fund- PS Admin			31	0	0	(31)
Safety Net			5,001	5,092	8,001	3,000
State TANF Assistance			1	1	1	0
<b>Federal</b>			<b>\$3,476</b>	<b>\$10,179</b>	<b>\$2,414</b>	<b>(\$1,062)</b>
Community Development Block Grants			1,290	1,290	0	(1,290)
COMMUNITY DEVELOPMENT						
STIMULUS			0	23	0	0
Emergency Shelter Grant			0	6,313	0	0
Federal TANF Assistance			2	2	2	0
FFFS- AOTPS Admin			956	1,598	1,598	641
Supportive Housing Program (HUD)			156	100	0	(156)
<b>Intra City</b>			<b>1,072</b>	<b>853</b>	<b>815</b>	<b>(257)</b>
<b>Total</b>			<b>\$203,593</b>	<b>\$255,339</b>	<b>\$261,318</b>	<b>\$57,725</b>

\*Variance between the Fiscal 2011 Adopted Budget and the Fiscal 2012 Preliminary Budget.

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**FY 2011 Council Changes at Adoption by Program Area**
*Dollars in Thousands*


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**Adult Shelter Operations**

Medical Services Partial PEG Restoration	1,200
<b>Total</b>	<b>\$1,200</b>

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The Council provided the partial restoration of a \$1.7 million PEG proposal to eliminate Medical services in Adult Shelters. The Council restoration of \$1.2 million restored funding for medical services in approximately 12 general population adult shelters city-wide.

**Performance Measures**

	FY 08	FY 09	FY 10	4 Month Actual FY11	Target FY 11
Cost per day for shelter facilities- Single Adult facilities (\$)	\$72.38	\$70.18	\$69.25	NA	*
Average length of stay for single adults in shelter (days)	283	261	245	242	*
Average number of single adults in shelters per day	6,737	6,526	7,167	7,961	*
Single adults entering the DHS services shelter system	18,277	18,480	19,607	7,207	*

**Fiscal 2012 Preliminary Plan Actions**

- Adult Shelter Capacity.** The Fiscal 2012 Preliminary Plan reflects a combined increase of \$42.8 million in Fiscal 2011 and \$62.1 million in Fiscal 2012 of City funding as a result in the increase in the adult census. The adult shelter census totaled approximately 8,260 as of October and 8,763 in January 2011. A portion of this increase includes funding for the addition of 28 new intake staff and case worker positions at the 30<sup>th</sup> Street Bellevue Adult Facility.
- Administrative Savings.** The Fiscal 2012 Preliminary Plan reflects a savings of \$360,000 in Fiscal 2012 and in the outyears as a result of facility maintenance and transportation contract accruals.
- Adult Shelter Diversion.** Based on results from a previous pilot program, DHS plans to hire ten additional shelter intake staff, which will provide shelter diversion services. The ten additional staff, which would receive union representation from DC 37's Local 371, would be charged with conducting intake interviews, assisting clients with the identification of housing resources in the community, and help clients negotiate the return to identified housing resources. By expanding homeless prevention services for single adult shelter applicants and assisting them with access to resources that will help them remain in the community and avoid shelter, DHS projects an estimated savings of \$1.7 million in Fiscal 2012 and in the outyears, which is a result of the net cost of shelter care avoided by diverted applicants minus the cost of additional staff.
- Safety Net Revenue.** Based on the public assistance enrollment requirement that DHS shelter residents must receive a housing voucher to enroll in the Work Advantage program, DHS assumed an increase in the number of public assistance enrollment for single adults. As a result, it would be able to increase safety net revenue from State reimbursement claims and generate a savings of \$3 million in Fiscal 2012 and in the outyears.

- **Adult Shelter Performance Payments.** DHS proposes to reform its adult shelter provider payment structure. The proposal includes modifying its current performance incentive program for single adult shelters by changing the existing system in which providers can earn up to ten percent above their base contract amount or have their base contract payment decreased by ten percent based on performance outcomes. DHS would still enable providers to earn the ten percent above their base contract value. However, if the performance requirement is not met, providers could lose up to 15 percent of funding for those contracts. DHS claims that performance will continue to be measured against actual placements, as opposed to targets, recidivism, and length of stay. If implemented, this action would result in a projected savings of \$1 million in Fiscal 2012 and \$2.5 million in Fiscal 2013 and in the outyears.

### **State Budget Issue**

- **Reduce State Adult Shelter Cap Reimbursements.** The Adult Shelter Cap provides a majority of the State revenue for the City's single adult shelter. The State Fiscal 2011-12 Executive Budget proposes to reduce the adult shelter cap from \$84.7 million to \$69 million, a reduction of \$15.7 million or 18.5 percent. Because the provision of adult shelter is mandated, the City will be required to assume this cost. As a result, DHS may reduce and or eliminate non-mandated services it provides including drop-in center service, street outreach employment services, and safe haven bed services.

## Family Shelter Administration and Support

This program area contains funding for the administrative and support functions of the family shelter system.

The proposed budget for family shelter administration and support for Fiscal 2012 is approximately \$121,000 less than the Fiscal 2011 Adopted Budget. This projected decrease can be attributed to reductions in State and Federal funding for personal services.

<i>Dollars in Thousands</i>	2009 Actual	2010 Actual	2011 Adopted	2010 Feb Plan	2012 Feb Plan	*Difference 2012 vs. 2011
<b>Spending</b>						
Full-Time Salaried - Civilian	\$5,933	\$5,126	\$5,749	\$5,627	\$5,627	(\$122)
Other Salaried and Unsalariated	26	2	6	6	6	0
Overtime - Civilian	208	152	76	76	76	0
Additional Gross Pay	(316)	188	44	44	44	0
Fringe Benefits	0	0	0	0	0	0
<b>Total</b>	<b>\$5,851</b>	<b>\$5,467</b>	<b>\$5,874</b>	<b>\$5,752</b>	<b>\$5,752</b>	<b>(\$122)</b>
<b>Funding</b>						
<b>City Funds</b>	<b>NA</b>	<b>NA</b>	<b>\$1,868</b>	<b>\$3,599</b>	<b>\$3,599</b>	<b>\$1,731</b>
<b>State</b>	<b>NA</b>	<b>NA</b>	<b>\$1,265</b>	<b>\$256</b>	<b>\$256</b>	<b>(\$1,009)</b>
Adult Shelter Cap	NA	NA	212	212	212	0
Local Admin Fund- PS Admin	NA	NA	1,009	0	0	(1,009)
Safety Net	NA	NA	23	23	23	0
State TANF Assistance	NA	NA	21	21	21	0
<b>Federal</b>	<b>NA</b>	<b>NA</b>	<b>\$2,741</b>	<b>\$1,897</b>	<b>\$1,897</b>	<b>(\$844)</b>
Federal TANF Assistance	NA	NA	42	42	42	0
FFFS- PS Admin	NA	NA	2,699	1,855	1,855	(844)
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>\$5,874</b>	<b>\$5,752</b>	<b>\$5,752</b>	<b>(\$122)</b>

\*Variance between the Fiscal 2011 Adopted Budget and the Fiscal 2012 Preliminary Budget.

## Family Shelter Intake and Placement

DHS operates two intake centers for families: the Prevention Assistance and Temporary Housing (Path) Office for families with children, located in the Bronx and the Adult Family Intake Center (AFIC) for adult families without children, located in Manhattan. Unlike single adults who have a legal right to shelter, homeless families must apply for shelter. DHS conducts investigations of each homeless family to determine if they are eligible for shelter. Families with a viable housing option will not be determined eligible for shelter services. In order for a family to be found eligible, DHS must verify that the family is in immediate need of temporary emergency shelter. DHS will conduct an investigation to determine whether there is any other safe and appropriate place for a family to stay, even temporarily. These eligibility investigations are completed within 10 days of a family's arrival at family intake. During the investigation, families are provided with a temporary shelter placement. Upon completion of the eligibility investigations, eligible families are provided with permanent shelter placements while ineligible families are required to leave the shelter system; although, they have the option to re-apply for shelter.

The proposed budget for family shelter intake and placement in Fiscal 2012 reflects a decrease of \$2 million from the Fiscal 2011 Adopted Budget. This can be attributed to City and State funding reductions in overtime spending.

<i>Dollars in Thousands</i>	2009 Actual	2010 Actual	2011 Adopted	2010 Feb Plan	2012 Feb Plan	*Difference 2012 vs. 2011
<b>Spending</b>						
Full-Time Salaried - Civilian	\$21,679	\$20,088	\$21,935	\$22,026	\$22,538	\$604
Other Salaried and Unsalariated	3	6	0	0	0	0
Additional Gross Pay	1,448	1,517	732	275	339	(393)
Overtime - Civilian	3,449	2,874	3,238	1,024	1,024	(2,214)
Fringe Benefits	41	59	20	10	10	(9)
<b>Total</b>	<b>\$26,620</b>	<b>\$24,544</b>	<b>\$25,925</b>	<b>\$23,336</b>	<b>\$23,913</b>	<b>(\$2,012)</b>
<b>Funding</b>						
<b>City Funds</b>	<b>NA</b>	<b>NA</b>	<b>\$9,856</b>	<b>\$5,083</b>	<b>\$5,690</b>	<b>(\$4,166)</b>
<b>State</b>	<b>NA</b>	<b>NA</b>	<b>\$4,043</b>	<b>\$359</b>	<b>\$359</b>	<b>(\$3,684)</b>
Local Admin Fund- PS Admin	NA	NA	3,684	0	0	(3,684)
State TANF Assistance	NA	NA	359	359	359	0
<b>Federal</b>	<b>NA</b>	<b>NA</b>	<b>\$12,026</b>	<b>\$17,893</b>	<b>\$17,863</b>	<b>\$5,837</b>
ARRA-HOMELESSNESS PREV&RE-HOUS	NA	NA	0	1,322	1,291	1,291
Federal TANF Assistance	NA	NA	343	343	343	0
FFFS- PS Admin	NA	NA	11,682	16,228	16,228	4,545
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>\$25,925</b>	<b>\$23,336</b>	<b>\$23,913</b>	<b>(\$2,012)</b>

\*Variance between the Fiscal 2011 Adopted Budget and the Fiscal 2012 Preliminary Budget.

## Family Shelter Operations

The Family Shelter system is comprised of 169 facilities that operate 10,192 units of shelter. Contracted providers operate the vast majority of these facilities. The Family Shelter system is split into two parts: families with children and adult families without children.

The proposed budget for family shelter operations in Fiscal 2012 increases by approximately \$25 million from the Fiscal 2011 Adopted Budget. This projected increase can be attributed to increases in State and Federal TANF assistance.

<i>Dollars in Thousands</i>	2009 Actual	2010 Actual	2011 Adopted	2010 Feb Plan	2012 Feb Plan	*Difference 2012 vs. 2011
<b>Spending</b>						
<b>Personal Services</b>						
Full-Time Salaried - Civilian	\$8,531	\$8,054	\$10,457	\$8,108	\$8,108	(\$2,349)
Other Salaried and Unsalari ed	3	0	0	0	0	0
Additional Gross Pay	396	592	325	325	325	0
Overtime - Civilian	809	614	959	359	359	(600)
Fringe Benefits	49	48	14	14	14	0
<b>Subtotal</b>	<b>\$9,788</b>	<b>\$9,308</b>	<b>\$11,756</b>	<b>\$8,807</b>	<b>\$8,807</b>	<b>(\$2,949)</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$352,136	\$378,447	\$330,473	\$371,048	\$354,484	\$24,011
Fixed and Misc Charges	0	1	2	4	2	0
Other Services and Charges	1,709	1,774	7,195	3,998	11,228	4,033
Property and Equipment	571	607	920	1,324	920	0
Social Services	626	0	0	0	0	0
Supplies and Materials	4,437	3,673	7,390	5,278	7,390	0
<b>Subtotal</b>	<b>359,479</b>	<b>384,501</b>	<b>345,980</b>	<b>381,653</b>	<b>374,024</b>	<b>28,044</b>
<b>Total</b>	<b>\$369,267</b>	<b>\$393,808</b>	<b>\$357,736</b>	<b>\$390,460</b>	<b>\$382,831</b>	<b>\$25,095</b>
<b>Funding</b>						
<b>City Funds</b>	<b>NA</b>	<b>NA</b>	<b>\$143,128</b>	<b>\$154,238</b>	<b>\$150,436</b>	<b>\$7,308</b>
<b>State</b>	<b>NA</b>	<b>NA</b>	<b>\$102,504</b>	<b>\$108,511</b>	<b>\$106,286</b>	<b>\$3,782</b>
Adult Shelter Cap	NA	NA	10	15	15	5
Local Admin Fund- AOTPS Admin	NA	NA	1,661	0	0	(1,661)
Local Admin Fund- PS Admin	NA	NA	557	0	0	(557)
Safety Net	NA	NA	50,244	50,003	48,539	(1,705)
State TANF Assistance	NA	NA	50,032	58,493	57,732	7,700
<b>Federal</b>	<b>NA</b>	<b>NA</b>	<b>\$110,104</b>	<b>\$125,711</b>	<b>\$124,110</b>	<b>\$14,006</b>
Community Development Block Grants	NA	NA	4,000	4,000	4,000	0
Emergency Shelter Grant	NA	NA	0	253	0	0
Federal TANF Assistance	NA	NA	93,756	109,581	108,233	14,477
FFFS- AOTPS Admin	NA	NA	10,216	11,877	11,877	1,661
FFFS- PS Admin	NA	NA	2,133	0	0	(2,133)
<b>Intra City</b>	<b>NA</b>	<b>NA</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>\$357,736</b>	<b>\$390,460</b>	<b>\$382,831</b>	<b>\$25,095</b>

\*Variance between the Fiscal 2011 Adopted Budget and the Fiscal 2012 Preliminary Budget.

**Performance Measures**

	FY 08	FY 09	FY 10	4-Month Actual FY11	Target FY 11
Cost per day for shelter facilities- Family facilities (\$)	\$99.81	\$105.22	\$100.49	NA	*
Average length of stay for adult families in shelter (days)	505	370	325	329	*
Average length of stay for families with children in shelter (days)	324	281	243	244	*
Adult Families entering the shelter system	1,040	1,278	1,208	385	*
Families with children entering the DHS services shelter system	9,664	12,959	14,586	5,674	*
Families suitably placed in shelter services system within 10 days (%)	99.9%	100.0%	100.0%	100%	95%

**Performance Analysis**

The average length of time homeless families spend in shelter decreased across the DHS shelter system. Families with children in shelter have declined by 13.5 percent or by 38 days, between Fiscal 2009 and Fiscal 2010, and adult families declined by 12 percent or 45 days between Fiscal 2009 and Fiscal 2010. This can be attributed to DHS' continued focus on moving the longest-term shelter residents into permanent housing.

**Fiscal 2012 Preliminary Plan Actions**

- **New Family Intake Center.** The Fiscal 2012 Preliminary Budget includes an increase of \$1.2 million in Fiscal 2011 and \$2.4 million in Fiscal 2012 as a result of required maintenance and security costs at the New Family Intake Center located in the Bronx.
- **Family Capacity Re-estimate.** DHS will increase its family shelter budget by \$31.2 million (\$9.2 million CTL) in Fiscal 2011 and \$31.7 million (\$9.7 million CTL) to support family shelter capacity increases of approximately 9,615 additional homeless families.
- **Shared Rooms for Families with Children.** DHS plans to implement efficiencies in family shelters by housing multiple families, no larger than three with children, in apartment style units. It proposes to convert existing units that shelter one family into units that would house two to three families depending on the size and configuration of the unit. As part of the plan families will share the communal living space, including the kitchen and bathroom. Each family will have its own separate bedroom within this shared unit. DHS projects that this "Shared Living" plan will yield an additional 190 units. The cost to convert these units is less than bringing on 190 units of new capacity, so the projected savings is \$4.5 million (\$1.7 million CTL) in Fiscal 2012 and in the outyears. However, the implementation of such a plan could be a potential violation of Local Law 18, section 21-124, which states "No homeless family shelter shall be established which does not provide a bathroom, a refrigerator, and cooking facilities and an adequate sleeping area **within each unit** within the shelter..."



- Graduated Payment System Enhancement (GPS).** In the Fiscal 2010 Financial Plan, DHS generated a savings of \$5.4 million in City tax-levy funds for Fiscal 2010 and in the outyears with the implementation of a graduated payment system for family shelters. Aimed at incentivizing permanent housing placements for families in shelter, the system increased provider base payments by ten percent for families in shelter who are placed within six months and reduced provider base payments by 20 percent for families who remain in shelter for longer than six months. DHS claimed that implementation of this payment system would increase provider accountability, and enhance aftercare services to prevent shelter re-entry, and permanent housing would be guaranteed. Its implementation was approved by the State for one year as of January 1, 2010, on the condition that DHS had the appropriate technology in place to support claims based on per family categorical eligibility and submit all deliverables, including proposed tracking reports and statistical analysis reports. This allowed the payment structure for providers to remain stable.

However, in the Fiscal 2012 Preliminary Plan DHS proposes to further increase performance requirements for providers by increasing family shelter provider base payments by ten percent for families placed within five months and reducing provider base payments by 20 percent for families who remain in shelter longer than five days. As a result, DHS plans to generate a savings of \$2.7 million (\$1 million CTL) in Fiscal 2012 and in the outyears.

- Family Hotel Provider Performance Payments.** DHS proposes a performance based payment component in the family hotel provider payment structure to improve the number of placements into permanent housing. It plans to apply a placement performance program for hotels under its Homebase Rapid Re-housing initiative. Each site will be assigned a permanent placement target on a tiered system. Hotels that meet the targets will fall into the fourth quartile (the highest) and will earn 102 percent of their rate. Those that fall into the third quartile will receive their full rate (100 percent), and those that fall into the second quartile will receive a six percent decrease. Hotels that fall into the lowest or first quartile will receive an eight percent reduction.
- Public Assistance Revenue for Family Shelter.** DHS proposes to increase its frontline staff by ten in order to improve its ability to capture Cash Assistance eligibilities and improve State and Federal claiming, saving \$4 million in Fiscal 2012 and in the outyears.
- Reduction of Contracted Security.** DHS proposes a savings of \$269,610 in Fiscal 2011 and \$752,813 in Fiscal 2012 from the elimination of 25 contracted security guard posts in its directly operated family shelters. DHS has begun eliminating these posts as of January 1<sup>st</sup>, 2011. It should also be noted that eliminated contracted security posts will not be replaced with agency security. The following chart is a breakdown of reductions by shelter.

Name of Shelter	Number of Contracted Security Positions Eliminated
Auburn Family (Brooklyn)	5
Flatlands Shelter (Brooklyn)	6
LIFE-Catharine Street (Manhattan)	8
Jamaica Armory Shelter (Queens)	6
<b>Total</b>	<b>25</b>

## General Administration

This program consists of several administrative functions of the Department, including the Commissioner's Office, the Budget Office, and Policy and Planning Unit. It also includes the Bureau of Repair and Maintenance, which is responsible for reviewing and evaluating the physical condition of shelters and handles upgrades of DHS-operated facilities.

The proposed budget for general administration in Fiscal 2012 increases by approximately \$1.9 million from the Fiscal 2011 Adopted Budget. This projected increase can be attributed to an increase in Federal funding for personal services and contractual services.

<i>Dollars in Thousands</i>	2009 Actual	2010 Actual	2011 Adopted	2010 Feb Plan	2012 Feb Plan	*Difference 2012 vs. 2011
<b>Spending</b>						
<b>Personal Services</b>						
Full-Time Salaried - Civilian	\$39,853	\$38,276	\$35,070	\$40,552	\$36,961	\$1,891
Other Salaried and Unsalariated	287	103	88	88	88	0
Additional Gross Pay	1,071	1,024	1,288	1,288	1,288	(0)
Overtime - Civilian	3,771	3,106	619	619	619	0
Fringe Benefits	978	1,041	1,377	1,377	1,377	0
P.S. Other	22	22	0	0	0	0
<b>Subtotal</b>	<b>\$45,983</b>	<b>\$43,573</b>	<b>\$38,442</b>	<b>\$43,923</b>	<b>\$40,333</b>	<b>\$1,891</b>
<b>Other Than Personal Services</b>						
Supplies and Materials	\$2,236	\$1,811	\$828	\$1,502	\$851	\$23
Property and Equipment	410	183	288	413	319	31
Other Services and Charges	9,638	9,996	12,799	10,946	11,690	(1,109)
Contractual Services	6,413	5,053	3,162	5,690	4,265	1,104
Fixed and Misc Charges	62	712	61	87	61	0
Social Services	95	0	0	0	0	0
<b>Subtotal</b>	<b>\$18,854</b>	<b>\$17,755</b>	<b>\$17,139</b>	<b>\$18,638</b>	<b>\$17,186</b>	<b>\$48</b>
<b>Total</b>	<b>\$64,837</b>	<b>\$61,328</b>	<b>\$55,580</b>	<b>\$62,562</b>	<b>\$57,519</b>	<b>\$1,939</b>
<b>Funding</b>						
<b>City Funds</b>	<b>NA</b>	<b>NA</b>	<b>\$26,704</b>	<b>\$24,724</b>	<b>\$21,320</b>	<b>(\$5,384)</b>
<b>State</b>	<b>NA</b>	<b>NA</b>	<b>\$15,136</b>	<b>\$9,053</b>	<b>\$9,053</b>	<b>(\$6,084)</b>
Adult Shelter Cap	NA	NA	6,171	7,557	7,557	1,386
Local Admin Fund- AOTPS Admin	NA	NA	2,212	0	0	(2,212)
Local Admin Fund- PS Admin	NA	NA	5,258	0	0	(5,258)
Safety Net	NA	NA	783	783	783	0
State TANF Assistance	NA	NA	713	713	713	0
<b>Federal</b>	<b>NA</b>	<b>NA</b>	<b>\$13,740</b>	<b>\$28,705</b>	<b>\$27,146</b>	<b>\$13,407</b>
ARRA-HOMELESSNESS PREV&RE-HOUSE	NA	NA	229	229	229	0
Emergency Shelter Grant	NA	NA	0	385	0	0
Federal TANF Assistance	NA	NA	1,426	1,426	1,426	0
FFFS- AOTPS Admin	NA	NA	3,315	5,527	5,527	2,212
FFFS- PS Admin	NA	NA	8,770	19,965	19,965	11,195
Supportive Housing Program (HUD)	NA	NA	0	1,174	0	0
<b>IntraCity - FJC Security - DHS</b>	<b>NA</b>	<b>NA</b>	<b>0</b>	<b>80</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>\$55,580</b>	<b>\$62,562</b>	<b>\$57,519</b>	<b>\$1,939</b>

\*Variance between the Fiscal 2011 Adopted Budget and the Fiscal 2012 Preliminary Budget.

**Performance Measures**

	FY 08	FY 09	FY 10	4-Month Actual FY10	Target FY 11
Safety, maintenance, and cleanliness deficiencies noted on independent inspections of adult shelters	93	54	39	NA	*
Critical incidents in the Adult Shelter system per 1,000 residents	0.5	0.4	0.8	NA	*
Critical incidents in the Adult Family Shelter system, per 1,000 residents	1.6	1.6	7.4	NA	*
Critical incidents in the Families with Children Shelter system, per 1,000 residents	0.6	1.2	0.3	NA	*

## Outreach, Drop-in and Reception Services

The Department's outreach programs target individuals who appear to be living in public spaces. Since these homeless individuals often resist participating in service programs, the key objective of outreach is to persuade them to leave spaces where they are at risk, and access services. To help DHS target its outreach efforts, the agency conducts an annual estimate of the street homeless population known as the Homeless Opportunity Population Estimate (HOPE). The City-operated outreach programs work with a network of shelters, drop-in centers, reception centers, faith-based shelters, soup kitchens and pantries. DHS operates a citywide outreach team and contracts for services in all five boroughs. The outreach programs currently operate 24 hours a day and include clinical and social work staff. With regards to drop-in centers, DHS is in the process of reforming the structure of its drop-in centers by reducing the number of centers from eleven to five, including one in Staten Island and Brooklyn, two in Manhattan, and one federally funded center in the Bronx.

The proposed budget for outreach, drop-in and reception services in Fiscal 2012 decreases by approximately \$133,000 from the Fiscal 2011 Adopted Budget. This projected decrease can be attributed to a reduction in City funding for contracted services for outreach and drop-in services.

<i>Dollars in Thousands</i>	2009 Actual	2010 Actual	2011 Adopted	2010 Feb Plan	2012 Feb Plan	*Difference 2012 vs. 2011
<b>Spending</b>						
<b>Personal Services</b>						
Full-Time Salaried - Civilian	\$716	\$894	\$783	\$800	\$800	\$17
Additional Gross Pay	30	33	42	42	42	0
Overtime - Civilian	57	33	45	45	45	0
Fringe Benefits	1	1	1	1	1	0
<b>Subtotal</b>	<b>\$803</b>	<b>\$960</b>	<b>\$872</b>	<b>\$888</b>	<b>\$888</b>	<b>\$17</b>
<b>Other Than Personal Services</b>						
Other Services and Charges	0	0	0	3	0	0
Contractual Services	21,647	18,002	12,114	18,157	11,964	(150)
<b>Subtotal</b>	<b>\$21,647</b>	<b>\$18,002</b>	<b>\$12,114</b>	<b>\$18,160</b>	<b>\$11,964</b>	<b>(\$150)</b>
<b>Total</b>	<b>\$22,450</b>	<b>\$18,962</b>	<b>\$12,985</b>	<b>\$19,049</b>	<b>\$12,852</b>	<b>(\$133)</b>
<b>Funding</b>						
<b>City Funds</b>	<b>NA</b>	<b>NA</b>	<b>\$9,960</b>	<b>\$2,548</b>	<b>\$2,309</b>	<b>(\$7,651)</b>
<b>State</b>	<b>NA</b>	<b>NA</b>	<b>\$1,347</b>	<b>\$8,835</b>	<b>\$7,260</b>	<b>\$5,913</b>
Adult Shelter Cap	NA	NA	1,094	8,260	7,260	6,167
Local Admin Fund- PS Admin	NA	NA	253	0	0	(253)
Safety Net	NA	NA	0	574	0	0
<b>Federal</b>	<b>NA</b>	<b>NA</b>	<b>\$1,629</b>	<b>\$7,617</b>	<b>\$3,234</b>	<b>\$1,605</b>
Community Development Block Grants	NA	NA	553	553	553	0
ARRA-HOMELESSNESS PREV&RE-HOUS	NA	NA	1,076	5,532	2,154	1,078
Emergency Shelter Grant	NA	NA	0	1,005	0	0
FFFS- PS Admin	NA	NA	0	527	527	527
<b>Intra City</b>	<b>NA</b>	<b>NA</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>0</b>
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>\$12,985</b>	<b>\$19,049</b>	<b>\$12,852</b>	<b>(\$133)</b>

\*Variance between the Fiscal 2011 Adopted Budget and the Fiscal 2012 Preliminary Budget.

**Performance Measures**

	FY 08	FY 09	FY 10	4-Month Actual FY11	Target FY 11
Number of people estimated to be living on the streets (HOPE)	3,306	2,328	3,111	NA	*
Number of Chronically Homeless Individuals Placed into Permanent and Temporary Housing by Outreach Teams	NA	948	880	178	*

On January 31, 2011, DHS sponsored the ninth annual HOPE count, a survey to measure the City's progress in reducing street homelessness. The 2011 HOPE Count results are not available. However, as indicated above, the January 2010 HOPE count estimated that 3,111 individuals were sleeping on the streets, an increase of 783, or 33 percent when compared to Fiscal 2009.

## Prevention and Aftercare

Started in September 2004, HomeBase is the Department's major homelessness prevention program. It began operating in six high-need communities and expanded Citywide in Fiscal 2008. HomeBase offers a range of services to its clients including job training, assistance with legal action, housing relocation, and financial assistance for the payment of rent arrears. Additionally, it provides aftercare services to clients who have left the shelter system for permanent housing.

The proposed budget for prevention and aftercare in Fiscal 2012 decreases by approximately \$22 million from the Fiscal 2011 Adopted Budget. This projected decrease can be attributed to the expiration of HPRP Federal stimulus funding.

<i>Dollars in Thousands</i>	2009 Actual	2010 Actual	2011 Adopted	2010 Feb. Plan	2012 Feb Plan	*Difference 2012 vs. 2011
<b>Spending</b>						
<b>Personal Services</b>						
Full-Time Salaried - Civilian	\$388	\$61	\$0	\$0	\$0	\$0
Other Salaried and Unsalariied	0	2	0	0	0	0
Overtime - Civilian	10	3	0	0	0	0
Additional Gross Pay	2	8	0	0	0	0
<b>Subtotal</b>	<b>\$400</b>	<b>\$74</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$26,622	\$26,596	\$30,219	\$38,019	\$8,548	(\$21,671)
Other Services and Charges	0	680	499	694	0	(499)
<b>Subtotal</b>	<b>\$26,622</b>	<b>\$27,275</b>	<b>\$30,718</b>	<b>\$38,713</b>	<b>\$8,548</b>	<b>(\$22,170)</b>
<b>Total</b>	<b>\$27,022</b>	<b>\$27,349</b>	<b>\$30,718</b>	<b>\$38,713</b>	<b>\$8,548</b>	<b>(\$22,170)</b>
<b>Funding</b>						
<b>City Funds</b>	NA	NA	\$3,517	\$3,467	\$1,500	(\$2,017)
<b>State</b>	NA	NA	\$2,425	\$2,425	\$1,500	(\$925)
State TANF Assistance	NA	NA	925	925	0	(925)
TANF- Emergency Assist Families	NA	NA	1,500	1,500	1,500	0
<b>Federal</b>	NA	NA	\$24,777	\$32,821	\$5,548	(\$19,228)
ARRA-HOMELESSNESS PREV&RE-HOUS	NA	NA	19,927	27,971	2,548	(17,378)
Federal TANF Assistance	NA	NA	1,850	1,850	0	(1,850)
TANF- Emergency Assistance	NA	NA	3,000	3,000	3,000	0
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>\$30,718</b>	<b>\$38,713</b>	<b>\$8,548</b>	<b>(\$22,170)</b>

\*Variance between the Fiscal 2010 Adopted Budget and the Fiscal 2011 Preliminary Budget.

### Fiscal 2011 Council Initiatives and Funding

Prevention and Aftercare	
Citywide Homeless Prevention Fund	250
<b>TOTAL</b>	<b>\$250</b>

The Council provided \$250,000 of funding for the Citywide Homeless Prevention Fund Initiative which provides emergency grants to families at risk of eviction. The Fund helps to keep them in their homes and avoid the shelter system. Approximately 250 low-income families are assisted with this funding.

## **Rental Assistance and Housing Placement**

Prior to 2004, the Emergency Assistance Re-housing Program (EARP) provided bonuses to landlords so that they would rent apartments to homeless families using Section 8 vouchers. This was the Department's primary permanent housing program. However, EARP was terminated in December 2004 because the Administration believed that the program incentivized use of the shelter system. To replace EARP, DHS created a time-limited rental subsidy for families in the shelter system known as Housing Stability Plus (HSP). Families who had been in the shelter system for at least 90 days, and were receiving public assistance, were eligible to receive this aid. In April 2007, DHS announced that HSP would be replaced by Advantage New York, a new rental subsidy program that places a greater emphasis on self-sufficiency. The Advantage New York rental assistance program consists of different options for different shelter populations, including residents that work, are on a fixed income, and/or families with child welfare involvement.

Work Advantage provides rental assistance for up to two years to families, adult families (families without children), or single adults who are employed at least 20 hours per week with incomes below 150 percent of the federal poverty level, and have been in the shelter system for at least 90 days. Under Work Advantage, clients are required to contribute \$50 toward their monthly rent.

Fixed Income Advantage provides rental subsidy up to one year for clients receiving a fixed income benefit such as Social Security due to a disability or Veterans Administration benefits and has been in the shelter system for at least 60 days for single adults and 90 days for families.

Children Advantage provides Rental Assistance for families up to one year who have an open case with the Administration for Children's Services (ACS), and have been in shelter for at least 60 days or more.

Children Advantage and Fixed Income Advantage clients are designated as special needs populations. Because of this designation, Children Advantage and Fixed Income Advantage families are eligible for a Section 8 Housing Program application priority. The Section 8 program, which is administered through the New York City Housing Authority (NYCHA), was a major component in transitioning Child Advantage and Fixed Advantage clients into permanent housing. However, NYCHA is no longer issuing new vouchers and terminated 2,597 vouchers, of which 1,115 were held by DHS Advantage clients.

Consequently, DHS created a HomeBase Housing Flex-Fund using \$1 million of HPRP stimulus funds, which provides support services for Advantage clients who have lost their Section 8 voucher. DHS also implemented a number of changes to the previous structure of the Advantage program.

On May 19, 2010, the State approved the elimination of the Child and Fixed Income Advantage programs. On August 1, 2010 the restructured Advantage program, now known as Work Advantage, was implemented. Eligible Work Advantage clients must be in shelter for at least 60 days and working at least 20 hours per week, and have an income that falls at or below 200 percent of the Federal Poverty Level (FPL). During the first year of participation, clients are required to maintain employment for 20 hours per week, and complete an additional 15 hours per week of HRA approved activities. Clients are also required to pay 30 percent of their income toward rent. Requirements for the program change in the second year of participation, as clients are then required to work 35 hours per week and contribute 30 percent of their gross income or 50 percent of rent, whichever is greater.

Less than a year of approving the implementation of Work Advantage, the Fiscal 2011-2012 State Executive Budget proposes elimination of funds for the program, thereby impacting the City's ability to provide rental subsidies for nearly 15,000 single adults and families currently enrolled.

Advantage New York is funded through the Public Assistance budget in the City's Human Resources Administration (HRA). Funding for most of the program's expenditures is then transferred from HRA to

DHS through an intra-city agreement. As the intra-city transfer is not included in the Fiscal 2012 Preliminary Budget, it reflects a difference of \$98.7 million when compared to Fiscal 2011 Adopted Budget.

<i>Dollars in Thousands</i>	2009 Actual	2010 Actual	2011 Adopted	2010 Feb Plan	2012 Feb Plan	*Difference 2012 vs. 2011
<b>Spending</b>						
<b>Personal Services</b>						
Additional Gross Pay	\$118	\$189	\$144	\$144	\$144	\$0
Fringe Benefits	0	1	0	0	0	0
Full-Time Salaried - Civilian	2,703	3,801	2,856	1,818	0	(2,856)
Other Salaried and Unsalaries	6	0	4	0	0	(4)
Overtime - Civilian	162	270	1,636	1,142	1,142	(495)
<b>Subtotal</b>	<b>\$2,989</b>	<b>\$4,260</b>	<b>\$4,640</b>	<b>\$3,103</b>	<b>\$1,285</b>	<b>(\$3,355)</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$113,635	\$180,654	\$127,981	\$230,195	\$32,679	(\$95,302)
Fixed and Misc Charges	0	1,315	0	0	0	0
Other Services and Charges	0	0	130	0	0	(130)
<b>Subtotal</b>	<b>\$113,635</b>	<b>\$181,969</b>	<b>\$128,111</b>	<b>\$230,195</b>	<b>\$32,679</b>	<b>(\$95,432)</b>
<b>Total</b>	<b>\$116,624</b>	<b>\$186,229</b>	<b>\$132,751</b>	<b>\$233,298</b>	<b>\$33,964</b>	<b>(\$98,787)</b>
<b>Funding</b>						
<b>City Funds</b>	<b>NA</b>	<b>NA</b>	<b>\$23,518</b>	<b>\$22,187</b>	<b>\$20,171</b>	<b>(\$3,347)</b>
<b>State</b>	<b>NA</b>	<b>NA</b>	<b>\$11,514</b>	<b>\$11,507</b>	<b>\$12,507</b>	<b>\$993</b>
Adult Shelter Cap	NA	NA	1,150	2,000	3,000	1,850
Local Admin Fund- PS Admin	NA	NA	792	0	0	(792)
Shelters	NA	NA	9,572	9,507	9,507	(65)
<b>Federal</b>	<b>NA</b>	<b>NA</b>	<b>\$2,719</b>	<b>\$3,103</b>	<b>\$1,285</b>	<b>(\$1,434)</b>
ARRA-HOMELESSNESS PREV&RE-HOUS	NA	NA	0	1,343	0	0
Emergency Shelter Grant	NA	NA	0	475	0	0
FFFS- PS Admin	NA	NA	2,719	1,285	1,285	(1,434)
<b>Intra City</b>	<b>NA</b>	<b>NA</b>	<b>95,000</b>	<b>196,500</b>	<b>0</b>	<b>(95,000)</b>
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>132,751</b>	<b>233,298</b>	<b>33,964</b>	<b>(98,787)</b>

\*Variance between the Fiscal 2011 Adopted Budget and the Fiscal 2012 Preliminary Budget.



**Performance Measures**

	FY 08	FY 09	FY 10	4-Month Actual FY11	Target FY 11
Adult families placed into permanent housing	1,166	1,094	1,109	297	*
Families with children placed into permanent housing	6,426	7,716	8,762	2,812	*
Single Adults placed into permanent housing	9,412	9,107	7,573	2,411	8,000
Single adults placed into permanent housing who return to DHS shelter service system within one year (%)	15.8%	12.9%	12.1%	11.3%	*
Adult families placed into permanent housing who return to the DHS shelter services system within one year (%)	5.3%	2.8%	6.4%	11.9%	*
Families with children placed into permanent housing who return to the DHS shelter services system within one year (%)	4.2%	3.4%	3.8%	3.4%	*

**State Budget Issues**

**Elimination of State Support for Advantage.** The State Fiscal 2011-12 Executive Budget proposes to eliminate its share of funding for the Advantage program. Currently, the program is funded jointly with City (30 percent), State (50 percent) and Federal (20 percent) dollars. The City’s Fiscal 2011 Adopted Plan included \$206.9 million (\$67.2 million City, \$95.5 million State, and \$44.1 million Federal) in funding for Fiscal 2012. The City utilizes both State and federal TANF funding for reimbursements to families enrolled in the program.

Language in the State Fiscal 2011-12 Executive Budget Appropriations Bill precludes the City from using federal or state funds for rental assistance or any rental subsidies program, other than eviction prevention for the HIV/AIDS population. Therefore, the elimination of State funding would cause the Federal share to be eliminated as well.

The State estimates a savings of \$35 million for its elimination of funding for the program. However, this estimate does not account for a number of factors including the cost of the first three months of rent and brokers fees for participants, loss of the federal share and the cost of rental subsidies for clients currently enrolled in the program.

The estimated City fiscal impact is \$192 million, which includes a reduction of \$38.4 million for the last quarter of the City Fiscal Year (CFY) 2011, and \$153.7 million in CFY 12. Because Work Advantage is the City’s sole rental assistance program for single adults and families transitioning out of shelter, the potential programmatic impact may include an increase in the homeless population, increased lengths of stay in shelter, and increased recidivism rates of former Advantage clients with ceased rental subsidies.

## Appendix A: Budget Actions in the November and February Plans

<i>Dollars in thousands</i>	FY 2011			FY 2012		
	City	Non-City	Total	City	Non-City	Total
<b>Agency Budget as of June 2010 Plan</b>	<b>\$353,855</b>	<b>\$488,875</b>	<b>\$842,730</b>	<b>\$349,266</b>	<b>\$371,930</b>	<b>\$721,196</b>
<b>Program to Eliminate the Gap (PEGs)</b>						
Admin Savings				(\$360)		(\$360)
Adult Shelter Diversion	\$0	\$0	\$0	(\$2,000)	\$0	(\$2,000)
Adult Provider Performance	0	0	0	(1,000)	0	(1,000)
Advantage Broker's Fee's	0		0	(1,578)	(1,578)	(3,156)
Contracted Security	(270)		(270)	(753)	0	(753)
Emergency Assistance Rev	(665)	665	0	(1,329)	0	(1,329)
Family Hotel Provider Payments	0		0	(1,236)	(1,536)	(2,772)
GPS Enhancement	0	0	0	(1,027)	(1,638)	(2,665)
Public Assistance Rev	0		0	(1,027)	(1,637)	(2,664)
Safety Net Rev				(3,000)	3000	0
Shared Rooms for Families w Children				(1,685)	(2,783)	(4,468)
<b>Total, PEGs</b>	<b>(\$935)</b>	<b>\$665</b>	<b>(\$270)</b>	<b>(\$14,635)</b>	<b>(\$6,173)</b>	<b>(\$20,808)</b>
<b>New Needs</b>						
Adult Capacity	42,969	(156)	42,813	62,224	(156)	62,068
New Family Intake Center	1,179		1,179	2,439		2,439
State Budget Adult Shelter Cap	15,700	(15,700)	0	(15,700)	15,700	0
Family Capacity Re-Estimate	9,145	30,024	39,169	9,724	29,295	39,019
<b>Total, New Needs</b>	<b>\$68,993</b>	<b>\$14,168</b>	<b>\$83,162</b>	<b>\$58,687</b>	<b>\$44,839</b>	<b>\$103,526</b>
<b>PEG Restorations</b>						
Council Restorations	\$2,549		\$2,549			\$0
Federal Stimulus Funding	0	1,719	\$1,719	0	1,679	\$1,679
<b>Total, PEG Restorations</b>	<b>\$2,549</b>	<b>\$0</b>	<b>\$2,549</b>	<b>\$0</b>	<b>\$1,679</b>	<b>\$1,679</b>
<b>Other Adjustments</b>						
Other Adjustments	(\$1,545)	\$118,547	\$117,002	(\$64,258)	(\$42,096)	(\$106,354)
<b>Total Other Adjustments</b>	<b>(\$1,545)</b>	<b>\$118,547</b>	<b>\$117,002</b>	<b>(\$64,258)</b>	<b>(\$42,096)</b>	<b>(\$106,354)</b>
<b>Agency Budget as of February 2011 Plan</b>	<b>\$422,918</b>	<b>\$622,255</b>	<b>\$1,045,173</b>	<b>329,060</b>	<b>\$370,179</b>	<b>\$699,239</b>

## Appendix B: Reconciliation of Program Areas to Units of Appropriation

*Dollars in Thousands*

	PS	OTPS	Grand Total
	100	200	
Adult Shelter Administration & Support	\$8,201	\$0	\$8,201
Adult Shelter Intake and Placement	\$9,060	\$0	\$9,060
Adult Shelter Operations	\$18,398	\$242,921	\$261,318
Family Shelter Administration & Support	\$5,752	\$0	\$5,752
Family Shelter Intake and Placement	\$23,913	\$0	\$23,913
Family Shelter Operations	\$8,807	\$374,024	\$382,831
General Administration	\$40,333	\$17,186	\$57,519
Outreach, Drop-in and Reception Services	\$888	\$11,964	\$12,852
Prevention and Aftercare	\$0	\$8,548	\$8,548
Rental Assistance and Housing Placement	\$1,285	\$32,679	\$33,964
<b>Grand Total</b>	<b>\$116,637</b>	<b>\$687,322</b>	<b>\$803,959</b>