

New York City Council

Christine C. Quinn, Speaker

Finance Division

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Hearing on the Mayor's Fiscal Year 2012 Executive Budget

The Department for the Aging

June 3, 2011

The Committee on Finance

Hon. Domenic M. Recchia, Jr., Chair

The Committee on Aging

Hon. Jessica Lappin, Chair

The Subcommittee on Senior Centers

Hon. David Greenfield, Chair

Latonia McKinney, Deputy Director

Pakhi Sengupta, Principal Legislative Financial Analyst

Overview

The Department for the Aging (DFTA) administers a wide range of programs to enhance independence and quality of life of the City's elderly population. The Department's services include the operation of senior centers, provision of home delivered and congregate meals, employment counseling and placement, case management, social and legal services and home care services. DFTA also serves as an advocate for the City's elderly population through legislative activity and public policy initiatives.

Department for the Aging Financial Summary

Dollars in Thousands

	2009	2010	2011		2012	Difference 2011–2012*
	Actual	Actual	Adopted	Exec. Plan	Exec. Plan	
Spending						
Personal Services	\$27,128	\$26,840	\$27,287	\$28,804	\$26,319	(\$968)
Other Than Personal Services	263,127	254,778	237,007	246,883	192,044	(44,963)
TOTAL	\$290,255	\$281,618	\$264,294	\$275,687	\$218,363	(\$45,931)
Budget by Program Area						
Senior Centers & Meals	\$136,817	\$129,925	\$132,856	\$132,034	\$110,363	(\$22,493)
Senior Services	36,874	37,364	30,898	33,573	19,040	(11,858)
Case Management	22,466	21,542	21,567	22,109	14,925	(6,642)
Home Care Services	25,749	24,261	16,508	16,610	16,466	(42)
Senior Employment & Benefits	11,804	12,761	9,104	14,694	9,272	168
Admin. & Central Support	56,545	55,765	53,361	56,667	48,297	(5,064)
TOTAL	\$290,255	\$281,618	\$264,294	\$275,687	\$218,363	(\$45,931)
Funding						
City Funds	N/A	N/A	\$145,893	\$140,583	\$99,271	(\$46,622)
<i>Memo: Council Funds</i>	N/A	N/A	37,641	N/A	N/A	N/A
Federal – CD	N/A	N/A	2,495	2,495	2,495	0
Federal – Other	N/A	N/A	77,797	92,754	78,774	977
Intra-City	N/A	N/A	778	1,926	492	(286)
Other Categorical	N/A	N/A	0	32	0	0
State	N/A	N/A	37,331	37,897	37,331	0
TOTAL	\$290,255	\$281,618	\$264,294	\$275,687	\$218,363	(\$45,931)
Positions						
Full-time Positions	339	309	311	319	296	(15)
TOTAL	339	309	311	319	296	(15)

The Fiscal 2012 Executive Budget reflects a \$46 million decrease when compared to the Fiscal 2011 Adopted Budget for DFTA. This decrease can be attributed to two factors, which are also offset by new needs and other adjustments. First, the Fiscal 2011 Adopted Budget included approximately \$38 million in City Council funding (including funding for Council initiatives, Programs to Eliminate the Gap [PEG] restorations, and local discretionary). As Council funding is renegotiated annually and allocated on a one-time basis, it is not included in the Fiscal 2012 Budget. Second, the City's PEG program for DFTA totals approximately \$13 million for Fiscal 2012.

Executive Budget Highlights

Exclusion of Prior Year Council Funding for Core Operations

In Fiscal 2011, the City Council provided nearly 26 percent of DFTA's city funds budget supporting core operations including its senior center network, meals programs, Naturally Occurring Retirement Communities (NORC) programs, and other senior services. Council funding totaled approximately \$37 million in Fiscal 2011 (including \$27 million in funding for initiatives and \$10 million in local discretionary funding). Exclusion of these funds from the Executive Budget raises serious concerns regarding the sustainability of DFTA's core operations in Fiscal 2012.

Case Management

The Executive Budget includes a \$6.6 million PEG to case management. DFTA proposes to implement this cut by reducing contracted provider budgets by 30 percent. It is likely that this cut will result in hundreds of homebound seniors being left without services and over 100 layoffs within the provider community. Case management agencies provide the City's most vulnerable, homebound seniors with, at times, the *only* link to services and benefits, as well as monitoring and support from the "outside world." DFTA has stated that this cut will result in an increase in caseloads for case management workers, as they try to ensure that no senior currently receiving care will be without service.

Innovative Senior Centers

The Executive Budget includes the addition of \$3.75 million in funding for Fiscal 2012 and \$5 million in funding for Fiscal 2013 and in the outyears for an initiative to invest in a new model for senior centers. DFTA expects the first Innovative centers to open on or after September 1, 2011. All Innovative centers will be site based and provide the standard services currently offered at most centers. Standard services will include, at minimum, the provision of meals on a daily basis in addition to basic educational and nutritional information.

Innovative centers will fall under one of two broad categories which are Geographically-Based Centers and Special Population/Citywide centers. Geographically-Based centers will serve as resources for the larger community of local neighborhood senior centers, providing meals, supportive services and activities for seniors. Special Population/Citywide centers will primarily serve a special population (LGBT; seniors with hearing or vision impairments). These centers will offer services similar to the geographically based Innovative centers and will provide services, resources, and/or education to other Innovative and Neighborhood centers throughout the City.

All Innovative centers will include five core services.

- ✓ Provide meals to all seniors attending
- ✓ Provide linkages to public services and benefits
- ✓ Provide linkages to community resources (including healthcare facilities, recreation facilities, education providers, cultural facilities, social services, community-based activities, and volunteer opportunities)
- ✓ Promote health and healthy behaviors (including the provision of walking clubs, other physical exercise activities, yoga classes, blood pressure monitoring, Chronic Disease Self-Management Program, nutrition education, health education classes, mental health screening, vision, dental and hearing screenings, and diabetes screening)
- ✓ Provide opportunities for social engagement (including trips, ESL classes, technology classes (both virtual and center-based), arts classes, discussion groups, special events, theater groups, book clubs, and citizenship classes)

Although the plan for Innovative centers appears to be comprehensive and positive, concerns remain as to whether the inclusion of funds in the Executive Budget for new senior centers, while DFTA's core senior center portfolio remains grossly underfunded, is the most effective way to address the agency's overall needs.

State Budget Impacts

The Fiscal 2011-2012 State Adopted Budget includes \$27 million in federal Title XX Social Services Block Grant funding, thereby averting the proposed closure 105 senior centers.

Budget Actions in the Executive Plan

<i>Dollars in Thousands</i>	FY 2011			FY 2012		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of the February 2011 Plan	\$142,509	\$127,484	\$269,993	\$99,415	\$117,816	\$217,231
Programs to Eliminate the Gap (PEGs)						
Administrative Savings	\$0	\$0	\$0	(\$860)	\$0	(\$860)
Central Insurance Savings	0	0	0	(500)	0	(500)
Federal Rollover Funds	(1,985)	1,985	0	(1,765)	1,765	0
Social Services Reduction	0	0	0	(776)	0	(776)
Total, PEGs	(\$1,985)	\$1,985	\$0	(\$3,901)	\$1,765	(\$2,136)
New Needs						
Innovative Senior Centers	\$0	\$0	\$0	\$3,750	\$0	\$3,750
Total, New Needs	\$0	\$0	\$0	\$3,750	\$0	\$3,750
Other Adjustments						
Non-City Technical Adjustments	\$0	\$4,807	\$4,807	\$0	(\$1,314)	(\$1,314)
Intra-City Funding for ReServe Program	0	106	106	0	0	0
ARRA - BTOP Grants Intra-City	0	721	721	0	826	826
Heat, Light, and Power	(16)	0	(16)	(52)	0	(52)
HHS Service Center	0	0	0	(89)	0	(89)
Lease Adjustment	0	0	0	(92)	0	(92)
Collective Bargaining	1	0	1	1	0	1
Time Banks NYC Service Program	75	0	75	238	0	238
Total, Other Adjustments	\$60	\$5,634	\$5,694	\$6	(\$488)	(\$482)
Total, All Changes	(\$1,925)	\$7,619	\$5,694	(\$145)	\$1,277	\$1,132
Agency Budget as of the Executive 2012 Plan	\$140,584	\$135,103	\$275,687	\$99,270	\$119,093	\$218,363

Program to Eliminate the Gap (PEGs)

- Case Management.** The Fiscal 2012 Preliminary Budget included a \$3.3 million restoration for Fiscal 2011 only to case management. However, a \$6.6 million PEG to case management remains for Fiscal 2012.
- Headcount Reduction.** The Fiscal 2012 Preliminary Budget included the elimination 15 positions, saving the agency \$1 million in Fiscal 2012, and approximately \$1.2 million in the outyears. All positions will be eliminated through attrition.
- Social Services Reduction.** The Fiscal 2012 Executive Budget included the elimination of 12 social service contracts, saving the agency \$776,000 in Fiscal 2012 and in the outyears.
- Lease Termination.** Both the Fiscal 2012 Preliminary and Executive Budgets included the elimination of all DFTA office space at 220 Church Street/40 Worth Street. The office was formerly used as a training space for both DFTA staff and provider staff. All staff at the building will be relocated to DFTA's main office at 2 Lafayette Street.

Council Funding

City Council funding provides a large portion of DFTA's annual City-funds operating budget. The Council has routinely provided supplemental operating funds for senior centers, rent and equipment, transportation, and food costs, as well as other vital services to seniors.

FY 2011 Council Changes at Adoption

Dollars in Thousands

Senior Centers & Meals

Senior Centers PEG Restoration	\$5,000
Senior Centers -- Home-Delivered Meals Deficit Restoration	4,500
Space Costs for Senior Centers	1,500
Transportation Operating Costs	2,000
Food Costs for Senior Center Meals	4,500
City Meals on Wheels	1,000
Senior Center Closures –PEG Restoration	1,645
Subtotal	\$20,145

Senior Services

Elder Abuse Prevention PEG Restoration	\$800
Borough Presidents' Discretionary funding PEG Restoration	4,100
NORC Supportive Service Program	900
Information and Referral Contracts	1,200
Subtotal	\$7,000

Local Initiatives	\$10,496
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TOTAL	\$37,641
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Capital Program

Capital Budget Summary

The May 2011 Capital Commitment Plan includes \$17.1 million in Fiscal 2012-2015 for the Department of Aging (including City and Non-City funds). This represents less than one percent of the City’s total \$33 billion Executive Plan for Fiscal 2011-2014. The agency’s Executive Commitment Plan for Fiscal 2011-2015 is 34 percent more than the \$11.2 million scheduled in the February Commitment Plan, an increase of \$5.9 million.

Over the past five years (2006-2010), the Department for the Aging has only committed an average of eight 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 \$34.9 million to \$23.6 million, a reduction of \$11.3 million or 32.3 percent.

Currently the Department for the Aging’s appropriations total \$39.96 million in City-funds for Fiscal 2011. These appropriations are to be used to finance the remaining portion of the agency’s \$23.6 million City-funded Fiscal 2011 Capital Commitment Program. The agency has \$17.04 million, or approximately 43 percent, more funding than it needs to meet its entire Capital Commitment Program for the current fiscal year.

2012-2015 Commitment Plan: Adopted and Executive Budgets

Thousands of Dollars

	FY 11	FY12	FY13	FY14	FY15	Total
Adopted						
Total Capital Plan	\$34,954	\$1,236	\$5,850	\$2,429	\$1,703	\$11,218
Executive						
Total Capital Plan	\$23,650	\$8,036	\$5,421	\$1,943	\$1,703	\$17,103
Change						
Level	(\$11,304)	\$6,800	(\$429)	(\$486)	\$0	\$5,885
Percentage	-32.34%	84.62%	-7.34%	-20.01%	0%	34.41%

Capital Program Goals

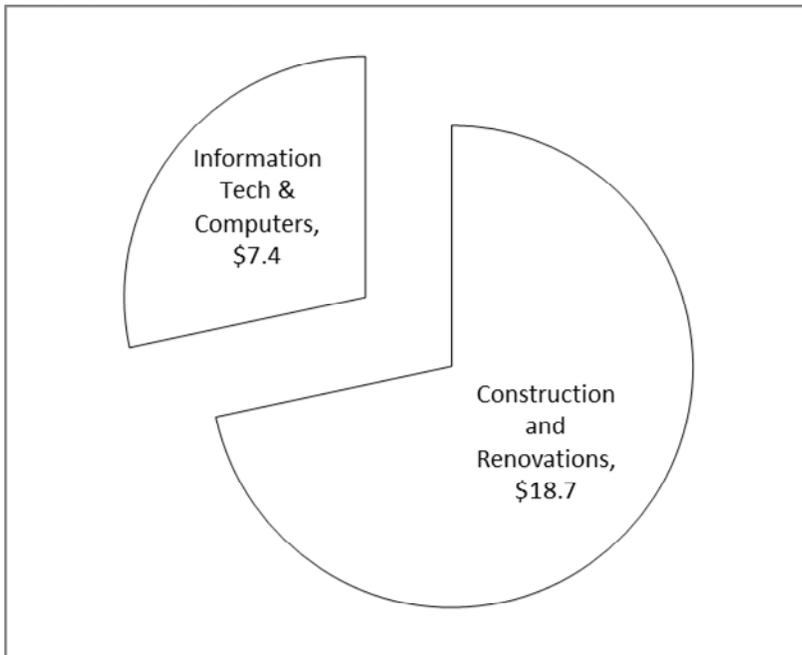
- ✓ Rehabilitation of existing facilities that provide services for senior citizens
- ✓ Targeted improvements to senior centers throughout the City
- ✓ Information technology upgrades, including the purchase of a client tracking software to better track programs and clients

Ten-Year Strategy

The Department’s primary objectives for senior center improvements include: structural repairs, interior renovations; and improvements to handicapped accessibility. DFTA is also committed to ensuring high-speed Internet connections are available at all DFTA-funded senior centers. The Department’s Ten-Year Capital Strategy includes a total of \$26.1 million in funding for construction and information technology.

DFTA Ten-Year Capital Strategy

Dollars in Millions



TOTAL: \$26.1 Million

Construction and Renovations

The Preliminary Ten-Year Capital Strategy provides funding to complete renovations and upgrades for the various senior centers around the City. Funds are also provided to assure the agency’s fire and safety infrastructure meets standards, and that necessary improvements for HVAC, masonry, roofing, electrical, plumbing are completed.

Information Technology and Computers

The Preliminary Ten-Year Capital Strategy will continue to provide funding for the technology needs of the agency, as well as technology improvements for the agency’s contractors and service providers.

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
Agency Budget as of the June 2010 Plan	\$145,894	\$118,401	\$264,295	\$108,253	\$117,793	\$226,046
Programs to Eliminate the Gap (PEGs)						
Case Management Restructuring	(\$3,300)	\$0	(\$3,300)	(\$6,600)	\$0	(\$6,600)
Case Management Restructuring PEG Restoration	3,300	0	3,300	0	0	0
Headcount Reduction	0	0	0	(1,000)	0	(1,000)
Central Insurance Program Savings	(990)	0	(990)	(1,131)	0	(1,131)
Lease Termination	(280)	0	(280)	(216)	0	(216)
Refunds from Contractors	(2,000)	0	(2,000)	0	0	0
Agency Accruals	(1,780)	0	(1,780)	0	0	0
Total, PEGs	(\$5,050)	\$0	(\$5,050)	(\$8,947)	\$0	(\$8,947)
Other Adjustments						
WRAP Realign	\$0	\$893	\$893	\$0	\$0	\$0
Increase HIICAP	0	109	109	0	0	0
Older Americans Act Funding Shift	(500)	500	0	0	0	0
Technical Adjustments	2,165	7,581	9,746	109	23	132
Total, Other Adjustments	\$1,665	\$9,083	\$10,748	\$109	\$23	\$132
Total, All Changes	(\$3,385)	\$9,083	\$5,698	(\$8,838)	\$23	(\$8,815)
Agency Budget as of the February 2011 Plan	\$142,509	\$127,484	\$269,993	\$99,415	\$117,816	\$217,231