



New York City Council

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Finance Division

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Hearing on the Mayor's Fiscal Year 2011 Executive Budget

Department of Homeless Services

May 18, 2010

Committee on Finance

Hon. Domenic M. Recchia, Jr., Chair

Committee on General Welfare

Hon. Annabel Palma, Chair

Latonia McKinney, Deputy Director, Finance Division
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Summary and Highlights

	2009 Actual	2010 Adopted	2010 Executive	2011 Executive	Difference, 2011 vs. 2010*
Personal Services	\$122,238	114,241	120,032	119,259	\$5,018
Other than Personal Services	729,072	650,326	867,195	717,764	67,438
Table Total	\$851,310	764,566	987,227	837,022	\$72,456

*Variance between the Fiscal 2010 Adopted Budget and the Fiscal 2011 Executive Budget.

Fiscal 2011 Executive Plan Highlights

DHS' budget reduction target is \$24.5 million for Fiscal 2011. To meet this target DHS proposes to reduce headcount by 57 positions agency-wide through attrition as well as cut and restructure a number of services and programs including the following:

- Eliminate funding for furniture contract for families moving out of shelter ;(see pg. 20)
- Eliminate funding for entertainment contract for children in shelter; (see pg. 14)
- Eliminate funding for medical records review; (see pg. 9)
- Eliminate funding for contract which provides case managements services for families transitioning out of shelter; (see pg.14)

Fiscal 2011 Preliminary Plan Highlights

- Closing of the Open Door, a 24-hour Drop-in Center in Manhattan; (see pg. 19)
- A Rapid Re-housing Initiative which would place more emphasis on housing placement than supportive services at DHS-contracted hotel shelter providers; (see p.15)
- The elimination 40 Safe Haven beds and 50 stabilization beds for homeless single adults; (see pg. 25)
- Reduction of funding for medical services in non-specialized adult shelters; (see pg. 9)
- The elimination of 25 contracted security guards in adult and family shelters; (see pg. 17)
- A five percent reduction to contracted adult family shelter budgets. (See pg. 15)

State Fiscal Year 2010-11 Executive Budget Highlights

- The State budget proposes to eliminate support for Adult Shelters. The State proposes to align adult and family shelter programming by requiring DHS to conduct public assistance eligibility determinations for all individuals seeking placement in shelter. A significant number of the City's homeless single adult population may not qualify for public assistance and the City impact is a projected shortfall of \$65 million.
- The State Budget proposes to reduce funding by approximately \$107 million for the Flexible Fund for Family Services (FFFS), which provides districts with flexibility to devote significantly higher amounts to program areas of their choosing, rather than having the State determine what amounts must be

spent on child care, services, or various state contracts. DHS estimates this reduction will impact its budget by over \$20 million.

Federal Highlights

- **America Recovery and Reinvestment Act (ARRA).** New York City received \$73.9 million in Homeless Prevention and Rapid Re-Housing (HPRP) stimulus funding, which is more than any other municipality. The funding must be spent during fiscal years 2010-2012 and 60% of the funding must be spent in the first two years. The key goals of the HPRP program are to prevent homelessness and to help those who are already homeless move quickly into permanent housing.

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

	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2011 vs. 2010
Budget by Program Area						
Adult Shelter Administration	\$5,989	\$6,609	\$5,506	\$5,591	\$5,710	\$204
Adult Shelter Intake and Placement	7,243	7,809	8,624	8,844	8,699	75
Adult Shelter Operations	209,104	204,220	188,640	215,787	201,693	13,053
Family Shelter Administration and Support	5,623	5,851	6,033	6,047	5,874	(159)
Family Shelter Intake and Placement	23,448	26,620	25,880	25,350	25,925	44
Family Shelter Operations	379,746	369,267	335,713	401,946	357,736	22,022
General Administration	62,077	64,837	47,628	55,572	55,580	7,952
Outreach, Drop-in and Reception Services	27,921	22,450	21,919	20,221	12,985	(8,934)
Prevention and Aftercare	20,632	27,022	13,562	36,981	30,468	16,907
Rental Assistance and Housing Placement	43,748	116,624	111,062	210,890	132,351	21,289
TOTAL	\$785,533	\$851,310	764,566	987,227	837,022	72,456
Funding						
City Funds	NA	NA	\$305,193	\$446,608	\$412,012	\$106,819
State	NA	NA	214,894	154,039	156,639	(58,255)
Federal – CD	NA	NA	10,242	13,147	5,843	(4,399)
Federal – Other	NA	NA	134,883	202,489	164,407	29,524
Intra-City	NA	NA	99,354	170,944	98,121	(1,233)
TOTAL	\$785,533	\$851,310	764,566	987,227	837,022	72,456

*Variance between the Fiscal 2010 Adopted Budget and the Fiscal 2011 Executive Budget.

Department of Homeless Services Financial Summary (cont'd)

	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2011 vs. 2010
Positions						
Fulltime Positions	2,052	2,026	1,884	2,082	2,048	164
TOTAL	2,052	2,026	1,884	2,082	2,048	164

*Variance between the Fiscal 2010 Adopted Budget and the Fiscal 2011 Executive Budget.

The Council has routinely provided funding for rental assistance grants and other needed services for single homeless individuals residing in DHS operated or contracted shelters that are transitioning to work. The Council has also routinely 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.

FY 2010 Council Changes at Adoption by Program Area

Dollars in Thousands

Rental Assistance and Housing Placement

Adult Rental Assistance Program	900
Subtotal	\$900

Prevention and Aftercare

Citywide Homeless Prevention Fund	250
Subtotal	\$250
TOTAL	\$1,150

Capital Program

The May 2010 Capital Commitment Plan includes \$84.7 million in Fiscal 2011-2014 for the Department of Homeless Services (including City and Non-City funds). This represents less than one percent of the City's total \$28.6 billion Executive Plan for Fiscal 2011-2014. The agency's May Commitment Plan for Fiscal 2011-2014 is 40 percent less than the \$142.7 million scheduled in the January commitment plan, a decrease of \$58 million.

Over the past five years the Department of Homeless Services has committed an average of 42.7 percent of its annual capital plan. Therefore, it is assumed that a large portion of the agency's Fiscal 2010 capital plan will be rolled into Fiscal 2011 thus greatly increasing the size of the Fiscal 2011-2014 capital plan. Since adoption last June, the Capital Commitment Plan for Fiscal 2010 has decreased from \$97 million to \$71.6 million, a decrease of \$25.4 million or 26 percent.

Currently the DHS's appropriations total \$83.9 million in City-funds for Fiscal 2010. These appropriations are to be used to finance the agency's \$53.7 million City-funded Fiscal 2010 capital commitment program. The agency has \$30.2 million or 36 percent more funding than it needs to meet its entire capital commitment program for the current fiscal year.

The focus of the DHS's Ten-Year Capital Plan continues to be the maintenance and development of transitional housing for homeless families and single adults. The agency's Ten-Year September Capital Plan is \$180.7, an increased of \$37.7 million, or 26 percent, from the Ten-Year Executive Capital Plan of \$143.0 million. According to the Department of Homeless Services September Ten-Year Capital Plan, \$66.1 million, or 36.6 percent, of the total plan amount is for the rehabilitation and development of transitional housing for homeless individuals, \$67.9 million, or 37.6 percent, is planned for the rehabilitation and development of transitional housing for homeless families and the remaining \$46.7 million, or 25.8 percent, is for Management Information Systems (MIS) and equipment.

FY 2010 Adopted Capital Commitment Plan

Dollars in Thousands

	2010	2011	2012	2013	2014-2019	Total
Facilities for Homeless Individuals	\$29,184	\$7,927	\$3,218	\$6,334	\$19,409	\$66,072
MIS and Equipment	29,900	3,026	2,732	6,350	4,676	46,684
Facilities for Homeless Families	37,826	5,998	3,826	6,235	14,041	67,926
TOTAL	\$96,910	\$16,951	\$9,776	\$18,919	\$38,126	\$180,682

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 2011 is \$204,000 more than the Adopted Fiscal 2010 Budget. This increase can be attributed to an increase in City funding for personal services cost.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2011 vs. 2010
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$5,432	\$6,075	\$5,001	\$5,185	\$5,205	\$204
Other Salaried and Unsalariated	46	27	5	\$5	\$5	\$0
Additional Gross Pay	355	205	55	\$55	\$55	\$0
Overtime - Civilian	155	301	445	\$346	\$445	\$0
Fringe Benefits	1	1	0	\$0	\$0	\$0
TOTAL	\$5,989	\$6,609	\$5,506	\$5,591	\$5,710	\$204
Funding						
City Funds	NA	NA	\$3,759	\$3,844	\$3,963	\$204
Federal - Other			111	\$111	\$111	\$0
Federal TANF Assistance	NA	NA	13	\$13	\$13	\$0
FFFS- PS Admin	NA	NA	99	\$99	\$99	\$0
State			1,636	\$1,636	\$1,636	\$0
Adult Shelter Cap	NA	NA	63	\$63	\$63	\$0
Local Admin Fund- PS Admin	NA	NA	1,560	\$1,560	\$1,560	\$0
Safety Net	NA	NA	7	\$7	\$7	\$0
State TANF Assistance	NA	NA	6	\$6	\$6	\$0
TOTAL			\$5,506	\$5,591	\$5,710	\$204

**Variance between the Fiscal 2010 Adopted Budget and the Fiscal 2011 Executive 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 2011 is \$75,000 more than the Adopted Fiscal 2010 Budget. This projected increase can be attributed to City funding for personal services.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2011 vs. 2010
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$6,224	\$6,741	\$8,116	\$5,736	\$5,591	(\$2,525)
Other Salaried and Unsalariated	3	0	\$0	\$0	\$0	\$0
Additional Gross Pay	431	536	\$238	\$1,118	\$1,118	\$880
Overtime - Civilian	516	448	\$249	\$1,969	\$1,969	\$1,720
Fringe Benefits	70	85	\$21	\$21	\$21	\$0
TOTAL	\$7,243	\$7,809	\$8,624	\$8,844	\$8,699	\$75
Funding						
City Funds	NA	NA	\$6,395	\$6,407	\$6,919	\$524
Federal - Other	NA	NA	0	\$207	\$0	\$0
Emergency Shelter Grant	NA	NA	0	\$207	\$0	\$0
State	NA	NA	2,229	\$2,229	\$1,780	(\$449)
Adult Shelter Cap	NA	NA	1,228	\$1,228	\$778	(\$449)
Local Admin Fund- PS Admin	NA	NA	1,001	\$1,001	\$1,001	\$0
TOTAL	\$7,243	\$7,809	\$8,624	\$8,844	\$8,699	\$75

*Variance between the Fiscal 2010 Adopted Budget and the Fiscal 2011 Executive 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 2011 is \$13.9 million greater than the Adopted Fiscal 2010 Budget. This can be attributed to an increase in City spending for contractual services.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2011 vs. 2010
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$13,026	\$13,450	\$15,396	\$15,953	\$15,500	\$104
Other Salaried and Unsalariad	12	0	10	0	0	(10)
Additional Gross Pay	1,291	1,026	999	1,010	1,010	10
Overtime - Civilian	550	787	1,773	773	773	(1,000)
Fringe Benefits	107	123	58	58	58	0
Subtotal	14,987	15,385	18,237	17,794	17,341	(896)
Other Than Personal Services						
Contractual Services	\$175,464	\$171,043	\$149,630	\$177,874	\$166,366	\$16,736
Fixed and Misc Charges	5	4	55	8	7	(48)
Other Services and Charges	10,037	11,467	14,384	13,656	11,357	(3,027)
Property and Equipment	1,399	279	857	526	728	(129)
Social Services	381	331	499	383	499	0
Supplies and Materials	6,831	5,711	4,978	5,545	5,395	417
Subtotal	\$194,117	\$188,835	\$170,403	\$197,992	\$184,353	\$13,949
TOTAL	\$209,104	\$204,220	\$188,640	\$215,787	\$201,693	\$13,053
Funding						
City Funds	NA	NA	\$96,067	\$132,808	\$183,229	\$87,163
State	NA	NA	64,642	64,896	14,988	(49,653)
Adult Shelter Cap	NA	NA	59,362	59,472	9,314	(50,049)
Local Admin Fund- AOTPS Admin	NA	NA	246	374	641	395
Local Admin Fund- PS Admin	NA	NA	31	31	31	0
Safety Net	NA	NA	5,001	5,013	5,001	0
State TANF Assistance	NA	NA	1	5	1	0
Intra City	NA	NA	22,072	1,072	1,072	(21,000)
Federal - Community Development	NA	NA	5,689	7,581	1,290	(4,399)
Community Development Block Grants	NA	NA	0	1,892	1,290	1,290
COMMUNITY DEVELOPMENT STIMULUS	NA	NA	5,689	5,689	0	(5,689)
Federal - Other	NA	NA	171	9,430	1,114	943
Emergency Shelter Grant	NA	NA	0	6,188	0	0
Federal TANF Assistance	NA	NA	2	3,010	2	0
FFFS- AOTPS Admin	NA	NA	13	76	956	943
Supportive Housing Program (HUD)	NA	NA	156	156	156	0
TOTAL	NA	NA	\$188,640	\$215,787	\$201,693	\$13,053

*Variance between the Fiscal 2010 Adopted Budget and the Fiscal 2011 Executive Budget.

Fiscal 2011 Executive Plan Actions

- **Adult Shelter Capacity Re-Estimate.** As of March 2010, the adult shelter census was 7,597. DHS will increase its adult shelter budget by \$18.8 million in Fiscal 2011 and in the outyears to support increases in adult shelter capacity.
- **Medical Review Contract.** DHS proposes to eliminate its Medical Review Team contract with PSYCH, an organization which assists DHS with its review of adult shelter clients' medical records. According to DHS, these services will now be performed by its staff. This action will result in a savings of \$360,000 in Fiscal 2011 and in the outyears.

Fiscal 2011 Preliminary Plan Actions

- **Re-Engineering of Community Assistants PEG Restoration.** The Fiscal 2011 Preliminary Plan restores a proposed PEG from last year. In the Fiscal 2010 Preliminary Budget, DHS proposed to contract out staff functions, which included cleaning services at directly operated shelters, intake sites, and in the central office to achieve efficiencies. This would have resulted in the elimination of 174 positions. This action would have generated savings of \$1.9 million (\$1.6 million CTL) in Fiscal 2010 and \$4.4 million (\$3.6 million CTL) in Fiscal 2011 and in the outyears. Upon further consideration, funding and headcount reductions for this proposal have been fully restored to DHS's budget.
- **Performance-based Payments for Adult Shelter Providers PEG Restoration.** The Fiscal 2011 Preliminary Plan restores a proposed PEG from the last fiscal year. In the Fiscal 2010 Preliminary Budget, DHS proposed a savings of \$4 million in Fiscal 2010 and in the outyears with the implementation of a new Adult Performance Incentive Program (PIP), which ties the performance of facilities to payment rates and is based on the number of adult moved from shelter and placed into permanent housing. The agency claimed that this would increase permanent housing placements with those providers. However, the agency did not provide details on how savings would be achieved. Adult shelter providers expressed that the lack of details regarding this proposed cut makes it extremely difficult for them to budget for the upcoming fiscal year. Subsequently, this action was not approved by the State and funding for this action has been restored to DHS's budget. As outlined below, DHS has proposed an alternate savings plan.
- **Reductions to Contracted Adult Shelters.** As an alternative to the proposed \$4 million savings from performance-based payments for adult shelters and a proposed \$1.4 million savings from the elimination of contracted recreation staff in adult shelters, DHS proposes to reduce contracted shelter budgets by 4.19 percent, generating savings of \$5.4 million in Fiscal 2011 and in the outyears.
- **Medical Reductions in Adult Shelters.** DHS proposes to reduce funding for medical services in general population adult shelters. DHS also proposes to centralize medical review services at the 33 Beaver Street location. DHS claims that centralizing services will reduce funding for rent, equipment, administrative expenses, and two contracted full-time positions (Director of Clinics and a clerical position). This action would result in a savings of \$1.7 million in Fiscal 2011 and in the outyears.
- **Additional Federal Revenue for Veterans Services.** For providing transitional housing services at the Borden Avenue shelter which houses 243 homeless veterans, DHS was awarded a Federal grant, and recognizes additional revenue resulting in a City Tax-Levy reduction of \$2.5 million in Fiscal 2011 and in the outyears.

State Budget Issue

The Fiscal 2010-11 State Executive budget proposes to eliminate State support for Adult Shelters and seeks to align adult and family shelter programming by requiring DHS to conduct public assistance eligibility determinations for all individuals seeking placement in shelter. A significant number of the City's homeless single adult population may not qualify for public assistance and the City impact is a projected shortfall of \$65 million.

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 2011 is approximately \$159,000 less than the Fiscal 2010 Adopted Budget. This projected decrease can be attributed to reductions in City funding for personal services.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2011 vs. 2010
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$5,061	\$5,933	\$5,907	\$5,921	\$5,749	(159)
Other Salaried and Unsalariated	23	26	6	6	6	0
Additional Gross Pay	261	(316)	44	44	44	0
Overtime - Civilian	279	208	76	76	76	0
Fringe Benefits			0	0	0	0
TOTAL	\$5,623	\$5,851	\$6,033	\$6,047	\$5,874	(\$159)
Funding						
City Funds	NA	NA	\$2,027	\$2,041	\$1,868	(\$159)
Federal - Other	NA	NA	2,741	2,741	2,741	0
Federal TANF Assistance	NA	NA	42	42	42	0
FFFS- PS Admin	NA	NA	2,699	2,699	2,699	0
State	NA	NA	1,265	1,265	1,265	0
Adult Shelter Cap	NA	NA	212	212	212	0
Local Admin Fund- PS Admin	NA	NA	1,009	1,009	1,009	0
Safety Net	NA	NA	23	23	23	0
State TANF Assistance	NA	NA	21	21	21	0
TOTAL	\$5,623	\$5,851	\$6,033	\$6,047	\$5,874	(\$159)

**Variance between the Fiscal 2010 Adopted Budget and the Fiscal 2011 Executive 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 2011 is projected to increase by \$44,000 from the Fiscal 2010 Adopted Budget. This projected increase can be attributed to an increase in City funding for personal services.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Jan Plan	2011 Jan Plan	*Difference 2011 vs. 2010
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$19,044	\$21,679	\$21,890	\$21,946	\$21,935	\$44
Other Salaried and Unsalariied	5	3	0	0	0	0
Additional Gross Pay	1,354	1,448	732	732	732	0
Overtime - Civilian	3,001	3,449	3,238	2,699	3,238	0
Fringe Benefits	44	41	20	20	20	0
TOTAL	\$23,448	26,620	\$25,880	\$25,398	\$25,925	\$44
Funding						
City Funds	NA	NA	\$9,812	\$8,492	\$9,856	\$44
Federal - Other	NA	NA	12,026	12,862	12,026	0
ARRA-HOMELESSNESS PREV&RE-HOUS	NA	NA	0	837	0	0
Federal TANF Assistance	NA	NA	343	343	343	0
FFFS- PS Admin	NA	NA	11,682	11,682	11,682	0
State	NA	NA	4,043	4,043	4,043	0
Local Admin Fund- PS Admin	NA	NA	3,684	3,684	3,684	0
State TANF Assistance	NA	NA	359	359	359	0
TOTAL	\$23,448	\$26,620	\$25,880	\$25,398	\$25,925	\$44

*Variance between the Fiscal 2010 Adopted Budget and the Fiscal 2011 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 2011 increases by approximately \$22 million from the Fiscal 2010 Adopted Budget. This projected increase can be attributed to increases in State and Federal TANF assistance and an increase in City funding for personal and contractual services.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2011 vs. 2010
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$9,278	\$8,531	\$10,392	\$10,437	\$10,457	\$65
Other Salaried and Unsalariated	7	3	0	0	0	0
Additional Gross Pay	725	396	325	325	325	0
Overtime - Civilian	866	809	959	959	959	0
Fringe Benefits	50	49	14	14	14	0
Subtotal	\$10,926	\$9,788	\$11,691	\$11,736	\$11,756	\$65
Other Than Personal Services						
Contractual Services	\$352,368	\$352,136	\$307,785	\$381,577	\$330,473	\$22,688
Fixed and Misc Charges	0	0	2	1	2	0
Other Services and Charges	3,645	1,709	7,511	3,692	7,195	(316)
Property and Equipment	1,295	571	914	758	920	5
Social Services	7,156	626	0	0	0	0
Supplies and Materials	4,356	4,437	7,811	4,182	7,390	(420)
Subtotal	\$368,820	\$359,479	\$324,022	\$390,210	\$345,980	\$21,957
TOTAL	\$379,746	\$369,267	\$335,713	\$401,946	\$357,736	\$22,022
Funding						
City Funds	NA	NA	\$131,818	\$151,956	\$143,128	\$11,310
Federal - Community Development	NA	NA	4,000	5,012	4,000	0
Community Development Block Grants	NA	NA	4,000	5,012	4,000	0
Federal - Other	NA	NA	98,459	121,891	106,104	7,646
Emergency Shelter Grant	NA	NA	0	226	0	0
Federal TANF Assistance	NA	NA	86,110	109,317	93,756	7,646
FFFS- AOTPS Admin	NA	NA	10,216	10,216	10,216	0
FFFS- PS Admin	NA	NA	2,133	2,133	2,133	0
Intra City	NA	NA	2,000	2,000	2,000	0
State	NA	NA	99,437	121,087	102,504	3,067
Adult Shelter Cap	NA	NA	15	60	10	(5)
Local Admin Fund- AOTPS Admin	NA	NA	1,661	1,719	1,661	0
Local Admin Fund- PS Admin	NA	NA	557	557	557	0
Safety Net	NA	NA	50,870	60,276	50,244	(627)
State TANF Assistance	NA	NA	46,334	58,475	50,032	3,698
TOTAL	NA	NA	\$335,713	\$401,946	\$357,736	\$22,022

*Variance between the Fiscal 2010 Adopted Budget and the Fiscal 2011 Executive Budget.

Fiscal 2011 Executive Budget Actions

- **Client Contribution for Working Families PEG Restoration.** In the Fiscal 2010 November Plan, DHS anticipated a savings of \$1.3 million in Fiscal 2010 and in the outyears, from a 1997 State regulation that has not been enforced by the City until now. The regulation states that families with earned income are required to contribute to shelter cost. However, due to delays in the implementation of this regulation, DHS has restored \$1.3 million of the projected savings in Fiscal 2010 only. Because of this it is unclear whether or not the agency still plans to generate outyear savings from its implementation. The policy will be implemented on October 1, 2010, and applies to families with earned income only. DHS estimates that currently 15-20 percent of its shelter clients are eligible to make contributions. The family contribution will be determined by HRA based on public assistance regulations, and clients will have the opportunity to contest their contribution requirement through a fair hearing with New York State. Family contributions will be collected by HRA and it has made adjustments in its budget for 25 additional staff that will process collected shelter contributions. Final decisions have not been made as to what the penalty will be for families that do not comply with the new contribution rule. DHS says that it is currently engaged in discussions regarding this policy.
- **Graduated Payment System (GPS) PEG Restoration.** In the Fiscal 2010 Financial Plan, DHS proposed 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 by increasing provider base payments by ten percent for families in shelter who are placed within six months, and by reducing provider base payments by 20 percent for families who remain in shelter for longer than six months, DHS claims that client responsibility will increase, provider accountability would be enhanced, and aftercare services to prevent shelter re-entry and promote permanent housing would be guaranteed. However, as with the proposed performance-based incentive for adult shelters, providers have expressed that the implementation of this PEG makes it difficult for them to budget since the reimbursement will no longer be guaranteed but will be varied making it difficult to budget for fixed costs expenses such as rent and debt service.

The implementation of this PEG has been approved by the State for one year as of January 1, 2010 on the condition that DHS meet the requisite to have technology in place to support claims based on per family categorical eligibility and submit all deliverables, including proposed tracking reports and statistical analysis reports. Due to the delay in the implementation of this PEG, DHS has restored \$7.4 million (\$2.7 million CTL) to its budget in Fiscal 2010 only.

- **Hospital Audiences Program.** DHS proposes to eliminate its contract with Hospital Audiences, Inc. (HAI), which provides entertainment for children in five of its directly operated family shelters. This action will result in a savings of \$100,000 in Fiscal 2011 and in the outyears.
- **Relocation and Employment Assistance Program.** DHS proposes to eliminate its contract with CAMBA which provides case management services for 1,000 families transitioning from shelter to permanent housing. The services are included as a part of DHS' Rapid Re-Housing initiative, which applies the HomeBase homeless prevention model to families in shelter hotels. This action will result in a savings of \$1.2 million (\$1.1 million CTL) in Fiscal 2011 and in the outyears.

Fiscal 2011 Preliminary Plan Actions

- **Family Capacity Re-estimate.** DHS will increase its family shelter budget by \$37.1 million (\$16.8 million CTL) in Fiscal 2011 and in the outyears to support family shelter capacity increases of approximately 10,000 additional homeless families.
- **Recreation Staff at Contracted Shelters PEG Restoration.** The Fiscal 2011 Preliminary Plan restores a proposed PEG from last fiscal year. In the Fiscal 2010 Preliminary Budget, DHS proposed to eliminate funding to providers for contracted recreation staff, who play a critical role in the lives of families and children by strengthening socialization and communication skills of children and families by providing coping tools and activities in family shelters. This action would have resulted in savings of \$2.4 million (CTL) and \$1.6 million in State and Federal funds however, funding for this contract has been restored.
- **Shelter Rate Reductions.** DHS proposes to reduce DHS contracted adult family shelter budgets by five percent which would result in a savings of \$968,000 (\$703,000 CTL) in Fiscal 2011 and in the outyears. As an alternative to the \$1 million (CTL) savings from the elimination of contracted recreation staff, as described above, DHS proposes an additional 1.4 percent reduction to all contracted family shelters, which would result in a savings of \$2.1 million (\$897,000 CTL) in Fiscal 2011 and in the outyears. It is unclear at this time the full impact of the proposal to family shelter services.
- **Rapid Re-Housing Initiative.** DHS proposes to develop an initiative with a portion of the HRPR stimulus funding, which would increase the use of HomeBase for expedited housing placement services at DHS contracted hotel facilities. Currently the average length of stay at DHS contracted hotels is 207 days and under the initiative, the target will be 167 days. DHS anticipates a savings of \$21 million savings (\$7.6 million CTL) in Fiscal 2011 and in the outyears from a decrease in hotel capacity and expedited housing placements from hotel facilities.
- **Elimination of Employment Specialists.** DHS proposes to eliminate employment specialists at its 18 contracted facilities serving families with children, which include nine Tier II shelters and five cluster sites. According to DHS, it will work with the Human Services Administration for service alternatives. This proposed action would result in a savings of \$897,602 (\$372,000 CTL) in Fiscal 2011 and in the outyears.

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 2011 increases by approximately \$8 million from the Fiscal 2010 Adopted Budget. This projected increase can be attributed to City and Federal funding for personnel and other than personal services.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2011 vs. 2010
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$36,803	\$39,853	\$31,175	\$34,811	\$35,070	\$3,895
Full-Time Salaried - Uniformed	1	0	0	0	0	0
Other Salaried and Unsalaries	308	287	107	117	88	(19)
Additional Gross Pay	1,315	1,071	633	1,168	1,288	655
P.S. Other	46	22	0	0	0	0
Fringe Benefits	1,007	978	1,002	2,049	1,377	375
Overtime - Civilian	3,545	3,771	(121)	496	619	740
Subtotal	\$43,026	\$45,983	\$32,796	\$38,642	\$38,442	\$5,646
Other Than Personal Services						
Contractual Services	\$5,982	\$6,413	\$2,978	\$4,241	\$3,162	\$183
Fixed and Misc Charges	138	62	61	67	61	0
Other Services and Charges	9,662	9,638	10,841	10,601	12,799	1,958
Property and Equipment	1,119	410	229	225	288	59
Social Services	98	95	0	0	0	0
Supplies and Materials	2,053	2,236	723	1,797	828	105
Subtotal	\$19,051	\$18,854	\$14,833	\$16,931	\$17,139	\$2,306
TOTAL	\$62,077	\$64,837	\$47,628	\$55,572	\$55,580	\$7,952
Funding						
City Funds	NA	NA	\$19,203	\$108,783	\$26,704	\$7,501
Federal - Other	NA	NA	12,807	14,698	13,740	933
ARRA-HOMELESSNESS PREV&RE-HOUS	NA	NA	0	926	229	229
Emergency Shelter Grant	NA	NA	0	294	0	0
Federal TANF Assistance	NA	NA	935	1,452	1,426	491
FFFS- AOTPS Admin	NA	NA	3,102	3,302	3,315	213
FFFS- PS Admin	NA	NA	8,770	8,725	8,770	0
State	NA	NA	15,618	(67,909)	15,136	(482)
Adult Shelter Cap	NA	NA	7,386	(73,392)	6,171	(1,215)
Local Admin Fund- AOTPS Admin	NA	NA	1,949	1,926	2,212	263
Local Admin Fund- PS Admin	NA	NA	5,258	5,258	5,258	0
Safety Net	NA	NA	558	(2,427)	783	225
State TANF Assistance	NA	NA	468	726	713	245
TOTAL	NA	NA	\$47,628	\$55,572	\$55,580	\$7,952

*Variance between the Fiscal 2010 Adopted Budget and the Fiscal 2011 Executive Budget.

Fiscal 2011 Preliminary Plan Actions

- **Personnel Savings.** DHS proposes to eliminate 57 positions agency-wide through attrition not layoffs. This action would result in a savings of \$4.2 million in Fiscal 2011 and in the outyears.
- **Administrative Savings.** DHS proposes to generate savings of \$779,000 in Fiscal 2011 and in the outyears from administrative efficiencies agency-wide.
- **Reduction of Contracted Security.** DHS proposes to eliminate 25 contracted security guard posts in adult and family shelters. The following chart is a breakdown of reductions by shelter. According to DHS these contracted positions will be replaced by its agency security. This action will result in a savings of \$861,000 in Fiscal 2011 and in the outyears.

Name of Shelter	Number of Contracted Security Positions Eliminated	Number of Remaining DHS Peace Officers	Priority 1 Incidents reported Last Calendar Year*
Auburn Family (Brooklyn)	13	30	0
Kingsboro Shelter (Brooklyn)	4	30	0
Greenpoint Shelter (Brooklyn)	4	N/A	0
Linden Family Shelter (Brooklyn)	1	N/A	2
Flatlands Shelter (Brooklyn)	1	N/A	6
Jamaica Armory Shelter (Queens)	1	N/A	7
Willow Avenue Shelter (Bronx)	1	N/A	2
TOTAL	25	N/A	17

**Priority 1 incidents are the most serious and urgent and require police involvement.*

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, with one in Staten Island, and Brooklyn, two in Manhattan, and one federally funded center in the Bronx. The Council is working with DHS to ensure that drop-in centers do not exclude special populations, and that they are taken into consideration as part of this structural reform.

The proposed budget for outreach, drop-in and reception services in Fiscal 2011 decreases by approximately \$8.9 million from the Fiscal 2010 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>	2008 Actual	2009 Actual	2010 Adopted	2010 Jan Plan	2011 Jan Plan	*Difference 2011 vs. 2010
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$638	\$716	\$756	\$781	\$783	\$27
Other Salaried and Unsalariated	5	0	0	0	0	0
Additional Gross Pay	40	30	42	42	42	0
Overtime - Civilian	34	57	45	45	45	0
Fringe Benefits	1	1	1	1	1	0
Subtotal	\$718	\$803	\$844	\$869	\$872	\$27
Other Than Personal Services						
Contractual Services	\$27,203	\$21,647	\$21,075	\$19,291	\$12,114	(\$8,961)
Subtotal	\$27,203	\$21,647	\$21,075	\$19,291	\$12,114	(\$8,961)
TOTAL	\$27,921	\$22,450	\$21,919	\$20,161	\$12,985	(\$8,934)
Funding						
City Funds	NA	NA	\$8,803	\$703	\$793	(\$8,010)
Federal - Community Development	NA	NA	553	553	553	0
Federal - Other	NA	NA	0	6,822	1,076	1,076
ARRA-HOMELESSNESS PREV&RE-HOUS	NA	NA	0	5,846	1,076	1,076
Emergency Shelter Grant	NA	NA	0	976	0	0
Intra City	NA	NA	49	49	49	0
State	NA	NA	12,514	12,034	10,514	(2,000)
Adult Shelter Cap	NA	NA	12,260	11,780	10,260	(2,000)
Local Admin Fund- PS Admin	NA	NA	253	253	253	0
TOTAL	\$27,921	\$22,450	\$21,919	\$20,161	\$12,985	(\$8,934)

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

Performance Measures

	FY 07	FY 08	FY 09	FY10	Target FY 11
Number of people estimated to be living on the streets (HOPE)	3,755	3,306	2,328	3,111	*

On January 25, 2010 DHS sponsored the eighth annual HOPE count, which is a survey to measure the progress in reducing street homelessness citywide. 2010 HOPE Count results revealed that there are 783 more homeless people on the street and in the subway than the 2,328 in 2009. Of the 3,111 street homeless, 1,145 were located in Manhattan, 174 in the Bronx, 428 in Queens, 175 in Staten Island, and 1,077 in the subway.

Fiscal 2011 Preliminary Plan Actions

- Street Solutions.** The Open Door 24 hour Drop-in Center located in Manhattan did not apply for the 2008 Drop-in Center RFP and will close this month. DHS is currently working with Urban Pathways explore housing solutions for the approximately 80 to 100 clients served by the Open Door. The closure of Open Door will result in a savings of \$2.4 million in Fiscal 2011 and in the outyears. Four City-funded drop-in centers in Brooklyn, Manhattan, and Staten Island will remain open as well as one federally-funded center in the Bronx.

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 that have left the shelter system for permanent housing.

The proposed budget for prevention and aftercare in Fiscal 2011 increases by approximately \$16.9 million from the Fiscal 2010 Adopted Budget. This projected increase can be attributed to a decrease in City funding which is offset by HPRP federal stimulus funding.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec Plan	2011 Exec Plan	*Difference 2011 vs. 2010
Spending						
Personal Services						
Additional Gross Pay	\$2	\$2	\$0	\$0	\$0	\$0
Full-Time Salaried - Civilian	152	388	21	0	0	(21)
Overtime - Civilian	8	10	0	0	0	0
Subtotal	\$162	\$400	\$21	\$0	\$0	(\$21)
Other Than Personal Services						
Contractual Services	\$20,470	\$26,622	\$13,466	\$36,032	\$29,969	\$16,503
Other Services and Charges	0	0	74	949	499	425
Subtotal	\$20,470	\$26,622	\$13,540	\$36,981	\$30,468	\$16,928
TOTAL	\$20,632	\$27,022	\$13,562	\$36,981	\$30,468	\$16,907
Funding						
City Funds	NA	NA	\$5,241	\$5,046	\$3,267	(\$1,975)
Federal - Other	NA	NA	5,318	29,300	24,777	19,459
ARRA-HOMELESSNESS PREV&RE-HOUS	NA	NA	0	24,279	19,927	19,927
Federal TANF Assistance	NA	NA	1,904	1,870	1,850	(54)
FFFS- AOTPS Admin	NA	NA	414	151	0	(414)
TANF- Emergency Assistance	NA	NA	3,000	3,000	3,000	0
State	NA	NA	3,002	2,635	2,425	(577)
Adult Shelter Cap	NA	NA	266	97	0	(266)
Local Admin Fund- AOTPS Admin	NA	NA	254	93	0	(254)
Safety Net	NA	NA	30	11	0	(30)
State TANF Assistance	NA	NA	952	935	925	(27)
TANF- Emergency Assist Families	NA	NA	1,500	1,500	1,500	0
TOTAL	NA	NA	\$13,562	\$36,981	\$30,468	\$16,907

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

Fiscal 2011 Executive Budget Actions

- Furnish A Future Contract.** DHS proposes to eliminate its Furnish A Furniture contract with Partnership for the Homeless, which provides supplemental furniture to 1,800 families moving out of shelter annually. DHS insists that families moving out of shelter have the option of obtaining a shelter allowance through HRA. This action will result in a savings of \$865,000 (\$859,000 CTL) in Fiscal 2011 and in the outyears.

Council Initiatives and Funding

Prevention and Aftercare	
Citywide Homeless Prevention Fund	250
TOTAL	\$250

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

American Recovery and Reinvestment Act (ARRA) Funding

AARP Homeless Prevention and Rapid Re-housing Funding (Dollars in thousands)	
Homeless Prevention	
HomeBase	\$45,000
Family Anti Eviction Legal Services (FALS)	2,000
Anti-Eviction Services for Seniors	500
Anti-eviction services persons living with HIV/AIDS at risk of homelessness	500
Homeless Prevention Fund	250
Section 8 expeditors	1,000
Resource Room (linkages to prevention services)	2,100
Aftercare Services	1,900
TOTAL	\$53,250

- **ARRA Stimulus Funding-Homeless Prevention and Rapid Re-housing Grant.** New York City received \$73.9 million in HPRP funding, which is more than any other municipality. The funding must be spent during fiscal years 2010-2012 and 60 percent of the funding must be spent in the first two years. The key goals of the HPRP program are to prevent homelessness and to help those who are already homeless move quickly into permanent housing. Overall, DHS is providing funding to 15 programs, to 45 non-profit and government organizations. Of DHS' 15 programs, eight are using federal funds in the first quarter of the program. DHS plans to spend \$53.25 million in funding on homeless prevention services, with \$45 million, or 85 percent going to DHS' HomeBase prevention program. This funding also includes \$100,000 for HRPR tracking and \$100,000 for quality assurance expenditures.

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 that 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 have families with child welfare involvement.

Work Advantage provides rental assistance for up to two years to families, adult families, or single adults that work 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 disability or Veterans Administration benefits and have 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), is a major component in transitioning Child Advantage and Fixed Advantage clients into permanent housing. However, the future of the Section 8 voucher program is currently as NYCHA has recently terminated 2,597 vouchers of which 1,115 were held by DHS Advantage clients.

Because of these circumstances, DHS has creating a HomeBase Housing Flex-Fund using \$1 million of HPRP stimulus funds, which provides support services for Advantage clients that find it difficult to deal with the termination of their Section 8 voucher, and has proposes a number of changes to the current structure of the Advantage program.

These proposed changes include eliminating the Child and Fixed Income Advantage programs; and requiring clients to be in shelter for at least 60 days and working at least 20 hours per week with an income that falls at or below 200 percent of the Federal Poverty Level (FPL) to be eligible for the program. Once in the program, clients will be expected to maintain their 20 hour per week work requirement, and will have to complete an additional 15 hours per week of HRA approved activities. Clients will be expected to pay 30 percent of their income for rent. During the second year of the program, clients will be required to work 35 hours per week. According to DHS clients will be prepared to increase the number of hours worked based on the 15 hour per week HRA approved activities completed in year one. Also in the second year of the program clients will be required to contribute 30 percent of their gross income or 50 percent of rent, whichever is greater. In the second year, clients will have to work at least 35 hours per week to get the subsidy. The proposed changes are currently pending State approval and will be implemented on July 1, 2010 if approved.

It is unclear what impact the changes will have on DHS' budget for the Advantage New York program which 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.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Jan Plan	2011 Jan Plan	*Difference 2011 vs. 2010
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$2,675	\$2,703	\$2,825	\$3,376	\$2,856	\$31
Other Salaried and Unsalaries	2	6	4	4	4	0
Additional Gross Pay	189	118	144	144	144	0
Overtime - Civilian	162	162	1,636	1,636	1,636	0
Fringe Benefits	0	0	0	0	0	0
Subtotal	\$3,027	\$2,989	\$4,609	\$5,160	\$4,640	\$31
Other Than Personal Services						
Contractual Services	\$40,721	\$113,635	\$106,323	\$204,415	\$127,581	\$21,258
Fixed and Misc Charges	0	0	0	1,315	0	0
Other Services and Charges	0	0	130	0	130	0
Subtotal	\$40,721	\$113,635	\$106,453	\$205,730	\$127,711	\$21,258
TOTAL	\$43,748	\$116,624	\$111,062	\$210,890	\$132,351	\$21,289
Funding						
City Funds	NA	NA	\$22,070	\$26,468	\$23,118	\$1,048
Federal - Other	NA	NA	3,251	4,475	2,719	(532)
ARRA-HOMELESSNESS PREV&RE-HOUS	NA	NA	0	613	0	0
Emergency Shelter Grant	NA	NA	0	566	0	0
Federal TANF Assistance	NA	NA	3	3	0	(3)
FFFS- AOTPS Admin	NA	NA	529	529	0	(529)
FFFS- PS Admin	NA	NA	2,719	2,764	2,719	0
Intra City	NA	NA	75,233	167,823	95,000	19,767
State	NA	NA	10,508	12,123	11,514	1,006
Adult Shelter Cap	NA	NA	0	480	1,150	1,150
Local Admin Fund- AOTPS Admin	NA	NA	141	141	0	(141)
Local Admin Fund- PS Admin	NA	NA	792	792	792	0
Safety Net	NA	NA	1	1	0	(1)
Shelters	NA	NA	9,572	10,707	9,572	0
State TANF Assistance	NA	NA	2	2	0	(2)
TOTAL	NA	NA	\$111,062	\$210,890	\$132,351	\$21,289

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

Performance Measures

	FY 07	FY 08	FY 09	4-Month Actual	Target FY 11
Adult families placed into permanent housing	528	1,166	1,094	417	*
Families with children placed into permanent housing	5,658	6,426	7,716	2,870	*
Single Adults placed into permanent housing	8,406	9,412	9,107	2,568	8,000
Single adults placed into permanent housing who return to DHS shelter service system within one year (%)	15.8%	12.9%	12.8%	12.4%	*
Adult families placed into permanent housing who return to the DHS shelter services system within one year (%)	5.3%	2.8%	0.9%	9.1%	*
Families with children placed into permanent housing who return to the DHS shelter services system within one year (%)	4.2%	3.4%	1.4%	3.5%	*

Performance Analysis

In September 2007 DHS implemented new outreach contracts that incentivized placement of the most chronically street homeless clients, who are unwilling to enter the traditional shelter system, directly into housing. At the same time, DHS developed new placement options for these chronically street homeless clients. Safe Havens, a low demand “Housing First” approach that places street homeless clients directly into housing, and stabilization beds, a safe housing setting for clients who are waiting for housing applications to be processed. The average length of time on the street for clients admitted to the program is seven years. Through June 2009, DHS has developed 411 Safe Havens and 150 stabilization beds. This new approach resulted in the placement of 948 chronically street homeless individuals into permanent or temporary housing in Fiscal 2009, the first full year for which data is available. DHS providers currently operate 377 Safe Haven beds as a housing option for clients who are unwilling to enter the traditional shelter system.

Council Initiatives and Funding

Rental Assistance and Housing Placement	
Adult Rental Assistance Program	900,000
TOTAL	\$900,000

The Council provided funding for the Adult Rental Assistance Program Initiative, in Fiscal 2010. This funding is reflected in Fiscal 2010 Adopted Budget but not the Fiscal 2011 January Plan. The adult rental assistance program provides rent subsidies and other needed services to single homeless individuals residing in DHS operated or contracted shelters that are transitioning to work and have incomes of \$25,000 or less. Providers assist in finding apartments and provide rental subsidies of up to \$300 per month for three years of apartments that are \$750 per month or below. Participants contribute 30 percent of their gross income toward rent and comply with provider guidelines such as home visits, pay stub submissions, and timely rental payments.

American Recovery and Reinvestment Act (ARRA) Funding

ARRA Homeless Prevention and Rapid Re-housing Funding	
(Dollars in thousands)	
Rapid Re-housing	
Re-housing and Case Management Services for Street Homeless Individuals	\$14,000
Re-housing and Case Management Services for Youth	334
Rapid Re-Housing of Targeted Families in Shelter	3,730
Housing Inspectors	2,000
TOTAL	\$20,064

- **ARRA Stimulus Funding-Homeless Prevention and Rapid Re-housing Grant.** As indicated in the Prevention and Aftercare program section, DHS received \$73.9 million in HPRP funding, and has planned to spend \$20 million of this funding for rapid re-housing.

Fiscal 2011 Preliminary Plan Actions

- **Safe Havens and Stabilization Beds.** The reorganization of DHS street outreach services, as mentioned above, includes “Housing First” options for chronically street homeless populations because they are less likely to enter the traditional shelter system. DHS has sited Safe Havens, which are smaller alternative to traditional shelters and Stabilization beds, which provide basic housing for the chronically homeless as they wait for permanent housing, as a critical part of the solution to solve chronic street homelessness. The Administration committed to increase the number of Safe Havens beds to 500 and the number of Stabilization beds to 180 by the end of the Fiscal Year 2010.

Currently DHS has 377 Safe Haven Beds online and planned to add 40 more at the Henry Street Settlement in Manhattan. However, Henry Street will be reverting back to a shelter model, causing delays in the addition of the new Stabilization beds. DHS plans to bring an additional 105 Stabilization Beds on line in the spring of 2010 or the fall of 2011 that will be managed by Urban Pathways and Bronx Works.

Currently DHS has 400 Stabilization beds on-line. With funds from the HPRP stimulus grant, DHS planned to add 243 additional Stabilization beds to five sites which included 132 beds at Goddard Riverside in Manhattan, 92 beds at Common Ground Brooklyn, 50 beds at Bronx Works in the Bronx, 21 beds at Project Hospitality in Staten Island, and 105 beds at Bowery Residence Committee (BRC) in Manhattan, bringing the total to 400. However, to generate a savings, DHS will reduce the planned number of beds by 50.

Eliminating 40 safe haven beds and 50 stabilization beds will result in a savings of \$970,000 in Fiscal 2011 and in the outyears.

Appendix A: Budget Actions Since Fiscal Year 2010 Adoption

<i>Dollars in thousands</i>	FY 2010			FY 2011		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as per the June 2009 Plan	\$305,193	\$459,374	\$764,567	\$311,909	\$379,837	\$691,746
Program to Eliminate the Gap (PEGs)						
Furnish A Future Contract	\$0	\$0	\$0	(\$859)	\$4	(\$855)
Hospital Audiences Program	0	0	0	(100)	0	(100)
Medical Review Contract	0	0	0	(360)	0	(360)
Relocation and Employment Assistance Prog.	0	0	0	(1,130)	(110)	(1,240)
Contracted Security	(430)	(85)	(515)	(861)	(169)	(1,030)
Employment Specialists	(185)	(263)	(448)	(372)	(526)	(898)
Medical Service Reduction in Adult Shelters	(858)		(858)	(1,746)		(1,746)
Personnel Savings	(775)		(775)	(4,116)	(74)	(4,190)
Rapid Re-Housing Initiative	0		0	(7,600)	(13,479)	(21,079)
Safe Havens and Stabilization Beds	(1,263)		(1,263)	(970)		(970)
Shelter Rate Reduction	(122)	(96)	(218)	(703)	(265)	(968)
Street Solutions Restructuring	(984)		(984)	(2,422)		(2,422)
Other PEGs	(3,974)	3,300	(674)	(3,279)		(3,279)
Total, PEGs	(\$8,591)	\$2,856	(\$5,735)	\$22,068	(\$14,619)	(\$39,137)
New Needs						
Adult Capacity	\$11,020	\$0	\$11,020	\$18,818	\$0	\$18,818
Contracted Security (Prev Wage)	0	0	0	6,469	3,781	10,250
Contracted Security	7,219	3,309	10,528	0		0
Family Capacity Re-Estimate	16,786	20,393	37,179	16,786	20,393	37,179
Total, New Needs	\$35,025	\$23,702	\$58,727	\$42,073	\$24,174	\$66,247
PEG Restorations						
Delayed Imp of 30th St Security	\$3,123		\$3,123			
Delayed Imp of PATH Security Savings	3,123		3,123			
Restorations of Renovation Savings	2,900		2,900			
Delayed Imp of GPS	2,900	4,500	7,400			
Delayed Imp of Family Shelter Contr.	1,294	1,809	3,103			
Delay Imp of 30th Closure	1,435	0	1,435			
Contracted Adult Shelter	(5,419)	0	(5,419)	(5,419)		(5,419)
Contracted Family Shelter	(897)	(1,225)	(2,122)	(897)	(1,225)	(2,122)
Federal Stimulus Funding	(1,546)		(1,546)	(1,076)		(1,076)
Performance Based Payments for Adult Shelters	0		0	(1,500)		(1,500)
Restoration of Community Assistance Re-engineering	1,614	257	1,871	3,628	800	4,428
Restoration of Recreation Staff at Contract Shelters	2,402	1,573	3,975	2,403	1,573	3,976
Restoration of Performance Based Payments for Adult Shelter Providers	4,000		4,000	4,000		4,000
Total, PEG Restorations	\$14,929	\$6,914	\$21,843	\$1,139	\$1,148	\$2,287
Advantage		\$10,000	\$10,000			\$0
Anti-eviction Legal Services		714	714		286	286
Other Adjustments	1,386	6,121	7,507	295	700	995
Total, Other Adjustments	\$1,386	\$16,835	\$18,221	\$295	\$986	\$1,281
Agency Budget as per the Fiscal 2011 Executive Plan	\$446,608	\$540,619	\$987,227	\$412,012	\$425,010	\$837,022

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Appendix B: Reconciliation of Program Areas to Units of Appropriation

Dollars in Thousands

	Personal Services	OTPS	Grand Total
	100	200	
Adult Shelter Administration & Support	\$5,710		\$5,710
Adult Shelter Intake and Placement	\$8,699		\$8,699
Adult Shelter Operations	\$10,670	\$185,633	\$196,302
Family Shelter Administration & Support	\$5,874		\$5,874
Family Shelter Intake and Placement	\$25,925		\$25,925
Family Shelter Operations	\$11,756	\$345,980	\$357,736
General Administration	\$45,113	\$15,858	\$60,971
Outreach, Drop-in and Reception Services	\$872	\$12,114	\$12,985
Prevention and Aftercare		\$30,468	\$30,468
Rental Assistance and Housing Placement	\$4,640	\$127,711	\$132,351
Grand Total	\$119,259	\$717,764	\$837,022