



**New York City Council**

Christine C. Quinn, Speaker

**Finance Division**

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**Hearing on the Mayor's Fiscal Year 2012 Executive Budget**

**Human Resources Administration / Department of  
Social Services**

May 31, 2011

**The Committee on Finance**

Hon. Domenic M. Recchia, Jr., Chair

**The Committee on General Welfare**

Hon. Annabel Palma, Chair

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# Overview

The New York City Human Resources Administration/Department of Social Services (HRA/DSS) provides temporary cash assistance, public health insurance, food stamps, home care for seniors and the disabled, child care, adult protective services, domestic violence, HIV/AIDS support services and child support enforcement, to individuals and families with social service and economic needs to help them in reaching self-sufficiency. Food stamps are provided at 26 centers and public health insurance at 19 Medicaid Community Model Offices. HRA provides support services to individuals with AIDS and HIV-related illnesses through 12 centers through its HIV/AIDS Services Administration (HASA), as well as protective services to adults through five HRA borough offices and four contracted programs. HRA determines the home care eligibility of disabled or frail Medicaid recipients through nine Community Alternative Systems Agency offices and 84 contracts with 63 home care provider agencies. Services to victims of domestic violence are offered through 49 State-licensed residential programs, 15 nonresidential programs, and various HRA programs. HRA also assists New York City families in obtaining child support orders and collecting child support payments at four borough and five Family Court offices.

## Human Resources Administration/Department of Social Services Financial Summary

*Dollars in Thousands*

	2009 Actual	2010 Actual	2011 Adopted	2011 Exec. Plan	2012 Exec. Plan	Difference 2011–2012*
<b>Spending</b>						
Personal Services	\$718,565	\$733,921	\$752,039	\$745,109	\$751,336	(\$703)
Other Than Personal Services	7,609,221	7,748,464	7,633,732	7,435,141	8,411,401	777,669
<b>TOTAL</b>	<b>\$8,327,785</b>	<b>\$8,482,385</b>	<b>\$8,385,771</b>	<b>\$8,180,250</b>	<b>\$9,162,737</b>	<b>\$776,965</b>
<b>Budget by Program Area</b>						
Adult Protective Services	\$41,553	\$44,359	\$48,822	\$48,822	\$48,135	(\$687)
CEO Evaluation	3,673	2,372	2,233	2,033	35	(2,198)
Domestic Violence Services	91,692	97,859	95,654	102,798	100,006	4,352
Employment Services Administration	27,530	27,717	30,031	30,032	30,254	223
Employment Services Contracts	140,086	128,478	133,792	134,333	128,125	(5,666)
Food Assistance Programs	15,554	18,691	14,940	25,769	12,129	(2,810)
Food Stamp Operations	67,444	66,238	73,442	75,708	74,694	1,251
General Administration	283,388	291,850	271,097	272,388	280,039	8,942
HIV and AIDS Services	217,104	221,689	222,322	225,589	215,964	(6,359)
Home Energy Assistance	50,329	54,407	23,963	48,947	23,963	0
Information Technology Services	90,487	86,721	91,391	84,577	79,247	(12,145)
Investigations and Revenue Admin	66,376	63,115	62,020	60,742	60,498	(1,521)
Medicaid - Eligibility & Admin	96,405	99,137	104,237	114,657	112,293	8,056
Medicaid and Homecare	5,327,200	5,277,635	5,203,270	4,930,928	6,216,282	1,013,012

<i>Dollars in Thousands</i>	2009	2010	2011		2012	Difference 2011-2012*
	Actual	Actual	Adopted	Exec. Plan	Exec. Plan	
Office of Child Support Enforcement	\$57,362	\$63,736	\$64,169	\$74,771	\$64,312	\$144
Public Assistance and Employment Admin	206,704	205,341	200,495	198,020	206,362	5,867
Public Assistance Grants	1,329,034	1,433,415	1,562,597	1,557,729	1,347,733	(214,864)
Public Assistance Support Grants	20,421	121,580	20,114	20,114	20,114	0
Subsidized Employ & Job-Related Training	115,784	101,682	88,050	95,762	73,253	(14,797)
Substance Abuse Services	79,658	76,363	73,135	76,534	69,299	(3,836)
<b>TOTAL</b>	<b>\$8,327,785</b>	<b>\$8,482,385</b>	<b>\$8,385,771</b>	<b>\$8,180,250</b>	<b>\$9,162,737</b>	<b>\$776,965</b>
<b>Funding</b>						
City Funds	N/A	N/A	\$6,081,091	\$5,739,070	\$7,008,491	\$917,430
<i>Memo: Council Funds</i>	N/A	N/A	9,970			
Federal – CD	N/A	N/A	0	655	0	0
Federal – Other	N/A	N/A	1,225,428	1,484,462	1,491,726	266,298
Intra-City	N/A	N/A	1,089	5,203	2,800	1,711
Other Categorical	N/A	N/A	40	129	31	(9)
State	N/A	N/A	1,068,154	950,729	659,689	(408,465)
<b>TOTAL</b>	<b>\$8,327,785</b>	<b>\$8,482,385</b>	<b>\$8,385,771</b>	<b>\$8,180,250</b>	<b>\$9,162,737</b>	<b>\$776,965</b>
<b>Positions</b>						
Full-time Positions	14,093	13,854	14,509	14,466	14,645	136
<b>TOTAL</b>	<b>14,093</b>	<b>13,854</b>	<b>14,509</b>	<b>14,466</b>	<b>14,645</b>	<b>136</b>

The Human Resources Administration's Fiscal 2012 Executive Plan is \$9.1 billion, an increase of \$777 million since the Fiscal 2011 Adopted Budget. This increase can be attributed to the receipt of Federal Medical Assistance Percentage (FMAP) payments, and funding for new needs offset by the Program to Eliminate the Gap (PEG) target. HRA's budget reduction target is \$58.2 million for Fiscal 2012. The Agency proposes a number funding shifts from City Tax-Levy (CTL) to Federal and State funding streams, to maximize revenue to help meet this target.

## Fiscal 2012 Executive Budget Actions

- Restoration of 248 HIV/AIDS Services Administration Case Managers (HASA) Offset by Reductions to Supportive Housing Contracts.** The Fiscal 2012 Executive Budget plan reflects a restoration of \$10.4 million (CTL) to the HASA budget for 248 case managers it proposed to eliminate last fiscal year. Alternatively, HRA proposes a number of funding reductions to HASA supportive housing contracts, and rental assistance and nutrition services.

- ☑ **Reduce Cash Assistance Grants.** In the Fiscal 2012 Executive Budget HRA proposes to generate savings of \$4.8 million (CTL) by reducing cash assistance grants for recipients identified to have property assets, and eliminate carfare for clients that also receive carfare through the Department of Homeless Services (DHS).
- ☑ **Reduce Adult Protective Services (APS) contracts.** In the Fiscal 2012 Executive Budget HRA proposes a \$518,000 (CTL) reduction to APS provider contracts who serve the physically and/or mentally disabled or impaired. It also proposed to reduce the contracts of community guardians, which provide management of financial and domestic affair for APS clients.
- ☑ **New Needs.** In the Fiscal 2012 Budget HRA recognizes a number of new needs including, additional staff at its food stamp offices, upgrades to its information technology systems and for funding for a citywide social service procurement consolidation initiative.
- ☑ **State Budget Actions.** The Fiscal 2011-12 State Budget includes reductions the elimination of funding for rental subsidies for formerly homeless families transitioning out of the shelter system, reductions to funding used to support HRA's self-sufficiency programs, and reductions in reimbursements for Safety Net Assistance (SNA).

<i>Dollars in Thousands</i>	FY 2011			FY 2012		
	City	Non-City	Total	City	Non-City	Total
<b>Agency Budget as of February 2011 Plan</b>	\$5,735,981	\$2,453,502	\$8,189,483	\$7,032,192	\$2,299,114	\$9,331,306
<b>Program to Eliminate the Gap (PEGs)</b>	-	-	-	-	-	-
Cash Assistance Efficiencies	-	-	-	(\$4,840)	(\$3,796)	(\$8,636)
CEO Evaluation Adjustment	-	-	-	(200)	0	(200)
Emergency Assistance Rev	-	-	-	(2,118)	2,118	0
Increased Reimburse for Disability Determinations	-	-	-	(8,151)	8,151	0
Increased Rev for Prison Care	-	-	-	(4,060)	4,060	0
One-Time Rev	(21,377)	21,377	0			0
Protective Service and Community Guardian Contract Reduction			0	(518)	(498)	(1,016)
<b>Total, PEGs</b>	<b>(\$21,377)</b>	<b>\$21,377</b>	<b>0</b>	<b>(\$19,887)</b>	<b>\$10,035</b>	<b>(\$9,852)</b>
<b>PEG Restorations and Substitutions</b>						
HASA Case Management	-	-	-	\$10,360	\$4,936	\$15,296
Supportive Housing Case Management	-	-	-	(2,718)	(1,034)	(3,752)
HASA Client Eligibility	-	-	-	(150)	-	(150)
HASA Discretionary Contract Elimination	-	-	-	(695)	-	(695)
HASA Rental Assistance Reduction	-	-	-	(1,257)	(513)	(1,770)
Supportive Housing Reduction	-	-	-	(2,368)	(967)	(3,335)
State and Federal Share OPS Admin	-	-	-	(15)	-	(15)
<b>Total, PEG Restorations and Substitutions</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,157</b>	<b>\$2,422</b>	<b>\$5,579</b>
<b>New Needs</b>						
City funding for Advantage Subsidy	\$33,117	-	\$33,117	-	-	-
Food Stamp Operations	0	-	-	1,496	1,496	2,992
HHS Connect	436	311	747	3,579	2,550	6,129
IT Systems	0	0	0	812	5,350	6,162
<b>Total New Needs</b>	<b>\$33,553</b>	<b>\$311</b>	<b>\$33,864</b>	<b>\$5,887</b>	<b>\$9,396</b>	<b>\$6,411</b>
<b>Other Adjustments</b>						
Medicaid Inmate	(\$25,000)	(\$25,000)	(\$50,000)	\$4,060		\$4,060
PA Adjustment	15,542	(15,542)	0	39,701	(39,701)	0
PA Adjustment			0	(11,588)	11,588	0
HHS Service Center			0	268	537	805
Eliminate City Funding for Advantage			0	(66,060)		(66,060)
State Budget Impact: Eliminate Funds for Advantage Subsidies		(37,234)	(37,234)		(124,096)	(124,096)
State Budget Impact: FFFS		(2,839)	(2,839)		(3,785)	(3,785)
State Budget Impact: Child Support Reimbursement			0	(380)	380	0
State budget Impact: Full Family Sanction			0	8,850	14,977	23,827
State Budget Impact: PA Funds			0	11,588	(11,588)	0
Budget Realignment for Prison Care Claims			0		(16,497)	(16,497)
<b>Other Technical Adjustments</b>	<b>\$370</b>	<b>\$46,606</b>	<b>\$46,976</b>	<b>\$702</b>	<b>\$5,977</b>	<b>\$6,679</b>
<b>Total Other Adjustments</b>	<b>(\$9,088)</b>	<b>(\$34,009)</b>	<b>(\$43,097)</b>	<b>(\$12,859)</b>	<b>(\$162,209)</b>	<b>(\$175,068)</b>
<b>Total Executive Budget Actions</b>	<b>\$3,088</b>	<b>(\$12,321)</b>	<b>(\$9,233)</b>	<b>(\$23,702)</b>	<b>(\$140,357)</b>	<b>(\$164,059)</b>
<b>Agency Budget as of Executive Budget</b>	<b>\$5,739,070</b>	<b>\$2,441,180</b>	<b>\$8,180,250</b>	<b>\$7,008,491</b>	<b>\$2,154,245</b>	<b>\$9,162,736</b>

## Executive Plan Actions

### Programs to Eliminate the Gap (PEGs)

- ☑ **Reduction to Adult Protective Services (APS) contracts.** In the Fiscal 2012 Executive Budget, HRA proposes to reducing six contracts for its APS services by approximately five percent. APS is a state-mandated case management program for adults, 18 years of age and older, with mental and/or physical impairments who are unable to care for themselves. HRA proposes a savings of \$1 million (\$568,000 CTL) in Fiscal 2012 by reducing three contracts for three protective service contracts, and three community guardian contracts. Community guardians provide financial management and assistance with domestic affairs for APS clients.
- ☑ **Reduction to Cash Assistance Grants.** In the Fiscal 2012 Executive Budget, HRA proposes to savings of \$8.6 million (\$4.8 million CTL) in Fiscal 2012 and in the outyears, by reducing cash assistance grants for recipients in Fiscal 2012. Specifically, \$1.3 million (\$505,000 CTL) savings from public assistance grants for recipients who own property, \$4.5 million (\$2 million CTL) from recouping overpayments, and \$2 million (\$668,000 CTL) by eliminating carfare for clients that receive it from the Department of Homeless Services (DHS).
- ☑ **Personal Injury Settlement Collections.** HRA proposes a savings of \$2.5 million (\$979,000 CTL) in Fiscal 2012 and in the outyears by recouping funds from personal injury settlements awarded to approximately 250 former and current cash assistance recipients.
- ☑ **Carfare Savings.** Cash assistance recipients will now receive carfare from Back to Work vendors during their first three months of employment. Recipients currently receive carfare from HRA during the first six months of employment. As a result of this action, HRA estimates a savings of \$486,000 in Fiscal 2012 and in the outyears.
- ☑ **Employment Efficiencies.** The Back to Work programs provide job search and short-term training services to cash assistance applicants and recipients. Back to Work contracts with community-based employment and training organizations to provide job readiness training, placement services and vocational training. In the Fiscal 2012 Executive Budget, HRA proposes to eliminate “milestone” payments provided to Back to Work vendors to develop career plans for cash assistance clients who obtain employment, resulting in a savings of \$1.8 million (\$1.2 million CTL) in Fiscal 2012.
- ☑ **BEGIN Administration Reduction.** In Fiscal 2005, the City University of New York (CUNY) signed a three-year Memorandum of Understanding (MOU) with HRA, for approximately \$13.3 million to administer Begin Employment, Gain Independence Now (BEGIN), a welfare-to-work program specializing in basic skills and literacy instruction for participants with low basic skills and limited English proficiency. BEGIN also includes literacy programs and training vouchers which help clients increase employability and self-sufficiency. The program was managed by CUNY’s Research Foundation, and provided the program models, structures and standards by which HRA’s other contracted literacy vendors operate. CUNY BEGIN provided employment training, including nursing, culinary arts, English as a Second Language (ESL) and a number of other services, for public assistance recipients.

The MOU ends June 30, 2011. HRA proposes to eliminate CUNY's administrative component of the program in the Fiscal 2012 and maintains that services will continue to be provided by the community-based contractors it oversees. Because several CUNY BEGIN programs have already been eliminated, there are no longer programs to staff or manage. If implemented, this action could result in headcount reduction in CUNY. However, HRA has not provided details regarding the associated headcount. HRA projects a savings of \$3.3 million (\$2.2 million CTL) in Fiscal 2012 and in the outyears.

- ☑ **Broker's Fees.** HRA proposes a fifty percent reduction in payments made to brokers who find housing for Cash Assistance recipients. As a result, HRA projects a savings of \$ \$7.5 million (\$4.7 million CTL) in Fiscal 2012. This action could potentially delay the rate at which housing is identified for cash assistance recipients.
- ☑ **Vacancy and Overtime Reductions.** HRA proposes a savings of \$8.3 million (\$4.8 million CTL) in Fiscal 2012 and \$24.7 million (\$14.4 million CTL) in Fiscal 2013 and in the outyears by eliminating 96 positions thru attrition in Fiscal 2012 and an additional 200 positions in 2013. HRA also proposes to reduce its overtime budget in Fiscal 2012. Vacancy and overtime reductions will be implemented throughout the agency, including in general administration and the Family Independence Administration (FIA), which is under the Public Assistance and Employment Services program areas.
- ☑ **Managerial Reductions.** HRA proposes a savings of \$797,833 (\$453,000 CTL) in Fiscal 2011 and \$1.8 million (\$1 million CTL) in Fiscal 2012 from the elimination of 15 provisional managerial positions in various divisions throughout the Agency, including its FIA division.

## PEG Restorations and Substitutions

**Restoration of Funds HASA Case Managers.** In the Fiscal 2011 Preliminary Budget, the Administration proposed to eliminate 248 HASA case management positions through attrition and maintain the number of contracted case management workers at supportive housing programs. HRA claimed that it would have been able to maintain the mandated case management to client ratio of 34:1 under Local Law 49. It planned to maintain these ratios by including contracted case management staff in its client to case manager ratios. HRA suggested that if it implemented this action, it would reverse the proposed January 2010 PEG which would have reduced contracted case workers.

According to HRA, the reduction of 279 HASA case managers would have occurred through attrition and redeployment would have been offset with the addition of 31 new HASA positions for a total net loss of 240 positions. These new positions would have included liaisons assigned to serve the needs of supportive housing staff and clients.

In the Fiscal 2011 Adopted Budget the Council, in conjunction with the Administration, restored \$5.6 million to HRA's budget (\$4.6 million to maintain 248 HASA case managers and \$1.4 million to maintain contracted case managers) so no action was taken in Fiscal 2011. However, prior to the release of the Fiscal 2012 Executive Budget, the proposal remained in the budget for Fiscal 2012 in the outyears and the amount nearly doubled to \$10.4 million in Fiscal 2012. The Executive Budget reflects a restoration of \$15.2 million (\$10.4 million CTL), which reversed the proposal to eliminate 248 HASA case managers. However, HRA proposes a number of alternative

PEGs to meet a majority of the savings, which total \$9.7 million (\$7.2 million CTL) in Fiscal 2012 and in the outyears including the following:

- ☑ **Reduction of funding for Supportive Housing Contracted Case Managers.** As part of its alternative savings plan, HRA plans to implement its Fiscal 2010 proposal to reduce funding to case management contracts in Scatter Site I and permanent congregate supportive housing programs. This action could possibly increase contracted case manager case load ratios from 20:1 to 30:1 and results in the elimination of approximately 95 contracted Scatter Site I and permanent congregate case managers. The original proposal was \$3.8 million (\$1.9 million CTL), because of the State change in SNA reimbursements, the City's share has increased from 50 percent to 71 percent and thereby increasing the CTL portion of the PEG to \$2.7 million.
- ☑ **Reductions to Supportive Housing Contracts.** In addition to a reduction in funding for supportive housing case workers, HRA also proposes an estimated 4.5 percent across-the-board reduction to existing HASA supportive housing contracts for a savings of \$3.5 million (\$2.4 million CTL) in Fiscal 2012 and in the outyears.
- ☑ **Rental Assistance Diversion.** HRA proposes to work with non-supportive housing HASA clients seeking rental assistance, to negotiate lease terms, provide eviction prevention services, and divert clients from supportive housing. As a result of the projected decline in rental assistance payments, it anticipates a savings of \$1.8 million (\$1.2 million CTL) in Fiscal 2012 and in the outyears.
- ☑ **Elimination of HASA Food Nutrition and Money Management Contracts.** HRA proposes to eliminate the remaining \$495,000 (all CTL) for its HASA nutrition contract with Momentum to provide food and counseling services and \$200,000 (all CTL) for its contract with Gay Men's Health Crisis (GMHC) to provides money management and counseling services for HASA clients in Fiscal 2012 and in the outyears.
- ☑ **Client Eligibility.** HRA will engage clients with improved health conditions into self-sufficiency programs such as employment and training. As a result it projects that client eligibility for assistance programs will decline and as a result generate a savings of \$150,000 in Fiscal 2012 and in the out years.

## New Needs

In the Fiscal 2012 Budget HRA recognizes \$33.9 million (\$33.6 million CTL) in Fiscal 2011 and \$6.4 million (\$5.9 million CTL) in Fiscal 2012 as a result of the following:

- **Advantage Rental Subsidies.** The Fiscal 2011-12 State Budget eliminated its support for the City's sole rental assistance program, Advantage, which is administered by the Department of Homeless Services. Advantage New York is funded through HRA's Public Assistance budget and is transferred to DHS as part of an intra-city agreement.

The Advantage program is funded by a mix of City (30%), State (50%) and federal dollars (20%); and as a result of the State's elimination of its funding (and the federal portion it regulates) as of March 15<sup>th</sup>, DHS has stopped lease signings for Advantage



applicants holding vouchers, and effective April 1<sup>st</sup>, DHS planned to stop Advantage payments for current recipients. However, the Legal Aid obtained a Temporary Restraining Order which prevented the City from discontinuing rental subsidies for approximately 15,000 families and singles adults still enrolled in the program, through May.

As a result, HRA increased its budget by \$33.1 million for Fiscal 2011, to cover rental subsidies until the end of fiscal year 2011, and decreased its budget by \$66 million in Fiscal 2012 and in the out years for what would have been the City's share of Advantage payments.

On May 17<sup>th</sup> a judge presiding over the case found that a temporary order was not warranted and therefore Advantage program recipients will be responsible for rent payments for the month of June. Proceedings are expected to start in late June. There is no funding included in the budget to cover rental subsidies for Advantage program recipients in Fiscal 2012. As part of its budget, the State included \$15 million in funding for rental subsidies; however, a funding proposal by the City must be submitted and approved by the State before it can be allocated. To date, the City has not submitted a proposal to the State for this funding.

- **102 New Food Stamp Operations Staff.** According to the latest HRA fact sheet, as of March 2011 there were 1.8 million recipients enrolled in the Supplemental Nutrition Assistance Program (SNAP) or food stamp benefits, an increase of approximately 200,000 recipients from March of 2010. Because of the increased enrollment in SNAP, HRA will increase its food stamp operations budget by \$3 million (\$1.5 million CTL) to support 102 additional positions for Fiscal 2012 and 2013 only. They will be charged with administering and recertifying SNAP benefits.
- **Health and Human Services (HHS) Connect.** In Mayor Bloomberg's March 24, 2008 press release, he announced the creation of HHS-Connect, a system that allows the sharing of client information among City health and human service agencies. HHS-Connect links more than a dozen City agencies so that caseworkers are able to share client information without compromising confidentiality. The Fiscal 2012 Executive Budget reflects an increase of \$747,000 (\$436,000 CTL) in Fiscal 2011 and \$6.1 million (\$3.6 million CTL) for HHS-Connect system costs.

Additionally, included in other adjustments, is an increase of \$805,000 (\$268,000 CTL) for the Health and Human Services Center. Under this new initiative, 14 staff members from various HHS agencies including five from HRA, three from the Department of Correction (DOC), three from the Department of Health and Mental Hygiene (DOHMH), one from the Department for the Aging (DFTA), and one from the Department of Homeless Services (DHS) will work to develop efficiencies in the areas of auditing and claiming, generating savings by reducing duplicative administrative interactions between the City agencies and providers.

- **Information Technology (IT) Systems.** HRA will increase its budget by \$6.2 million (\$812,000 CTL) for system wide IT upgrades, which include its Automated Child Care Information Systems (ACCIS) for eligibility enrollment for daycare support, APS network upgrades, interactive voice systems for fair hearings and benefits, and its welfare management (WMS) and paperless office systems (POS).

## State Budget Impact

As a result of Fiscal 2011-12 State Budget actions, HRA made the following adjustments to its budget:

- Changes to Public Assistance Methodology.** As a result of the enacted Fiscal 2011-12 State Budget, the City’s will no longer be required to contribute 25 percent of funding for its local share of Family Assistance (TANF) programs. It will now be entirely funded with federal dollars. Conversely, the City’s local share of Safety Net Assistance (SNA) will increase from 50 percent to 71 percent. Therefore, the Fiscal 2012 Executive Budget reflects an increase of \$15.5 million in Fiscal 2011 and \$39.7 million in Fiscal 2012 for its share of SNA and a reduction of \$11.6 million for its share of TANF funding in Fiscal 2012.
- Full Family Sanction for Non-Work Compliance Adjustment.** The enacted Fiscal 2011-12 State Budget rejected a proposal to withhold public assistance grants for cash assistance cases in which the head of the household did not comply with employment requirements. Therefore HRA’s budget reflects an adjusted increase of \$23.8 million (\$8.9 million CTL) in Fiscal 2012.
- Flexible Fund for Family Services (FFFS) Reduction.** The enacted State Fiscal 2011-12 Budget includes a reduction to its FFFS grant. HRA uses this funding for additional support of the administration for its self-sufficiency programs such as employment, job training and placement. As a result of this action, HRA’s budget reflects a \$2.8 million reduction in Fiscal 2011 and a \$3.8 million reduction in Fiscal 2012.

## Council Funding

The Council has routinely provided operating funds for emergency food programs. In addition, the Council also provided \$8.47 million to restore PEGs in the 2011 Adopted Budget which prevented cuts to relationship abuse programs for teens, supportive housing case management services as well as a nutrition service program in HASA.

<b>FY 2011 Council Changes at Adoption by Program Area</b>	
<i>Dollars in Thousands</i>	
<b>Food Assistance Programs</b>	
Food Pantries Initiative	\$1,500
<b>Employment Services*</b>	
Employment Restructuring Partial PEG Restoration	1,300
<b>Domestic Violence</b>	
Teen Relationship and Abuse Prevention Program (Teen RAPP) Partial PEG Restoration	2,500
<b>HIV and AIDS Services</b>	
HIV/AIDS Services Administration (HASA) Case Manager PEG Restoration	4,193
Nutrition Program Administration Partial PEG Restoration	477
<b>TOTAL</b>	<b>\$9,970</b>

\*After Adoption the Council amended its restoration to employment restructuring and allocated \$1 million of this funding (plus \$400,000 from the Administration) to restore funding for contracted supportive housing case managers in HASA.

# Capital Program

## Capital Budget Summary

The February 2011 Capital Commitment Plan includes \$62.7 million in Fiscal 2012-2015 for Human Resources Administration (including City and Non-City funds). This represents less than one percent of the City's total \$28.1 billion May Plan for Fiscal 2012-2015. The agency's May Commitment Plan for Fiscal 2012-2015 is 22 percent more than the \$51.5 million scheduled in the September Commitment Plan, an increase of 11.2 million.

Over the past five years (2006-2010), the Human Resources Administration has only committed an average of 17 percent of its annual capital plan. Therefore, it is assumed that a large 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 2012 has increased from 13.7 million to \$23.7 million, an increase of 10.3 million or 78.1 percent.

Currently the HRA's appropriations total \$60.9 million in City funds for Fiscal 2011. These appropriations are to be used to finance the agency's \$47 million City-funded Fiscal 2011 Capital Commitment Program. The agency has \$13.9 million, or approximately 22.8 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

*Dollars in Thousands*

	FY11	FY12	FY13	FY14	FY15	Total
<b>Exec</b>						
City	\$47,024	\$16,759	\$10,722	\$5,841	\$6,021	<b>\$86,367</b>
Non-City	18,521	6,942	7,816	4,403	4,183	<b>\$41,865</b>
<b>Total Capital Plan</b>	<b>\$65,545</b>	<b>\$23,701</b>	<b>\$18,538</b>	<b>\$10,244</b>	<b>\$10,204</b>	<b>\$62,687</b>
<b>Adopted</b>						
City	\$65,118	\$7,552	\$11,645	\$7,303	\$6,021	<b>\$32,521</b>
Non-City	26,539	5,755	5,491	3,564	4,183	<b>\$18,993</b>
<b>Total Capital Plan</b>	<b>\$91,657</b>	<b>\$13,307</b>	<b>\$17,136</b>	<b>\$10,867</b>	<b>\$10,204</b>	<b>\$51,514</b>
<b>Change</b>						
Level	<b>(\$26,112)</b>	<b>\$10,394</b>	<b>\$1,402</b>	<b>(\$623)</b>	<b>\$0</b>	<b>\$11,173</b>
Percentage	-28.5%	78.1%	8.2%	-5.7%	0.0%	21.7%

## Capital Program Goals

- ✓ Maintain, renovate, and improve social service facilities throughout the City;
- ✓ Enhance HRA's computer network infrastructure for continued development of connectivity between facilities and services providers
- ✓ Upgrade, maintain, and acquire telecommunications and information systems equipment and technology to improve Agency operations

**Executive Budget Highlights**

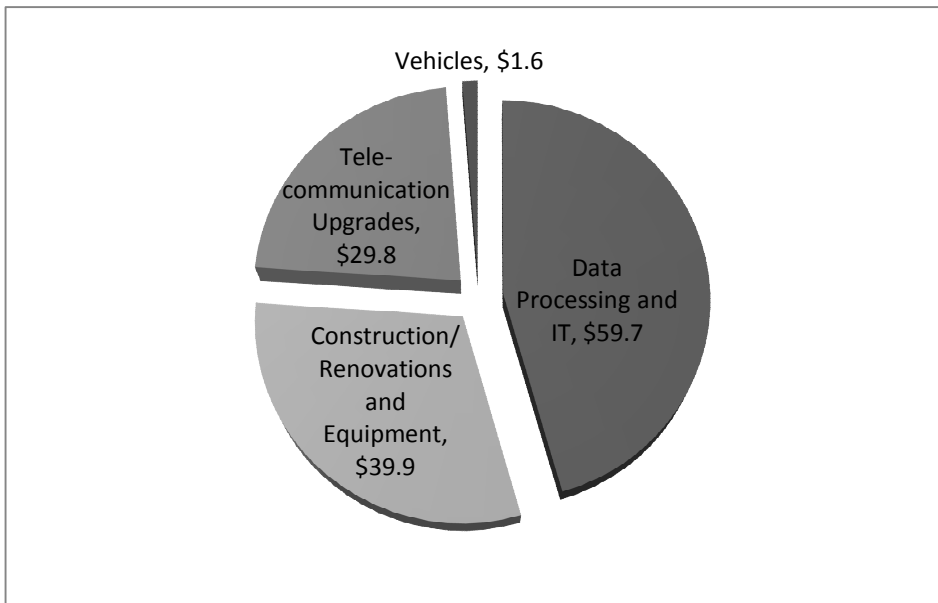
The Administration asked agencies to identify a 20 percent reduction in capital commitments for fiscal years 2011 to 2021. The ten-year Capital Plan included, instead, a reduction of 10 percent. The capital budget for HRA was reduced by 14 percent in Fiscal 2011 and 17 percent in Fiscal 2012.

The Capital Variance Report indicates a \$4.9 million variance between the September Commitment Plan and the May Commitment Plan. A large portion of this is a result of various data processing push out or funding elimination of various data projects including a \$4 million reduction of HRA’s Data processing budget and a \$4 million reduction to its 33-00 Northern Blvd MIS Data Center renovation project.

**Ten-Year Strategy**

According to HRA’s Ten-Year Capital Strategy, the focus of the Human Resources Administration’s Ten-Year Capital Plan is to improve employee productivity and delivery of client services through renovations and upgrades to Job Centers and Model Offices and other HRA sites in a cost effective manner. The strategy also provides for acquisition and upgrades for computer technology, including wide and Local Area Networks (LAN), and information systems development to meet the needs of the Department’s many program and social services. The agency’s Ten-Year Executive Capital Plan totals \$131 million. As indicated in the chart below, \$59.7 million or 46 percent is planned for data processing and information technology, \$39.9 million or 31 percent, is planned for construction, renovations and equipment, \$29.8 million, or 22 percent, is planned for telecommunications upgrades, and the remaining \$1.6 million or 1 percent, is planned for vehicles.

**HRA Ten-Year Capital Strategy**



**TOTAL: \$131.1 Million**

## 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>\$6,099,267</b>	<b>\$2,306,867</b>	<b>\$8,406,134</b>	<b>\$6,866,396</b>	<b>\$2,330,135</b>	<b>\$9,196,531</b>
<b>Program to Eliminate the Gap (PEGs)</b>						
Admin Efficiencies	(\$273)	(\$219)	(\$492)	(\$2,796)	(\$2,694)	(\$5,490)
BEGIN Admin Reduction			\$0	(2,248)	(1,048)	(3,296)
Broker's Fees Reduction	(2,396)	(1,365)	(3,761)	(4,793)	(2,730)	(7,523)
Carfare	(243)	(168)	(411)	(486)	(670)	(1,156)
Employ Efficiencies	(577)		(577)	(1,153)	(625)	(1,778)
Enhanced Monitoring of Residential Treatment Program Attendance	(39)	(\$40)	(\$79)	(1,893)	(\$1,944)	(3,837)
Fed Rev for Emergency Grants	(1,443)	1,443	0	(1,443)	1,443	0
Improved Cost Allocation	(5,669)	5,419	(250)	(6,038)	5,788	(250)
Managerial Reductions	(453)	(345)	(798)	(1,001)	(764)	(1,765)
Medicaid Provider Fraud, Waste & Abuse Reimbursement			0	(943)	(943)	0
Medicaid Rev for Hospital Inmates	(21,513)	21,513	0	(3,800)	3,800	0
One Time Rev Adjustments	(10,561)	10,561	0			0
Personal Injury Settlement Collects	(490)	(739)	(1,229)	(979)	(1,478)	(2,457)
Reductions from Redeployment	(643)	(670)	(1,313)	(851)	(709)	(1,560)
Vacancy Overtime Reductions	(4,206)	(3,119)	(7,325)	(4,814)	(3,498)	(8,312)
Other PEGs	(2,900)	(762)	(3,662)			
<b>Total PEGs</b>	<b>(\$51,405)</b>	<b>\$31,509</b>	<b>(\$19,896)</b>	<b>(33,237)</b>	<b>(\$942)</b>	<b>(\$34,179)</b>
<b>New Needs</b>						
DV Shelter	\$2,171	\$4,240	\$6,411	\$2,171	\$4,240	\$6,411
<b>Total New Needs</b>	<b>\$2,171</b>	<b>\$4,240</b>	<b>\$6,411</b>	<b>\$2,171</b>	<b>\$4,240</b>	<b>\$6,411</b>
<b>Other Adjustments</b>						
Other Adjustments	(\$314,052)	\$110,886	(\$203,166)	\$196,862	(\$34,319)	\$162,543
<b>Total Other Adjustments</b>	<b>(\$314,052)</b>	<b>\$110,886</b>	<b>(\$203,166)</b>	<b>\$196,862</b>	<b>(\$34,319)</b>	<b>\$162,543</b>
<b>Agency Budget as of January 2011 Plan</b>	<b>\$5,735,981</b>	<b>\$2,453,502</b>	<b>\$8,189,483</b>	<b>\$7,032,192</b>	<b>\$2,299,114</b>	<b>\$9,331,306</b>