

THE COUNCIL OF THE CITY OF NEW YORK

Speaker of the Council
Christine C. Quinn



Hon. Annabel Palma, Chair, General Welfare Committee

Hearing on the Mayor's Fiscal 2013 Preliminary Budget & the Fiscal 2012 Preliminary Mayor's Management Report

Human Resources Administration / Department of Social Services

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Agency 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.

This report provides a review of the Human Resource Administration’s Preliminary Budget for Fiscal 2013. The first section presents highlights from the Fiscal 2013 expense budget for the City, the Fiscal 2012-2013 State Executive Budget, and City Council Initiatives. Following highlights, the report outlines the Department's budget by program area and provides analysis of significant program areas. Further, it provides information on actions included in the November and February Financial Plans and includes relevant sections of the Preliminary Mayor's Management Report for Fiscal 2012. Finally, the report provides a review of the proposed capital budget for the Department with a discussion of significant changes proposed to the Capital Plan.

Fiscal 2013 Preliminary Plan Highlights

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012 - 2013
Personal Services	\$729,412	\$751,349	\$754,186	\$747,368	(\$3,981)
Other Than Personal Services	7,339,341	8,542,773	8,672,138	8,603,003	60,230
Agency Total	\$8,068,753	\$9,294,123	\$9,426,324	\$9,350,372	\$56,249

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.*

- **No Proposed Programs to Eliminate the Gap (PEG) to Services.** It is significant to note that HRA did not propose any service or funding cuts in the PEG programs for both the 2012 November Financial Plan and the 2013 February Financial Plan. Instead, the agency proposed funding shifts from city to non-city funding or recognizing additional revenue to meet its required PEG target.
- **Exclusion of Council funding from the Fiscal 2013 Preliminary Budget.** In Fiscal 2012, the City Council allocated \$9.9 million to HRA. Restoring funding for the HIV/AIDS Services Administration (HASA) comprises the bulk of the Council’s allocation. This funding was not baselined, and therefore, excluded from the Fiscal 2013 Preliminary Budget for HRA. Please

refer to the Council Initiatives section of this report for more details on the potential impact of the loss of this funding in Fiscal 2013.

- **HASA.** HRA has proposed several policy and administrative changes. Please see the HIV and AIDS Services section of this report for the potential impact of these changes.
- **JTP to WEP Conversion.** Through an arrangement with the City's Department of Parks and Recreation (DPR), HRA plans to reduce the number of its Job Training Participants (JTP) positions and increase the number of its Work Experience Program (WEP) positions beginning in Fiscal 2012. For further details, please refer to the Subsidized Employment and Job-related Training section.
- **Public Assistance Recoupments.** One of the new sources of revenue HRA has defined in its Fiscal 2013 PEG target is the recovering of public assistant payments from sponsors of immigrants. Please see the Public Assistance Grants section of this report for more details.
- **Young Men's Initiative.** YMI is a \$127 million three-year program that focuses on black and Latino young men and their needs in the areas of education, employment, justice, and health. Please refer to the CEO Evaluation and General Administration sections of this report for more details.

HRA's budget consists of 20 program areas which are identified by units of appropriation. This report analyzes HRA's budget through these program areas. Please see Appendix C for a chart reconciling the funding for each program area by units of appropriation. The following table, "HRA Financial Summary," provides an overview of the agency's total budget from Fiscal 2011 to the February Plan for Fiscal 2013.

HRA Financial Summary

<i>Dollars in Thousands</i>	2011	2012	2012	2012	*Difference
	Actual	Adopted	Feb. Plan	Feb. Plan	2012 - 2013
Budget by Program Area					
Adult Protective Services	\$40,786	\$48,135	\$48,135	\$47,779	(\$356)
CEO Evaluation	2,040	35	1,795	1,795	1,760
Domestic Violence Services	94,396	102,073	104,586	101,975	(98)
Employment Services Admin	27,732	30,253	30,422	30,508	255
Employment Services Contracts	141,251	128,125	128,414	128,125	0
Subsidized Employment & Job Training	99,053	76,153	80,881	64,214	(11,939)
Food Assistance Programs	22,483	13,815	23,495	12,181	(1,633)
Food Stamp Operations	66,200	74,694	76,190	74,478	(216)
HIV & AIDS Services	219,349	224,757	226,257	217,665	(7,092)
Home Energy Assistance	58,969	23,963	26,752	23,669	(294)
Medicaid-Eligibility & Admin	109,168	112,293	119,688	118,396	6,103
Medicaid & Homecare	4,878,844	6,291,565	6,349,731	6,395,925	104,360
Office of Child Support Enforcement	67,264	64,312	68,318	67,755	3,443
Public Assistance & Employment Admin	225,336	231,336	233,191	226,662	(4,674)
Public Assistance Grants	1,510,134	1,384,733	1,408,733	1,344,919	(39,814)
Public Assistance Support Grants	21,859	20,114	20,114	20,114	0
Information Technology Services	85,885	79,247	79,604	76,544	(2,703)
Investigation & Revenue Admin	61,748	60,498	59,667	57,078	(3,420)
Substance Abuse Services	71,048	69,299	73,498	69,299	0
General Administration	\$265,206	\$258,723	\$266,853	\$271,290	\$12,566
TOTAL	\$8,068,752	\$9,294,123	\$9,426,324	\$9,350,372	\$56,249
Funding					
City Funds	N/A	\$7,137,793	\$7,153,833	\$7,225,620	\$87,827
Other Categorical		31	160	0	(31)
State	N/A	661,769	700,270	620,806	(40,963)
Federal-CD	N/A	0	262	0	0
Federal-Other	N/A	1,491,730	1,564,199	1,499,265	7,535
Intra-City	N/A	2,800	7,600	4,681	1,882
TOTAL	\$8,068,752	\$9,294,123	\$9,426,324	\$9,350,372	\$56,249
Positions					
Full-time Positions	13,814	14,655	14,681	14,506	(149)
Full-time Equivalent Positions	26	4	4	4	0
TOTAL	13,840	14,659	14,685	14,510	(149)

*The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.

Fiscal 2012-2013 State Executive Budget Highlights

The Fiscal 2012-2013 State Executive Budget was released on January 17, 2012. The following are major proposals which would impact social services in New York City.

- **Public Assistance Basic Allowance Increase Delay.** The State would again delay the third and final 10 percent public assistance increase by phasing it in with five percent in 2012-2013 and five percent in 2013-2014. Please see the Public Assistance Grants section of this report for details.
- **Flexible Fund for Family Services (FFFS).** The Executive Budget proposes a \$1.9 million increase to FFFS. FFFS allows HRA to cover administrative costs in implementing its self-sufficiency programs, such as employment and job training and placement. This increase would provide a total of \$7 million for FFFS in 2012 to New York City. Please see the Public Assistance Grants section of this report for details.
- **Streamline Administration of Child Support.** The State's proposal would eliminate State funding for child support enforcement administration provided to local social services districts. The State would allow districts to retain certain child support payments currently sent to the State, which HRA would use those payments to offset this loss in State funding in Fiscal 2013.
- **Medicaid Redesign.** As the State has delayed Phase II of the Medicaid Redesign Team's recommendations to July 2012, HRA is unsure of the fiscal impact, if any, of the State's takeover of administering Medicaid clients in Fiscal 2013. With the move to managed long-term care programs, HRA's homecare services have been affected and more information about this impact is provided in the "Medicaid and Homecare" section of this report.

Council Initiatives

The Council has routinely provided operating funds for emergency food programs. In addition, the Council also provided \$8.28 million to restore PEGs in the 2012 Adopted Budget, which prevented cuts to relationship abuse programs for teens and supportive housing case management services as well as a nutrition service program in HASA. Details on these initiatives are in the appropriate program area sections.

FY 2012 Council Changes at Adoption by Program Area

Dollars in Thousands

Food Assistance Programs	
Food Pantries Initiative	\$1,500
Earned Income Tax Credit (Food Bank)	150
Domestic Violence	
Teen Relationship and Abuse Prevention Program (Teen RAPP) Partial Peg Restoration	2,000
HIV and AIDS Services	
HIV/AIDS Services Administration (HASA) Case Manager PEG Restoration	2,718
HASA Money Management GMHC PEG Restoration	200
HASA Supportive Housing Contract Reduction PEG Restoration	2,368
Nutrition Program Administration Partial PEG Restoration	995
TOTAL	\$9,931

Program Areas

Adult Protective Services

Adult Protective Services (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. Services and support may include referrals for psychiatric or medical exams, assistance in obtaining and rectifying government entitlements and other social services, cleaning services and identification of alternative living arrangements.

The proposed budget for adult protective services in Fiscal 2013 is \$356,000 less than the Fiscal 2012 Adopted Budget. This can be attributed to projected decreases in City and State funding for contractual services.

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012 - 2013
Spending					
Personal Services	\$21,532	\$26,796	\$26,796	\$26,796	\$0
Other Than Personal Services	19,254	21,339	21,339	20,983	(356)
TOTAL	\$40,786	\$48,135	\$48,135	\$47,779	(\$356)
Funding					
City Funds	N/A	\$11,230	\$9,626	\$11,049	(\$181)
State	N/A	11,484	9,943	11,310	(174)
Federal-Other	N/A	25,420	28,566	25,420	0
TOTAL	\$40,786	\$48,135	\$48,135	\$47,779	(\$356)
Positions					
Full-time Positions	409	425	425	425	0
TOTAL	409	425	425	425	0

*The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.

Performance Measures

Adult Protective Services	FY 09	FY 10	FY 11	Target FY 12	Target FY 13	4- Month Actual FY11	4- Month Actual FY12
Adult Protective Services (APS) Assessment Cases	3,236	3,405	2,668	*	*	3,412	2,873
Adult Protective Services (APS) Cases Eligible for Services	6,171	5,889	6,428	*	*	6,002	6,201
Adult Protective Services (APS) Assessment Cases accepted or denied for under care within State-mandated 60 days (%)	96.40%	96.40%	98.40%	*	*	97.50%	99.70%
Individuals referred to an Adult Protective Services (APS) field office visited within three working days (%)	98.40%	98.90%	99.70%	85.00%	85.00%	99.60%	99.80%

CEO Evaluation

The Center for Economic Opportunity (CEO) was established by Mayor Bloomberg in 2006 to implement new ways to reduce poverty in New York City. The Mayor has committed \$65 million annually to fund innovative programs based on the recommendations of the CEO. External evaluators and HRA are developing an assessment strategy to measure findings across programs that serve the same target groups. This component of CEO is used to evaluate the effectiveness of these new programs and also to develop better indices to measure poverty in the City.

The proposed budget for CEO evaluation in Fiscal 2013 is \$1.7 million more than the Fiscal 2012 Adopted Budget due to the additional Young Men’s Initiative (YMI) programs. YMI is a \$127 million three-year program that focuses on black and Latino young men and their needs in the areas of education, employment, justice, and health. The \$127 million is a combination of anticipated public and private funds in 12 city agencies. To address the issue of out-of-school males ages 16-24 who are seeking employment or who are already employed, HRA will receive approximately \$10 million in CTL in Fiscal 2013 which includes funding for evaluating these programs (see the General Administration section for details on these employment programs).

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012 - 2013
Spending					
Personal Services	\$492	\$35	\$515	\$1,795	\$1,760
Other Than Personal Services	1,547	0	1,280	0	0
TOTAL	\$2,040	\$35	\$1,795	\$1,795	\$1,760
Funding					
City Funds	N/A	\$20	\$1,780	\$1,780	\$1,760
State	N/A	5	5	5	0
Federal-Other	N/A	9	9	9	0
TOTAL	\$2,040	\$35	\$1,795	\$1,795	\$1,760
Positions					
Full-time Positions	6	0	0	6	6
TOTAL	6	0	0	6	6

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.*

Financial Plan Actions

- **HRA CEO Evaluation.** In relation to YMI, HRA will receive \$255,000 in CTL in Fiscal 2013 to conduct an analysis and evaluation of the Jobs-Plus, Back to Work, and Subsidized Jobs to determine which programs are effective and which ones need improvements.
- **CEO Funding Adjustment.** HRA will receive \$1.7 million in CTL in Fiscal 2013 only to fund six positions for the evaluation of CEO initiatives.

Performance Measures

The Council urges HRA to include, at a minimum, a list of CEO programs, its assessments and an outline of which programs are successful and which are not, and what steps are being taken to improve them.

Domestic Violence Services

The Office of Domestic Violence (ODV) provides both residential and non-residential services to victims of domestic violence. Residential services include temporary housing and emergency shelter, and non-residential services consist of supportive services for victims and their children. All programs provide a safe environment, as well as counseling, advocacy and referral services. The ODV directly operates one emergency domestic violence shelter, oversees reimbursement of 35 private emergency residential programs, and oversees and provides client referrals for four transitional housing programs.

The proposed budget for domestic violence services in Fiscal 2013 is \$98,000 less than the Fiscal 2012 Adopted Budget. This can be attributed to projected decreases in City and federal funding for contractual services. The projected budget for Fiscal 2013 does not include the \$2 million Council restoration for the Teen Relationship Abuse Prevention Program (RAPP) initiative.

<i>Dollars in Thousands</i>	2011	2012	2012	2013	*Difference
	Actual	Adopted	Feb. Plan	Feb. Plan	2012 - 2013
Spending					
Personal Services	\$11,184	\$1,150	\$1,150	\$1,150	\$0
Other Than Personal Services	83,213	100,924	103,437	100,826	(98)
TOTAL	\$94,396	\$102,073	\$104,586	\$101,975	(\$98)
Funding					
City Funds	N/A	\$22,027	\$24,279	\$21,793	(\$235)
Other Categorical	N/A	31	160	0	(31)
State	N/A	10,732	12,732	12,494	1,762
Federal-Other	N/A	69,283	67,416	67,689	(1,594)
TOTAL	\$94,396	\$102,073	\$104,586	\$101,975	(\$98)
Positions					
Full-time Positions	195	198	201	197	(1)
TOTAL	195	198	201	197	(1)

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.*

HRA Restructuring. Due to the demands of Medicaid Redesign, HRA re-aligned various offices to alleviate the workload of its Medicaid team. On February 16, 2012, HRA announced the restructuring of certain offices through an internal agency memo. As of March 1, 2012, Adult Protective Services became part of the Office of Domestic Violence and Emergency Intervention Services, which merged into a single unit within HRA called the Office of Emergency and Intervention Services (OIES) This office will administer and be responsible for emergency and intervention services for special populations. According to HRA, APS and ODVEIS fit under one umbrella and will be able to provide emergency services more effectively. For example, an older adult may receive both domestic violence and homebound services and these services would be better coordinated. While OEIS will serve a supervisory role, all the home offices, staff, and services will remain the same as well as all materials and phone numbers.

Financial Plan Actions

- Family Justice Centers.** The February Plan included new need funding of \$104,167 (\$53,125 CTL) in Fiscal 2012; \$357,500 (\$182,325 CTL) in Fiscal 2013; and \$410,000 (\$209,100 CTL) in the outyears. This funding is to support the Manhattan Family Justice Center. The Family Justice Centers serve as a one-stop shop where City agencies and community-based organizations are located to assist victims of domestic violence.

Performance Measures

DV Services	FY 09	FY 10	FY 11	Target FY 12	Target FY 13	4- Month Actual FY11	4- Month Actual FY12
Domestic Violence non-residential services programs active caseload	2,901	2,901	2,849	*	*	2,795	3,009
Number of Domestic Violence emergency beds (capacity)	2,144	2,208	2,228	*	*	2,208	2,228
Families seeking shelter at Prevention Assistance and Temporary Housing (PATH) who entered HRA's domestic violence shelters (%)	62.20%	70.00%	80%	*	*	76.60%	83.40%

Employment Services Administration

HRA administers employment programs for public assistance recipients.

The proposed budget for employment services administration in Fiscal 2013 is \$254,000 greater than the Fiscal 2012 Adopted Budget. This can be attributed to a slight projected increase in City funding for personal services.

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012 - 2013
Spending					
Personal Services	\$15,075	\$18,032	\$18,201	\$18,287	\$255
Other Than Personal Services	12,658	12,221	12,221	12,221	0
TOTAL	\$27,732	\$30,253	\$30,422	\$30,508	\$255
Funding					
City Funds	N/A	\$8,123	\$8,291	\$8,377	\$254
State	N/A	8,358	8,358	8,358	0
Federal-Other	N/A	13,773	13,773	13,773	0
TOTAL	\$27,732	\$30,254	\$30,422	\$30,508	\$254
Positions					
Full-time Positions	N/A	258	260	261	3
TOTAL	N/A	258	260	261	3

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.*

Employment Services Contracts

HRA provides a large portion of its employment services through two contracted programs and they are WeCARE and Back to Work. WeCARE serves public assistance clients who exhibit medical and/or mental health barriers to employment. The program provides clients with a continuum of assessment, treatment, and rehabilitation services to facilitate health, wellness and self-sufficiency. Back to Work programs provide job search and short-term training services to cash assistance applicants and recipients also participating in the Work Experience Program (WEP). Back to Work contracts with community-based employment and training organizations to provide job readiness training, placement services and vocational training to applicants and recipients of public assistance.

The proposed budget for employment services contracts in Fiscal 2013 would remain at the same funding level as the Fiscal 2012 Adopted Budget.

<i>Dollars in Thousands</i>	2011	2012	2012	2013	*Difference
	Actual	Adopted	Feb. Plan	Feb. Plan	2012 - 2013
Spending					
Other Than Personal Services	\$141,251	\$128,125	\$128,414	\$128,125	\$0
TOTAL	\$141,251	\$128,125	\$128,414	\$128,125	\$0
Funding					
City Funds	N/A	\$15,220	\$15,247	\$15,220	\$0
State	N/A	12,275	12,275	12,275	0
Federal-CD	N/A	0	262	0	0
Federal-Other	N/A	100,630	100,630	100,630	0
TOTAL	\$141,251	\$128,125	\$128,414	\$128,125	\$0

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.*

Financial Plan Actions

- Employment Restructuring.** HRA proposes to eliminate administrative expenses for the diminished transitional employment program in the Parks Department by \$110,000 in Fiscal 2012 and \$220,000 in Fiscal 2013 and in the outyears. These administrative services would be provided through the Back to Work program.

Back to Work (BTW) RFP. HRA released an RFP for the BTW contracts in Fiscal 2012. The due date for these contracts was January 18, 2012, and the submitted proposals are currently being reviewed. The total budget for the BTW contracts is \$174.6 million over three years for 11 sites, which is \$58 million annually per site. The contract start date is January 1, 2013. The existing BTW providers are working under a contract extension while the RFP process is underway.

Performance Measures

Employment Services Contracts	FY 09	FY 10	FY 11	Target FY 12	Target FY 13	4- Month Actual FY11	4- Month Actual FY12
Clients whom HRA helped obtain employment (000)	78.7	76.8	78.7	*	*	25.8	27.7
Cash assistance cases that retained employment income 180 days after being placed in a job (Calendar year-to-date average) (%)	80.30%	80.40%	80.80%	75.00%	75.00%	80.80%	80.10%
Cash assistance cases that remained closed for 180 days due to employment (Calendar year-to-date average) (%)	79.80%	80.30%	80.70%	75.00%	75.00%	81.00%	81.40%
Safety Net Assistance (SNA) cases participating in work or work-related activities as calculated in accordance with State guidelines (State fiscal year to-date average) (%)	62.00%	59.00%	59.90%	50.00%	50.00%	59.80%	61.70%
Total WeCARE cases	24,366	25,342	24,395	*	*	25,733	23,693
Number of WeCARE federal disability awards	6,419	7,128	6,305	*	*	2,202	1,962

Subsidized Employment and Job-Related Training

This program area includes several smaller programs, including the Job Training and Participant (JTP) program and BEGIN. Through the JTP program, which began in March 2001, individuals on public assistance are hired for paid seasonal positions at City agencies, primarily the Department of Parks and Recreation. JTP employees perform a wide variety of functions within the agency including maintenance, security, and clerical work. Founded in 1989, BEGIN, or “Begin Employment, Gain Independence Now,” is 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 improve literacy and employment skills in order to increase employability and self-sufficiency.

The proposed budget for subsidized employment and job-related training in Fiscal 2013 is \$11.9 million less than the Fiscal 2012 Adopted Budget. This can be attributed to a projected decrease in City funding for subsidized employment.

<i>Dollars in Thousands</i>	2011	2012	2012	2013	*Difference
	Actual	Adopted	Feb. Plan	Feb. Plan	2012 - 2013
Spending					
Personal Services	\$811	\$0	\$0	\$0	\$0
Other Than Personal Services	98,242	76,153	80,881	64,214	(11,939)
TOTAL	\$99,053	\$76,153	\$80,881	\$64,214	(\$11,939)
Funding					
City Funds	N/A	\$37,039	\$32,134	\$23,860	(\$13,179)
State	N/A	2,762	2,762	2,762	0
Federal-Other	N/A	36,352	45,985	37,592	1,240
TOTAL	\$99,053	\$76,153	\$80,881	\$64,214	(\$11,939)

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.*

Financial Plan Actions

- JTP to WEP Conversion.** Through an arrangement with the City’s Department of Parks and Recreation (DPR), HRA plans to reduce the number of its Job Training Participants (JTP) positions and increase the number of its Work Experience Program (WEP) positions beginning in Fiscal 2012. This action would result in City tax-levy savings of \$5 million in Fiscal 2012, \$10.2 million in Fiscal 2013, \$10 million in Fiscal 2014, and \$9.7 million in Fiscal 2015. This is in addition to the funding reduction DPR proposes in its budget to the program, which would constitute an over 50 percent headcount and funding reduction to JTP.

WEP workers do not receive a paycheck and do not enter the training program offered to JTPs, and therefore, have a lower retention rate than the JTPs. WEP workers are less familiar with the day-to-day maintenance functions of Parks when compared to JTPs. Furthermore, the primary purpose of WEP is to offer cash assistance recipients various training and more work experience before being placed in full-time, paid employment, but this conversion undermines this purpose when WEP workers are placed in the City’s parks without any training or the worker’s skillset is not matched to the jobs available at the Parks Department.

Food Assistance Programs

The Emergency Food Assistance Program (EFAP) provides nutrition education, food stamp outreach, and funds the distribution of more than 12.8 million pounds of food to over 500 soup kitchens and food pantries citywide.

The proposed budget for food assistance programs in Fiscal 2013 is \$1.6 million less than the Fiscal 2012 Adopted Budget. This can be attributed to the loss of Council funding for various food initiatives.

<i>Dollars in Thousands</i>	2011	2012	2012	2013	*Difference
	Actual	Adopted	Feb. Plan	Feb. Plan	2012 - 2013
Spending					
Other Than Personal Services	\$22,483	\$13,815	\$23,495	\$12,181	(\$1,633)
TOTAL	\$22,483	\$13,815	\$23,495	\$12,181	(\$1,633)
Funding					
City Funds	N/A	\$8,766	\$8,966	\$7,081	(\$1,685)
Federal-Other	N/A	5,049	14,529	5,101	52
TOTAL	\$22,483	\$13,815	\$23,495	\$12,181	(\$1,633)

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.*

Food Stamp Operations

The Food Stamp Assistance Program or what is now referred to as the Federal Supplemental Nutrition Assistance Program (SNAP) is designed to enable low-income New Yorkers to increase their ability to purchase food. The program, with the exception of the administrative cost, which is listed below, is funded by the U.S. Department of Agriculture (USDA). The USDA provides food stamp benefits through the use of an electronic benefits card that can be used in place of cash to purchase food items at participating grocery stores and supermarkets, which now include Costco's and BJ's, among others.

In January 2011, HRA issued food stamp benefits to 1.81 million recipients, which has increased to 1.82 million recipients. However, HRA reports a decline in food stamp recipients, which is contrary to the agency's own statistical data and actions to increase headcount to handle the workload.

The proposed budget for food stamp operations in Fiscal 2013 is \$216,000 less than the Fiscal 2012 Adopted Budget. This can be attributed to projected decreases in Federal funding.

<i>Dollars in Thousands</i>	2011	2012	2012	2013	*Difference
	Actual	Adopted	Feb. Plan	Feb. Plan	2012 - 2013
Spending					
Personal Services	\$60,694	\$70,077	\$70,077	\$70,002	(\$75)
Other Than Personal Services	5,506	4,617	6,114	4,476	(142)
TOTAL	\$66,200	\$74,694	\$76,190	\$74,478	(\$216)
Funding					
City Funds	N/A	\$36,254	\$36,254	\$36,254	\$0
State	N/A	905	905	905	0
Federal-Other	N/A	37,535	39,032	37,319	(216)
TOTAL	\$66,200	\$74,694	\$76,190	\$74,478	(\$216)
Positions					
Full-time Positions	1,470	1,665	1,665	1,665	0
TOTAL	1,470	1,665	1,665	1,665	0

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.*

Financial Plan Actions

- **New Staff.** In the Fiscal 2012 Executive Budget, HRA had a new need of \$3 million (\$1.5 million CTL) for 102 new eligibility specialists for Fiscal 2012 and Fiscal 2013. HRA hired all 102 specialists, with over half successfully completing the required training and are now working in the field. Even though the commitment to hire new staff is a strong step in alleviating overcrowding at the food stamp centers, it is problematic that funding to support these positions is only for Fiscal 2012 and Fiscal 2013 only and not in the outyears.

Performance Measures

Food Stamp Operations	FY 09	FY 10	FY 11	Target FY 12	Target FY 13	4- Month Actual FY11	4- Month Actual FY12
Persons receiving food stamps (000)	1,502.40	1,731.90	1,830.90	*	*	1,789.70	1832.70
Non-cash assistance persons receiving food stamps(000)	860.10	1,071.00	1,159.10	*	*	1,121.60	1,167.70
SSI persons receiving food stamps (000)	243.3	258.4	262.9	*	*	262.5	265.1
Food stamp estimated payment error rate (%)	6.68%	6.74%	4.37%	*	*	7.73%	N/A

HIV and AIDS Services

The HIV/AIDS Services Administration (HASA) is the primary mechanism within HRA which expedites access to essential benefits and social services needed to persons living with AIDS or advanced HIV illnesses and their families. HASA provides intake and needs assessment; assistance with SSI/SSDI applications; direct linkages to public assistance, Medicaid, food stamps, home care, and homemaking services; ongoing intensive case management including the development of permanency plans for families, as well as periodic monitoring and crisis intervention for clients to maintain or modify their services and placements; voluntary vocational counseling/rehabilitation, job training and placement and other employment services that support the clients choice to work; and referrals to community-based resources for a variety of additional services including housing placement.

HASA also provides clients with emergency and non-emergency housing. Emergency housing consists of commercial hotel single room occupancy (SRO) and transitional congregate housing. Non-emergency housing consists of Scatter Site I, permanent congregate and independent private sector apartments or NYCHA placements.

The proposed budget for HASA in Fiscal 2013 is \$7 million less than the Fiscal 2012 Adopted Budget. This can be attributed to projected decreases in City, State, and federal funding for personal and contractual services. In the Fiscal 2012 Adopted Budget, the City Council restored approximately \$6.2 million for HASA supportive services including nutrition services and supportive housing contracts and case managers. This funding is not included in the Fiscal 2013 Preliminary Budget.

<i>Dollars in Thousands</i>	2011	2012	2012	2013	*Difference
	Actual	Adopted	Feb. Plan	Feb. Plan	2012 - 2013
Spending					
Personal Services	\$59,877	\$58,740	\$58,740	\$58,532	(\$208)
Other Than Personal Services	159,472	166,019	167,518	159,134	(6,885)
TOTAL	\$219,349	\$224,758	\$226,258	\$217,666	(\$7,092)
Funding					
City Funds	N/A	\$103,640	\$103,430	\$98,135	(\$5,505)
State	N/A	39,783	40,638	38,238	(1,545)
TOTAL	\$219,349	\$143,422	\$144,067	\$136,373	(\$7,050)
Positions					
Full-time Positions	1,193	1,244	1,244	1,244	0
TOTAL	1,193	1,244	1,244	1,244	0

*The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.

HRA Restructuring. Due to the demands of Medicaid Redesign, HRA did some internal realignments with various offices to alleviate the workload of its Medicaid team. On February 16, 2012, HRA announced the restructuring of certain offices through an internal agency memo. As of March 1, 2012, the restructuring moved the HIV/AIDS Services Administration ("HASA") to Customized Assistance Services ("CAS"). CAS provides clinically-oriented support services, such as home-based psychiatric services and helps Medicaid make eligibility determinations. It oversees

substance abuse assessments for clients receiving cash assistance, as required by welfare reform laws, and the Wellness, Comprehensive Assessment Rehabilitation and Employment (“WeCARE”) program. Since 2003 or 2004, CAS staff has been stationed at HASA offices to help clients, and HRA-contracted workers have provided credentialed alcohol treatment.

According to HRA officials, the only change would be the reporting of the HASA Deputy Commissioner to a different supervisor. This re-alignment would not impact the workforce or services provided by HASA. The Executive Deputy Commissioner, who now oversees CAS and HASA, has stated that there is no intention to implement a work mandate for HASA clients. Currently, out of the 32,000 HASA clients, 1,100 clients work on a full-time basis or are enrolled in a vocational program.

Substance Abuse Screening Policy. According to the HRA Administration, in order for HASA to remain relevant and viable, HASA’s main objective has shifted from “dying with dignity” to “living with a chronic disease.” Therefore, it is adjusting its policies to provide excellent assisted living services to its clients, which has led to a newly created substance abuse screening procedure to help improve the quality of life of HASA clients and help them become independent. All cash assistance recipients are required to be tested and must go through treatment in order to receive or continue receiving benefits. However, HASA clients have been exempt from this policy. The HASA administration believes it would not be serving the clients right if they did not create a specialized policy for these clients. Under this policy HASA clients are screened by his/her case manager, if deemed necessary. Based on this screening, the case manager may recommend treatment. They cannot force a client to enter treatment, and a client will not have his/her services suspended should they choose not to participate. HASA clients are the only service recipients in which this is allowed.

Therefore, HASA is looking at other alternatives if a client’s substance abuse is affecting his/her health and jeopardizing his/her housing options. If a client who refuses treatment and receives additional rent assistance (more than the 30 percent rent cap) and/or is in arrear with his/her rent, HASA would no longer provide the rent assistance and/or pay the rent arrears. Currently, five percent of supportive housing is available and HRA will send me the exact number of apartments. HASA strives to keep supportive housing at 95 percent capacity because that is how it is reimbursed. At the end of January, there were 83 NY/NY III units available. HASA serves 32,000 single clients and 20,000 live in private market apartments. Since January, there are ten clients who are in this category. The majority of those ten chose to live in a supportive housing unit while the remaining clients refused supportive housing and moved in with friends and family. This policy is still being reviewed.

Broker Fees. As part of a PEG implemented in Fiscal 2011 in which HRA now reimburses 50 percent of a broker fee for all benefit recipients including HASA clients. The list of brokers circulated to HASA clients is not a HASA- or HRA-certified list. HASA accepts recommendations from their clients and edits this informal list based on client feedback. Any broker who seeks reimbursement from HRA signs a form, which stipulates that it is reimbursement for 50 percent of the fee and should not seek payment from the client. Because the broker list is not an official list designed by HRA/HASA, it will be difficult to know if there are less number of brokers who are willing to work with HASA clients and receive only a 50 percent reimbursement. Clients should let HASA know of any broker who demands the full fee. HASA will contact the broker as well as remove an unscrupulous broker off of the informal list. However, there is not much HASA can do

if a client does not alert HASA to this issue. This issue is difficult to monitor and regulate. HASA will be conducting their own review of the list and discuss whether it should vet brokers. HASA is concerned that by vetting, it will have to go through a formal bidding process and be liable for the brokers' bad behavior. HASA is considering placing a disclaimer on the list. The 50 percent broker fee has been deemed problematic for all HRA clients.

HASA Advisory Board. The role of the Advisory Board to the HASA administration is not always clear, and there have been indication of inadequate communication between the two entities. However, the next full board meeting is in April with new representation, and there should be updates on the role of the Advisory Board.

Performance Measures

HASA	FY 09	FY 10	FY 11	Target FY 12	Target FY 13	4- Month Actual FY11	4- Month Actual FY12
Individuals receiving HIV/AIDS services	31,289	32,119	32,618	*	*	32,366	32,889
Average number of days from submission of a completed application to approval or denial of enhanced housing benefits to keep HASA clients in stable housing	8.9	6.8	6	*	*	5.4	8.2
Average number of days from submission of a completed application to issue enhances housing benefits to HASA clients	NA	17.5	16.6	*	*	16.5	19.0
HASA clients receiving ongoing enhanced housing benefits (%)	81.10%	80.70%	90.10%	*	*	81.10%	81.90%

Home Energy Assistance

The Home Energy Assistance Program (HEAP) is a federally funded program that provides grants to low-income homeowners and renters to assist them in paying bills for heating fuel, equipment and repairs. The grants range from \$40 to \$400 a year. The program consists of regular HEAP and emergency benefits.

<i>Dollars in Thousands</i>	2011	2012	2012	2013	*Difference
	Actual	Adopted	Feb. Plan	Feb. Plan	2012 - 2013
Spending					
Personal Services	\$1,745	\$1,963	\$1,669	\$1,669	(\$294)
Other Than Personal Services	57,224	22,000	25,084	22,000	0
TOTAL	\$58,969	\$23,963	\$26,752	\$23,669	(\$294)
Funding					
City Funds	N/A	\$155	\$155	\$155	\$0
State	N/A	88	88	88	0
Federal-Other	N/A	23,720	26,510	23,426	(294)
TOTAL	\$58,969	\$23,963	\$26,752	\$23,669	(\$294)
Positions					
Full-time Positions	27	31	31	31	0
TOTAL	27	31	31	31	0

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.*

Medicaid Eligibility and Administration

HRA's Medical Insurance and Community Services Administration (MICSA) determines and maintains eligibility, based upon consumer income and/or resource levels, for each of the available health insurance programs and their related services. HRA administers health insurance for low-income families and individuals, persons receiving SSI or public assistance, pregnant women, children and persons who are 65 and over, disabled or blind. The agency conducts investigations of prescription drug fraud and began investigating Medicaid provider fraud in Fiscal 2008.

The proposed budget for Medicaid eligibility and administration in Fiscal 2013 is \$6.1 million greater than the Fiscal 2012 Adopted Budget. This increase can be attributed to an increase in State and federal funding for Medicaid as a result of the three percent spending growth.

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012 - 2013
Spending					
Personal Services	\$81,759	\$87,770	\$87,315	\$87,770	\$0
Other Than Personal Services	27,409	24,523	32,373	30,626	6,103
TOTAL	\$109,168	\$112,293	\$119,688	\$118,396	\$6,103
Funding					
City Funds	N/A	\$573	\$573	\$573	\$0
State	N/A	57,623	61,548	60,675	3,052
Federal-Other	N/A	54,097	57,566	57,148	3,052
TOTAL	\$109,168	\$112,293	\$119,688	\$118,396	\$6,103
Positions					
Full-time Positions	1,848	1,915	1,915	1,915	0
TOTAL	1,848	1,915	1,915	1,915	0

*The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.

State Budget Impact

- Medicaid Redesign Team.** The enacted Fiscal 2011-12 State Budget included the Governor's establishment of a Medicaid Redesign Team (MRT), which was charged with reforming New York State's Medicaid program. The goal of this team was to restore quality and integrity to the program, while developing programs and initiatives that provides healthcare in a cost effective, efficient and coordinated manner.

The MRT submitted a number of initiatives to reduce State Funds Medicaid spending by \$2.3 billion for 2011-12. The initiatives included modification of program requirements, capping the total program growth, and capping the State's share of Medicaid, which were approved by the Legislature. Savings to the City is still not clear from the administrative takeover of Medicaid by the State because the State has delayed implementation and has not provided a clear directive on how these functions currently performed by HRA would be handled by the State. In addition, the State proposes the takeover of local Medicaid growth over three years beginning in Fiscal 2014 and fully assuming the cost of Medicaid growth for the City by 2015-16.

Medicaid and Homecare

New York State offers free and low-cost public health insurance programs for low-income New Yorkers. These plans provide medical care through a fee-for-service or managed care plan. Funding in this program area represents the City's portion of the cost of the Medicaid program.

The Home Care Services Program (HCSP) offers access to Medicaid-funded, long-term care programs designed to help eligible elderly or disabled individuals remain safely at home, rather than in a nursing home or other institution. In some cases, the Home Care Services Program will assess medical needs and determine the appropriate care required. Eligibility for Medicaid-funded home care programs varies, but all programs require that the applicant be Medicaid eligible.

The proposed budget for Medicaid and homecare in Fiscal 2013 is \$104 million greater than the Fiscal 2012 Adopted Budget. This can be attributed to projected increases in City funding to offset decreases in State and federal funding for medical assistance.

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012 - 2013
Spending					
Personal Services	\$37,121	\$37,239	\$37,239	\$37,239	\$0
Other Than Personal Services	4,841,723	6,254,327	6,312,492	6,358,686	104,360
TOTAL	\$4,878,844	\$6,291,565	\$6,349,731	\$6,395,925	\$104,360
Funding					
City Funds	N/A	\$6,090,676	\$6,090,676	\$6,200,534	\$109,859
State	N/A	116,905	145,988	114,156	(2,750)
Federal-Other	N/A	83,984	113,067	81,235	(2,750)
TOTAL	\$4,878,844	\$6,291,565	\$6,349,731	\$6,395,925	\$104,360
Positions					
Full-time Positions	732	757	742	742	(15)
TOTAL	732	757	742	742	(15)

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.*

State Budget Impact

- Medicaid Redesign Team.** Other recommendations approved by the Legislature are on specific services and service delivery. changes implemented in Phase I and those that would be implemented in Phase II include, but are not limited to, moving from the fee-for-service (FFS) payment system to a care management system, creation of health homes, placing all Medicaid recipients into Medicaid managed care, developing carving in services, and cost containment and utilization controls to limit enrollment growth.

Home Care Providers, also known as Licensed Home Care Service Agencies (LHCSAs), who are now contracting with Managed Care Organizations to provide personal care services to former HRA Personal Care Program recipients, are currently reimbursed at a rate of \$18/hour per a directive by the State Department of Health. As of March 2012, managed care organizations do not need to adhere to the \$18/hour rate and will likely decrease

reimbursement to LHCSAs to a rate closer to industry standards of between \$13-\$15/hour. In July 2012 (delayed from April 2012), approximately 40,000 HRA fee-for-service Personal Care Service program recipients are scheduled to begin transferring into Managed Long Term Care Plans (provided CMS has given New York State approval to do so). With this change, home health aides would no longer be under HRA but managed care organizations, which means they would be affected by possible reduced wages. Another issue under this scenario is that home health aides would be required to receive additional training to be eligible under this new system. The managed care organizations would look to the aides to pay and receive this training.

Finally, Medicaid recipients' eligible home hours for reimbursement would be reduced. Recipients have become accustomed to a certain number of hours over the years. There are other potential issues facing Medicaid recipients and aides that will need to be followed once Phase II is fully implemented starting July 2012.

Performance Measures

Medicaid & Homecare	FY 09	FY 10	FY 11	Target FY 12	Target FY 13	4- Month Actual FY11	4- Month Actual FY12
Public Health Insurance enrollees (000)	2704.9	2,843.60	2,912.70	*	*	2,892.90	2949.10
Public Health Insurance Medicaid-only enrollees (000)	1,949.20	2,088.40	2,150.90	*	*	2,119.30	2186.30
Client responses to Public Health Insurance mailed renewal notices	74.60%	74.60%	74.40%	*	*	73.60%	74.20%
Clients found eligible for Public Health Insurance who responded to a mailed renewal notice (%)	95.40%	93.90%	92.70%	*	*	94.10%	90.70%
Public Health Insurance fair hearing win rate (%)	81.70%	84.60%	88.80%	*	*	88.30%	90.90%
Cases receiving Homecare services	83,899	85,251	88,722	*	*	85,726	89,024

Office of Child Support Enforcement

The Office of Child Support Enforcement (OCSE) helps custodial parents (parents living with and caring for their children) to obtain the financial support that their children need and deserve from non-custodial parents (parents not living with their children). OCSE assists all parents, regardless of income and immigration status at no cost. Once a child support order is established, it remains in effect until the child reaches age 21 or becomes self-supporting, unless the court orders otherwise. Clients applying for or receiving public assistance benefits are automatically referred to OCSE for child support services. The primary role of OCSE is to ensure children are supported by both parents. OCSE services include establishing paternity, obtaining child support orders and collecting and enforcing child support from non-custodial parents.

OFCSE collected \$731 million in 2011 in child support payments, with over 91 percent of the funding going directly to custodial parents. This is a 4.45 percent increase over the almost \$700 million in payments collected in 2010. That \$731 million in payments reflects collections on behalf of 175,000 families and supports almost a 250,000 children in New York City. As of December 2011, there were 34,035 cash assistance cases and 250,362 non-cash assistance cases with established support orders, for a total of 284,397 cases. In New York City, child support income represents over 30 percent of the income of low-income families in which mothers are head of the household and receive child support payments.

The proposed budget for child support enforcement in Fiscal 2013 is \$3.4 million more than the Fiscal 2012 Adopted Budget. This can mostly be attributed to a projected increase in federal funding for contractual services.

<i>Dollars in Thousands</i>	2011	2012	2012	2013	*Difference
	Actual	Adopted	Feb. Plan	Feb. Plan	2012 - 2013
Spending					
Personal Services	\$41,374	\$42,683	\$43,117	\$42,683	\$0
Other Than Personal Services	25,891	21,630	25,200	25,072	3,443
TOTAL	\$67,264	\$64,312	\$68,318	\$67,755	\$3,443
Funding					
City Funds	N/A	\$13,001	\$12,781	\$13,490	\$489
State	N/A	11,171	11,477	11,337	166
Federal-Other	N/A	40,140	44,060	42,929	2,788
TOTAL	\$67,264	\$64,312	\$68,318	\$67,755	\$3,443
Positions					
Full-time Positions	823	891	893	891	0
TOTAL	823	891	893	891	0

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.*

State Budget Impact

- **Streamline Administration of Child Support.** This State proposal would eliminate \$17.8 million in funding for child support enforcement administration provided to HRA. The State would allow New York City to retain certain child support payments currently sent to the State,

which HRA is projecting to use those payments to offset this loss of State administrative funding in Fiscal 2013.

Financial Plan Actions

- **Child Support Settlements.** The agency proposes to accrue savings of \$436,000 in Fiscal 2013 and the outyears from actively recovering longstanding child support debt from non-custodial parents by negotiating reduced settlements.

Performance Measures

Child Support	FY 09	FY 10	FY 11	Target FY 12	Target FY 13	4- Month Actual FY11	4- Month Actual FY12
Child support collected (\$ million)	\$671.30	\$686.40	\$718.30	\$732.70	\$732.70	\$235.10	\$243.50
Current obligations collected (%)	70.40%	69.30%	69.10%	69.00%	69.00%	67.50%	78.60%
Child support cases with orders of support (%)	76.20%	70.50%	69.70%	73.00%	73.00%	70.50%	70.10%

Public Assistance and Employment Administration

The Family Independence Administration (FIA) coordinates the Public Assistance program by administering Job Center operations. In March 1998, HRA began converting welfare offices in New York City into job centers. All eligible applicants who enter a job center are assisted in exploring and pursuing alternatives to welfare. Job Centers provide on-site access to job search and placement services, childcare information, vocational, educational and training services, as well as referrals for Medicaid, food stamp and other emergency assistance benefits. Information, services and referrals may be offered as substitutes to cash assistance in order to minimize barriers to employment and negate the need for welfare.

The proposed budget for public assistance and employment in Fiscal 2013 is \$20.3 million greater than the Fiscal 2012 Adopted Budget. This can be attributed to projected increases in City funding for personal services.

<i>Dollars in Thousands</i>	2011	2012	2012	2013	*Difference
	Actual	Adopted	Feb. Plan	Feb. Plan	2012 - 2013
Spending					
Personal Services	\$173,358	\$150,362	\$177,191	\$170,701	\$20,339
Other Than Personal Services	51,978	56,000	56,000	55,961	(39)
TOTAL	\$225,336	\$206,362	\$233,191	\$226,662	\$20,300
Funding					
City Funds	N/A	\$80,446	\$85,499	\$82,637	\$2,191
State	N/A	20,485	22,448	21,048	563
Federal-Other	N/A	105,431	125,244	122,977	17,546
TOTAL	\$225,336	\$206,362	\$233,191	\$226,662	\$20,300
Positions					
Full-time Positions	2,825	3,050	3,547	3,447	397
TOTAL	2,825	3,050	3,547	3,447	397

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.*

Overcrowding at Centers. On January 31, 2012, the General Welfare Committee held an oversight hearing regarding the long lines and wait times at a job and/or food stamp centers. The Committee and advocates believed these very long lines and wait time were attributed to understaffing and technology “blackouts” with the Paperless Office System (POS). According to HRA, various measures have been implemented to solve this issue, including hiring more eligibility specialists, finding administrative efficiencies, and consolidating centers where possible. Although technology upgrades and new hardware is needed, the agency is unable to fill those needs at this time.

Public Assistance Grants

Public Assistance Grants are composed of three basic types of assistance: Family Assistance (FA) for households with children; Safety Net Assistance with a 60 month time limit (SNA- 60 Month Limit) for families with children who have exceeded the 60 month time limit for family assistance; and Safety Net Assistance (SNA) for single adults and families without children. Of the three programs, only FA receives substantial federal funding. The funding breakdown is 50 percent federal, 25 percent State and 25 percent City. Both of the SNA programs are split 50 percent between the State and the City.

The Family Assistance (FA) program, which is partially funded with TANF, State and City funds, assisted 146,648 adults and children in January 2012. In addition, another 87,558 recipients have reached their five-year time limit for TANF-funded assistance and have been converted to the State and City-funded Safety Net Assistance (SNA) program. Additionally, there are 117,042 people, primarily adults, receiving SNA in January 2012.

HRA anticipates spending \$1.3 billion on cash assistance benefits in 2013, of which \$532 million are City funds. The proposed budget for public assistance in Fiscal 2012 is \$39.8 million less than the Fiscal 2012 Adopted Budget. This can be attributed to projected decreases in State funding for social service funding.

<i>Dollars in Thousands</i>	2011	2012	2012	2013	*Difference
	Actual	Adopted	Feb. Plan	Feb. Plan	2012 - 2013
Spending					
Other Than Personal Services	\$1,510,134	\$1,384,733	\$1,408,733	\$1,344,919	(\$39,814)
TOTAL	\$1,510,134	\$1,384,733	\$1,408,733	\$1,344,919	(\$39,814)
Funding					
City Funds	N/A	\$530,718	\$554,379	\$532,029	\$1,311
State	N/A	270,377	270,716	229,088	(41,289)
Federal-Other	N/A	583,638	583,638	583,803	165
TOTAL	\$1,510,134	\$1,384,733	\$1,408,733	\$1,344,919	(\$39,814)

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.*

State Budget Impact

- Increase in the Flexible Fund for Family Services (FFFS).** The Executive Budget proposes a \$1.9 million increase to FFFS, which is a total of \$7.5 million for FFFS in 2013. This equates to \$2.4 million for HRA in Fiscal 2013. FFFS allows HRA to cover administrative costs in implementing its self-sufficiency programs, such as employment and job training and placement.
- Public Assistance Base Grant Increase Delay.** The State would again delay the third and final 10 percent public assistance increase by phasing it in with five percent in 2012-2013 and the five percent in 2013-2014. This delay would mean a savings in Fiscal 2013 of \$19.8 million (\$8.3 million CTL).

Financial Plan Actions

- Public Assistance Recoupments.** The agency proposes to accrue savings of \$2.06 million in Fiscal 2013; \$908,000 in Fiscal 2014; and \$414,000 in Fiscal 2015 from actively recovering public assistant payments from legally obligated individuals who agreed to be financially responsible for persons they sponsored for immigration to the U.S. According to the agency, they would only seek recoupment of payments from five years ago to the present from the SNA adult population (the focus is to capture single adult households and not families), who received benefits totaling greater than \$500. All DV, asylum, and refugee recipients are exempt from this requirement. HRA expects to send out repayment letters to about 2,300 people beginning July 1st and expects an eight percent return, which yields the \$2.06 million savings in Fiscal 2013. If a sponsor does not respond to these repayment requests, then HRA would turn the person over to a collection agency. Payment plans would be made available to a sponsor willing to pay but unable to pay the entire amount at one time.
- Security Deposit Recoupments.** The agency anticipates savings of \$1 million in Fiscal 2013 only from actively recovering unused security deposits issued to landlords on behalf of public assistance recipients.
- City Funding for DHS Advantage.** HRA is the conduit for the majority of funding for Advantage (via an Intra-City agreement), which is a rental assistance program that provides subsidies to formerly homeless families and single adults and is administered through the Department of Homeless Services (DHS). Recently, the State has stopped funding this program in which the City dissolved the program, but there is a lawsuit pending that would require the City to continue making rental payments for existing Advantage participants. Therefore, HRA’s Fiscal 2013 Preliminary Budget includes \$24 million in CTL in Fiscal 2012 only in anticipation of making rental payments for the remainder of the fiscal year.

Performance Measures

Public Assistance Grants	FY 09	FY 10	FY 11	Target	Target	4-	4-
				FY 12	FY 13	Month	Month
				Actual	Actual	FY11	FY12
Persons receiving cash assistance (000)	346.1	346.3	355.6	*	*	352.8	352.4
Cash assistance application timeliness rate (%)	88.90%	91.90%	90.80%	*	*	88.80%	93.10%
Cash assistance fair hearing win rate (%)	87.20%	87.90%	89.30%	*	*	88.30%	88.60%

Public Assistance Support Grants

This program area contains funding for public assistance non-grant services, including burials for the indigent and summer camp fees for children on public assistance.

<i>Dollars in Thousands</i>	2011	2012	2012	2013	*Difference
	Actual	Adopted	Feb. Plan	Feb. Plan	2012 - 2013
Spending					
Other Than Personal Services	\$21,859	\$20,114	\$20,114	\$20,114	\$0
TOTAL	\$21,859	\$20,114	\$20,114	\$20,114	\$0
Funding					
City Funds	N/A	\$13,805	\$13,805	\$13,805	\$0
State	N/A	1,322	1,322	1,322	0
Federal-Other	N/A	4,987	4,987	4,987	0
TOTAL	\$21,859	\$20,114	\$20,114	\$20,114	\$0

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.*

Information Technology Services

This program area contains funding for the information technology needs of the agency.

The proposed budget for information technology services in Fiscal 2013 is \$2.7 million less than the Adopted Fiscal 2012 Budget. This can be attributed to a projected decrease in mostly City funds for contractual services.

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012 - 2013
Spending					
Personal Services	\$48,091	\$42,745	\$42,679	\$42,541	(\$204)
Other Than Personal Services	37,794	36,502	36,925	34,003	(2,499)
TOTAL	\$85,885	\$79,247	\$79,604	\$76,544	(\$2,703)
Funding					
City Funds	N/A	\$15,596	\$15,711	\$14,099	(\$1,497)
State	N/A	18,109	18,109	17,648	(461)
Federal-Other	N/A	45,541	45,475	44,797	(745)
Intra-City	N/A	0	309	0	0
TOTAL	\$85,885	\$79,247	\$79,604	\$76,544	(\$2,703)
Positions					
Full-time Positions	N/A	573	621	621	48
TOTAL	N/A	573	621	621	48

*The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.

Investigations and Revenue Administration

This program area is composed of two distinct offices: the Office of Investigations and the Office of Revenue and Administration. The Office of Investigations conducts criminal investigations of individuals and organized groups alleged to be attempting or committing fraudulent acts against social service programs. The Bureau of Eligibility Verification, a department within the Office of Investigations, contributes to the integrity of the public assistance eligibility process through reviews of applicants and recipients of assistance. The Office of Revenue and Administration is responsible for recovery of overpayments and monies due to HRA.

The proposed budget for investigations and administration revenue in Fiscal 2013 is \$3.4 million less than the Adopted Fiscal 2012 Budget. This can be attributed to a projected decrease in City and federal funding for personal services including overtime and staff reductions.

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012 - 2013
Spending					
Personal Services	\$61,728	\$59,397	\$59,397	\$56,808	(\$2,589)
Other Than Personal Services	20	1,101	270	270	(831)
TOTAL	\$61,748	\$60,498	\$59,667	\$57,078	(\$3,420)
Funding					
City Funds	N/A	\$17,143	\$17,143	\$15,724	(\$1,420)
State	N/A	12,365	11,950	11,503	(862)
Federal-Other	N/A	30,990	30,574	29,851	(1,138)
TOTAL	\$61,748	\$60,498	\$59,667	\$57,078	(\$3,420)
Positions					
Full-time Positions	1,154	1,143	1,143	1,093	(50)
TOTAL	1,154	1,143	1,143	1,093	(50)

*The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.

Performance Measures

The Council urges HRA to include, at a minimum, the number of fraudulent acts identified against social services programs, the amount of funding recovered as a result, as well as the number of duplicate cases identified and the amount of money recovered as a result of overpayments by HRA.

Substance Abuse Services

The Substance Abuse Services program area includes rehabilitation services for clients with substance abuse problems that are a barrier to employment and independent living.

The proposed budget for substance abuse in Fiscal 2012 is \$3.4 million less than the Fiscal 2012 Budget Adopted. This can be attributed to projected decrease in City, State, and federal funding for contractual services.

<i>Dollars in Thousands</i>	2011	2012	2012	2013	*Difference
	Actual	Adopted	Feb. Plan	Feb. Plan	2012 - 2013
Spending					
Other Than Personal Services	\$71,048	\$69,299	\$73,498	\$69,299	\$0
TOTAL	\$71,048	\$69,299	\$73,498	\$69,299	\$0
Funding					
City Funds	N/A	\$33,539	\$32,591	\$32,591	(\$949)
State	N/A	16,572	17,098	17,098	527
Federal-Other	N/A	19,188	19,610	19,610	422
Intra-City	N/A	0	4,199	0	0
TOTAL	\$71,048	\$69,299	\$73,498	\$69,299	\$0

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.*

General Administration

This funding is for all other administrative functions which cannot be clearly linked to a specific program area.

The proposed budget for general administration in Fiscal 2013 is approximately \$12.4 million less than the Fiscal 2012 Adopted Budget. This can be attributed to decreases in federal reimbursement for personal services.

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012 - 2013
Spending					
Personal Services	\$114,569	\$143,998	\$119,377	\$120,829	(\$23,169)
Other Than Personal Services	150,637	139,699	147,476	150,460	10,762
TOTAL	\$265,206	\$283,697	\$266,853	\$271,290	(\$12,407)
Funding					
City Funds	N/A	\$99,822	\$90,516	\$96,436	(\$3,386)
State	N/A	50,448	51,908	50,497	49
Federal-Other	N/A	130,627	121,337	119,676	(10,951)
Intra-City	N/A	2,800	3,092	4,680	1,881
TOTAL	\$265,206	\$283,696	\$266,853	\$271,290	(\$12,407)
Positions					
Full-time Positions	N/A	2,472	1,991	1,968	(504)
TOTAL	N/A	2,472	1,991	1,968	(504)

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.*

Financial Plan Actions

- **Administrative Reductions and Efficiencies.** HRA proposes a savings of \$1 million (\$536,000 CTL) in Fiscal 2013, \$2.5 million (\$1.4 million CTL) in Fiscal 2014, and \$3 million (\$1.7 million CTL) in 2015 through telecommunication upgrades and space consolidation. Telecommunication savings would be accrued over time through switching from telephone lines to internet lines for all calls; although there would be upfront costs for new technology, the agency would save money on its monthly phone charges. HRA proposes a thorough review of all properties and consolidate as necessary. Due to the delay in the State’s takeover of Medicaid administration, the space consolidation would accrue savings mostly in the outyears from lease expenses.

Young Men’s Initiative (YMI). HRA will receive approximately \$10 million in CTL in Fiscal 2013 for the following programs:

- **Jobs-Plus.** Targeted at public housing residents, this program will help residents get jobs, retain them and also advance in their work place. The program will start in the Fall of 2012 and will be funded at \$8.6 million in Fiscal 2013 and will serve 4,900 NYCHA residents. The YMI funds would be used on seven new sites after the success of the two pilot programs in East Harlem and South Bronx.

- **Back to Work/Subsidized Jobs.** HRA will receive \$1.45 million in CTL in Fiscal 2013 for the Back to Work (BTW) program, which will leverage a 50 percent Federal Food Stamp and Employment Training (FSET) match for a total of \$2.9 million in BTW funding. BTW will provide pre-employment services, job placement and retention, and it will serve about 4,000 YMI clients. Subsidized Jobs is funded at \$750,000 in CTL in Fiscal 2013 and will provide subsidized jobs to 105 cash assistance or food stamp participants. The jobs will last 3 to 6 months with a salary of \$9 per hour or higher.
- **Health and Human Services (HHS) Connect.** HHS-Connect links more than a dozen City agencies so that caseworkers are able to share client information without compromising confidentiality. The Fiscal 2011 November Plan reflects an increase of \$1.3 million (\$803,000 CTL) in Fiscal 2012 and \$2.7 million (\$1.6 million CTL) in Fiscal 2013 in new needs for additional headcount. Additionally, both the November and February Plans included under other adjustments an increase of \$3.2 million (\$1.9 million CTL) for application development and production support.

Capital Program

The goal of the HRA capital program is to improve social service facilities, including the replacement of building infrastructure and upgrades throughout the City; installation of local area networks for continued development of HRA connectivity within agency locations; replacement of paper case records with imaging technology based record retention systems; and upgrading, maintaining and acquiring telecommunication and data processing equipment to provide for the future operational requirements of HRA.

Capital Budget Summary

The February 2012 Capital Commitment Plan includes \$115.1 million in Fiscal 2012-2015 for the Human Resources Administration (including City and Non-City funds). This represents less than one percent of the City’s total \$35.07 billion February Plan for Fiscal 2012-2015. The agency’s February Commitment Plan for Fiscal 2012-2015 is 2.3 percent more than the \$112.4 million scheduled in the September Commitment Plan, an increase of \$2.6 million.

The majority of capital projects span multiple fiscal years; therefore, it is common practice for an agency to roll unspent capital funds into future fiscal years. Over the past five years (2007-2011), the Human Resources Administration has only committed an average of 17 percent of its annual capital plan. Thus, it is assumed that a large portion of the agency’s Fiscal 2012 Capital Plan will be rolled into Fiscal 2013, thus increasing the size of the Fiscal 2013-2016 Capital Plan. Since Adoption last June, the Capital Commitment Plan for Fiscal 2013 has remained the same at \$21 million.

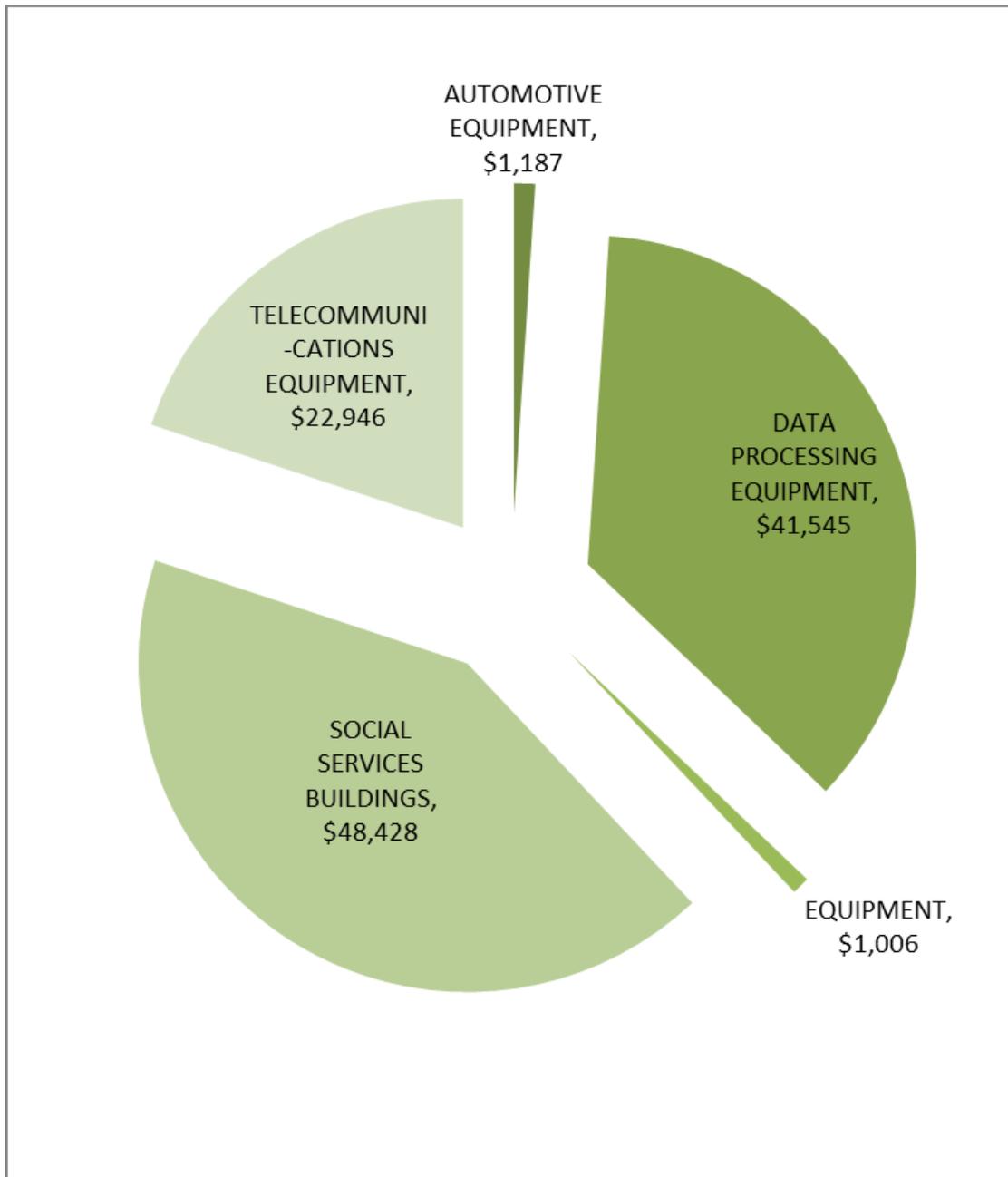
HRA's 2012-2015 Commitment Plan: Adopted and Preliminary Budget

Dollars in Thousands

	FY12	FY13	FY14	FY15	Total
Adopted (September)					
Total Capital Plan	\$70,768	\$21,278	\$10,245	\$10,203	\$112,494
Prelim (February)					
Total Capital Plan	\$73,386	\$21,278	\$10,245	\$10,203	\$115,112
Change					
Level	\$2,618	\$0	\$0	\$0	\$2,618
Percentage	3.70%	0.00%	0.00%	0.00%	2.33%

HRA's Preliminary Capital Commitment Plan by Ten Year Plan Category

(All Funds in 000's)



Appendix A: Budget Actions in the November and February Plans

<i>Dollars in Thousands</i>	FY 2012			FY 2013		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of June 2011 Plan	\$7,137,793	\$2,156,330	\$9,294,123	\$7,235,090	\$2,116,794	\$9,351,884
Program to Eliminate the Gap (PEGs)						
Administrative Efficiencies	\$0	\$0	\$0	(\$536)	(\$464)	(\$1,000)
Fringe Reimbursement Rate Increase	(36,645)	36,645	0	0	0	0
Medicaid Revenue for Hospitalized Inmates	(3,679)	3,679	0	(3,679)	3,679	0
Revenue Maximization	(1,207)	1,207	0	(745)	745	0
Delayed Expansion of Supportive Housing Units	0	0	0	(1,355)	(554)	(1,909)
Recoupments	0	0	0	(3,067)	0	(3,067)
Child Support Settlements	0	0	0	(436)	0	(436)
Employment Restructuring	(110)	0	(110)	(220)	0	(220)
TOTAL, PEGs	(\$41,641)	\$41,531	(\$110)	(\$10,038)	\$3,406	(\$6,632)
New Needs						
HHS Connect	\$803	\$572	\$1,376	\$1,609	\$1,146	\$2,756
YMI	0	0	0	8,988	0	8,988
City Funding for Advantage Rental Subsidy	24,000	0	24,000	0	0	0
Family Justice Center - Manhattan	53	51	104	182	175	358
TOTAL, New Needs	\$24,856	\$623	\$25,480	\$10,779	\$1,322	\$12,101
Other Adjustments						
JTP to WEP Conversion	(\$5,015)	\$0	(\$5,015)	(\$10,279)	\$0	(\$10,279)
Other Adjustments	37,840	74,008	111,848	67	3,231	3,298
TOTAL, Other Adjustments	\$32,825	\$74,008	\$106,832	(\$10,212)	\$3,231	(\$6,981)
TOTAL, All Changes	\$16,040	\$116,162	\$132,202	(\$9,471)	\$7,958	(\$1,512)
Agency Budget as of February 2012 Plan	\$7,153,833	\$2,272,492	\$9,426,325	\$7,225,619	\$2,124,752	\$9,350,372

Appendix B: Contract Budget

Category	Number	Budgeted	Pct of HRA Total	Pct of City Total
Contractual Services General	85	\$19,916,500	2.8%	0.19%
Telecommunications Maintenance	52	4,034,600	0.6%	0.04%
Maint & Repair of Motor Vehicle Equipment	1	2,000	0.0%	0.00%
Maint & Repair, General	100	1,400,908	0.2%	0.01%
Office Equipment Maintenance	165	3,004,868	0.4%	0.03%
Data Processing Equipment	51	20,978,515	3.0%	0.20%
Printing Contracts	46	452,500	0.1%	0.00%
Security Services	103	22,149,740	3.2%	0.21%
Temporary Services	9	1,834,419	0.3%	0.02%
Cleaning Services	100	7,728,255	1.1%	0.07%
Transportation Expenditures	21	2,542,557	0.4%	0.02%
Protective Services for Adults	10	19,498,061	2.8%	0.19%
Home Care	118	263,406,580	37.6%	2.52%
Non Grant Charges	64	11,139,228	1.6%	0.11%
Homeless Families Services	3	14,808,099	2.1%	0.14%
AIDS Services	72	141,242,841	20.1%	1.35%
Employment Services	74	149,347,229	21.3%	1.43%
Training Programs for City Employees	21	511,704	0.1%	0.00%
Professional Services: Accounting and Auditing	8	35,301	0.0%	0.00%
Professional Services: Legal	6	286,701	0.0%	0.00%
Professional Services: Engineer & Architect	7	702,000	0.1%	0.01%
Professional Services: Computer Services	7	15,344,840	2.2%	0.15%
Professional Services: Other	20	684,115	0.1%	0.01%
Bank Charges Public Assistance Account	4	124,403	0.0%	0.00%
Fiscal 2013 Preliminary Budget	1,147	\$701,175,964	100.0%	6.71%

Appendix C: Reconciliation of Program Areas to Units of Appropriation

<i>Dollars in Thousands</i>	Personal Services				Other Than Personal Services				Grand Total
	201	203	204	205	101	103	104	105	
Adult Protective Services				\$26,796				\$20,983	\$47,779
CEO Evaluation	1,795								1,795
Domestic Violence Services				11,716				90,259	101,975
Employment Services Administration	13,789	4,498				12,221			30,508
Employment Services Contracts						128,125			128,125
Food Assistance Programs								12,181	12,181
Food Stamp Operations	550	69,099		353		4,476			74,478
General Administration	101,581	13,814		5,434	150,460				271,290
HIV and AIDS Services				58,532				159,133	217,665
Home Energy Assistance	469			1,200		22,000			23,669
Information Technology Services	42,541				34,003				76,544
Investigations and Revenue Admin	56,808				270				57,078
Medicaid - Eligibility & Admin	3,890		83,880				30,626		118,396
Medicaid and Homecare			37,239				6,358,686		6,395,925
Office of Child Support Enforcement	42,683				3,488	21,584			67,755
Public Assistance and Employment Admin		170,701				55,961			226,662
Public Assistance Grants						1,344,919			1,344,919
Public Assistance Support Grants						20,114			20,114
Subsidized Employ & Job-Related Training						64,214			64,214
Substance Abuse Services						69,299			69,299
Grand Total	\$264,106	\$258,112	\$121,119	\$104,031	\$188,222	\$1,742,913	\$6,389,312	\$282,557	\$9,350,372