

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

Department of Homeless Services

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Agency Overview

The Department of Homeless Services (DHS), in partnership with public agencies and the business and nonprofit communities, prevents homelessness and provides temporary emergency shelter for eligible homeless people in a safe, supportive environment. DHS manages 12 City-run and 205 privately-run shelter facilities, consisting of 59 adult facilities and 158 family facilities. DHS also provides outreach services available 24 hours a day, seven days a week, as well as homeless prevention services through community-based programs.

This report provides a review of DHS' Preliminary Budget for Fiscal 2013. The first section presents highlights from the Fiscal 2013 expense budget for the City. Following expense budget highlights, the report outlines the Department's budget by program area and provides analysis of significant program areas. Lastly, it provides information on actions included in the November and February Financial Plans and reviews relevant sections of the Preliminary Mayor's Management Report (PMMR) for Fiscal 2012.

Fiscal 2013 Preliminary Plan Highlights

	2011	2012	2012	2013	*Difference
<i>Dollars in Thousands</i>	Actual	Adopted	Feb. Plan	Feb. Plan	2012 - 2013
Personal Services	\$116,684	\$115,670	\$120,158	\$119,978	\$4,307
Other Than Personal Services	903,473	675,361	756,717	647,826	(27,535)
Agency Total	\$1,020,156	\$791,031	\$876,874	\$767,804	(\$23,227)

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

On October 4, 2011, the Office of Management and Budget (OMB) instructed City agencies to submit Programs to Eliminate the Gap (PEG) in an effort to close the City's projected Fiscal 2013 \$4.6 billion budget gap. DHS, along with other City agencies, was instructed to reduce the City tax-levy (CTL) portion of its operating budget by two percent, or \$8.4 million in Fiscal 2012 and six percent, or \$25 million in Fiscal 2013. However, DHS was unsuccessful in meeting its target, and reduced its budget by \$2.2 million in Fiscal 2012 and \$9.9 million in Fiscal 2013. DHS PEG proposals include the loss of State and/or federal revenue, as well as CTL. Thus, the year-over-year reduction to DHS's budget is \$23.2 million.

As part of its PEG program, DHS proposes a number of revenue maximizations (improved claiming), accrual savings from delays in hiring, and savings related to the restructuring of its family shelter system. Those reductions are outlined below, along with restorations of prior PEGs, funding adjustments and one new need for the agency.

- **Reimbursement Maximization.** The Department proposes a savings of \$1.3 million (\$989,822 CTL) in Fiscal 2013 and in the outyears from improved reimbursement claims for City-owned facilities leased by DHS.
- **Reimbursement Claims for Families Residing in HPD Shelters.** The Department proposes a savings of \$375,000 in Fiscal 2013 and \$78,000 in Fiscal 2014 and in the outyears as a result of improved federal claims for families eligible for cash assistance residing in Department of Housing Preservation and Development (HPD) family shelters.

- **Delays in Hiring.** The Department proposes savings of \$1.5 million in Fiscal 2012 only, from accruals in delays in hiring in its general administration and adult shelter operations program areas.
- **Client Responsibility Unit.** The Department proposes to invest \$2 million in Fiscal 2012 and \$268,000 in Fiscal 2013 for 51 compliance staff in its Client Responsibility Unit, who will be charged with ensuring that both adult and family shelter clients are fulfilling federal employment, training, and rehabilitative program requirements. For further details, see the Family Shelter Operations section.
- **Restoration and Re-proposal of Shared Rooms for Families with Children.** In Fiscal 2012 DHS proposed savings of \$11.8 million (\$4.5 million CTL) for Fiscal 2012 and \$23.4 million (\$9.1 million CTL) in Fiscal 2013 and in the outyears as a result of converting existing one family shelter units into units that would house two to three families depending on the size and configuration of the unit. However, in order to implement the policy Local Law 18 of 1990, section 21-124 would have to be amended. For further details, see the Family Shelter Operations section.
- **Adult Shelter Diversion PEG Restoration.** In Fiscal 2012 the Department proposed an estimated savings of \$2 million in Fiscal 2012 and in the outyears, as a result of the net cost of shelter care avoided by diverted adult shelter applicants minus the cost of ten additional staff. However, because of pending legal action, DHS could not go forward with this change to its adult shelter policy and restored the projected Fiscal 2012 savings to its budget. The outyear savings still remains. For further details see the Adult Shelter Operations Section.
- **Advantage Funding.** The State eliminated support for the DHS' rental assistance program, Advantage, in its Fiscal 2011-12 budget. Subsequently, without State support, the City decided to end the program and stopped rental payments for clients already enrolled in the program. For further details, see the Rental Assistance and Housing Placement section.
- **Funding for New Client Data Tracking System.** The Department proposes increased spending of \$6.5 million in Fiscal 2012 and \$2 million in Fiscal 2013 and in the outyears for training and maintenance of its new CARES case management and client tracking system.

DHS' budget consists of 10 program areas which are identified by units of appropriation. This report analyzes DHS' 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, "DHS Financial Summary," provides an overview of the agency's total budget from Fiscal 2011 to the February Plan for Fiscal 2013.

DHS Financial Summary

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012 - 2013
Budget by Program Area					
Adult Shelter Administration & Support	\$9,067	\$8,201	\$9,284	\$8,201	\$0
Adult Shelter Intake and Placement	7,971	9,060	9,175	9,152	92
Adult Shelter Operations	252,029	267,388	273,687	261,397	(5,991)
Family Shelter Administration & Support	5,753	5,752	7,976	9,742	3,989
Family Shelter Intake and Placement	23,527	23,823	23,823	23,823	0
Family Shelter Operations	388,232	362,386	363,558	340,992	(21,394)
General Administration	57,778	56,962	68,489	60,809	3,847
Outreach, Drop-in and Reception Services	34,046	27,389	29,833	27,389	0
Prevention and Aftercare	37,966	8,798	26,344	6,000	(2,798)
Rental Assistance and Housing Placement	202,813	21,272	64,705	20,300	(973)
TOTAL	\$1,019,183	\$791,031	\$876,874	\$767,804	(\$23,227)
Funding					
City Funds	N/A	\$395,939	\$407,275	\$390,710	(\$5,229)
State	N/A	106,608	109,119	105,184	(1,424)
Federal - Community Development	N/A	4,553	4,553	4,098	(455)
Federal - Other	N/A	281,067	310,011	264,912	(16,155)
Intra City	N/A	2,864	45,916	2,900	37
TOTAL	\$1,019,183	\$791,031	\$876,874	\$767,804	(\$23,227)
Positions					
Adult Shelter Administration & Support	111	144	144	144	0
Adult Shelter Intake and Placement	160	183	186	183	0
Adult Shelter Operations	360	407	455	427	20
Family Shelter Administration & Support	85	49	49	49	0
Family Shelter Intake and Placement	426	425	476	476	51
Family Shelter Operations	168	171	160	160	(11)
General Administration	504	516	516	477	(39)
Outreach, Drop-in and Reception Services	11	18	18	18	0
Prevention and Aftercare	0	0	2	0	0
Rental Assistance and Housing Placement	13	0	8	0	0
TOTAL	1,838	1,913	2,014	1,934	21

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

Council Initiatives and Funding

The Council has routinely provided funding for homeless prevention programs. The Council provided funding for DHS’ homeless prevention fund, which provides emergency grants for families at risk of eviction. The grants help to keep families in their homes and avoid the shelter system. The Council also provided funding for the continuation of medical services for individuals in shelter, as well as support to various programs and services from mobile food vans to employment training programs. Details on the Council Initiatives can be found in the corresponding program areas.

FY 2012 Council Changes at Adoption by Program Area	
<i>Dollars in Thousands</i>	
Adult Shelter Operations	
Medical Services Partial PEG Restoration	1,200
Subtotal	\$1,200
Prevention and Aftercare	
Citywide Homeless Prevention Fund Initiative	250
Subtotal	\$250
Adult Shelter Operations; Family Shelter Operations; Prevention and Aftercare	
Member Items	684
Subtotal	\$684
TOTAL	\$2,133

Program Areas

Adult Shelter Administration & Support

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

The proposed budget for adult shelter administration and support in Fiscal 2013 remains at \$8.2 million, the same as it was in the Fiscal 2012 Adopted Budget. As a result of reduced State support for adult shelter capacity, the City will now assume its portion.

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012 - 2013
Spending					
Personal Services Subtotal	\$8,093	\$8,201	\$8,201	\$8,201	\$0
Other Than Personal Services	973	0	1,083	0	0
TOTAL	\$9,067	\$8,201	\$9,284	\$8,201	\$0
Funding					
City Funds	N/A	\$6,451	\$6,514	\$6,514	\$63
Federal	N/A	1,684	2,767	1,684	0
Federal TANF Assistance	N/A	25	25	25	0
FFFS- PS Admin	N/A	1,659	1,659	1,659	0
Supportive Housing Program (HUD)	N/A	0	1,083	0	0
State	N/A	67	4	4	(63)
Adult Shelter Cap	N/A	63	0	0	(63)
Safety Net	N/A	4	4	4	0
TOTAL	\$9,067	\$8,201	\$9,284	\$8,201	\$0

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

Adult Shelter Intake and Placement

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

The proposed budget for adult intake and placement in Fiscal 2013 is \$92,000 more than the Fiscal 2012 Adopted Budget. This projected increase can be attributed to an increase in City funding for security staff. Also, as a result of reduced State support for adult shelter capacity, the City will now assume its portion.

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012 - 2013
Spending					
Personal Services	\$7,971	\$9,060	\$9,175	\$9,152	\$92
TOTAL	\$7,971	\$9,060	\$9,175	\$9,152	\$92
Funding					
City Funds	N/A	\$7,104	\$8,332	\$8,424	\$1,320
Federal	N/A	728	843	728	0
Emergency Shelter Grant	N/A	0	116	0	0
FFFS- PS Admin	N/A	728	728	728	0
State	N/A	1,228	0	0	(1,228)
Adult Shelter Cap	N/A	1,228	0	0	(1,228)
TOTAL	\$7,971	\$9,060	\$9,175	\$9,152	\$92

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

Adult Shelter Operations

The Adult Shelter system is currently comprised of 54 facilities that operate 8,818 beds. As in the family system, single adults living in shelters have access to a wide range of social services, including mental health treatment, substance abuse treatment, and employment training.

The proposed budget for adult shelter operations in Fiscal 2013 is \$6 million less than the Fiscal 2012 Adopted Budget. This can be attributed to exclusion of Council funding in Fiscal 2013 and proposed reductions by DHS.

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012 - 2013
Spending					
Personal Services Subtotal	\$17,613	\$18,398	\$19,849	\$19,471	\$1,073
Other Than Personal Services	234,416	248,990	253,837	241,926	(7,064)
TOTAL	\$252,029	\$267,388	\$273,687	\$261,397	(\$5,991)
Funding					
City Funds	N/A	\$214,574	\$190,075	\$185,953	(\$28,621)
Federal	N/A	1,601	12,178	4,860	3,259
Emergency Shelter Grant	N/A	0	6,512	0	0
Federal TANF Assistance	N/A	3	3	3	0
FFFS- AOTPS Admin	N/A	1,598	2,357	2,357	759
Supportive Housing Program (HUD)	N/A	0	0	0	0
Veteran Affairs Per Diem	N/A	0	3,305	2,500	2,500
Intra City	N/A	815	851	851	37
State	N/A	50,398	70,583	69,733	19,335
Adult Shelter Cap	N/A	45,757	65,942	65,092	19,335
Safety Net	N/A	4,641	4,641	4,641	0
State TANF Assistance	N/A	0	0	0	0
TOTAL	\$252,029	\$267,388	\$273,687	\$261,397	(\$5,991)

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

FY 2012 Council Changes at Adoption	
<i>Dollars in Thousands</i>	
Adult Shelter Operations	
Medical Services Partial PEG Restoration	1,200
Total	\$1,200

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

Fiscal 2013 Preliminary Budget Actions

- **Delays in Hiring.** The Department proposes savings of \$1.5 million in Fiscal 2012 only, from accruals resulting from delays in hiring in general administration and adult shelter operations program areas.
- **Adult Shelter Diversion PEG Restoration.** In Fiscal 2012, the Department proposed an estimated savings of \$2 million for Fiscal 2012 and in the outyears based on results of a previous pilot program. The Department planned to hire ten additional shelter intake staff to provide shelter diversion services. According to DHS, the ten additional staff would have received union representation from DC 37’s Local 371, and be charged with conducting intake interviews, assisting clients with the identification of housing resources in the community, and help clients negotiate return to identified housing resources. The new diversion policy would have set forth standards by which DHS Single Adult Intake facilities determined whether individuals were eligible for temporary emergency shelter. The determinations would have been based on an assessment of whether the applicant had other available housing or the means to obtain other housing. The projected savings of \$2 million in Fiscal 2012 and in the outyears, of the net cost of shelter care avoided by diverted applicants minus the cost of additional staff.

However, the Council and the Legal Aid Society brought legal action to prevent implementation of the policy, and a court determined that DHS could not implement the policy without complying with the City Administrative Procedure Act. Yet, the projected Fiscal 2013 and out year savings from its implementation remain in the budget.

Performance Measures

	FY 09	FY 10	FY 11	4 Month Actual FY12	Target FY 12
Cost per day for shelter facilities- Single Adult facilities (\$)	\$70.18	\$69.25	\$73.58	N/A	*
Average length of stay for single adults in shelter (days)	261	245	250	263	*
Average number of single adults in shelters per day	6,526	7,167	8,387	8,335	*
Single adults entering the DHS services shelter system	18,480	19,607	20,615	6,907	*

The average length of stay for single adults in shelter increased in Fiscal 2011 by two percent when compared to Fiscal 2010, and eight percent during the first four months of Fiscal 2012 when compared to the same time in Fiscal 2011. The average number of single adults in shelter increased in Fiscal 2011 by 15 percent when compared to Fiscal 2010, and by five percent during the first four months of 2012 when compared to the same time in Fiscal 2011. It should also be noted that in October of 2011, the DHS shelter census reached record highs with a total population of 41,204, including 9,460 single adults sleeping in its facilities. Conversely, as the adult shelter population continues to rise DHS’ combined adult shelter program budget in Fiscal 2013 will decrease by approximately \$5.9 million.

Family Shelter Administration and Support

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

The proposed budget for family shelter administration and support for Fiscal 2013 is approximately \$4 million more than the Fiscal 2012 Adopted Budget. This projected increase can be attributed to increases in City funding for investments toward the restructuring of its family administration services.

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012 - 2013
Spending					
Personal Services Subtotal	\$5,753	\$5,752	\$5,752	\$5,752	\$0
Other Than Personal Services	0	0	2,223	3,989	3,989
TOTAL	\$5,753	\$5,752	\$7,975	\$9,742	\$3,989
Funding					
City Funds	N/A	\$3,588	\$6,023	\$7,789	\$4,201
Federal	N/A	1,939	1,939	1,939	0
Federal TANF Assistance	N/A	84	1,939	84	0
FFFS- AOTPS Admin	N/A	1,855	0	1,855	0
State	N/A	226	13	13	(212)
Adult Shelter Cap	N/A	212	0	0	(212)
Safety Net	N/A	13	13	13	0
TOTAL	\$5,753	\$5,752	\$7,975	\$9,742	\$3,989

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

Family Shelter Intake and Placement

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

The proposed budget for family shelter intake and placement in Fiscal 2013 reflects no change in funding level since the Fiscal 2012 Adopted Budget.

<i>Dollars in Thousands</i>	2011	2012	2012	2013	*Difference
	Actual	Adopted	Feb. Plan	Feb. Plan	2012 - 2013
Spending					
Personal Services	\$23,527	\$23,823	\$23,823	\$23,823	\$0
TOTAL	\$23,527	\$23,823	\$23,823	\$23,823	\$0
Funding					
City Funds	N/A	\$4,869	\$4,869	\$6,909	\$2,040
Federal	N/A	18,954	18,954	16,914	(2,040)
ARRA-HOMELESSNESS PREV&RE-HOUS	N/A	2,040	2,040	0	(2,040)
Federal TANF Assistance	N/A	686	686	686	0
FFFS- PS Admin	N/A	16,228	16,228	16,228	0
TOTAL	\$23,527	\$23,823	\$23,823	\$23,823	\$0

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

Family Shelter Operations

The Family Shelter system is comprised of 158 facilities that operate 10,192 units of shelter. Contracted providers operate the vast majority of these facilities. The Family Shelter system is split into two parts: families with children and adult families without children.

The proposed budget for family shelter operations in Fiscal 2013 decreases by approximately \$21.4 million from the Fiscal 2012 Adopted Budget. This projected decrease can be attributed to proposed changes to its families with children shelter policies, which would result in decreases to City, State and federal funding.

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012 - 2013
Spending					
Personal Services Subtotal	\$8,628	\$8,807	\$8,807	\$8,807	\$0
Other Than Personal Services	379,603	353,579	354,751	332,185	(21,394)
TOTAL	\$388,232	\$362,386	\$363,558	\$340,992	(\$21,394)
Funding					
City Funds	N/A	\$113,898	\$111,747	\$106,582	(\$7,316)
Federal	N/A	219,631	221,309	206,992	(12,639)
Emergency Shelter Grant	N/A	0	257	0	0
Federal TANF Assistance	N/A	204,104	206,025	192,420	(11,684)
FFFS- AOTPS Admin	N/A	11,527	11,027	11,027	(500)
Community Development Block Grants	N/A	4,000	4,000	3,545	(455)
Intra City	N/A	2,000	2,000	2,000	0
State	N/A	26,857	28,503	25,418	(1,439)
Adult Shelter Cap	N/A	15	0	0	(15)
Safety Net	N/A	26,842	27,543	25,418	(1,424)
State TANF Assistance	N/A	0	960	0	0
TOTAL	\$388,232	\$362,386	\$363,559	\$340,992	(\$21,394)

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

Fiscal 2013 Preliminary Budget Actions

- Client Responsibility Unit.** The Department proposes to hire 51 compliance staff for its Client Responsibility Unit, who will be charged with ensuring that both adult and family shelter clients are fulfilling federal employment, training, and rehabilitative program requirements. As a result of the staff increase, DHS proposes to add \$2 million in Fiscal 2012 and \$268,000 in Fiscal 2013 and in the outyears, which will be offset by an anticipated reduction in care days in adult and family shelters. This action will eventually generate a savings of \$12.8 million (\$3 million CTL) in Fiscal 2014 and in the outyears.
- Restoration and Re-proposal of Shared Rooms for Families with Children.** In Fiscal 2012 DHS proposed savings of \$11.8 million (\$4.5 million CTL) for Fiscal 2012 and \$23.4 million (\$9.1 million CTL) in Fiscal 2013 and in the outyears for a plan to convert existing one family shelter units into units that would house two to three families depending on the

size and configuration of the unit. However, in order implement the plan, Local Law 18 of 1990, section 21-124 would have to be amended to allow shared living.

To date, Local Law 18 of 1990 has not been amended to allow shared living; therefore DHS was unable to implement its plan, thus restoring its \$11.8 million (\$4.5 million CTL) in planned savings. In an effort to implement this plan again, DHS adjusted the Fiscal 2012 savings amount to \$5.8 million (\$2.3 million CTL) and the Fiscal 2013 and the outyear savings of \$23.4 million (\$9.1 million CTL).

Performance Measures

	FY 09	FY 10	FY 11	4-Month Actual FY12	Target FY 12
Cost per day for shelter facilities- Family facilities (\$)	\$105.22	\$100.49	\$100.12	N/A	*
Average length of stay for adult families in shelter (days)	370	325	349	392	*
Average length of stay for families with children in shelter (days)	281	243	258	315	*
Adult Families entering the shelter system	1,278	1,208	1,096	324	*
Families with children entering the DHS services shelter system	12,959	14,586	12,444	3,935	*
Families suitably placed in shelter services system within 10 days (%)	100.0%	100.0%	100.0%	100%	95%

The average length of stay for homeless families in shelter increased across the DHS shelter system. Length of stay for families with children in shelter increased by six percent between Fiscal 2010 and Fiscal 2011, and by 22.3 percent during the first four months of Fiscal 2012 compared to the same time in Fiscal 2011. For adult families, the increase was seven percent between Fiscal 2010 and Fiscal 2011, and 16 percent during the first four months of Fiscal 2012 when compared to the same time in Fiscal 2011. This can be most likely be attributed to DHS' decision to eliminate its Advantage program which assisted in moving shelter residents into permanent housing.

As with the single adult shelter system, the family shelter system also saw record highs in the October 11, 2011 shelter census when the total shelter population topped at 41,204, which included 14,810 adult in families and 16,934 children sleeping in its facilities. Conversely, as the family shelter population continues to rise, DHS' combined program budget for family shelter services in Fiscal 2013 will decrease by approximately \$17.4 million.

General Administration

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

The proposed budget for general administration in Fiscal 2013 increases by approximately \$3.8 million from the Fiscal 2012 Adopted Budget. This projected increase can be attributed to increases in city spending for staff, training and management systems.

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012 - 2013
Spending					
Personal Services	\$40,688	\$39,455	\$41,765	\$42,598	\$3,142
Other Than Personal Services	18,065	17,507	26,724	18,211	705
TOTAL	\$58,752	\$56,962	\$68,489	\$60,809	\$3,847
Funding					
City Funds	N/A	\$20,881	\$39,835	\$32,773	\$11,892
Federal	N/A	28,016	28,130	27,528	(488)
ARRA-HOMELESSNESS PREV&RE-HOUS	N/A	229	229	0	(229)
Emergency Shelter Grant	N/A	0	373	0	0
Federal TANF Assistance	N/A	2,852	2,852	2,852	0
FFFS- AOTPS Admin	N/A	5,952	5,692	5,692	(259)
FFFS- PS Admin	N/A	18,983	18,983	18,983	0
Intra City	N/A	0	15	0	0
State	N/A	8,065	509	509	(7,557)
Adult Shelter Cap	N/A	7,557	0	0	(7,557)
Local Admin Fund- AOTPS Admin	N/A	54	54	54	0
Safety Net	N/A	454	454	454	0
TOTAL	\$58,752	\$56,962	\$68,488	\$60,809	\$3,847

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

Fiscal 2013 Preliminary Budget Actions

- **Funding for New Client Data Tracking System.** The Department proposes increased spending of \$6.5 million in Fiscal 2012 and \$2 million in Fiscal 2013 and in the outyears for training and maintenance of its new CARES case management and client tracking system.

Performance Measures

	FY 09	FY 10	FY 11	4-Month Actual FY12	Target FY 12
Safety, maintenance, and cleanliness deficiencies noted on independent inspections of adult shelters	54	39	29	N/A	*
Critical incidents in the Adult Shelter system per 1,000 residents	0.4	0.8	0.2	N/A	*
Critical incidents in the Adult Family Shelter system, per 1,000 residents	1.6	7.4	8.2	N/A	*
Critical incidents in the Families with Children Shelter system, per 1,000 residents	1.2	0.3	1.7	N/A	*

Outreach, Drop-In and Reception Services

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

The proposed budget for outreach, drop-in and reception services in Fiscal 2013 remains unchanged from the Fiscal 2012 Adopted Budget.

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012 - 2013
Spending					
Personal Services	\$844	\$888	\$888	\$888	\$0
Other Than Personal Services	33,202	26,500	28,945	26,500	0
TOTAL	\$34,046	\$27,389	\$29,833	\$27,389	\$0
Funding					
City Funds	N/A	\$13,845	\$24,106	\$26,260	\$12,414
Federal	N/A	3,234	5,679	1,080	(2,154)
ARRA-HOMELESSNESS PREV&RE-HOUS	N/A	2,154	3,595	0	(2,154)
Emergency Shelter Grant	N/A	0	1,004	0	0
FFFS- PS Admin	N/A	527	527	527	0
Community Development Block Grants	N/A	553	553	553	0
Intra City	N/A	49	49	49	0
State	N/A	10,260	0	0	(10,260)
Adult Shelter Cap	N/A	10,260	0	0	(10,260)
TOTAL	\$34,046	\$27,389	\$29,833	\$27,389	\$0

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

Performance Measures

	FY 09	FY 10	FY 11	4-Month Actual FY12	Target FY 12
Number of people estimated to be living on the streets (HOPE)	2,328	3,111	2,648	N/A	*
Number of Chronically Homeless Individuals Placed into Permanent and Temporary Housing by Outreach Teams	948	880	577	205	*

On January 30, 2012, DHS sponsored the eight annual HOPE count, a survey to measure the City's progress in reducing street homelessness. The 2012 HOPE Count results are not available yet. However, as indicated above, the January 2011 HOPE count estimated that 2,648 individuals were sleeping on the streets, an increase of 463, or 14.9 percent when compared to Fiscal 2010.

Prevention and Aftercare

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

The proposed budget for prevention and aftercare in Fiscal 2013 decreases by approximately \$2.8 million from the Fiscal 2012 Adopted Budget. This projected decrease can be attributed to the expiration of Homeless Prevention and Rapid Re-Housing (HPRP) federal stimulus funding.

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012 - 2013
Spending					
Personal Services Subtotal	\$36	\$0	\$198	\$0	\$0
Other Than Personal Services	37,930	8,798	26,146	6,000	(2,798)
TOTAL	\$37,966	\$8,798	\$26,344	\$6,000	(\$2,798)
Funding					
City Funds	N/A	\$250	\$5,275	\$0	(\$250)
Federal	N/A	8,548	21,069	6,000	(2,548)
ARRA-HOMELESSNESS PREV&RE-HOUS	N/A	2,548	9,871	0	(2,548)
Federal TANF Assistance	N/A	0	5,000	0	0
Supportive Housing Program (HUD)	N/A	0	198	0	0
TANF- Emergency Assistance	N/A	6,000	6,000	6,000	0
TOTAL	\$37,966	\$8,798	\$26,344	\$6,000	(\$2,798)

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

Fiscal 2012 Council Initiatives and Funding

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

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

Rental Assistance and Housing Placement

In April 2007, DHS announced implementation of Advantage New York, a rental subsidy program that would place a greater emphasis on self-sufficiency. The Advantage New York rental assistance program consisted of different options for different shelter populations, including residents that were employed, on a fixed income, and/or families with child welfare involvement.

Participants in the program received up to two years of rental assistance and if eligible for the Section 8 Housing Program, they received application priority. The Section 8 program, which is administered by the New York City Housing Authority (NYCHA), was a major component in transitioning families with children and fixed income Advantage participants into permanent housing. However, NYCHA discontinued the issuance of new vouchers.

Consequently, DHS implemented a number of changes to the previous structure of the Advantage program, which required all participants to have income, maintain a certain number of work hours, and contribute a portion to rent.

Less than a year of approving the implementation of changes to Advantage, the State eliminated support (and the federal support as well) by 68 percent, for the \$200 million a year program, thereby impacting the City's ability to provide rental subsidies for nearly 15,000 single adults and families. Consequently, the City decided it would not continue the program without State support, and DHS decided to stop payment for rents immediately beginning in March of 2011. As a result, The Legal Aid Society sued the City, and the court ruled that the City was obligated to pay the rents for families already enrolled in the program. However, in February of 2012 the court ruled that the City was no longer obligated to pay, which impacts about 8,000 families that still remain in the program. Legal Aid has since filed an appeal, which is currently pending.

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012 - 2013
Spending					
Personal Services Subtotal	\$3,530	\$1,285	\$1,697	\$1,285	\$0
Other Than Personal Services	199,283	19,987	63,007	19,014	(973)
TOTAL	\$202,813	\$21,272	\$64,705	\$20,300	(\$973)
Funding					
City Funds	N/A	\$10,480	\$10,500	\$9,507	(\$973)
Federal	N/A	1,285	1,697	1,285	0
Emergency Shelter Grant	N/A	0	412	0	0
FFFS- PS Admin	N/A	1,285	1,285	1,285	0
Intra City	N/A	0	43,000	0	0
State	N/A	9,507	9,507	9,507	0
TOTAL	\$202,813	\$21,272.40	\$66,402	\$21,585	(\$973)

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

- **Advantage Funding.** Even though the State eliminated support for DHS' rental assistance program, Advantage, in its Fiscal 2011-12 budget, it did include an allocation of \$15 million to the City for shelter supplements or other services for low income households in order to prevent eviction or address homelessness in social services. However, funds will only be

disbursed to the City pending State Office of Temporarily and Disability Assistance (OTDA) and Budget Office approval. In October of 2011, the City requested that \$10.9 million of these funds be spent on mandated rental payment of Advantage participants placed in the program prior to its elimination, and the remaining \$4 million on various shelter client employment initiatives and technology upgrades. It is unclear if the State approved the City’s proposed spending request. Also, the Fiscal 2012-13 State Executive Budget does not include this funding going forward.

Performance Measures

	FY 09	FY 10	FY 11	4-Month Actual FY12	Target FY 12
Adult families placed into permanent housing	1,094	1,109	N/A**	N/A	*
Families with children placed into permanent housing	7,716	8,762	N/A**	N/A	*
Single Adults placed into permanent housing	9,107	7,573	8,801	2,640	8,000
Single adults placed into permanent housing who return to DHS shelter service system within one year (%)	12.9%	12.1%	12.1%	10.9%	*
Adult families placed into permanent housing who return to the DHS shelter services system within one year (%)	2.8%	6.4%	8.3%	4.4%	*
Families with children placed into permanent housing who return to the DHS shelter services system within one year (%)	3.4%	3.8%	2.8%	2.5%	*

**Fiscal 2013 PMMR does not include Fiscal 2011 indicators for this category

Capital Program

Capital Budget Summary

The February 2012 Capital Commitment Plan includes \$100.1 million in Fiscal 2012-2015 for the Department of Homeless Services (all City funds). This represents less than one percent of the City’s total \$35.1 billion February Plan for Fiscal 2012-2015. The agency’s February Commitment Plan for Fiscal 2012-2015 is about 1 percent less than the \$100.9 million scheduled in the September Commitment Plan, a decrease of \$700,000.

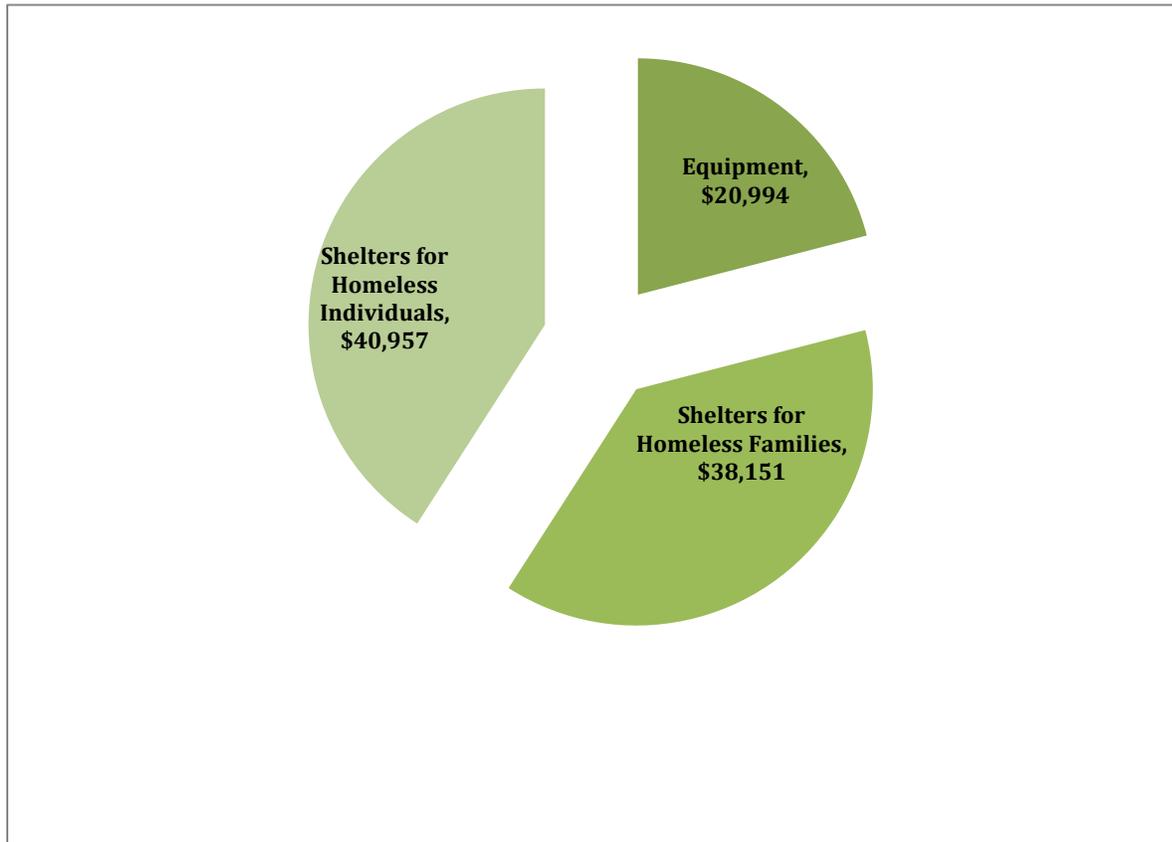
The majority of capital projects span multiple fiscal years and it is therefore common practice for an agency to roll unspent capital funds into future fiscal years. In Fiscal Year 2011 the Department of Homeless Services committed \$56.9 or 37.5 percent of its annual capital plan. Therefore, it is assumed that a significant 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 total Capital Commitment Plan for Fiscal 2013 has increased from \$7.35 billion to \$8.69 billion, an increase of \$1.33 billion or 24.9 percent.

2012-2015 Commitment Plan: Adopted and Preliminary Budget

Dollars in Thousands

	FY12	FY13	FY14	FY15	Total
Adopted					
Total Capital Plan	\$59,845	\$15,135	\$10,806	\$15,138	\$100,924
Prelim					
Total Capital Plan	\$58,168	\$15,990	\$10,806	\$15,138	\$100,102
Change					
Level	(\$1,677)	\$855	\$0	\$0	(\$822)
Percentage	-2.80%	5.65%	0.00%	0.00%	-0.81%

DHS' Preliminary Capital Commitment Plan by Ten Year Plan Category



Capital Program Goals

- Ensure all facilities are in compliance with applicable health and safety standards;
- Rehabilitate and renovate transitional facilities for homeless families and singles; and
- Upgrade and expand computer networks to effectively manage and share information.

Preliminary Capital Budget Highlights

The Capital Variance Report indicates minimal variance between the September Commitment Plan and the February Commitment Plan. With the exception of the following projects:

- **Bellevue Shelter.** The planned commitments in the February Plan for the rehabilitation of existing elevators total \$2.4 million in Fiscal 2012-2015.
- **Bedford Atlantic Armory.** The planned commitments in the February Plan include \$2 million for the replacement of damage slate tiles.

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	\$395,939	\$395,092	\$791,031	\$389,691	\$379,266	\$768,957
Program to Eliminate the Gap (PEGs)						
City Owned Shelter Reorg			-	(\$990)	(\$310)	(\$1,300)
Client Responsibility	1,977		1,977	268	(4,398)	(4,130)
Personal Services Accruals	(1,500)		(1,500)			-
Rev Maximization	(375)	375	(0)	(78)	78	-
Shared Living for Families with Children	(2,258)	(3,581)	(5,839)	(9,101)	(14,258)	(23,359)
TOTAL, PEGs	(\$2,156)	(\$3,206)	(\$5,362)	(\$9,901)	(\$18,888)	(\$28,789)
PEG Restorations						
Delayed Implementation of Adult Shelter Diversions	\$2,000		\$2,000			\$0
Restoration of Shared Rooms for Families with Children	4,515	7163	11,678	9,101	14,258	23358.8
TOTAL, PEGs	\$6,515	\$7,163	\$13,678	\$9,101	\$14,258	\$23,359
New Needs						
CARES Technical Support	6,481		6,481	1,996		1,996
TOTAL, New Needs	\$6,481	\$0	\$6,481	\$1,996	\$0	\$1,996
Other Adjustments						
Adult Shelter Cap		\$850	\$850			\$0
Advantage		43,000	43,000			0
ARRA Increase		1,379	1,379			0
FJC Security		15	15			0
FY12 Additional ESG Funds		1,320	1,320			0
FY12 Cares		805	805			0
FY12 ESG Funds		6,868	6,868			0
FY122 HMIS Funding for FY12		64	64			0
FY12 ARRA Put up		5,848	5,848			0
FY12 Budget MOD Increase		707	707			0
FY12 Roll Increase		830	830			0
FY12 Adult Shelter Eligibility		425	425			0
HHS - Connect Technical Adjustment			0	(23)		(23)
Technical Adjustments	488	(375)	112	(86)	(78)	(164)
VA Revenue		2,500	2,500		2,500	2,500
Adds HMIS Funds		1,217	1,217			0
Adult Shelter Cap Realign	0		0			0
FFFS/CTL Sway			0			0
FY12 ESG Add Funds 1127		60	60			0
FY12 Budget MOD			0			0
FY12 Funding for 9515		5,000	5,000			0

<i>Dollars in Thousands</i>	FY 2012			FY 2013		
	City	Non-City	Total	City	Non-City	Total
HHS Connect Technical Adjustment			\$0	(\$68)		(\$68)
IC w/ DHS		37	37		37	37
Local Initiatives	9		9			0
Rev Realignment	0		0			0
Security funds Transfer			0			0
To Move funds from 9100/600			0			0
To Move funds to 9340/608			0			0
Transfer Funds			0			0
TOTAL, Other Adjustments	\$496	\$70,550	\$71,046	(\$177)	\$2,459	\$2,281
TOTAL, All Changes	\$11,336	\$74,507	\$85,843	\$1,019	(\$2,171)	(\$1,152)
Agency Budget as of February 2012 Plan	\$407,276	\$469,599	\$876,875	\$390,710	\$377,094	\$767,804

**Continuation from previous page*

Appendix B: Contract Budget

Category	Number	Budgeted	Pct of (DHS) Total	Pct of City Total
Contractual Services General	33	\$410,886	0.1%	0.0%
Telecommunications Maintenance	2	42,331	0.0%	0.0%
Maint & Repair of Motor Vehicle Equipment	1	14,582	0.0%	0.0%
Maint & Repair, General	31	3,791,908	0.6%	0.0%
Office Equipment Maintenance	6	28,749	0.0%	0.0%
Data Processing Equipment	1	10,666	0.0%	0.0%
Printing Contracts	5	151,269	0.0%	0.0%
Security Services	7	18,074,826	3.1%	0.2%
Temporary Services	16	533,060	0.1%	0.0%
Cleaning Services	3	2,037,779	0.3%	0.0%
Transportation Expenditures	1	1,442,512	0.2%	0.0%
Homeless Family Services	282	303,421,838	51.7%	2.9%
Homeless Individual Services	138	254,923,022	43.4%	2.4%
Training Programs for City Employees	6	415,390	0.1%	0.0%
Maintenance & Operations of Infrastructure	1	66,579	0.0%	0.0%
Professional Services Accounting & Legal	2	386,414	0.1%	0.0%
Professional Services Legal	1	10,000	0.0%	0.0%
Professional Services Engineer & Architect	2	100,244	0.0%	0.0%
Professional Services Computer	2	1,370,409	0.2%	0.0%
Professional Services Other	1	7,083	0.0%	0.0%
Fiscal 2013 Preliminary Budget	541	\$587,239,547	100.0%	5.6%

The Fiscal 2013 contract budget for DHS is comprised mainly of contracts for its family and adult shelter operation. DHS currently manages 217 shelter facilities of which 205 are privately operated through contracts with the agency.

Appendix C: Reconciliation of Program Areas to Units of Appropriation

<i>Dollars in Thousands</i>	Personal Services	Other Than Personal Services	Grand Total
	001	002	
Adult Shelter Administration & Support	\$8,201		\$8,201,395
Adult Shelter Intake and Placement	9,152		9,151,955
Adult Shelter Operations	19,471	241,926	261,396,784
Family Shelter Administration & Support	5,752	3,989	9,741,674
Family Shelter Intake and Placement	23,823		23,823,094
Family Shelter Operations	8,807	332,185	340,991,873
General Administration	42,598	18,211	60,808,974
Outreach, Drop-in and Reception Services	888	26,500	27,388,813
Prevention and Aftercare		6,000	6,000,000
Rental Assistance and Housing Placement	1,285	19,014	20,299,722
Grand Total	\$119,978	\$647,826	\$767,804,284