

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Corey Johnson
Speaker of the Council

Hon. Daniel Dromm
Chair, Finance Committee

Hon. Margaret Chin
Chair, Aging Committee



Report to the Committee on Finance and the Committee on Aging
on the Fiscal 2019 Executive Budget for

Department for the Aging

May 7, 2018

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DFTA Executive Budget Overview

\$345.4 million – Fiscal 2019 Executive Budget

249 Senior Centers

\$229.6 million in City funds

661 Headcount

\$115.8 million in Revenue

1,394 Contracts totaling **\$281.4 million**

Executive Budget Changes

- No New Needs included in the Fiscal 2019 Executive Budget.
- Other Adjustments increase DFTA’s budget by \$2.9 million in Fiscal 2018, and \$1.3 million in Fiscal 2019.
- Vacancy reductions save \$281,000 in Fiscal 2019.

Council’s 2019 Budget Response

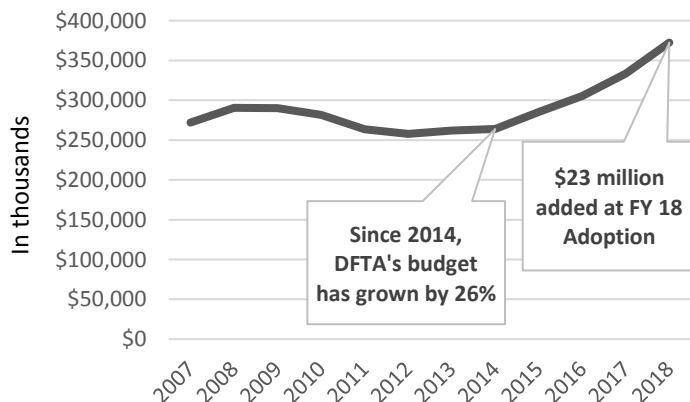
Included in the Executive Budget

- Restore 14 NYCHA senior social clubs: \$3 million in Fiscal 2019 only **Reflected in Miscellaneous Budget*

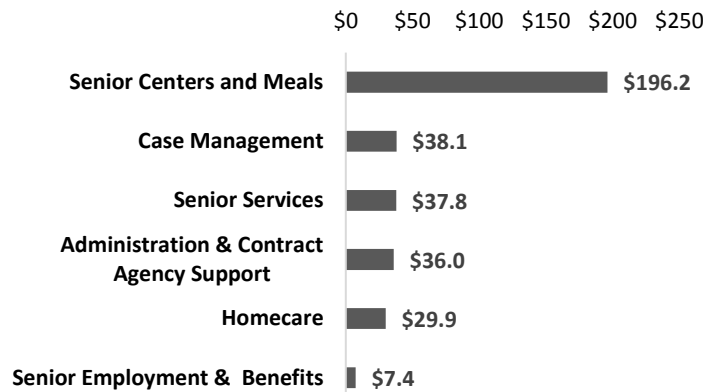
Not Included in the Executive Budget

- Universal free lunch for seniors: \$11.6 million
- Create a capital budget process for senior centers

DFTA Budget: Fiscal 2007 to Fiscal 2018



2019 Executive Budget by Program Area (In millions)



Major Agency Issues

- **Senior Center Model Contracting.** DFTA will use \$10 million baselined in Fiscal 2018 to revise contracts for 223 of the 249 senior centers. The process has been slow and does not cover all costs, including food. DFTA has committed to baseline an additional \$10 million by Fiscal 2021.
- **Homecare Waitlist and Staffing.** There are 200 seniors on the homecare waitlist. Homecare agencies have a staffing shortage.
- **Case Management Waitlist.** Despite \$1.2 million baselined in Fiscal 2018 to clear the case management waitlist, there are still approximately 1,000 seniors on the waitlist.
- **Caregivers Support.** Although \$4 million baselined in Fiscal 2018 has increased the number of seniors served by respite care to approximately 450, the need is far greater.

Capital Budget: Fiscal 2018 – Fiscal 2022

- \$62.9 million in appropriations
- \$13.3 million in authorized appropriations
- \$1.3 million in current fiscal year commitments
- 79 Projects and 32 Budget Lines
- Of the Four Year Capital Strategy, *two-thirds* for Rehabilitation of senior centers (\$32.7 million); *one-third* for Computer and network upgrades and equipment purchases (\$19.2 million)

DFTA Overview

This report presents a review of the Department for the Aging's (the Department's) Fiscal 2019 Executive Budget. The section below presents an overview of the Department's budget and how it has changed during the course of Fiscal 2018, followed by a review of the significant budget actions introduced in the Fiscal 2019 Executive Budget. Major issues related to the Department's budget are then discussed. Analysis and highlights of the Department's Capital Budget and Fiscal 2018 - 2022 Commitment Plan follow the discussion of the expense budget. Appendix 1 reports the changes made to the Fiscal 2018 and Fiscal 2019 Budgets since adoption of the Fiscal 2018 Budget. For additional information on the Department's budget and its various programs, please refer to the Fiscal 2019 Preliminary Budget Report for the Department for the Aging at this <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2018/03/FY19-Department-for-the-Aging.pdf> via the New York City Council's website.

Below is a summary of spending changes by program area and source when comparing the Department for the Aging's Fiscal 2019 Executive Budget to its Fiscal 2018 Adopted Budget.

Department for the Aging Financial Summary						
<i>Dollars in Thousands</i>	2016	2017	2018	Executive Plan		*Difference
	Actual	Actual	Adopted	2018	2019	2018 - 2019
Spending						
Personal Services	\$24,335	\$27,294	\$28,134	\$28,442	\$29,278	\$1,144
Other Than Personal Services	281,044	306,188	337,605	346,963	316,141	(21,464)
TOTAL	\$305,380	\$333,483	\$365,739	\$375,405	\$345,419	(\$20,320)
Budget by Program Area						
Administration & Contract Agency Support	\$25,663	\$27,987	\$49,418	\$32,741	\$35,995	(\$13,423)
Case Management	28,045	34,798	37,777	38,628	38,095	318
Homecare	20,126	23,148	29,912	30,110	29,912	0
Senior Centers and Meals	174,770	182,698	199,003	207,612	196,200	(2,803)
Senior Employment and Benefits	8,038	8,653	7,165	9,216	7,390	225
Senior Services	48,738	56,198	42,463	57,099	37,826	(4,637)
TOTAL	\$305,380	\$333,483	\$365,739	\$375,405	\$345,419	(\$20,320)
Funding						
City Funds	\$186,582	\$210,599	\$250,262	\$249,197	\$229,614	(\$20,648)
Other Categorical	0	170	0	314	0	0
State	43,047	43,681	42,907	43,890	42,926	19
Federal - Community Development	2,625	1,245	2,241	3,811	2,245	4
Federal - Other	70,989	75,070	69,958	75,398	70,115	157
Intra City	2,137	2,717	370	2,796	522	152
TOTAL	\$305,380	\$333,483	\$365,739	\$375,405	\$345,419	(\$20,320)
Budgeted Headcount						
Full-Time Positions	274	296	337	337	330	(7)
Full-Time Equivalent Positions	457	429	351	330	331	(20)
TOTAL	731	725	688	667	661	(27)

*The difference of Fiscal 2018 Adopted Budget compared to Fiscal 2019 Executive Budget.

DFTA's Fiscal 2019 Executive Budget is \$20.3 million less than its Adopted Budget for Fiscal 2018. This overall decrease is largely due to the absence at this time of one-time Council funding that supports senior services. The Council added \$31.6 million to DFTA's budget in the Fiscal 2018, which equates to more than nine percent of DFTA's total budget for the current fiscal year.

New in the Executive Budget

DFTA's Fiscal 2019 Executive Budget introduces no new needs. This is particularly concerning given that the Council called for \$11.6 million to be added to DFTA's budget to support congregate and home delivered meals. Furthermore, the Council routinely negotiates additional funding for core senior services before the adoption of the budget, which instead should be included in the Preliminary and Executive Budgets. In Fiscal 2018, nearly \$23 million was added to DFTA's baselined budget at adoption, which comprised over six percent of DFTA's total budget. This included \$10 million for senior center model budgeting.

- There are small modifications to DFTA's overall Fiscal 2018 and Fiscal 2019 budgets. The Fiscal 2018 Budget of \$375.4 million is \$2.9 million greater than the 2018 Preliminary Plan. The Fiscal 2019 Executive Budget of \$345.4 million grows by \$1.3 million compared to the Fiscal 2019 Preliminary Budget.
- As part of DFTA's \$281,000 savings program for Fiscal 2019, headcount will be reduced by 27 positions. DFTA reported in April 2018 that it had 20 current vacancies.
- Federal revenue increased by \$1.7 million in Fiscal 2018, as Title 3 grants for Nutrition Services and Health Promotion were reflected in DFTA's budget.
- City funding increased by \$1.5 million in Fiscal 2019 as a result of adjustments in lease rates.

Budget Issues

The following section provides issues and concerns as it pertains to DFTA's Executive Budget.

Fiscal 2019 Preliminary Budget Response

The Council's response to the Fiscal 2019 Preliminary Budget included several recommendations for DFTA. The following proposal was funded in the Fiscal 2019 Executive Budget, however it was not baselined as called for in the Council's Preliminary Budget Response.

- **Restore 14 NYCHA Senior Social Clubs.** The Council called for \$2.8 million to baseline ongoing operational support for the remaining 14 senior social clubs that remain under NYCHA management. The Fiscal 2018 Executive Budget included \$3 million, with the increase allocated to cost of living adjustments for staff. The funding was not baselined and is a one-year addition through June 30, 2019.

In addition to the above, the Council called for the following in the Fiscal 2019 Preliminary Budget Response, which were not included as part of the Fiscal 2019 Executive Budget.

- **Offer Universal Free Lunch for Seniors and Increase Meal Reimbursements.** The Council called for \$11.6 million for senior meal programs. A total of \$7.6 million would allow senior centers to eliminate lunch fees, which, although voluntary, often deter seniors from eating at centers. Senior centers provide a dependable venue for seniors, in particular those living at or near poverty, to obtain a free lunch. Unfortunately, many centers require participants to make a monetary contribution before receiving their lunch.

The remaining \$4 million would increase the reimbursement rate for home-delivered meals by \$1 per meal, from \$7.50 to \$8.50. National data shows that the real cost of a home delivered meal is about \$11.50. Notably, DFTA's recent model contracting process did not include analysis or additional funding related to senior center meals and home-delivered meals. DFTA and the

Mayor's Office of Management and Budget (OMB) have committed to conduct a full needs assessment with the assistance of PricewaterhouseCoopers by December 2018, for food related programs for seniors. In the meantime, additional funding is needed in Fiscal 2019 to address recurrent budget shortfalls in meals funding.

- **Create a Capital Budget Process for Senior Centers.** The Council called for the Department to design a transparent process for senior centers to apply for capital improvements. Currently, DFTA does not have a sufficiently transparent process by which senior centers can apply for capital funding to make structural improvements within their facilities. This could include repairs to roofs, kitchens, bathrooms, exercise rooms or common spaces used by seniors in the course of senior center activities. Furthermore, many senior centers are in NYCHA buildings that are in serious need of renovations.

Other Budget Issues

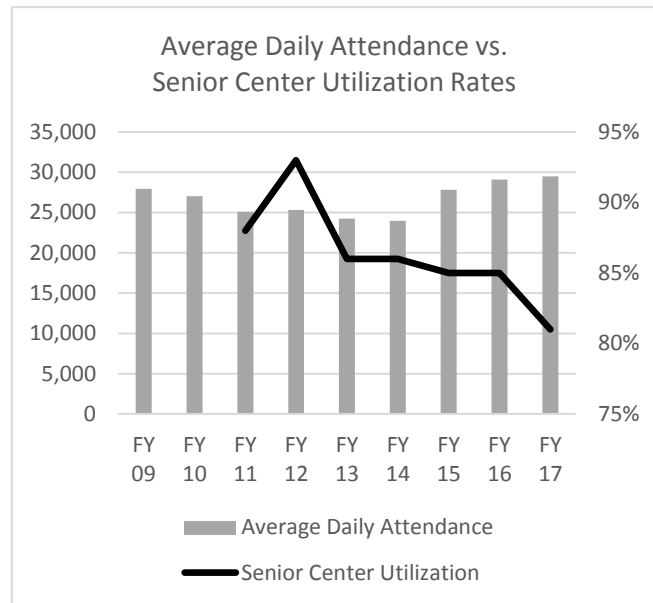
Senior Center Right-Sizing/Model Budgeting. The Fiscal 2018 Adopted Budget included \$10 million to help right-size senior center contracts and create a process to standardize rates to ensure adequate and equitable staffing and programming across all centers. The \$10 million increase was an important first step towards achieving these important goals, and OMB has committed to a three-year, phased-in project that by full implementation will increase baselined funding by \$20 million by Fiscal 2021. Out of the 249 senior centers in DFTA's network, 26 were identified as sufficiently funded and did not receive a contract amendment increasing their baselined budget. The majority of these 26 senior centers are innovative senior centers, which are funded at \$750,000 each for the upcoming fiscal year.

The Council has urged OMB and DFTA to expedite its timeline for the full investment, allocating an additional \$5 million each year through Fiscal 2020 to achieve the full \$20 million model budget for senior centers. As previously noted, model contracting did not include meals funding.

- **Homecare Waitlist and Staffing.** At Fiscal 2017 Budget Adoption, \$4.25 million was added on a one-time basis in an effort to eliminate the homecare waitlist. This amount was not sufficient, and the Fiscal 2018 budget baselined an additional \$6.49 million to address the outstanding homecare waitlist of approximately 1,000 seniors. DFTA stopped opening new homecare cases in the first quarter of Fiscal 2018 in order to reduce the homecare waitlist. The waitlist reopened in the second quarter of Fiscal 2018 and service delivery, by client and hours, is now increasing while the waitlist is decreasing. At the Fiscal 2019 Preliminary Budget hearing, DFTA announced that there are 200 seniors on the homecare waitlist, which DFTA believes is stable. They believe the key problem is the lack of staff at homecare agencies who are able to take cases. Additional funding is once again required to address staffing shortages and reduce the homecare waitlist.
- **Case Management Waitlist.** The case management waitlist continues to grow, despite the additional \$1.2 million added in Fiscal 2018 to eliminate the waitlist. Case manager to client ratios remain at an average of 65 to 1, the uppermost recommended ratio. At the Fiscal 2019 Preliminary Budget hearing, DFTA testified that there were approximately 1,100 seniors on the waitlist, but that at full staffing levels, it would decline to 1,000. No additional funding was included in DFTA's Fiscal 2019 budget to address the waitlist.
- **Caregivers.** DFTA contracts with ten caregiver programs under the National Family Caregiver Support Program (NFCSP) to serve seniors and their families. The caregivers budget increased by \$4 million to approximately \$8 million in Fiscal 2018. DFTA has amended its existing caregiver

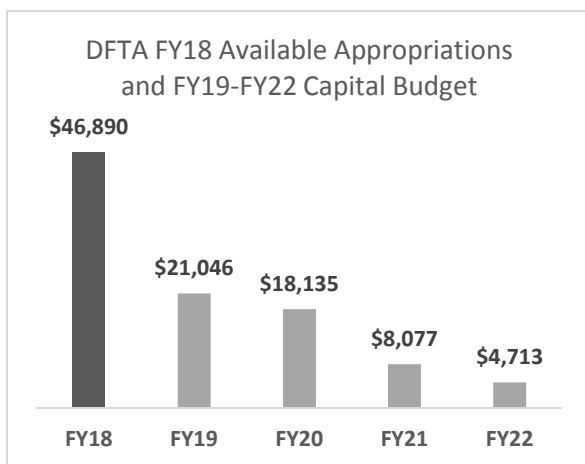
contracts to: 1) extend individual home care and group adult day care respite to additional caregivers; 2) increase caregivers utilizing overnight or other respite; 3) add supplemental services for caregivers, and; 4) launch an extensive public outreach campaign to make seniors and caregivers aware of additional supports. In January 2018, DFTA released “Vision” strategies to meet the needs of up to 1.2 million unpaid caregivers in the City. Strategies included greater educational services, training and resources for caregivers; improved access to affordable housing and transportation; and financial supports. No additional funding was included in DFTA’s Fiscal 2019 budget to support such programs.

- Senior Center Utilization Rates.** As shown in the chart to the right, although average daily attendance in senior centers has increased from its low of 23,983 in Fiscal 2014 to the current level of 29,492, the utilization rate has continued to decline. It currently stands at just 81 percent. The growing number of social adult day care (SADC) programs across the City may be attracting seniors who would otherwise attend senior centers. There are 350 SADC programs as April 2018, more than the number of senior centers. In addition, programming changes and center upgrades may be required to attract more seniors to centers to increase utilization to the target of 95 percent in Fiscal 2018 and Fiscal 2019. DFTA has not presented an estimate of the investments needed to improve performance. The budget, as stated before, includes no additional support for centers.



Capital Program

Fiscal 2019 Executive Capital Budget and Commitment Plan for Fiscal 2018-2022

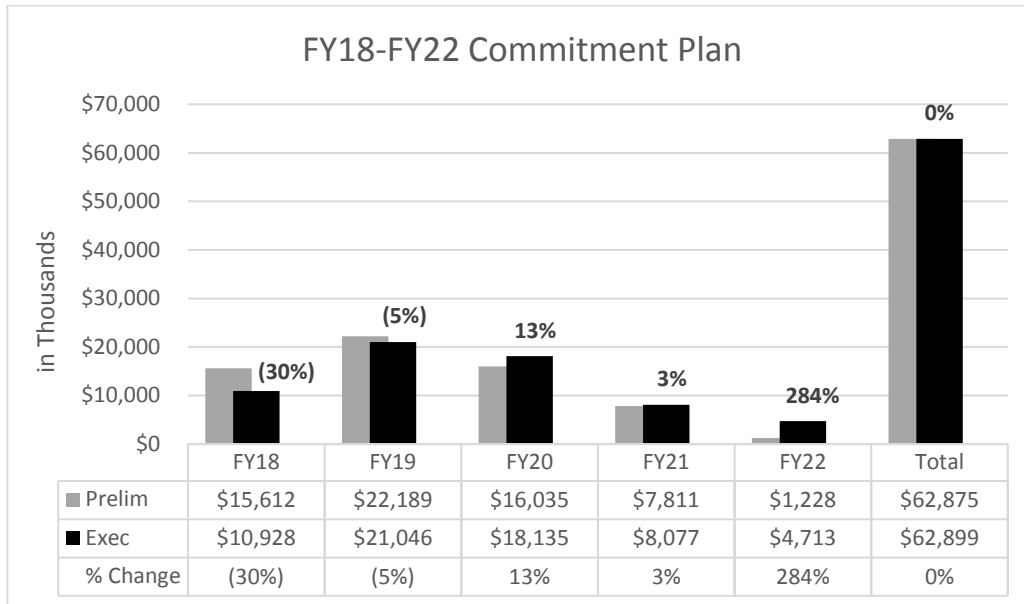


DFTA’s Fiscal 2019 Executive Capital Budget includes \$52 million in Fiscal 2019-2022, with \$21 million in Fiscal 2019.¹ This represents less than one percent of the City’s total \$65.1 billion Capital Budget for 2019-2022. Available appropriations for Fiscal 2018 total \$46.9 million. This includes \$34.9 million in reauthorized prior appropriations and \$13.3 million in authorized appropriations, less actual commitments of \$1.3 million in the current fiscal year.

¹ The Capital Budget provides the required appropriations for Fiscal 2019 and planned appropriations for the subsequent three-year capital program. Appropriations represent the legal authority to spend capital dollars and are what the Council votes on at budget adoption.

Capital Commitment Plan

The Department’s Executive Commitment Plan includes \$62.9 million in Fiscal 2018-2022. This represents less than one percent of the City’s total \$82 billion Executive Commitment Plan. The Department’s Capital Budget is less the Capital Commitment Plan because it does not include the current appropriations for Fiscal 2018, or the amount of funding that may be reappropriated or rolled into the Fiscal 2019 Adopted Budget. The chart below shows how DFTA’s Executive Commitment Plan varies from its Preliminary Plan. Overall, the Plan leaves the five-year commitment total nearly unchanged, but moves more commitments into the outyears of the Plan period.



The Council’s Preliminary Budget Response called for OMB and the Department to more accurately reflect capital project timelines, and accordingly move funding to appropriate fiscal years.

The following capital projects shift funding from the outyears to Fiscal 2018:

- **Hebrew Home for the Aged at Riverdale Security Upgrade.** \$1 million moved from Fiscal 2020 to Fiscal 2018
- **Elmcor Youth and Adult Activities.** \$510,000 moved from Fiscal 2019 to Fiscal 2018
- **Chinese-American Planning Center.** \$260,000 moved from Fiscal 2021 to Fiscal 2018
- **Service for Now Adult Person, Inc. Ambulance.** \$257,000 moved from Fiscal 2020 to Fiscal 2018
- **Lenox Hill Neighborhood Association.** \$200,000 moved from Fiscal 2019 to Fiscal 2018
- **Glenridge Senior Center.** \$118,000 moved from Fiscal 2020 to Fiscal 2018

The following capital projects shift funding from Fiscal 2018 to the outyears:

- **Leonard Covello Senior Center Reconstruction.** \$5.3 million in Fiscal 2018 rolled between Fiscal 2019 and Fiscal 2020 to complete reconstruction of the 1st and 2nd floor of the senior center
- **Conselyea Street Block Association.** \$1.5 million from Fiscal 2018 rolled to Fiscal 2021
- **India Home Minibus for Transportation.** \$50,000 from Fiscal 2018 rolled to Fiscal 2020

In addition, the following capital projects were changed in the Fiscal 2019 Executive Budget:

- **Rehabilitation of Various Senior Centers.** \$345,000 added to the Capital Commitment Plan for rehabilitation of various senior centers through Fiscal 2019 and in the outyears
- **2 Lafayette Street.** \$344,000 for refurbishments and/or furnishings at DFTA's headquarters at 2 Lafayette St. removed from the Capital Commitment Plan

Appendix 1: Fiscal 2019 Budget Actions since Fiscal 2018 Adoption

<i>Dollars in Thousands</i>	FY 2018			FY 2019		
	City	Non-City	Total	City	Non-City	Total
DFTA Budget as of the Adopted 2018 Plan	\$250,262	\$115,477	\$365,739	\$226,959	\$115,549	\$342,508
New Needs - Prelim. 2018 (No New Needs in Nov. 2018)						
Senior Home Sharing Program	\$0	\$0	\$0	\$1,419	\$0	\$1,419
Subtotal, New Needs	\$0	\$0	\$0	\$1,419	\$0	\$1,419
Other Adjustments – Nov. 2018 and Prelim. 2019						
City Service Corps (DFTA)	(\$31)	\$0	(\$31)	\$0	\$0	\$0
Foster Grandparent Program	0	46	46	0	0	0
HHC Care Transitions	0	314	314	0	0	0
Hiring Delay Savings	(1,000)	0	(1,000)	0	0	0
Lease Adjustment	87	0	87	0	0	0
Member Item Reallocation	(91)	0	(91)	0	0	0
NY Connects	0	3,657	3,657	0	0	0
NYC Connected Communities	0	740	740	0	0	0
ReServe Program	0	339	339	0	0	0
Rollover	0	2,697	2,697	0	165	165
All Other Miscellaneous Adjustments	0	(11)	(11)	0	(20)	(20)
Subtotal, Other Adjustments	(\$1,004)	\$7,422	\$6,418	\$0	\$145	\$145
TOTAL, All Changes Nov. 2018 and Prelim. 2019	(\$1,004)	\$7,422	\$6,418	\$1,419	\$145	\$1,564
DFTA Budget as of the Preliminary 2019 Plan	\$249,226	\$123,259	\$372,486	\$228,378	\$115,694	\$344,072
New Needs - Exec. 2019						
None	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal, New Needs	\$0	\$0	\$0	\$0	\$0	\$0
Other Adjustments - Exec. 2019						
Community Services for the Elderly	\$0	\$431	\$431	\$0	\$0	\$0
Heat, Light, and Power	101	0	\$101	(117)	0	(117)
Lease Adjustment	0	0	\$0	1,498	0	1,498
Member Items	(151)	0	(\$151)	0	0	0
ReServe Program	0	520	\$520	0	0	0
Title 3 - C1 & C2 (Nutrition Services)	0	1,106	\$1,106	0	0	0
Title 3D (Health Promotion)	0	634	\$634	0	0	0
Vacancy Reductions	0	0	\$0	(281)	0	(281)
WIN Realignment	0	311	\$311	0	0	0
All Other Miscellaneous Adjustments	20	(52)	(\$32)	136	111	247
Subtotal, Other Adjustments	(\$30)	\$2,950	\$2,920	\$1,236	\$111	\$1,347
TOTAL, All Changes - Exec. 2019	(\$30)	\$2,950	\$2,920	\$1,236	\$111	\$1,347
DFTA Budget as of the Fiscal 2019 Executive Plan	\$249,196	\$126,209	\$375,405	\$229,614	\$115,805	\$345,419