

THE COUNCIL OF THE CITY OF NEW YORK

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Report to the Committee on Finance and the Committee on General Welfare on the
Fiscal 2020 Executive Plan, the Ten-Year Strategy for Fiscal 2020-2029, Fiscal 2020
Executive Capital Budget, and Fiscal 2020 Executive Capital Commitment Plan

Human Resources Administration

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Human Resources Administration Overview

This report presents a review of the Human Resources Administration's (HRA) \$10.2 billion Fiscal 2020 Executive Budget. The section below presents an overview of HRA's budget and how it has changed during the course of Fiscal 2019, followed by a review of the significant budget actions introduced in the Fiscal 2020 Executive Budget. Major issues related to HRA's budget are then discussed. Analysis and highlights of HRA's Ten-Year Capital Strategy, Fiscal 2019-2023 Capital Plan, and Fiscal 2020 Executive Capital Budget follow the discussion of the expense budget. Appendix 1 reports the changes made to the Fiscal 2019 and Fiscal 2020 Budgets since Adoption of the Fiscal 2019 Budget. For additional information on the HRA's budget and its various programs, please refer to the Fiscal 2020 Preliminary Budget Report for HRA at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2019/03/069-HRA2020.pdf>.

HRA's Fiscal 2020 Executive Budget totals \$10.2 billion, with Personal Services (PS) spending totaling \$878.9 million and Other Than Personal Services (OTPS) spending totaling \$9.3 billion. The Financial Summary table below shows HRA's budget since Fiscal 2017 and compares the Fiscal 2020 Executive Budget to the Fiscal 2019 Adopted Budget.

HRA Financial Summary						
	2017	2018	2019	Executive Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2019	2020	2019-2020
Spending						
Personal Services	\$797,764	\$804,565	\$842,859	\$865,527	\$878,875	\$36,016
Other Than Personal Services	8,765,659	9,099,448	9,225,131	9,313,127	9,333,309	108,178
TOTAL	\$9,563,424	\$9,904,013	\$10,067,990	\$10,178,654	\$10,212,185	\$144,195
Budget by Program Area						
HIV and AIDS Services	\$257,605	\$288,644	\$246,605	\$279,930	\$261,796	\$15,191
Legal Services	100,082	120,977	147,025	159,627	153,187	6,163
Food Assistance Programs	17,792	20,153	20,968	21,331	20,236	(732)
Food Stamp Operations	81,702	80,612	70,090	81,372	76,042	5,952
Medicaid - Eligibility and Admin	80,763	80,203	105,208	108,121	109,208	4,001
Medicaid and Homecare	5,938,836	5,959,405	5,947,715	5,947,715	5,947,715	0
Subsidized Employment and Job Training	102,827	107,107	220,667	210,915	231,851	11,184
General Administration	403,440	437,541	449,357	442,275	465,378	16,021
Office of Child Support Enforcement	62,056	61,391	63,907	69,889	65,017	1,109
Adult Protective Services	49,968	54,206	56,665	58,551	58,483	1,818
CEO Evaluation	6,648	4,016	12,502	7,159	11,993	(509)
Domestic Violence Services	121,275	132,750	154,513	156,564	158,275	3,763
Employment Services Administration	25,442	26,858	28,280	30,532	28,817	537
Employment Services Contracts	147,013	134,932	125,858	134,121	125,361	(497)
Public Assistance and Employment Admin	243,013	242,462	236,534	258,296	243,551	7,017
Public Assistance Grants	1,464,781	1,643,817	1,605,304	1,595,304	1,651,250	45,946
Public Assistance Support Grants	211,049	252,397	337,619	314,115	317,457	(20,162)
Home Energy Assistance	36,954	39,643	23,675	26,922	23,675	0
Information Technology Services	88,653	93,482	82,673	143,271	127,923	45,251
Investigation and Revenue Admin	75,036	76,869	78,198	78,018	80,102	1,905
Substance Abuse Services	48,487	46,546	54,626	54,626	54,866	240
TOTAL	\$9,563,424	\$9,904,013	\$10,067,990	\$10,178,654	\$10,212,185	\$144,195

<i>Dollars in Thousands</i>	2017	2018	2019	Executive Plan		*Difference
	Actual	Actual	Adopted	2019	2020	2019-2020
Funding						
City Funds	\$7,419,839	\$7,851,788	\$7,727,702	\$7,728,803	\$7,920,982	\$193,280
Other Categorical	128	123	0	379	0	0
State	590,655	589,840	728,132	795,044	752,216	24,084
Federal - Community Development	11,263	3,751	0	1,000	0	0
Federal - Other	1,527,773	1,443,189	1,598,038	1,637,755	1,528,919	(69,120)
Intra-city	13,766	15,322	14,117	15,674	10,067	(4,050)
TOTAL	\$9,563,424	\$9,904,013	\$10,067,990	\$10,178,654	\$10,212,185	\$144,195
Budgeted Headcount						
Full-Time Positions	13,244	12,969	14,673	14,305	14,523	(150)
Full-Time Equivalent Positions	92	35	8	7	7	(1)
TOTAL	13,336	13,004	14,681	14,312	14,530	(151)

**The difference of Fiscal 2019 Adopted compared to Fiscal 2020 Executive Budget.*

As indicated by the Financial Summary above, HRA's Fiscal 2020 Executive Budget is just \$144.2 million or about one percent more than its Fiscal 2019 Adopted Budget. Since the Adoption of the Fiscal 2019 Budget, \$217 million in new needs have been introduced for Fiscal 2020, of which, \$78.6 million is introduced in the Fiscal 2020 Executive Budget. In the Fiscal 2020 Executive Budget, other adjustments decrease the budget by \$27 million but, when combined with the other adjustments made in the two prior financial plans since the adoption of the Fiscal 2019 Budget, these adjustments increase the Fiscal 2020 Budget by \$26.4 million. Savings offset this growth by a modest \$3.7 million in Fiscal 2020.

Cumulatively, since the adoption of the Fiscal 2019 Budget, new needs, other adjustments, and savings increase the Fiscal 2020 Budget by \$239.7 million. This net increase since Adoption is offset by a \$95.5 million net decrease in planned changes that were introduced in prior financial plans.

HRA's current Fiscal 2019 budget is \$10.2 billion, \$110.7 million greater than its budget at adoption. New needs introduced for Fiscal 2019 since adoption total \$69.5 million, of which, \$37.2 million are included in the Fiscal 2020 Executive Budget for Fiscal 2019. Other adjustments further increase the current Fiscal 2019 Budget by \$44.7 million since adoption, of which, \$891,470 are included in the Executive Plan. Savings of \$3.5 million offset the increase.

Changes by Funding Source

- Federal Funding Decrease.** Federal funding decreases by \$69.1 million in Fiscal 2020 when compared to the Fiscal 2019 Adopted Budget. Cumulatively, since the adoption of the Fiscal 2019 Budget, federally funded new needs, other adjustments, and savings decrease the Fiscal 2020 Budget by \$77.6 million. The decrease in federal funding since Adoption is largely the result of the Fiscal 2020 State Budget cut to the Temporary Assistance for Needy Families (TANF). New York City is now required to pay a 10 percent local share towards TANF, resulting in loss of \$125 million in federal funding across the Department of Social Services (DSS), which includes both HRA and the Department of Homeless Services (DHS). In HRA's Executive Budget, City tax-levy (CTL) funding of \$31.2 million in Fiscal 2019 and \$62.5 million in Fiscal 2020 and in the outyears is added to make up for the loss of TANF funding. The net decrease since Adoption is offset by an \$8.5 million net increase in planned federal funding changes that were introduced in prior financial plans. The most significant contributor to the \$8.5

million in planned federal funding increases is from a new need of \$8.1 million for access to counsel in housing court introduced in the Fiscal 2018 Executive Plan.

- **State Funding Increase.** State funding increases by \$24.1 million in Fiscal 2020 when compared to the Fiscal 2019 Adopted Budget. Cumulatively, since the adoption of the Fiscal 2019 Budget, State-funded new needs, other adjustments, and savings increase the Fiscal 2020 Budget by \$16.2 million. This increase since Adoption is largely due to State funding other adjustments for collective bargaining agreements introduced in the November 2018 Plan of \$4.9 million and in the Fiscal 2020 Preliminary Plan of \$607,950, an other adjustment of \$4.3 million introduced in the Fiscal 2020 Preliminary Plan to transfer single room occupancy contracts from DHS to HRA, and new needs added in the Fiscal 2020 Executive Budget of \$5.5 million for HRA technology upgrades. In addition to these increases since Adoption, there are \$7.9 million in planned State funding changes that were introduced in prior financial plans. The scheduled State funding increase from prior plans is primarily from a new need of \$6.3 million introduced in the Fiscal 2017 Preliminary Plan for End the Epidemic and other adjustments introduced in the Fiscal 2018 Adopted Plan of \$454,705 for non-profit indirect rates and of \$580,000 for non-profit model budgets for Adult Protective Services.
- **City Funding Increase.** Fiscal 2020 CTL increases by \$193.3 million when compared to the Fiscal 2019 Adopted Budget. Cumulatively, since the adoption of the Fiscal 2019 Budget, CTL new needs, other adjustments, and savings increase the Fiscal 2020 Budget by \$305.1 million. The CTL increase since Adoption is comprised of significant increases in all three of the financial plans since Adoption. In the November 2019 Plan, CTL new needs were introduced for the expansion of anti-eviction legal services of \$11.5 million, the expansion of prevention services and the rebranding of the Mayor’s Office to Combat Domestic Violence as the Office to End Domestic and Gender-Based Violence of \$4.5 million, and for Thrive NYC outreach staff of \$1 million. In addition, there were other adjustments for collective bargaining agreements of \$18.6 million. In the Fiscal 2020 Preliminary Plan, CTL new needs were introduced for the next phase of the rollout of Fair Fares of \$106 million, to increase HIV and AIDS Services (HASA) scatter site housing rates to 2016 fair market value of \$11 million, for implicit bias mitigation training for all DSS employees of \$2.3 million, and to fund mental health screening training for staff in the Thrive: Jobs Plus initiative at New York City Housing Authority (NYCHA) of \$680,000. In addition, there were other adjustments for collective bargaining agreements of \$9.1 million. In the Fiscal 2020 Executive Plan, CTL new needs introduced are \$35 million for Cash Assistance, State rental subsidy re-estimates, and End the Epidemic, \$26 million for DHS and HRA IT upgrades, and \$40 million for State-mandated changes in Cash Assistance and TANF that shift funding from the State to the City. The increase since Adoption is offset by a \$111.8 million net decrease in cumulative planned CTL changes that were introduced in prior financial plans.

Significant Programmatic Changes

- **HIV and AIDS Services.** The Fiscal 2020 Budget for HASA increases by \$15.2 million when compared to the Fiscal 2019 Adopted Budget primarily due to a HASA scatter site housing rate increase introduced in the Fiscal 2020 Preliminary Budget totaling \$11.5 million for Fiscal 2020.

- **Public Assistance Grants.** In Fiscal 2020, Public Assistance Grants spending increases by \$45.9 million when compared to the Fiscal 2019 Adopted Budget. This increase is largely due to new needs introduced in the Fiscal 2020 Executive Budget for Cash Assistance and rental subsidy re-estimates, IT upgrades, and leases.
- **Information Technology.** In Fiscal 2020, Information Technology spending increases by \$45.3 million when compared to the Fiscal 2019 Adopted Budget are largely a result of new needs included in the Fiscal 2020 Executive Budget for upgrades to IT systems for HRA and DHS.
- **Public Assistance Support Grants.** In Fiscal 2020, Public Assistance Support Grants spending decreases by \$20.2 million when compared to the Fiscal 2019 Adopted Budget. Key contributors to this net decrease included in the Fiscal 2020 Executive Budget include a \$4.1 million inter-city transfer from HRA to DOHMH for GetCoveredNYC and an HRA payment of \$38.2 million in Fiscal 2020 to NYCHA for work relating to NYCHA apartments for homeless client placements.
- **General Administration.** In Fiscal 2020, General Administration spending increases by \$16 million when compared to the Fiscal 2019 Adopted Budget. Key contributors to this net increase include \$2.3 million for the implicit bias mitigation training program, \$3.8 million for collective bargaining agreements, \$600,000 for the Thrive Jobs Plus initiative, and \$552,050 for the Home-Stat staff realignment with DHS, all introduced in the Fiscal 2020 Preliminary Budget. This is in addition to increased funding for General Administration introduced in the November 2018 Financial Plan, which included \$1.3 million for domestic and gender-based violence prevention services and rebranding of the office, \$1 million for Thrive NYC, and \$9.7 million for collective bargaining agreements.

New in the Executive Plan

HRA's Fiscal 2020 Executive Plan introduces \$37.2 million in Fiscal 2019, \$78.6 million in Fiscal 2020, \$41.2 million in Fiscal 2021, and \$42.2 million in Fiscal 2022 and Fiscal 2023 in new needs. No new needs were included for items the Council called for in the Fiscal 2020 Preliminary Budget Response.

New Needs

- **State Budget TANF Reduction.** The enacted State budget requires the City to cover 10 percent of the Family Assistance portion of the TANF block grant, which is estimated to be a \$125 million annual loss in State TANF funding to NYC annually. This funding stream impacts both HRA and DHS, and primarily supports Cash Assistance and homeless shelters. The Fiscal 2020 Executive Budget fully backfills this State funding gap for both HRA and DHS. HRA's share of the TANF cut to the City is \$31.2 million in Fiscal 2019 and \$62.5 million in Fiscal 2020.
- **Cash Assistance and Rental Subsidy Re-estimate.** The Executive Plan includes \$40 million in CTL for Fiscal 2019 and \$75 million in Fiscal 2020 and in the outyears for Cash Assistance and a rental subsidy re-estimate. The additional City funds will partly support an increase in the cost of the Safety Net Assistance program. While the number of people overall in Cash Assistance programs has been declining, there has been an increase in the amount of time clients spend on Cash Assistance. This has shifted much of the caseload from the largely federally funded Family Assistance program, which has a 60-month time limit, to the Safety Net Assistance Program, which is funded 71 percent by the City and 29 percent by the State.

Other contributors to this increase include additional funding for the initiative to End the Epidemic, which provides enhanced benefits for people with asymptomatic HIV, higher rent levels, as mandated by the State, for the FHEPS program, larger rental assistance caseload and higher rental subsidy costs, and an increase in City-funded one-shot payments for rental arrears. When taking non-CTL funding sources into account, the net new need for Fiscal 2019 is zero and the net new need for Fiscal 2020 and in the outyears is \$35 million.

- **Technology Systems Upgrades.** Overall, DSS is working on several major technology projects that relate to the ongoing integration of DHS and HRA. These initiatives will overhaul existing platforms and rollout new ones in Fiscal 2020.
 - **DHS IT.** DHS plans are underway for a massive upgrade to the Client Assistance and Rehousing Enterprise System (CARES), a software application that the agency uses to help manage shelter client information. New needs totaling \$12.5 million in Fiscal 2019 and \$13.5 million in Fiscal 2020, are added for DHS projects in the HRA Executive Budget. Costs relating to DHS technology upgrades are added to both the DHS and HRA budgets in the Executive Plan, as some of the related contracts reside in each agency. The upgrades are expected to be fully completed by the end of Fiscal 2020. After which, the ongoing maintenance related to the DHS upgrades will be supported by HRA, utilizing the existing IT budget and staff.
 - **HRA IT.** New needs of \$24.4 million in Fiscal 2019 and Fiscal 2020 are added in the Executive Plan for HRA IT upgrades. Key technology upgrades encompassed in this initiative for HRA include: a landlord management system to administer electronic rental payments, upgrades to the WeCare case management system, a new release of the ACCESS HRA online benefits system, and back office program improvements. As indicated above, it is anticipated that ongoing maintenance will be covered by HRA's existing IT budget and staff. After HRA completes an internal assessment, the agency will add any additional money into the budget needed for this maintenance in a future plan and baseline it for the outyears.
- **Leases.** HRA manages a large lease portfolio, encompassing approximately 50 leases, for back-office space and client-service centers. These leases are revisited and revised regularly to reflect increases in underlying costs, such as taxes and utilities. New needs totaling \$2.9 million in Fiscal 2020, \$4.2 million in Fiscal 2021, and \$5.3 million in Fiscal 2022 and Fiscal 2023 are added to cover the increased costs for leases.
- **IDNYC.** In the Executive Plan \$2.4 million is added for Fiscal 2020 and in the outyears to fund anticipated card renewals and outreach to potential new applicants for IDNYC. There are currently approximately 1.3 million cardholders. A large number of renewals are anticipated to be issued in 2020 when cards issued in the first year of the program will expire.
- **Civic Engagement Commission.** A new need of \$300,000 in CTL is added in Fiscal 2019 to provide poll interpretation services for the Primary Election that will be held on June 25, 2019. For future elections, contracted providers will administer this service and the funding flows through the budget of the Department of Information Technology and Telecommunications where money is added for Fiscal 2020 and in the outyears in the Fiscal 2020 Executive Plan.
- **Democracy NYC.** The Executive Plan adds \$370,000 in CTL, with an associated headcount of six, in Fiscal 2020 and in the outyears for additional public engagement staff to focus on voter

engagement and polling outreach. The six positions include a director and five borough coordinators.

Savings Programs

- **Prior Year Revenue.** In the Executive Plan, HRA recognizes \$20.3 million in State and federal revenue for Fiscal 2019 relating to the agency's reconciliation with the State on several prior years of TANF funding amounts.
- **Domestic Violence Shelter.** A savings of \$1.7 million in Fiscal 2020 and \$3.3 million in Fiscal 2021 and in the outyears is included in the Executive Plan. Additionally, there is a headcount reduction of 10 positions included in Fiscal 2020 and 20 positions in Fiscal 2021 and in the outyears. This is due to the planned conversion of operations of the last city-operated Domestic Violence shelter to a contracted provider, which is estimated to begin by the middle of Fiscal 2020. All other Domestic Violence housing is currently administered through provider contracts and HRA decided it would be more efficient to convert the last city-operated facility as well. Services will continue to be administered in the same location by a contracted provider who will be selected through the RFP process. There is no anticipated change in the number of beds available or the number of clients served. All City staff working at the facility will be given the option to either stay at HRA, and be repurposed to another program area, or continue working at the shelter under the provider contract.
- **Supplemental Security Income (SSI) Eligibility for Cash Assistance Recipients.** The Executive Plan recognizes a savings of \$400,000 in Fiscal 2020, \$700,000 in Fiscal 2021, \$1 million in Fiscal 2022, and \$1.3 million in Fiscal 2023. This is due to the continuation of a successful pilot program, which was previously privately-funded but is now being continued by the City, to assist elderly, non-citizen, City-funded public assistance clients to become naturalized and enroll in federally-funded public assistance programs, including SSI. This program has the capacity to serve approximately 350 clients annually.
- **Revenue Maximization.** In the Executive Plan, HRA recognizes a savings of \$1 million in City funding in Fiscal 2019 and in the outyears. This savings relates to an Emergency Solutions Grant for homeless prevention services administered to single adults. This adjustment brings HRA up to the maximum amount the agency can claim. The net savings amount is zero when taking into account the additional federal revenue.
- **Headcount Elimination Savings.** In the Fiscal 2020 Executive Plan, HRA recognizes City savings of \$628,000 for Fiscal 2019 and \$94,500 for Fiscal 2020 and in the outyears. There is also an accompanying reduction in State funds for Fiscal 2019 of \$224,869, federal funds for Fiscal 2019 of \$417,581, and State funds for Fiscal 2020 and in the outyears of \$220,500. The City also eliminates 379 vacant positions for Fiscal 2019 and 107 positions for Fiscal 2020 and in the outyears. These positions are spread across the agency's various program areas. None of the baselined vacancy reductions are front-line staff; all are in administrative support roles.
- **Public Engagement Unit Savings.** In the Executive Plan HRA recognizes a savings of \$500,000 in Fiscal 2019 and in the outyears relating to media and other small underspending amounts in the Public Engagement Unit's budget.

- **IDNYC Savings.** A savings of \$384,000 in Fiscal 2019 and in the outyears is included in the Executive Plan. These are administrative savings on technology services, maintenance, and licensing, all of which were utilized at lower amounts than initially anticipated.
- **End Gender-Based Violence Streamlining.** A savings of \$1.1 million in Fiscal 2019 and \$231,979 in Fiscal 2020 and in the outyears is included in the Executive Plan for the Mayor's Office to End Gender-Based Violence (ENDGBV). This savings is partly attributable to a shift in program implementation caused by a delay in contract rollouts from Fiscal 2019 to Fiscal 2020. There is also an elimination of four positions in Fiscal 2020 and in the outyears. These positions are either currently vacant or expected to be vacant in the next fiscal year. Recently, the November 2018 Plan added \$4.5 million and a headcount of 16 in Fiscal 2019 and in the outyears for ENDGBV. None of the positions eliminated in the current plan are the ones that were added in the November Plan.
- **End Gender-Based Violence Thrive Efficiencies.** A savings of \$238,610 in Fiscal 2019 and in the outyears, with an accompanying headcount reduction of six, is included in the Executive Plan. This savings and headcount reduction is to right-size the outreach component of the Healthy Relationship Training Academy.
- **Office of Economic Opportunity Efficiencies.** A savings of \$297,000 in Fiscal 2019 is included in the Executive Plan. The Mayor's Office for Economic Opportunity (OEO) is baselined in the City's miscellaneous budget and amounts are moved to the respective agencies impacted in each Executive Plan. This savings amount relates to efficiencies in evaluations. The savings in the outyears are in the miscellaneous budget.

Significant Other Adjustments

- **Intra-city Funding.** The Executive Plan reflects several transfers and payments between HRA and other agencies. The most significant ones are detailed below.
 - DHS utilizes HRA's ongoing contracts with agencies that provide temporary employees, as needed, to meet their fluctuating workflow demands. In the current plan DHS transfers \$2.9 million to HRA for Fiscal 2019 to cover the agency's temporary employee expenditures.
 - HRA transfers \$4.1 million to DOHMH in Fiscal 2020 and in the outyears for the GetCoveredNYC program, which provides health insurance outreach and enrollment services.
 - DOHMH and the Department of Housing Preservation and Development pay a combined \$1.5 million in Fiscal 2019, \$6.6 million in Fiscal 2020, \$7.7 million in Fiscal 2021, and \$7.8 million in the outyears for supportive housing contracts that are managed by DOHMH but funded by HRA for HASA and other types of clients.
 - HRA transfers \$28.1 million in Fiscal 2019 and \$38.2 million in Fiscal 2020 and in the outyears to NYCHA for work relating to inspecting, rehabilitating, and fixing NYCHA apartments for homeless client placements. This work was previously done by HRA but will now be administered by NYCHA going forward.
- **Enhanced Space Management and Lease Adjustments.** As part of a Citywide Savings Program, the City looked across leases held at all agencies and determined if and where

improvements could be made to the overall contracting and lease management process. Additionally, after reassessing the current level of office space needs within the agency, HRA adjusted lease contracts accordingly to reflect both the updated need for space and any small additional payments required. In the Fiscal 2020 Executive Plan, for both efforts combined, HRA realizes savings amount of \$4.6 million in Fiscal 2020 and an increase in funding of \$4.5 million in Fiscal 2021 and in the outyears.

- **Solutions to End Homelessness Program Contracts.** Six contracts relating to housing services that were previously administered by the State were transferred to the City. The Executive Plan adds \$2.3 million in Fiscal 2019. Once HRA has fully assessed the scope of this program, the agency will add the additional funding needed in the outyears to the budget.
- **Home Energy Assistance Program (HEAP).** The Executive Plan reflects the inflow of \$2.6 million in federal funding for HEAP to assist low-income City residents with heating and cooling costs. This federal grant is calculated and added annually in each Executive Plan.
- **Office of Economic Opportunity Adjustments.** OEO uses evidence and innovation to reduce poverty and increase equity. Its work includes analyzing existing anti-poverty approaches, developing new interventions, facilitating the sharing of data across City agencies, and rigorously assessing the impact of key initiatives. As previously noted, OEO is baselined in the City's miscellaneous budget and amounts are moved to the respective agencies impacted in each Executive Plan. The Fiscal 2020 Executive Plan reflects \$133,000 in savings to HRA in Fiscal 2019 and adds \$10.8 million in Fiscal 2020 to support evaluations, the Work Progress Program, and for capacity-building within the Action NYC program. Additionally, the Executive Plan reflects \$80,000 in savings to HRA in Fiscal 2019, adds \$1.6 million in Fiscal 2020, and adds \$2.1 million in the outyears to support evaluations and the Jobs Plus program that are part of the Young Men's Initiative.

Budget Issues

The following section details issues and concerns as it pertains HRA's Executive Budget.

Fiscal 2020 Preliminary Budget Response

In the Fiscal 2020 Preliminary Budget Response (the full response can be found at: https://council.nyc.gov/budget/wp-content/uploads/sites/54/2019/04/Fiscal-2020-Preliminary-Budget-Response_FINAL-1.pdf), the Council called upon the Administration to fund several programs in HRA in its Fiscal 2020 Preliminary Budget Response. The following budget risk was identified as part of the Fiscal 2020 Preliminary Budget Response and has been addressed in the Executive Budget.

- **State Budget Impact – TANF.** The State enacted budget created a 10 percent City share for the Family Assistance portion of the TANF block grant, which equates to a loss of \$125 million in State TANF funding each year to the City. This funding stream primarily supports Cash Assistance, a mandated program, and homeless shelters. In the Fiscal 2020 Executive Budget, rather than subjecting HRA to the difficult task of identifying programmatic funding shifts in order to fill this budget gap, the Administration completely fills the funding gap.

The Council's response to the Mayor's Fiscal 2020 Preliminary Budget included numerous savings proposals for HRA, the following were partially included in the Fiscal 2020 Executive Budget.

- **Recognize Additional Personal Services (PS) Accrual Savings.** The Council recommended that the Administration recognize \$22.2 million in PS accruals for HRA. As previously discussed in the Fiscal 2020 Executive Budget, the City eliminates 379 vacant positions for Fiscal 2019, which has an associated savings amount of \$1.3 million, and 107 positions for Fiscal 2020 and in the outyears, which has an associated savings amount of \$315,000. None of the baselined vacancy reductions are front-line staff, all are in administrative support roles.
- **Recognize Additional State and Federal Revenue.** The Council called on the Administration to recognize \$80 million in additional reimbursements in the Fiscal 2020 Executive Plan. As detailed above, HRA recognizes \$20.3 million in State and federal revenue for Fiscal 2019 relating to a reconciliation with the State on several prior years of TANF funding amounts.

In the Fiscal 2020 Preliminary Budget, the Council called for the following items, which were not included as part of the Fiscal 2020 Executive Budget.

- **Right-size HRA's Public Assistance Savings.** While the Council called for a reduction in the Public Assistance budget, the Fiscal 2020 Executive Budget increases funding because Cash Assistance clients are receiving benefits for longer periods of time under the predominantly City-funded program, although the overall caseload is decreasing.
- **Improve Client Services at HRA Centers.** In order to decrease wait times, improve the quality of services administered, and improve clients' experience, the Council called upon HRA to hire an additional 100 eligibility specialists at a cost of \$6.3 million.
- **Support Climate Refugees.** The Council called upon the Administration to utilize existing resources to provide support services to climate refugees that migrate to New York City.

In addition, the following reporting and budget structure issues included in the Fiscal 2020 Preliminary Budget Response have largely not been addressed in HRA's Executive Budget.

- **Budget Transparency.** The Council detailed 25 specific recommendations relating to HRA's U/As in the Fiscal 2020 Preliminary Budget Response. In the Fiscal 2020 Executive Budget, the Administration added just three personal services (PS) U/As that will be implemented in Fiscal 2020 and three OTPS U/As that will be implemented in Fiscal 2021. While this will provide more additional budget transparency, it does not fully meet the Council's request.
- **Reporting Transparency.** The Council called on the Administration to add reporting metrics to the Preliminary Mayor's Management Report (PMMR), the Mayor's Management Report (MMR), and/or the agency's website relating to Rental Assistance Programs, Medicaid Homecare Services, Supplemental Nutrition Assistance Program, Employment Services, and the Emergency Food Assistance Program.

The following budget risks were identified as part of the Fiscal 2020 Preliminary Budget Report that have largely not been addressed in the Executive Budget. For further details, please refer to the Fiscal 2020 Preliminary Budget Report for HRA at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2019/03/069-HRA2020.pdf>.

- **Prioritize Affordable Permanent Housing.** The Council advocated to reprioritize funding budgeted to shelter homeless individuals and families and designate it towards long-term housing solutions. Only a small amount was added to the budget to support rental subsidies, as detailed previously, and this was based on State requirements and re-estimates.

- **Rental Voucher Amounts, Payments, and Discrimination.** The Council advocated to change rental vouchers to be more closely linked to fair market rent, to ensure payments are made more expeditiously, and to support additional education for both landlords and voucher holders regarding source of income discrimination. Funding was added in the HRA budget for technology upgrades, one of which is a new landlord management system to administer electronic rental payments.
- **Aftercare and Support Services.** The Council advocated for additional funding for support services to curb homelessness such as employment services, social workers for children, preventative services administered outside of crisis-mode, housing specialists, primary medical care, and community-based services.
- **Threats to the Supplemental Nutrition Assistance Program.** The Council advocated strongly for the Administration to oppose the punitive federal restrictions and cuts that have been proposed to SNAP eligibility, and to monitor the capacity of our City's emergency feeding network to meet the resulting growth in demand. While the City has publicly opposed the proposed Executive rule to increase work requirements for SNAP, as well as the even stricter recommendations in the President's budget proposal, nothing is included in the Fiscal 2020 Executive Plan to address increased demand on the City's emergency feeding network.

Capital Program

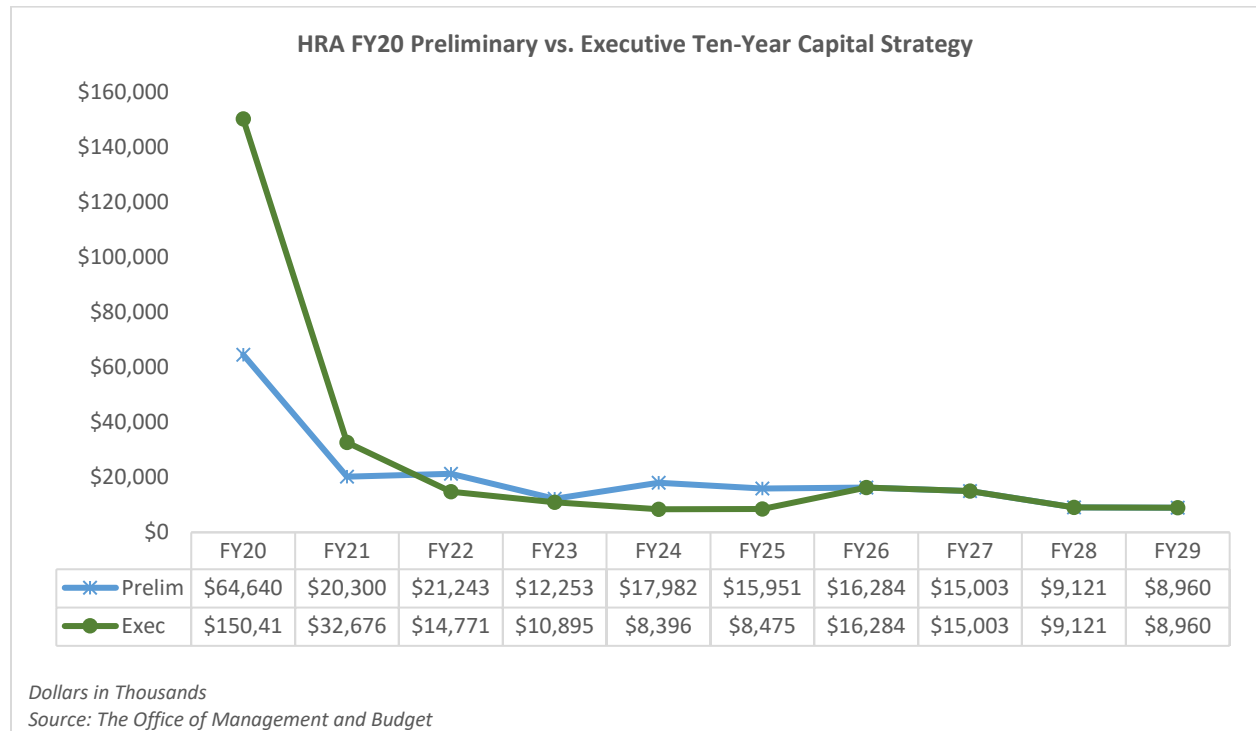
HRA's capital program is presented in the Ten-Year Capital Strategy for Fiscal 2020-2029 (the Ten-Year Strategy), the Executive Capital Commitment Plan for Fiscal 2019-2023 (the Commitment Plan), and Fiscal 2020 Executive Capital Budget (the Capital Budget).

Ten-Year Capital Strategy Fiscal 2020-2029

The City's Ten-Year Strategy totals \$116.9 billion, which is \$27.3 billion larger than the \$89.6 billion Fiscal 2018-2028 Ten-Year Strategy. HRA's Ten-Year Capital Strategy totals \$275 million, or less than one percent of the City's total strategy. HRA's Ten-Year Strategy is broken down into four of categories: Data Processing Equipment, Social Services Buildings, Telecommunications Equipment, and Automotive Equipment.

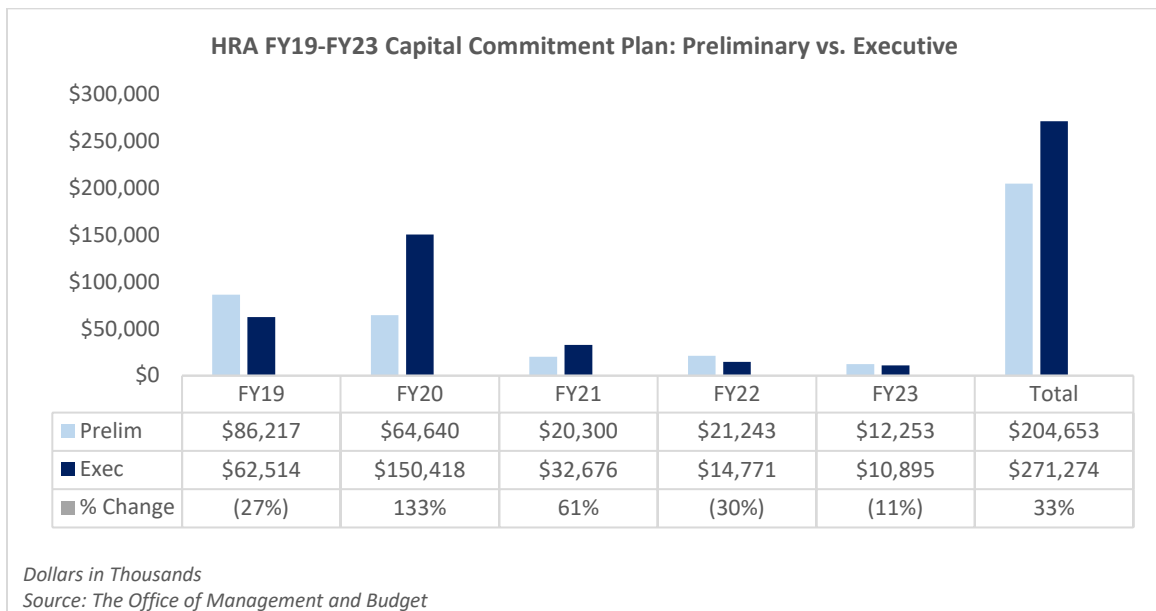
As outlined in the Council's Fiscal 2020 Preliminary Budget Response, the Fiscal 2020-2029 Preliminary Ten-Year Capital Strategy (the Preliminary Ten-Year Strategy) presented by the Administration was not true to its name and fails to address planning in the outyears for many city agencies, including HRA.

- As was the case in the Preliminary Ten-Year Strategy, in the Ten-Year Strategy projects are frontloaded in the first year of the plan and may not reflect accurate budgeting or planning. While there is an increase of \$41.2 million for Data Processing and Equipment and an increase of \$34.6 million for Social Services Building, \$23.7 million came out of Fiscal 2019 since the Preliminary Ten-Year Strategy and was moved into the outyears. All new money added was put into the first two years of the Strategy and is therefore actually reflected in the Commitment Plan as detailed below.
- HRA's capital planning in the Ten-Year Strategy continues to be focused on near-term needs and is heavily frontloaded. The agency has not adequately planned for future capital needs beyond the first year of the Ten-Year Strategy and should revise it to better estimate the year-by-year capital needs of HRA.



Fiscal 2020 Executive Capital Commitment Plan for Fiscal 2019-2023

HRA’s Commitment Plan includes \$271.2 million in Fiscal 2019-2023, with \$150.4 million in Fiscal 2020. This represents less than one percent of the City’s total \$86.2 billion Commitment Plan for 2019-2023. HRA’s Commitment Plan increased by \$66.6 million, or 33 percent, when compared to the Preliminary Commitment Plan. This increase reflects HRA’s attempt to more accurately budget for actual commitments, as shown by spending in Fiscal 2020. Twenty-three percent of HRA’s Commitment Plan is in Fiscal 2019, 55 percent is in Fiscal 2020, and the remaining 22 percent is spread across Fiscal 2021, Fiscal 2022, and Fiscal 2023.



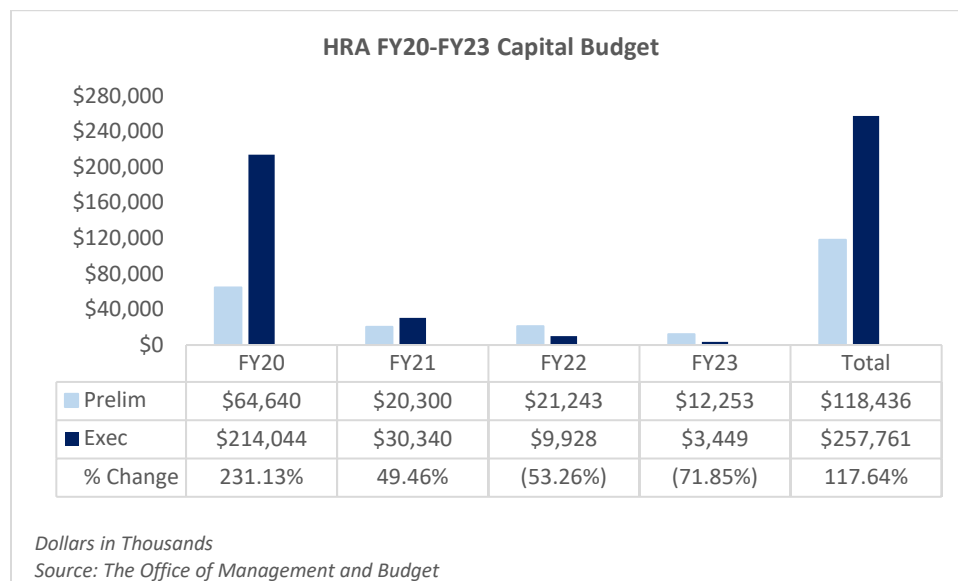
Fiscal 2020 Executive Capital Commitment Plan Highlights

Key Issues

- In total, \$25.8 million is added for Computer Equipment. Notable projects include \$2.1 million for the capital component of the previously mentioned system to administer electronic payments to landlords and \$17.4 million for the Fair Fares online application system.
- In total, \$35.1 million is added to the Improvements to DSS operated buildings. Significant projects include: \$22.2 million for the Brownsville Community Center, \$6.7 million for 109 East 16th Street, and \$6 million for 132 West 125th Street.
- The remaining \$5.7 million that is added is distributed across 45 different budget lines for various other projects such as purchase of equipment for use by HRA, private branch exchange, and Borough President and Council-funded capital projects at community-based organizations that provide social services.

Fiscal 2020 Executive Capital Budget for Fiscal 2020-2023

The proposed Fiscal 2020 Capital Budget¹ for HRA has changed minimally since the Preliminary Budget. The following graph shows the proposed Capital appropriations for Fiscal 2020 and projected appropriations through 2023. New appropriations introduced in the Fiscal 2020 Executive Budget total \$81.2 million, reappropriations total \$132.9 million, and combined they total \$214 million. The Capital Plan, discussed above, lays out the plan for spending capital resources in Fiscal 2020 and the outyears.



¹ The Capital Budget provides the required appropriations for Fiscal 2020 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.

Appendix 1: Fiscal 2020 Budget Actions since Fiscal 2019 Adoption

<i>Dollars in Thousands</i>	FY 2019			FY 2020		
	City	Non-City	Total	City	Non-City	Total
HRA Budget as of the Fiscal 2019 Adopted Budget	\$7,727,702	\$2,340,287	\$10,067,989	\$7,615,875	\$2,356,654	\$9,972,529
New Needs - November 2019 Plan						
Anti-Eviction Legal Services	\$11,500	\$1,417	\$12,917	\$11,500	\$1,417	\$12,917
Domestic and Gender-Based Violence Prevention	4,500	0	4,500	4,500	0	4,500
Shelter Repairs	0	1,000	1,000	0	0	0
ThriveNYC	1,000	0	1,000	1,000	0	1,000
Subtotal, New Needs	\$17,000	\$2,417	\$19,417	\$17,000	\$1,417	\$18,417
Other Adjustments - November 2019 Plan						
Adult Literacy	\$730	\$0	\$730	\$0	\$0	\$0
Child Trauma Resp Team Eval	0	75	75	0	0	0
City Service Corps (DSS)	(28)	0	(28)	0	0	0
Consumer Assistance Grant	0	373	373	0	0	0
Collective Bargaining	10,822	7,782	18,605	18,545	13,513	32,058
DCAS Funding Adjustment	(65)	0	(65)	(65)	0	(65)
DV	0	773	773	0	773	773
ESG & prevention council funds	0	1,000	1,000	0	0	0
Fund the code	0	(0)	(0)	0	0	0
FY19 HRA MOU for HASA units	0	2,700	2,700	0	0	0
FY19 Supervised Release Eval	0	118	118	0	0	0
HEAP 38 admin funding	0	649	649	0	0	0
Homebase ESG Funding	0	1,949	1,949	0	0	0
OCSS	0	4,499	4,499	0	0	0
Office of Economic Opportunity Funding Adjustment	(100)	0	(100)	0	0	0
Revenue MOD for SSO CAPS	0	508	508	0	0	0
Roll FY18 grant funds	0	436	436	0	0	0
SNAP outreach funding	0	263	263	0	0	0
Young Men's Initiative Funding Adjustment	(495)	0	(495)	(495)	0	(495)
Subtotal, Other Adjustments	\$10,865	\$21,125	\$31,990	\$17,985	\$14,287	\$32,272
TOTAL, All Changes November 2019 Plan	\$27,865	\$23,542	\$51,407	\$34,985	\$15,704	\$50,689
HRA Budget as of the November 2019 Plan	\$7,755,567	\$2,363,829	\$10,119,396	\$7,650,860	\$2,372,357	\$10,023,217
New Needs - Preliminary 2020 Plan						
Fair Fares	\$0	\$0	\$0	\$106,000	\$0	\$106,000
HASA Scatter Site Housing Rates	11,514	0	11,514	10,968	0	10,968
Implicit Bias Mitigation	1,300	0	1,300	2,300	0	2,300
Thrive: Jobs Plus	0	0	0	680	0	680
Subtotal, New Needs	\$12,814	\$0	\$12,814	\$119,948	\$0	\$119,948
Other Adjustments - Preliminary 2020 Plan						
City Council Member Items Reallocation	\$267	\$0	\$267	\$0	\$0	\$0
Collective Bargaining	1,667	(1,955)	(288)	2,870	1,885	4,755
DSS Integration	(1,340)	2,746	1,406	5,320	4,343	9,663
EFSP Phase 35 funding	0	100	100	0	0	0

<i>Dollars in Thousands</i>	FY 2019			FY 2020		
	City	Non-City	Total	City	Non-City	Total
Fund the code	0	(4)	(4)	0	0	0
FY19 ESG HMIS COC	0	2,060	2,060	0	0	0
Home-Stat Staff Realignment	230	0	230	552	0	552
Lease Auditing	(37)	(33)	(70)	0	0	0
Minimum Wage for Job Training Participants	3,092	0	3,092	6,740	0	6,740
Office of Economic Opportunity Funding Adjustment	(310)	0	(310)	0	0	0
Prior Year Revenue	(76,149)	76,149	0	0	0	0
Rehousing Staff Realignment	(2,001)	0	(2,001)	(3,001)	0	(3,001)
SPOS Grant	0	7,997	7,997	0	2,442	2,442
Staff Realignment	(37)	0	(37)	(62)	0	(62)
Young Men's Initiative Funding Adjustment	(592)	0	(592)	0	0	0
Subtotal, Other Adjustments	(\$75,210)	\$87,060	\$11,850	\$12,418	\$8,670	\$21,088
TOTAL, All Changes Preliminary 2020 Plan	(\$62,396)	\$87,060	\$24,664	\$132,366	\$8,670	\$141,035
HRA Budget as of the Preliminary FY20 Plan	\$7,693,171	\$2,450,889	\$10,144,060	\$7,783,226	\$2,381,027	\$10,164,253
New Needs - Executive 2020 Plan						
Cash Assistance and Rental Subsidy Re-Estimate	\$40,000	(\$40,000)	\$0	\$75,000	(\$40,000)	\$35,000
Civic Engagement Commission	300	0	\$300	0	0	\$0
Democracy NYC	0	0	\$0	370	0	\$370
DHS IT	12,500	0	\$12,500	13,500	0	\$13,500
HRA IT	0	24,443	\$24,443	12,500	11,943	\$24,443
IDNYC	0	0	\$0	2,400	0	\$2,400
Leases	0	0	\$0	1,419	1,472	\$2,892
State Budget TANF Reduction	31,245	(31,245)	\$0	62,491	(62,491)	\$0
Subtotal, New Needs	\$84,045	(\$46,803)	\$37,243	\$167,680	(\$89,076)	\$78,604
Other Adjustments - Executive 2020 Plan						
Agency Phone Plan Review	\$0	\$0	\$0	(\$149)	\$0	(\$149)
Balance of SSO CAPS	0	178	\$178	0	0	\$0
City Service Corps (DSS)	(14)	0	(\$14)	0	0	\$0
Commuting Vehicles	0	0	\$0	(77)	(63)	(\$139)
DC37 L924 Laborers	12	11	\$23	23	22	\$45
DCAS Job Training Participant Collective Bargaining	14	0	\$14	27	0	\$27
DFTA Legal Technical Adjustment	0	(994)	(\$994)	0	0	\$0
DOHMH-PEU Funding Transfer	500	0	\$500	500	0	\$500
Enhanced Space Management	0	0	\$0	(9,248)	0	(\$9,248)
Fleet Size	0	0	\$0	(2)	(1)	(\$3)
Fund Code	0	2,443	\$2,443	0	0	\$0
Fund Deficit in 9911	0	5,456	\$5,456	0	0	\$0
Fund Deficit in 9935 and 9945	0	294	\$294	0	0	\$0
Fund the Code	0	2,743	\$2,743	0	600	\$600
Funding Deficit in 9923	0	210	\$210	0	0	\$0
FY19 IC Mod w HRA for Temps	0	2,900	\$2,900	0	0	\$0
HEAP 39 Admin Funding	0	2,598	\$2,598	0	0	\$0
Heat, Light and Power	352	355	\$707	(228)	(230)	(\$458)
Heating Fuel Adjustment	(143)	(145)	(\$288)	1	1	\$3
HRA UBCJ Carpenters	10	10	\$20	26	26	\$52

<i>Dollars in Thousands</i>	FY 2019			FY 2020		
	City	Non-City	Total	City	Non-City	Total
IC W/ DHS	0	249	\$249	0	249	\$249
IC W/ HRA - GetCovered	0	0	\$0	0	(4,050)	(\$4,050)
Lease Adjustment	0	0	\$0	2,237	2,385	\$4,622
NY Immigrant Family Unity Project	1,600	0	\$1,600	0	0	\$0
OCSS Incentive funds	0	900	\$900	0	0	\$0
Office of Economic Opportunity	(133)	0	(\$133)	10,788	0	\$10,788
Paper Check Reform	0	0	\$0	(112)	(88)	(\$200)
Reallocate FY19 Council Items	(13)	0	(\$13)	0	0	\$0
Revenue Mod Funding 9944	0	1,152	\$1,152	0	479	\$479
Skilled Trades Overtime	0	0	\$0	(13)	(12)	(\$25)
Social Services Career Ladder	0	0	\$0	516	0	\$516
Staff Budget Transfer	0	0	\$0	(546)	0	(\$546)
STEHP Contracts	0	2,326	\$2,326	0	0	\$0
Supportive Housing Transfer	1,481	0	\$1,481	6,581	0	\$6,581
To Fund Deficit in 9933	0	650	\$650	0	0	\$0
Transfer fr BC 9225 to SRO cod	0	2,900	\$2,900	0	0	\$0
Transfer Funds to SRO Code	0	1,160	\$1,160	0	0	\$0
Unit Readiness Agency Transfer	(28,091)	0	(\$28,091)	(38,203)	0	(\$38,203)
Vehicle Right-Sizing	0	0	\$0	(8)	(7)	(\$15)
Young Men's Initiative Funding Adjustment	(80)	0	(\$80)	1,621	0	\$1,621
Domestic Violence Shelter	0	0	\$0	(1,157)	(494)	(\$1,650)
ENDGBV Streamlining	(750)	(339)	(\$1,089)	(118)	(114)	(\$232)
ENDGBV Thrive Efficiencies	0	0	\$0	(122)	(117)	(\$239)
Hiring Freeze Savings	(628)	(642)	(\$1,270)	(95)	(221)	(\$315)
IDNYC Savings	(384)	0	(\$384)	(384)	0	(\$384)
Office of Economic Opportunity Efficiencies	(297)	0	(\$297)	0	0	\$0
Prior Year Revenue	(20,350)	20,350	\$0	0	0	\$0
Public Engagement Unit Savings	(500)	0	(\$500)	(500)	0	(\$500)
Revenue Maximization	(1,000)	1,000	\$0	(1,000)	1,000	\$0
SSI Eligibility for CA Recipients	0	0	\$0	(284)	(116)	(\$400)
Subtotal, Other Adjustments	(\$48,414)	\$45,764	(\$2,649)	(\$29,924)	(\$749)	(\$30,673)
TOTAL, All Changes Executive 2020 Plan	\$35,632	(\$1,038)	\$34,593	\$137,756	(\$89,825)	\$47,931
HRA Budget as of the Executive FY20 Plan	\$7,728,803	\$2,449,851	\$10,178,654	\$7,920,983	\$2,291,201	\$10,212,185