

New York City Council

Hon. Adrienne Adams, Speaker of the Council

Hon. Justin Brannan, Chair Finance Committee

Hon. Diana Ayala, Deputy Speaker and Chair, General Welfare Committee

**Note on the Fiscal 2025 Executive Plan and
the Fiscal 2025 Executive Capital Commitment Plan for**

Committee on Finance and the Committee on General Welfare

Tanisha S. Edwards, Chief Financial Officer and Deputy Chief of Staff

Prepared By: Phariha Rahman, Analyst

Richard Lee, Director

Julia K. Haramis, Unit Head

Jonathan Rosenberg, Managing Deputy Director





Chima Obichere, Deputy Director

Eisha Wright, Deputy Director

Paul Scimone, Deputy Director

Elizabeth Hoffman, Assistant Director

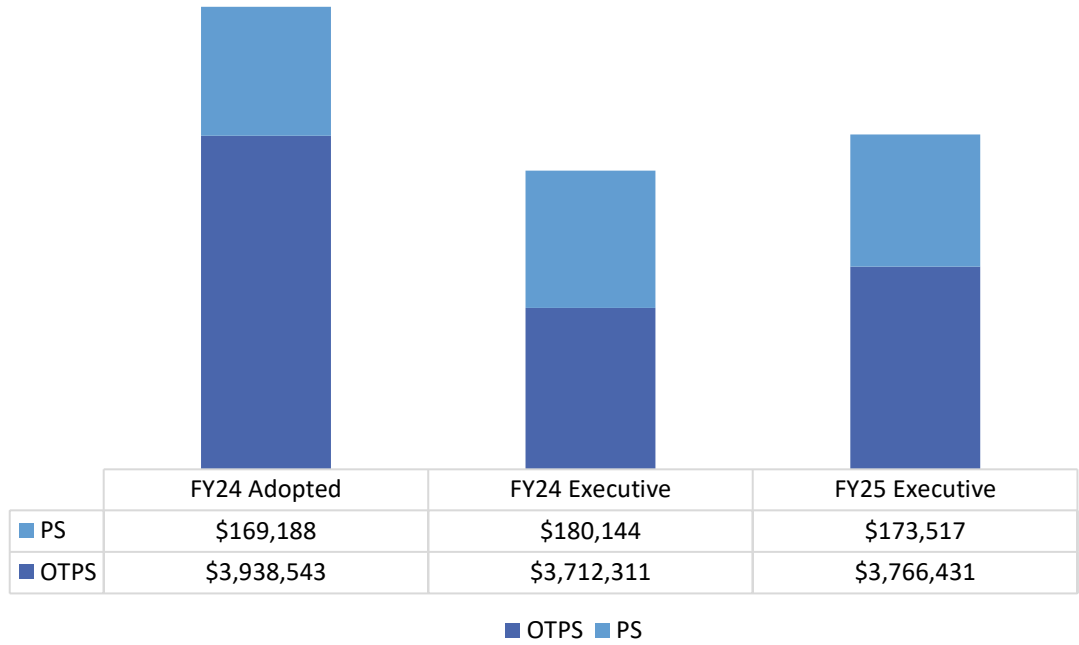
Fiscal 2025 Executive Plan

FY24	FY25	Department of Homeless Services Budget Overview								
(\$215.3) million since Adopt. 	\$1.12 billion since Adopt. 	The Executive Financial Plan for Fiscal 2024-2028 (Executive Plan), includes a proposed Fiscal 2025 budget of \$3.94 billion for the Department of Homeless Services (DHS or the Department). The Department’s projected Fiscal 2025 budget represents 3.5 percent of the City’s proposed Fiscal 2025 budget in the Executive Plan. DHS’s Fiscal 2025 budget in the Executive Plan is \$23.7 million (0.6 percent) less than its \$3.96 billion Fiscal 2025 budget in the Preliminary Financial Plan presented in January. The Fiscal 2025 Executive Budget is \$167.8 million less than the Fiscal 2024 Adopted Budget, as shown in the chart. For additional information on DHS’s Preliminary Budget, please refer to the Fiscal 2025 Preliminary Budget report at: https://council.nyc.gov/budget/wp-content/uploads/sites/54/2024/03/071-DHS.pdf .								
\$107.6 million since Prelim. 	(\$23.7) million since Prelim. 	<div data-bbox="350 1157 1503 1785" data-label="Figure"> <table border="1"> <caption>Difference between FY24 Adopted and FY25 Executive</caption> <thead> <tr> <th>Fiscal Year</th> <th>Amount (Dollars in Thousands)</th> </tr> </thead> <tbody> <tr> <td>FY24 Adopted</td> <td>\$4,107,731</td> </tr> <tr> <td>FY25 Executive</td> <td>\$3,939,947</td> </tr> <tr> <td>Change</td> <td>-\$167,783</td> </tr> </tbody> </table> </div> <p data-bbox="367 1835 857 1885"> <i>Dollars in Thousands</i> Source: New York City Office of Management and Budget </p>	Fiscal Year	Amount (Dollars in Thousands)	FY24 Adopted	\$4,107,731	FY25 Executive	\$3,939,947	Change	-\$167,783
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**PS and
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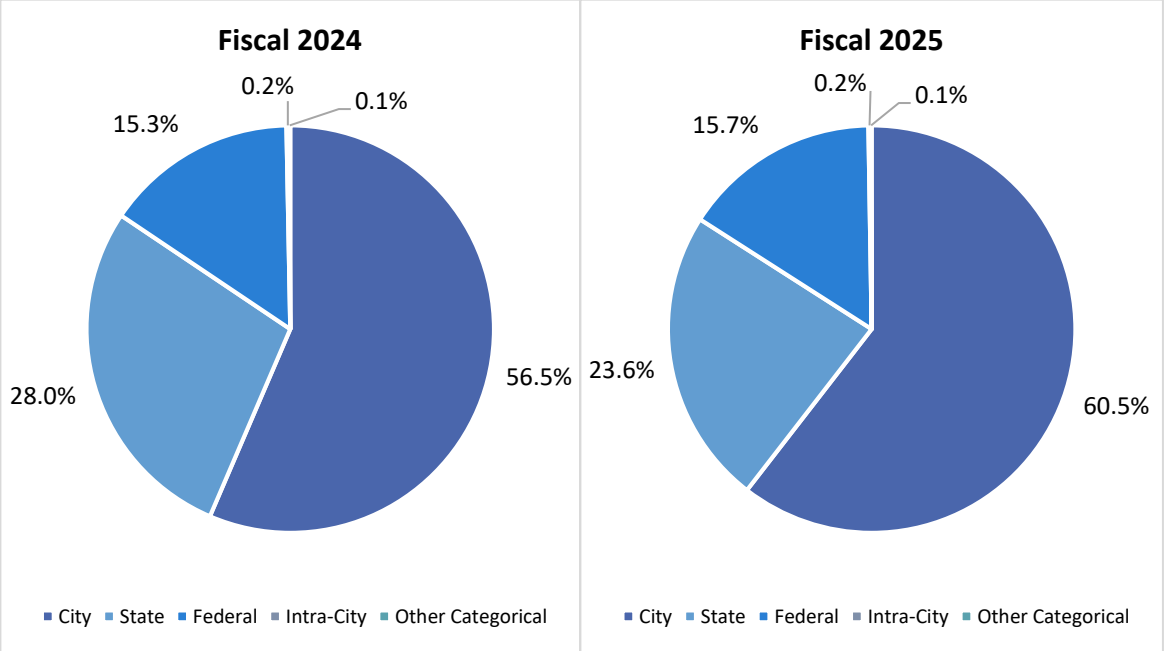
**FY25 Contract
Budget: \$3.82
billion**

**Number of
Contracts in
FY25: 575**



*Dollars in Thousands
Source: New York City Office of Management and Budget*

**Agency Budget
by Funding
Source**

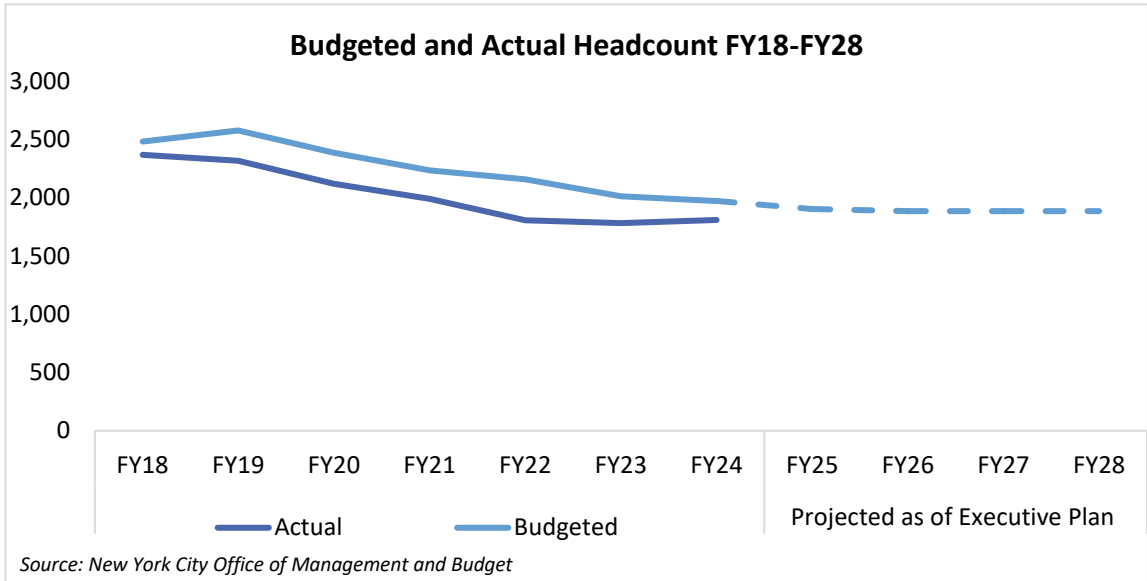


Source: New York City Office of Management and Budget

FY24 Budgeted Headcount:
1,972 full-time positions in FY24

Actual Headcount as of March:
1,809

Vacancies as of March: **163**



FY25 Changes in Exec:

Total: (\$23.7) million

New Needs: \$0

Other Adjustments: \$32.5 million

PEG: (\$56.2) million

Significant Executive Plan Changes

New Needs

- **Emergency Assistance to Families (EAF) Revenue Reduction.** The Executive Plan includes a funding swap of \$85 million in EAF federal funds for City funds in Fiscal 2024 only, with no net change to DHS’s budget. This is due to a change in the State rules which limits how much revenue can be claimed for shelter clients.
- **Shelter Cost Re-Estimate.** The Executive Plan includes an additional \$312.1 million in City funds in Fiscal 2024 for shelter costs due to an increase in the non-asylum seeker census in DHS shelters.

Other Adjustments

- **Asylum Seeker Response Costs.** The Executive Plan includes a net increase of funding in Fiscal 2024 of \$18.9 million for DHS’s asylum response efforts and a funding swap of \$302.6 million State funds for City funds, which results in no net budget change. The Executive Plan also includes a funding swap of \$553.4 million in State funding in Fiscal 2025 for City funds, with no net change to DHS’s budget. Both of the State to City funding swaps are to align State funding with the final State budget in the agencies the City expects will claim the revenue. Funding was also added in the outyears for asylum seeker response efforts totaling \$1.5 billion, with \$1 billion in State funds and \$500 million in City funds, in each Fiscals 2026 and 2027. DHS’s budget includes the City’s full budget for asylum response efforts in Fiscals 2026 (\$4 billion) and 2027 (\$3 billion), with no funding budgeted in Fiscal 2028 or beyond.
- **Human Service Provider Cost of Living Adjustment (COLA).** On March 11, 2024, the Mayor announced a \$741 million citywide COLA investment for non-profit human services workers with City contracts. The Executive Plan includes City funding for DHS’s contracted human service providers of \$27.0 million in Fiscal 2025, \$54.7 million in Fiscal 2026, and baselined at \$83.3 million, starting in Fiscal 2027.
- **Tier II Families with Children Shelters.** The Executive Plan includes an additional \$42.2 million in Fiscal 2024, from a combination of City, State, and federal sources, for Tier II

Shelters which serve families with children. The additional funding was needed due to an increase in the non-asylum seeker census for this population.

PEG

- **Asylum Seeker Response Re-Estimate.** The Executive Plan includes City funds saving of \$267.4 million in Fiscal 2024 and \$56.2 million in Fiscal 2025 on asylum response costs. These savings are part of the planned ten percent citywide reduction in response costs for the Executive Plan. They were derived from a citywide re-estimate of projected expenditures, based on current actual spending, and the elimination of a buffer that the Office of Management and Budget (OMB) had included in the budget for Fiscals 2024 and 2025.

Budget Response:

FY25 Estimate: \$36.2 million

Included in the Executive Budget: \$27 million

In the City Council’s Fiscal 2025 Preliminary Budget Response, the Council identified several areas of concern relating to contracted shelter providers, shelter operations, and DHS staffing. The budget response called on the Administration to add \$36.2 million for one Council priority as well as a number of calls to action without a specific amount. The Executive Plan included \$27 million in Fiscal 2025 for the non-profit provider COLA, as previously detailed, adjustments were not made for the other proposals, as shown in the table. For more details on the budget response <https://council.nyc.gov/wp-content/uploads/2024/04/FY25-Prelim-Budget-Response.pdf>.

FY25 Budget Response Items			
#	Response Priorities	Amount Requested	Amount in the Exec Budget
1	Shelter Provider Funding Restoration	\$36.2 million	\$0
2	Fill vacancies to expedite shelter intake process	Call to Action	\$0
3	Baseline prevailing wage for homeless shelter security guards	Call to Action	\$0
4	Bolster support for contracted non-profits	Call to Action	\$27 million

Federal and State Budget Risks

- **Asylum Seeker Response Costs.** Asylum seekers residing in the City’s shelter system may require shelter and other social service support programs provided by the City for many years to come. This presents a considerable fiscal and programmatic obligation for the City. DHS’s shelter system was stretched to near capacity before the influx of asylum seekers, necessitating the emergency procurement of hotel shelters to meet the demand as it quickly increased. The newly created facilities that service asylum seekers come at a sizable cost to the City, exceeding the historical cost of shelter, without adequate non-City funding sources, leaving the majority of the financial responsibility to the City. Absent a resolution on federal immigration policies and significant contributions from both State and federal partners, it is expected that the City will continue to shoulder the majority of the costs for years to come.

Capital Plan Overview

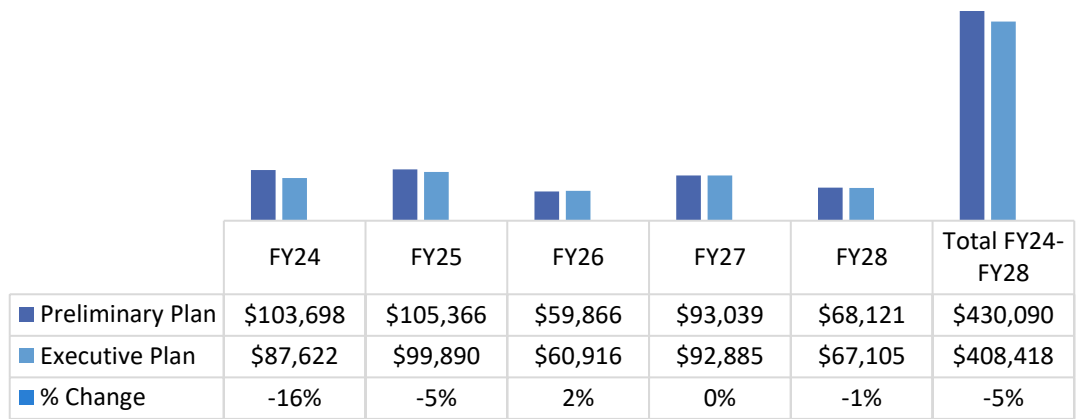
On April 24, 2024, Mayor Eric Adams released the Executive Capital Commitment Plan for Fiscal 2024-2028 (the Executive Commitment Plan).

DHS’s commitments for Fiscal 2024 through 2028, as presented in the Executive Commitment Plan, total \$408.4 million, 5.0 percent less than the total for the same period presented in the Preliminary Capital Commitment Plan released in January.

The Department’s planned commitments comprise less than half a percent of the City’s total \$97.66 billion Fiscal 2024 through 2028 Plan.

**Capital
Commitment
Plan**

Fiscal 2024-2028 Capital Commitment Plan



*Dollars in Thousands
Source: New York City Office of Management and Budget*

**Capital
Highlights**

- **Bellevue Shelter.** DHS includes \$86.7 million over the Executive Commitment Plan for various infrastructure improvements at the Bellevue Shelter on East 30th Street in Manhattan, which serves the single adult male population in a congregate setting. For the largest of these projects, \$22.1 million is included across the Plan for bathroom reconstruction.
- **Fort Washington Shelter.** DHS includes \$37.7 million over the Executive Commitment Plan for various improvements at the Fort Washington Shelter, serving the single adult male population with mental illness and substance use issues in upper Manhattan. The largest of these projects is \$17.6 million for a roof replacement.

Budget Action Chart

<i>Dollars in Thousands</i>	Fiscal 2024			Fiscal 2025		
	City	Non-City	Total	City	Non-City	Total
DHS Budget as of the Preliminary Plan	\$1,741,517	\$2,043,382	\$3,784,899	\$1,853,323	\$2,110,343	\$3,963,666
New Needs						
Client Responsibility	\$119	\$0	\$119	\$0	\$0	\$0
EAF Revenue Adjustment	85,000	(85,000)	0	0	0	0
Shelter Cost Re-Estimate	312,100	0	312,100	0	0	0
Subtotal, New Needs	\$397,219	(\$85,000)	\$312,219	\$0	\$0	\$0
Other Adjustments						
Asylum Seeker Response	\$321,438	(\$309,185)	\$12,253	\$553,352	(\$553,352)	\$0
AEP Funds Takedown	0	(41)	(41)	0	0	0
Child Mental Health Project	0	0	0	(300)	0	(300)
Collective Bargaining	4,426	0	4,426	4,857	0	4,857
Heat, light, power, fuel	(1,564)	0	(1,564)	(823)	0	(823)
Human Service COLA	0	0	0	26,953	0	26,953
Lease Adjustment	0	0	0	27	63	90
Medical Director Office Staff Transfer	(44)	(105)	(149)	(138)	(328)	(466)
Minimum Wage Increase	0	0	0	0	0	0
Shelter Maintenance	438	0	438	(438)	0	(438)
Technical Adjustment	0	44,528	44,528	0	0	0
Vaccination	0	1,477	1,477	0	0	0
Workforce Enhancement	1,370	0	1,370	2,616	0	2,616
Subtotal, Other Adjustments	\$326,064	(\$263,326)	\$62,738	\$586,107	(\$553,617)	\$32,490
Savings/Programs to Eliminate the Gap (PEGs)						
Asylum Seeker Re-Estimates and Efficiencies	(\$267,400)	\$0	(\$267,400)	(\$56,209)	\$0	\$0
Subtotal, PEGs	(\$267,400)	\$0	(\$267,400)	(\$56,209)	\$0	(\$56,209)
Grand Total	\$455,882	(\$348,326)	\$107,557	\$529,898	(\$553,617)	(\$23,719)
DHS Budget as of the Executive Plan	\$2,197,399	\$1,695,056	\$3,892,455	\$2,383,221	\$1,556,726	\$3,939,947

Source: New York City Office of Management and Budget

**Budget by
Program Area**

<i>Dollars in Thousands</i>	FY22	FY23	FY24	Executive Plan		*Difference
	Actual	Actual	Adopted	FY24	FY25	FY25 - FY24
Budget by Program Area						
Adult Shelter Administration & Support	\$11,431	\$9,951	\$7,753	\$11,673	\$7,824	\$71
Adult Shelter Intake and Placement	15,505	12,523	12,577	13,288	13,319	742
Adult Shelter Operations	881,830	1,106,832	798,527	1,237,197	793,031	(5,497)
Family Shelter Administration & Support	6,601	6,073	13,890	13,076	14,003	112
Family Shelter Intake and Placement	35,715	36,053	37,210	37,493	37,681	472
Family Shelter Operations	945,191	1,095,224	1,072,251	1,253,300	1,046,041	(26,210)
General Administration	623,190	958,338	1,861,962	990,043	1,732,136	(129,826)
Outreach, Drop-in and Reception Services	204,592	310,637	303,560	328,385	295,912	(7,648)
Prevention and Aftercare	(4)	0	0	0	0	0
Rental Assistance and Housing Placement	8,716	4,746	0	8,000	0	0
TOTAL	\$2,732,768	\$3,540,378	\$4,107,731	\$3,892,455	\$3,939,947	(\$167,783)
Funding						
City Funds	\$1,851,561	\$2,384,777	\$2,725,283	\$2,197,399	\$2,383,221	(\$342,062)
Other Categorical	201	6,700	3,000	3,000	3,000	0
State	144,379	605,706	733,521	1,088,440	928,569	195,048
Federal - Community Development	4,392	4,478	553	718	553	0
Federal - Other	725,855	522,921	638,278	594,179	617,508	(20,770)
Intra-city	6,379	15,798	7,096	8,719	7,096	0
TOTAL	\$2,732,768	\$3,540,378	\$4,107,731	\$3,892,455	\$3,939,947	(\$167,783)
Budgeted Headcount						
Full-Time Positions - Civilian	1,807	1,782	1,920	1,972	1,903	(17)
Full-Time Equivalent Positions	42	15	2	2	2	0
TOTAL	1,849	1,797	1,922	1,974	1,905	(17)

**The difference of Fiscal 2025 Executive Budget compared to Fiscal 2024 Adopted Budget.*

Source: New York City Office of Management and Budget