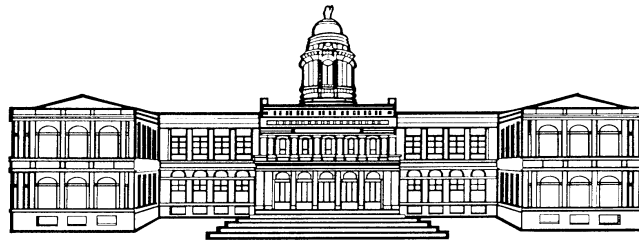


New York City Council



BUDGET NOTE

Finance Division

November 2008

Hon. Christine C. Quinn
Speaker

Hon. David I. Weprin, Chair
Committee on Finance

Preston Niblack, Director
Jeffrey Rodus, First Deputy
Director

Hon. Bill De Blasio, Chair
Committee on General Welfare

Human Resources Administration/Department of Social Services (069)

The Human Resources Administration (HRA) assists individuals and families in achieving and sustaining their maximum degree of self sufficiency. HRA provides cash assistance and employment services at 26 Job Centers and the Riverview Annex, of which 13 are Model Offices designed to streamline workflow and enhance access to services. Additional services are provided at the Family Call Center and its satellites and the Seniorworks Center. Food stamps are provided at 27 offices, of which 11 are Model Offices. HRA helps expand access to private and public health insurance; and offers public health insurance at 19 Medicaid Community Model Offices; support services to individuals with AIDS and HIV-related illnesses are provided through 12 centers, of which 8 are Model Offices; and protective services to adults through 5 HRA borough offices and 4 contracted programs. HRA determines the home care eligibility of disabled or frail Medicaid recipients through 9 Community Alternative Systems Agency offices and contracts with 75 home care provider agencies. Services to victims of domestic violence are offered through 48 State-licensed residential programs, 15 nonresidential programs, and various HRA programs. HRA assists New York City families in obtaining child support orders and collecting child support payments at 4 borough and 5 Family Court offices.

AGENCY FUNDING OVERVIEW (in \$000s)

Agency Funding Sources	Fiscal 2009 Adopted Budget	Fiscal 2009 November Plan	Fiscal 2010 Plan at Fiscal 2009 Adoption	Fiscal 2010 November Plan
City	\$6,513,041	\$6,470,475	\$6,665,898	\$6,610,077
Other Categorical	\$0	\$0	\$0	\$0
Capital IFA	\$0	\$0	\$0	\$0
State	\$997,642	\$1,025,418	\$998,023	\$991,155
Community Development	\$2,938	\$2,938	\$0	\$0
Federal-Other	\$983,598	\$1,029,651	\$975,736	\$986,182
Intra-City	\$1,089	\$4,553	\$1,089	\$1,089
Total	\$8,498,308	\$8,533,035	\$8,640,746	\$8,588,503

<i>HEADCOUNT OVERVIEW</i>				
Headcount	Fiscal 2009 Adopted Budget	Fiscal 2009 November Plan	Fiscal 2010 Plan at Fiscal 2009 Adoption	Fiscal 2010 November Plan
City	11,175	11,109	11,164	11,054
Non-City	3,979	4,017	3,979	4,017
Total	15,154	15,126	15,143	15,071

Fiscal 2009 November Plan Action Analysis

In September, the Mayor’s Budget Director ordered each agency head to submit proposed Programs to Eliminate the Gap (PEGs) equal to 2.5% in Fiscal 2009 and 5% in Fiscal 2010 and each of the outyears of the agency’s City tax-levy budget. The Fiscal 2009 November Plan presents the results of this budget exercise.

Programs to Eliminate the Gap are Financial Plan actions that reduce the City’s budget gap by either reducing an agency’s City tax-levy Expense Budget or increasing City revenues. It should be noted that some PEGs involve increases in Expense Budget costs that lead to increased revenues. For example: An agency may increase expenses by hiring 20 inspectors, with the expectation that those inspectors will generate additional revenue, ultimately saving City tax-levy dollars.

The chart below indicates the PEG amount the agency is proposing to implement in Fiscal 2009 based upon the Fiscal 2009 Adopted Budget and the amount in Fiscal 2010 based on the 2010 forecast at the time of adoption.

<i>NOVEMBER PLAN PEGS (in \$000s)</i>			
	Fiscal 2009 Adopted Budget and Forecast	Fiscal 2009 November Plan PEGs	PEG as percentage of Adopted Budget and Forecast
Fiscal 2009	6,513,041	(15,279)	-2%
Fiscal 2010	6,470,475	(29,924)	-5%

NOVEMBER PLAN ACTIONS (in \$000s)

Description (in \$000s)	Fiscal 2009			Fiscal 2010		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as per the Fiscal 2009 Adopted Plan	6,513,041	1,985,267	8,498,308	6,665,898	1,974,848	8,640,746
November Plan PEGS						
Administrative Savings	(1,519)	(1,389)	(2,908)	(3,111)	(2,844)	(5,955)
Cash Assistance Initiatives	(122)	(200)	(322)	(1,659)	(2,201)	(3,860)
Employment Services Re-estimate	0	(2,020)	(2,020)	0	(2,020)	(2,020)
Grant Diversion Program	0	0	0	(149)	0	(149)
HASA Homemaking Re-estimate	(250)	(750)	(1,000)	(250)	(750)	(1,000)
IT Consolidation	0	0	0	(815)	0	(815)
Job Center Reorganization and Consolidation	(998)	(434)	(1,432)	(6,660)	(3,413)	(10,073)
Personal Services Accruals	(2,565)	(1,338)	(3,903)	0	0	0
Reduce Consultant and Temporary Services	(658)	(606)	(1,264)	(966)	(890)	(1,856)
Reduce Specialized Substance Abuse Case Management Contracts	(500)	0	(500)	(2,000)	0	(2,000)
Re-estimate of Residential Substance Abuse Services	(2,459)	(2,539)	(4,998)	(2,459)	(2,539)	(4,998)
Telecommunication Savings	(722)	(615)	(1,337)	(1,262)	(1,074)	(2,336)
Revised Reimbursement for Medicaid Staff	(1,249)	1,249	0	(1,249)	1,249	0
Federal Revenue for Emergency Grants	(917)	918	1	(3,304)	3,304	0
Employment Services Re-estimate	(2,020)	(180)	(2,200)	(2,020)	(180)	(2,200)
Transfer Scatter Site 2 (SS2) Clients to HASA Case Management	(1,300)	(1,300)	(2,600)	(4,020)	(4,020)	(8,040)
Total PEGS	(15,279)	(9,204)	(24,483)	(29,924)	(15,378)	(45,302)
November Plan Other Adjustments						
Collective Bargaining	211	132	343	240	151	391
Reduce SRO Occupancy	0	0	0	(2,000)	(2,000)	(4,000)
Technical Adjustments	0	64,282	64,282	0	9,994	9,994
NYCHA Reorganization	1,850	1,850	3,700	1,850	1,850	3,700
NYCHA Social Services	(29,400)	0	(29,400)	(29,400)	0	(29,400)
Reorganize HASA Housing Portfolio	(3,000)	2,000	(1,000)	(3,600)	2,000	(1,600)
Technical Adjustment	54	15,033	15,087	1,415	361	1,776
Total Other Adjustments	(30,285)	83,297	53,012	(31,495)	12,356	(19,139)
November Plan New Needs						
NY/NYIII Funding	3,000	3,200	6,200	5,600	6,600	12,200
Total New Needs	3,000	3,200	6,200	5,600	6,600	12,200
Total November Plan Budget Changes	(42,564)	77,293	34,729	(55,819)	3,578	(52,241)
Agency Budget as per the November Plan	6,470,477	2,062,560	8,533,037	6,610,079	1,978,426	8,588,505

PEGs

- **Administrative Savings.** The agency will recognize a cost savings of \$1.5 million in City funds for Fiscal 2009 and \$3.1 million in Fiscal 2010 and in the outeyears, as a result of a reduction in expenditures for office maintenance and equipment.
- **Job Center Reorganization and Consolidation.** This action represents a reduction in spending of \$998,000 in Fiscal 2009 and \$6.6 million in Fiscal 2010 and in the outeyears. The agency will close the Hamilton Job Center and centralize specialized cases. This will also result in a cut of 28 positions for Fiscal 2009 and 72 positions for Fiscal 2010 and in the outeyears.
- **Personal Services Accruals.** The agency will realize a savings of \$2.6 million in Fiscal 2009 only, as a result of delays in hiring non-critical positions agency-wide.
- **Reduce Consultant and Temporary Services.** This action represents a reduction in spending of \$659,000 in Fiscal 2009 and \$967,000 in Fiscal 2010 and in the outeyears. The agency will reduce utilization of information technology consultants and temporary services contracts.
- **Transfer Scatter Site 2 (SS2) Clients to HASA Case Management.** This action represents a reduction in spending of \$1.3 million in Fiscal 2009 and \$4 million in Fiscal 2010 and in the outeyears. The agency will shift case management provided by SS2 providers to HIV/AIDS Services Administration (HASA) case managers.
- **HASA Homemaking Re-estimate.** This action represents a reduction in spending of \$250,000 in Fiscal 2009 and in the outeyears for the HIV/AIDS Services Administration (HASA) program.
- **Federal Revenue for Emergency Grants.** This action represents a reduction in spending of \$918,000 in Fiscal 2009 and \$3.3 million in Fiscal 2010 and in the outeyears. The agency will cut City funds for emergency benefits for those families with short-term non-recurring needs.
- **Reduce Specialized Substance Abuse Case Management Contracts.** This action represents a reduction in spending of \$500,000 in Fiscal 2009 and \$2 million in Fiscal 2010 and in the outeyears. The agency will reduce funding for contracts that provide comprehensive case management and referral to substance abuse treatment. Programs serving cash assistance recipients with substance abuse issues and other barriers to employment will be affected.
- **Telecommunication Savings.** The agency will realize a cost savings of \$723,000 for Fiscal 2009 and \$1.3 million for Fiscal 2010 and in the outeyears as a result of the full implementation of the Voice Over Internet Protocol Project (VOIP), which reduces costs for telecommunications throughout the agency.
- **Re-estimate of Residential Substance Abuse Services.** This action represents a reduction in spending of \$2.5 million in Fiscal 2009 and in the outeyears. The agency will cut funding for residential substance abuse room and board costs.

- **Employment Services Re-estimate.** This action represents a reduction in spending of \$2 million in Fiscal 2009 and in the outyears. The agency will cut funding for adult basic education, literacy services, and training vouchers for cash assistance. Programs that will be affected include the Begin Program and the Welfare to Work Program.
- **Cash Assistance Initiatives.** This action represents a reduction in spending of \$123,000 in Fiscal 2009 and \$1.7 million in Fiscal 2010 and in the outyears. The agency will cut funding for cash assistance to clients in need of emergency funds.

New Needs

- **NY/NYIII Funding.** This action represents added funding in the amount of \$3 million in Fiscal 2009 and \$5.6 million in Fiscal 2010 and the outyears to supportive housing programs.

Other Adjustments

- **Reorganize HASA Housing Portfolio.** City funds totaling \$3 million in Fiscal 2009 and \$3.6 million will be reduced as a result of the reorganization of the HIV/AIDS Services Administration (HASA) program.
- **Collective Bargaining.** Annual city funds totaling \$211,000 in Fiscal 2009 and the outyears will be transferred from the Labor Reserve in the Miscellaneous Budget to the budget of ACS to cover costs associated with recent collective bargaining settlements.
- **NYCHA Social Services Adjustment.** City funds totaling \$29 million will no longer come from the New York City Housing Authority (NYCHA), as NYCHA will no longer provide social services.
- **Technical Adjustment.** City funds totaling approximately \$54,000 for Fiscal 2009, \$1.4 million for both Fiscal 2010 and Fiscal 2011, and \$1.5 million for Fiscal 2012 have been allocated for technical adjustments.
- **NYCHA Reorganization.** City funds totaling \$1.9 million in Fiscal 2009 and in the outyears is reflected as a result of the reorganization of New York City Housing Authority (NYCHA) social service programs. This funding is being added so that HRA and NYCHA may work collaboratively to enhance social services programming.

Capital Budget

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

FY09 Executive Capital Plan vs. FY09 Adopted Capital Budget (in \$000s)

	FY09	FY10	FY11	FY12	FY13	Total
May	24,407	15,932	21,521	13,325	1,275	76,460
Sept	34,206	12,746	16,443	10,786	17,865	92,046
Variance	9,799	-3,186	-5,078	-2,539	16,590	15,586

As part of the formulization of the FY09 Adopted Capital Budget agencies were required to reduce their capital plans by twenty percent in each year from FY09-12. The funds pushed-out from these four years could roll into the fifth year of the plan, FY13. As such, even with the inevitable roll of projects from FY08 which had yet to be committed, the FY09-13 plan is significantly less than the plan presented in May 2008.

The Human Resource Administration's FY09-13 adopted capital plan is \$15.6 million greater than the Executive Capital Plan released in May. When taking into account the \$34.1 million of uncommitted projects rolled from FY08 the increase of \$15.6 million is actually a decrease of \$18.5 million over the five years of the plan.

Capital Plan Highlights

- \$2 million in additional funding added in Fiscal 2013 toward renovations planned for the 330 West 34th Street Medicaid Model Office. This project will now start in Fiscal 2011, when the lease renewal will take place.
- \$2.3 million in additional funding for the HRA Case Management Integration System project added in Fiscal 2009 and \$3.6 million of additional funding in Fiscal outyear 2013.

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