

# THE COUNCIL OF THE CITY OF NEW YORK

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Speaker of the Council

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Chair, Finance Committee

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Chair, Committee on General Welfare



## Report on the Fiscal 2017 Executive Budget Human Resources Administration

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## Executive Budget Summary

- **Expense Budget Overview.** The Human Resources Administration's Fiscal 2017 Executive Budget totals \$9.73 billion, \$53.9 million less than its Fiscal 2016 Adopted Budget of \$9.78 billion.
  - Approximately \$7.4 billion, or 76.5 percent, of HRA's Fiscal 2017 Budget is City tax-levy (CTL) funding, \$1.57 billion, or 16 percent, is from federal sources, and \$701.6 million, or seven percent, is from State sources.
  - HRA's overall headcount for Fiscal 2017 is 15,016; 555 positions above the Fiscal 2016 Adopted Budget headcount.
- **Executive Budget Changes.**
  - HRA's Fiscal 2017 Executive Budget includes \$56.6 million in new needs for Fiscal 2017. The largest new needs include:
    - \$24.8 million for homeless services enhancements;
    - \$16.4 million for job center staffing; and
    - \$6.3 million for adult protective services staffing.
  - HRA's other adjustments total \$131.7 million. The largest other adjustments include:
    - A \$81.6 million for re-estimate of cash assistance spending; and
    - \$93.5 million for costs associated with restricting of homeless services.
  - HRA's Executive Budget includes \$305 million in savings for Fiscal 2016 and \$307 million for Fiscal 2017 and in the outyears. This savings is related to the adjustment of reimbursement rates for the City for single childless adults because of the Affordable Care Act.
- **Major Agency Issue.**
  - **Homeless Services.** Following a comprehensive, 90-day review of the City's programs for homeless people, HRA and the Department for Homeless Services (DHS) are undergoing restructuring which impacts both HRA's and DHS' budgets. Changes include:
    - Merging back office functions at DHS and HRA will result in \$38 million in savings. This includes Human Resources, Legal, Contracts, Information Technology, Program Accountability, Audits, Communications, External Affairs, Finance, Performance Management, Research and Policy and Planning.
    - Homelessness prevention and rehousing programs will be moved from DHS and integrated within current HRA operations. This funding shift of \$49.2 million is reflected in HRA's Executive Budget.
  - **HASA for All.** The Enacted 2016-2017 State Budget did not match HRA's \$26.2 million expansion of HASA services. Implementation of HASA for All is not possible without additional funding. It is unclear how HRA will use this funding within the HASA program.

- **Capital Budget.** The Fiscal 2017 Executive Budget Capital Commitment Plan includes \$200.5 million in Fiscal 2016-2019 for HRA. It increases by \$38.6 million when compared to its Preliminary Commitment Plan. The agency's Fiscal 2017 capital Budget totals \$58.3 million, of which \$42.8 million are City funds. The majority of HRA's Fiscal 2017 Capital Budget will fund technology upgrades and building improvements.

## HRA Overview

This report provides an overview of the Human Resources Administration's Fiscal 2017 Executive Budget, a review of the significant new needs and changes included in the Executive Budget, and highlights of the Capital Commitment Plan for the Fiscal 2017. Appendix 1 reports the changes made to the Fiscal 2016 and Fiscal 2017 Budgets since Adoption of the Fiscal 2016 Budget. For additional information on HRA's Budget and its various programs, please refer to the Fiscal 2017 Preliminary Report for the Human Resources Administration at <http://council.nyc.gov/html/budget/2017/Pre/hra.pdf>.

<b>HRA Financial Summary</b>						
<i>Dollars in Thousands</i>	2014	2015	2016	Executive Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
<b>Spending</b>						
Personal Services	\$727,217	\$784,356	\$801,073	\$811,520	\$862,400	\$61,327
Other Than Personal Services	8,803,878	8,986,835	8,986,037	8,565,561	8,870,753	(\$115,284)
<b>TOTAL</b>	<b>\$9,531,094</b>	<b>\$9,771,189</b>	<b>\$9,787,110</b>	<b>\$9,377,081</b>	<b>\$9,733,153</b>	<b>(\$53,957)</b>
<b>Budget by Program Area</b>						
Adult Protective Services	\$40,798	\$44,265	\$47,553	\$49,536	\$56,411	\$8859
CEO Evaluation	3,208	5,855	7,250	4,116	8,139	889
Domestic Violence Services	97,839	103,005	112,098	117,515	131,508	19411
Employment Services						
Administration	28,458	24,843	27,395	29,426	29,674	2278
Employment Services Contracts	125,418	118,848	129,850	133,867	127,215	(2636)
Food Assistance Programs	17,647	18,480	14,050	14,254	11,461	(2589)
Food Stamp Operations	74,070	78,673	74,536	74,829	81,861	7325
General Administration	296,173	435,832	321,152	351,460	479,133	157981
HIV and AIDS Services	222,101	237,292	239,909	242,294	243,020	3111
Home Energy Assistance	41,111	42,121	23,669	41,601	23,669	0
Information Technology Services	79,819	85,567	78,717	78,421	77,120	(1596)
Investigations and Revenue Admin	81,007	80,460	86,351	86,361	82,242	(4109)
Legal Services	0	0	0	0	63,138	63138
Medicaid - Eligibility & Admin	102,464	102,326	116,792	112,679	99,279	(17513)
Medicaid and Homecare	6,533,148	6,378,405	6,359,401	5,850,112	5,947,715	(411686)
Office of Child Support Enforcement	65,372	69,819	67,319	69,919	63,604	(3715)
Public Assistance and Employment						
Admin	219,057	226,956	236,745	244,262	253,369	16624
Public Assistance Grants	737,689	793,928	784,115	783,715	809,031	24917
Public Assistance Support Grants	617,752	775,864	890,845	907,641	964,887	74042
Subsidized Employ & Job-Related						
Training	88,502	93,066	100,065	111,300	109,473	9407
Substance Abuse Services	59,461	55,587	69,299	73,774	71,204	1906
<b>TOTAL</b>	<b>\$9,531,094</b>	<b>\$9,771,189</b>	<b>\$9,787,110</b>	<b>\$9,377,081</b>	<b>\$9,733,153</b>	<b>(\$53,957)</b>
<b>Funding</b>						
City Funds	\$7,482,195	\$7,681,477	\$7,615,809	\$7,133,638	\$7,446,520	(\$169,289)
Other Categorical	216	276	0	150	0	0
State	565,001	557,256	642,141	669,763	701,683	59,542
Federal - Community Development	14,683	72,794	0	26,274	0	0

<i>Dollars in Thousands</i>	2014	2015	2016	Executive Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Federal - Other	\$1,460,995	\$1,449,159	\$1,518,331	\$1,536,527	\$1,574,120	\$55,789
Intra City	8,005	10,228	10,830	10,730	10,830	0
<b>TOTAL</b>	<b>\$9,531,094</b>	<b>\$9,771,189</b>	<b>\$9,787,110</b>	<b>\$9,377,081</b>	<b>\$9,733,153</b>	<b>(\$53,957)</b>
<b>Budgeted Headcount</b>						
Full-Time Positions	13,483	13,487	14,454	14,733	15,009	555
Full-Time Equivalent Positions	76	203	41	37	7	(34)
<b>TOTAL</b>	<b>13,511</b>	<b>13,690</b>	<b>14,495</b>	<b>14,770</b>	<b>15,016</b>	<b>521</b>

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Executive Budget.*

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The City's Fiscal 2017 Executive Budget totals \$82.2 billion, \$3.9 billion more than the Fiscal 2016 Adopted Budget of \$78.3 billion. City funds (City tax-levy and non-tax revenues) total \$59.3 billion when compared to the Fiscal 2016 Adopted Budget amount of \$58.1 billion. For the Human Resources Administration, the Fiscal 2017 Executive Budget totals \$9.73 billion. This represents approximately 11.8 percent of the City's total Budget.

The Human Resources Administration's Fiscal 2017 Executive Budget of \$9.73 is \$5.4 million less than HRA's Fiscal 2016 Adopted Budget of \$9.78 billion. The 5.4 million drop is due to a reduction in the Other Than Personal Services (OTPS) Budget by \$1.15 billion which offset the increase of \$61.3 million in the Personal Services (PS) Budget. The majority of this decrease can be attributed to reduction in funds for Medicaid and Food Assistance programs. The majority of the decrease in Food Assistance funding can be attributed to \$1.8 million in one-time additional funding that the Administration added for food procurement for Fiscal 2016. As for Medicaid funding, as New York State phases in its multi-year redesign of Medicaid and public health insurance programs through the New York State (NYS) Health Care Exchange, which began in January 2014, the HRA-administered caseload is projected to decline, thus decreasing the need for personnel to administer and process Medicaid applications. The number of individuals enrolled in Medicaid has steadily decreased since January 2014. In addition, the Fiscal 2017 Budget reflects a savings of \$305 million associated with the change in the reimbursement rate for single adults as a result of changes from the Affordable Care Act. For more information refer to page 8 of this report.

The agency's significant investments for this year are homeless programmatic enhancements and prevention programs, anti-eviction services, legal services and employment and job training programs. It is clear from the City's Fiscal 2017 Executive Budget and the growth in HRA's Budget due to new needs that the Administration is prioritizing on addressing the current homeless crisis.

The Department's Executive Budget for Fiscal 2017 is \$53 million less than the Fiscal 2016 Adopted Budget, and \$356 million more when compared to the current Fiscal 2016 budget. For Fiscal 2016, changes introduced in the Executive Plan include \$305 million in savings, \$2.7 million in new needs, \$288 million in other adjustments, and a headcount change of 133. For Fiscal 2017, changes include \$306 million in savings, \$56.5 million in new needs, \$131.7 million in other adjustments, and a headcount change of 808. The agency's overall headcount shows an increase of 555 positions from Fiscal 2016 to 2017. (See Appendix 1 for a list of all Executive Budget changes.)

Below is a summary of key funding changes by program area and source when comparing HRA's Fiscal 2017 Executive Budget to its Fiscal 2016 Adopted Budget.

- **Decrease in City Funds.** HRA's Fiscal 2017 City funding totals \$7.4 billion, or approximately 76.5 percent of the agency's total Budget. When compared to the Fiscal 2016 Adopted Budget, City funding decreases by \$169.2 million for Fiscal 2017. This decrease in City resources can be attributed to decreased City funding for Medicaid, Food Assistance programs and Employment Services Contracts. As part of revamping Employment Services, HRA has started phasing out the Work Experience Program (WEP) to replace it with targeted employment programming. The reduction related to the phase out of WEP is reflected in the Executive Budget. Further, HRA is deriving savings from Medicaid, administrative efficiencies and the improved redesign of services. In addition, as a result of the 90 day review, programs related to homelessness prevention, and services at shelters are being transferred into HRA from the Department of Homeless Services. Therefore the decrease in City funds does not impact direct services rather reflects increased savings and technical changes related to funding of programs.
- **Increase in Headcount.** HRA's Fiscal 2017 full-time position headcount increases by 555 for Fiscal 2017. The majority of the increase can be attributed to 694 in additional staff for general administration and 156 for food stamp operations. However this increase is offset by a decrease of 394 positions in Medicaid - Eligibility & Administration. As New York State phases in its multi-year redesign of Medicaid and public health insurance programs, the HRA-administered caseload is projected to decline, thus decreasing the need for personnel to administer and process Medicaid applications.
- **Increased Funding for Adult Protective Services.** Funding for Adult Protective Services increased by \$8.8 million in Fiscal 2017. This increase is due to an increase in staffing to support increased caseloads, and contracts of social and professional services. As cases eligible for APS services continues to increase, there remains a need for increased funding. For more information refer to page 6 of this report.
- **Increased Funding for Domestic Violence Services.** HRA's Fiscal 2017 City funding totals \$131 million, an increase of \$ 19.4 million when compared to the Fiscal 2016 Adopted Budget. This increase is associated with the restoration of a program for domestic violence services at shelters that was eliminated in 2010. There is an associated headcount increase of 22 in Fiscal 2017 and in the outyears.
- **Increased Funding For General Administration.** The proposed Budget for general administration in Fiscal 2017 is approximately \$479 million, which is \$157.9 million more than the Fiscal 2016 Adopted Budget. The source of this expansion is the growth of \$53.2 million in personal services and \$104.6 million in other than personal services. The increase is directly tied to several new needs for program and services budgeted within this program area.
- **Legal Services.** In 2016 HRA created a new legal services unit of appropriation (U/A) and budget function program area in an effort to provide transparency for legal services funding. Services consolidated into HRA from Department of Homeless Services, the Department of Housing Preservation and Development, the Office of the Criminal Justice Coordinator, and the Department of Youth and Community Development include anti- eviction services, anti-harassment tenant protection services, immigration services, domestic violence services, securing federal benefits, and other legal matters. In the Fiscal 2017 Executive Budget, HRA allocated \$63.1 million for legal services in Fiscal 2017.

- **Decreased Funding for Food Assistance.** HRA’s funding for Food Assistance Programs decreased by \$2.58 million in Fiscal 2017. The majority of this decrease is due to the absence of one time funding of \$1.8 million for food assistance included by the Administration for Fiscal 2016 only.

**New in the Executive Budget**

HRA’s Fiscal 2017 Executive Budget includes \$56.5 million in new needs for Fiscal 2017, of which, \$53.7 million is City tax-levy. The majority of the new needs fund homeless services, which come as the outcomes of the 90 day review of the Department of the Homeless Services.

**Homeless Services**

- **Homeless Programmatic Enhancements.** The Fiscal 2017 Executive Plan includes \$24.8 million for Fiscal 2017 and \$32.3 million for Fiscal 2018 and in the outyears for homeless programmatic enhancements. HRA will roll out outcomes of the 90 day review, which is providing daytime programming such as job training, literacy and recreation at shelters and aftercare services such as rental assistance and rent arrears for clients leaving shelters. In Fiscal 2017, \$8 million will go towards 1,500 units of new affordable housing, \$5 million for job training, literacy and other support programs at shelters and \$12 million for aftercare services for clients who exit shelters.

Homeless Programmatic Enhancements	
1,500 units of new affordable housing	\$8,000,000
Day time programs at shelters (literacy, job training)	\$5,000,000
Aftercare services	\$12,000,000

- **Subsidized Jobs for Homeless Clients.** HRA’s Executive Budget includes \$4.3 million in Fiscal 2017 and \$5.2 million in Fiscal 2018 for subsidized jobs for homeless clients. This funding will provide 300 additional transitional public and private sector job slots for shelter clients who move into permanent housing. HRA currently funds 1,800 Job Training Program (JTP) slots in the Department of Parks and Recreation and 70 slots in the Department of Sanitation with a budget of \$49 million. This funding will expand the number of slots to 300 in the Department of Sanitation. This expansion of subsidized jobs is part of HRA’s two-year phase-out of the Work Experience Program (WEP) in the State-approved employment plan. Participants will be placed in various job sectors, including but not limited to security, home care services, maintenance services, and food services. This is in addition to the \$1.2 million added to HRA’s Fiscal 2017 Preliminary Budget for subsidized jobs for homeless clients.
- **Homeless Services Restructuring.** HRA’s Fiscal 2017 Executive Budget reflects a \$49.2 million funding adjustment with the Department of Homeless Services to realign positions and funding in order to create the shared management structure outlined from the 90 day review of DHS. Out of this amount, \$49.2 million is CTL in Fiscal 2017 and constitutes the shifting of the HOMEBASE program, other aftercare services for clients who exit shelters and administrative contracts. There is an associated headcount transfer of 411 from DHS to HRA in Fiscal 2017.

- **Anti-Eviction Campaign.** HRA will continue its efforts to raise awareness of tenants' rights through a public engagement campaign. The campaign will focus on educating tenants about anti-eviction legal services, the City's rent freeze program, veterans services for housing placement, and tenants' rights under the Living in Communities (LINC) homeless rental assistance program. The HRA Budget includes \$2.1 million in City funding in Fiscal 2017 and in the outyears with an associated headcount increase of 31 to formalize the anti-eviction outreach efforts. This addition brings the total funding to \$4.5 million for Fiscal 2017 and a total headcount of 90.
- **Enhancement of Rental Assistance Programs** In 2017 a total of \$117 million will support the Department's rental assistance programs, including Living in Communities (LINC), the City Family Eviction Prevention Supplement Program (CFEPS), and the Special Exit and Prevention Supplement (SEPS). Federal funding is also provided for the Tenant Based Rental Assistance Program (TBRA).

### **Other Programs**

- **Access NYC** Access NYC, a program within HHS-Connect, is a website that allows New Yorkers to screen for eligibility for over 30 City, State, and federal benefit programs. In Fiscal 2017, HRA will allocate \$2.7 million, of which \$1.26 million is CTL to support upgrades for Access NYC. This is in addition to the \$1.1 million added to HRA's Fiscal 2017 Preliminary Budget for Access NYC.
- **Increased Supplemental Nutrition Assistance Program (SNAP) Staffing.** The Fiscal 2017 Executive Budget includes \$7.7 million for Fiscal 2017 and \$3.8 million for Fiscal 2018 for 310 additional staff for HRA to maintain services at SNAP centers.
- **Cash Assistance Re-estimate.** HRA's Fiscal 2017 Executive Budget includes a re-estimate of the costs of providing Cash Assistance Benefits which will total \$81.6 million and in Fiscal 2017 and \$88 million in the outyears. These amounts are calculated based on increase in recurring and non-recurring clients which will support a caseload average of 386,000. The annual unduplicated caseload is projected to remain constant at 600,000.
- **Adult Protective Services (APS) Staffing.** Since July 2014, the monthly APS caseload has increased by 17 percent. The average monthly caseload grew from 5,762 in 2015 to 6,440 in February 2016, while the average monthly Community Guardian caseload increased from 1,446 to 1,618 during the same period. To address the increasing caseload, in 2017 an additional \$3.2 million in CTL will support 81 new case management staff and other APS services. Total funding for this new need is \$600,000 for the remainder of Fiscal 2016, \$6.3 million for Fiscal 2017 and \$6 million for Fiscal 2018.
- **Establishment of the Department of Veteran's Services.** In April 2016, the Department of Veterans Affairs (DVA) was formally established pursuant to the local law 113. HRA will transfer \$560 million in Fiscal 2017 and in the outyears to DVA from the Employment Services Contracts program area within HRA. There is an associated headcount of 10 positions and these personnel worked on veterans issues within HRA prior to the establishment of DVA.
- **Community Schools Immigration Legal Services.** HRA's Executive Budget includes \$309,000 thousand for fiscal 2017 and the outyears to provide immigration legal services on site at 25 community schools. There is an associated headcount increase of one, who will be hired to manage operations and coordination at the sites. The new need is on top of the

\$271,425 added during the Fiscal 2017 Preliminary Budget for Fiscal 2017 and in the outyears.

- **Job Center Staffing.** HRA's Executive Budget includes \$16 million in Fiscal 2017 and \$6.5 million in Fiscal 2018 for job center staffing. All eligible Cash Assistance applicants are required to actively pursue employment. Cash Assistance recipients who enter a job center are assisted in exploring and pursuing alternatives to welfare. Job centers provide on-site access to job search and placement services, childcare information, vocational, educational and training services, as well as referrals for Medicaid, food stamp and other emergency assistance benefits. There is an associated headcount of 72. The reinstatement of this staff maintains the capacity of the program.
- **Wage Adjustment.** For Fiscal 2016 and Fiscal 2017, HRA is adjusting wages for its staff, including employees of client services vendors to the amount of \$4.3 million of which \$1.03 million is CTL funds.

**Citywide Savings Program.** The City's Fiscal 2017 Executive Plan includes a Citywide Savings Program, which reduces total City spending by \$1.37 billion in Fiscal 2016 and \$1.04 billion in Fiscal 2017. To develop this program, OMB asked all agencies to identify inefficiencies, alternative funding sources and programmatic changes that would yield budgetary savings without reducing service levels. HRA identified savings totaling \$305 million in Fiscal 2016 and \$306 million in Fiscal 2017 in the Executive Plan. HRA's savings plan is as follows:

- **Medicaid Re-estimate.** The Human Resources Administration's (HRA) Medicaid Re-estimate savings account for almost 31 percent of the total cost savings in the Fiscal 2017 Executive Budget. HRA's Medicaid Re-estimate will result in \$305 million in savings in Fiscal 2016 and in the outyears. As a result of the changes outlined in the Affordable Care Act (ACA), there have been adjustments to the reimbursement that the City receives from the State and the federal government for providing Medicaid coverage to childless adults leading to a savings for City spending.
- **Child Support Enforcement Redesign.** HRA's Benefits Re-engineering Initiative aims to redesign business processes to modernize its interaction with clients, realize cost efficiencies, while continuing to maintain high levels of program integrity through the use of modern technology. Savings from redesign and improved processes in the Office of Child Support Enforcement are reflected in HRA's Fiscal 2017 Executive Budget and will result in savings of \$1.1 million in Fiscal 2017 and in the outyears.
- **IT Consultant Insourcing.** Beginning in Fiscal 2017, HRA will reduce costs from contracting with IT consultants by hiring 55 positions for in-house IT services. The amount of \$300,000 reflects the net savings from converting 55 contracted staff to full-time positions.

## Budget Issues

### Preliminary Budget Response

The Council's response to the Mayor's Fiscal 2017 Preliminary Budget included two recommendations for the Human Resources Administration. The recommendations called on the Administration to increase baseline funding for the Emergency Food Assistance Program and to increase per participant rates of contracting with HRA for its new employment programs. Neither recommendation was funded in the Fiscal 2017 Executive Budget.

- **Increase EFAP Funding.** The Council called upon the Administration to increase baseline funding for the Emergency Food Assistance Program (EFAP) by \$22 million to compensate for the loss of federal SNAP funding, as well as adjust for the current inadequacy of the food supply, which only allows food pantries to provide 5.8 meals in a typical pantry bag - far short of the New York State's nine-meal standard.
- **Rightsizing contracts for Employment RFP.** The Council called upon the Administration to increase funding for HRA's employment RFP by \$6 million for a total contract value of \$135 million. It is estimated that the current total value of HRA's Employment Plan does not support a viable cost per participant as outlined in the scope of services.

## Preliminary Budget Highlights

The following are major financial actions from the Fiscal 2017 Preliminary Plan for Fiscal 2016 and 2017. Please refer to the Fiscal 2017 Preliminary Budget Report for the Human Resources Administration for additional information at

<http://council.nyc.gov/html/budget/2017/Pre/hra.pdf>

- **End the Epidemic.** In December 2015, the Administration and the City Council Speaker announced a comprehensive commitment to end the AIDS epidemic in New York City through new prevention and support programs. The City's plan combines social services with enhanced medical services to reduce the number of new infections and draws upon recommendations from New York State's Ending the Epidemic Task Force's blueprint. One of the recommendations to come from the TaskForce is to expand HIV/AIDS Services Administration (HASA) to all low-income New Yorkers with HIV, and not only those with clinical or symptomatic HIV and AIDS who are presently eligible. To expand HASA services to include those low-income New Yorkers with HIV, HRA estimated it would need an additional \$52.6 million, of which \$26.2 million is CTL and the remainder is State funding for Fiscal 2017, and \$62.4 million, of which \$32.1 million is CTL and the remainder is State funding for Fiscal 2018. The expansion of HASA services remains contingent upon the State equally sharing the financial burden with the City.
- **Supportive Housing.** In November 2015, the Mayor announced that the City would create 15,000 new units of affordable housing over the next 15 years. These new units will be roughly comprised of 7,500 newly-developed congregate units and 7,500 scattered site units. HRA's expense Budget included \$13.1 million in Fiscal 2017 and \$43.6 million in Fiscal 2018 for operational expenses related to this supportive housing plan.
- **Anti-Eviction Legal Services Expansion.** In the Fiscal 2017 Preliminary Plan, HRA increased CTL funding for anti-eviction legal services by \$9.2 million in Fiscal 2017 and \$12.3 million in Fiscal 2018. This funding expands anti-eviction legal services to ten high need communities.
- **Domestic Violence Shelter Expansion.** HRA will expand its domestic violence shelter capacity by 700 units, of which 400 are Tier II transitional family shelter units and 300 are emergency shelter beds. Funding for this expansion totals \$15.4 million in Fiscal 2017, of which \$4.5 million are City funds and \$30.7 million in Fiscal 2018 and in the outyears, of which \$9 million are City funds.
- **Shelter Move-Out Assistance.** HRA will extend its landlord and broker fee program for households moving out of shelter into permanent housing in Fiscal 2016 and in the

outyears. In Fiscal 2016, funding totals \$18.2 million, but only \$2.5 million in Fiscal 2017 and in the outyears.

- **Living in Communities for New York City Housing Authority (NYCHA).** HRA's Fiscal 2017 Preliminary Plan included \$9 million in Fiscal 2017 and \$18.3 million in Fiscal 2018 for the placement of 750 families annually into public housing.

## Capital Commitment Plan

The Fiscal 2017 Executive Budget Capital Commitment Plan includes \$200.5 million in Fiscal 2016-2019 for HRA. This represents less than one percent of the City's total \$57.8 billion Executive Plan for Fiscal 2016-2019. HRA's Executive Commitment Plan for Fiscal 2016-2019 increases by \$38.6 million when compared to its Preliminary Commitment Plan.

The majority of capital projects span multiple fiscal years, and it is common practice for an agency to roll unspent capital funds into future fiscal years. In Fiscal 2015, HRA committed \$159.3 million or 80 percent of its annual capital plan. Therefore, it is assumed that some portion of HRA's Fiscal 2016 Commitment Plan will be rolled into Fiscal 2017, thus increasing the size of the Fiscal 2017-2020 Capital Plan.

<b>HRA's 2016-2019 Capital Commitment Plan</b>						
<i>Dollars in Thousands</i>						
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
<b>Preliminary Plan</b>	\$79,612	\$32,762	\$21,124	\$18,407	\$10,085	<b>\$161,990</b>
<b>Executive Plan</b>	\$75,083	\$58,321	\$42,353	\$13,062	\$11,775	<b>\$200,594</b>
<b>Change</b>	(\$4,529)	\$25,559	\$21,229	(\$5,345)	\$1,690	<b>\$38,604</b>
<b>Percentage Change</b>	(6%)	78%	100%	(29%)	17%	<b>24%</b>

Source: OMB Fiscal 2017 Executive Capital Commitment Plan

HRA's Fiscal 2017 Executive Capital Budget mainly supports the maintenance and renovation to improve social services facilities throughout the City, enhances HRA's computer infrastructure, and upgrades and maintains telecommunications and information equipment to improve the agency's operations. The Capital Commitment Plan includes \$80.5 million for technology to streamline HRA's operations, including key investments related to Client Services Re-engineering. This will feature the continued development of a virtual client service center which leverages ACCESS NYC, the City's on-line benefits portal, to provide expanded client accounts. These accounts will include automated functionality, such as online client notices and benefits information. On-line applications and re-certifications will be enhanced and On-Demand telephone interviews for SNAP will be expanded citywide.

## Executive Budget Highlights

HRA's Fiscal 2017 Executive Capital Commitment Plan increased by \$25.5 million, or 78 percent when compared to its Fiscal 2017 Preliminary Capital Commitment Plan. Major capital projects that the agency will invest for in Fiscal 2017 are highlighted below.

- **Virtual Client Service Centers.** HRA allocated \$36.8 million in the Fiscal 2017 Executive Capital Commitment Plan towards the creation of new online benefit application tools, e-notices, mobile connectivity and telephone enhancements as part of the Benefits Re-engineering initiative. Starting in October 2013, HRA placed computer banks in six SNAP

centers, allowing clients to apply online at their own pace, rather than making an appointment to see an HRA worker. This project will lead to increased efficiency and as a result HRA projects reduction in costs. A total of \$28.2 million was expended through end of 2015 on this initiative.

- **Improvements for Other HRA facilities.** HRA will allocate \$7.2 million towards design and construction improvements at other HRA facilities, including improvements to Elmcot Youth and Adult Activities Recreation Center.
- **Improvements for Domestic Violence Shelters.** HRA will allocate \$6.5 million towards improvements to Domestic Violence Shelters in fiscal 2017.

**Appendix 1: HRA Fiscal 2017 Executive Budget Action**

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
<b>HRA Budget as of the Adopted 2016 Budget</b>	\$7,615,809	\$2,171,303	\$9,787,112	\$7,714,307	\$2,169,162	\$9,883,469
<b>New Needs - Prelim. 2017</b>						
Net Zero Position Transfer	(\$100)	\$0	(\$100)	(\$100)	\$0	(\$100)
Adult Protective Services	526	505	1,031	1,131	1,086	2,217
Anti-Eviction Legal Services Expansion	0	0	0	9,220	0	9,220
Community Schools Immigration Legal Services Expansion	125	0	125	271	0	271
Domestic Violence Shelter Expansion	2,947	3,317	6,264	4,564	10,868	15,432
End the Epidemic	0	0	0	26,279	26,279	52,559
HHS Connect Maintenance	2,146	290	2,435	1,123	152	1,274
Housing for Homeless Veterans	2,069	0	2,069	2,920	0	2,920
IDNYC	0	0		7,632	0	7,632
Infoline	1,084	0	1,084	2,092	0	2,092
LINC for NYCHA Tenants	0	0		9,000	0	9,000
Public Engagement	2,389	0	2,389	5,336	0	5,336
Reasonable Accommodations for Disabled Cash Assistance Clients	2,539	1,554	4,093	3,281	2,004	5,285
Shelter Move-Out Assistance	18,252	0	18,252	2,500	0	2,500
Subsidized Jobs for the Homeless Clients	603	0	603	1,205	0	1,205
Supportive Housing	272	64	337	13,154	154	13,308
Teen RAPP	0	0	0	806	774	1,580
Three-Quarter Housing Project	7,931	0	7,931	4,515	0	4,515
ThriveNYC: Veterans Outreach	0	0	0	560	0	560
<b>Subtotal, New Needs</b>	<b>\$40,782</b>	<b>\$5,730</b>	<b>\$46,512</b>	<b>\$95,490</b>	<b>\$41,317</b>	<b>\$136,808</b>
<b>Other Adjustments - Prelim. 2017</b>						
Administrative Efficiencies	(\$400)	\$150	(\$250)	(\$2,000)	(\$405)	(\$2,405)
CEO Funding Adjustment	0	0	0	6,847	0	6,847
City Service Corps	(32)	0	(32)	(8)	0	(8)
Collective bargaining	1,904	1,865	3,770	2,286	2,243	4,529
Coney Island Rent '16	0	204	204	0	0	0
Consumer Assistance Grant PS	0	65	65	0	0	0
DFTA Legal Tech Adjustment	0	(1,067)	(1,067)	0	0	0
EFSP Allocation 32	0	200	200	0	0	0
End the Epidemic	0	0	0	(7,319)	(5,987)	(13,306)
Fund the code	0	(71)	(71)	0	0	0
Funding Realignment	387		387	0	0	0
Funds Being Added	0	455	455	0	0	0
Funds Moved	0	(24)	(24)	0	0	0
HEAP 36 Admin Funds	0	1,118	1,118	0	0	0
HEAP 36 Early Outreach Funding	0	447	447	0	0	0
Housing Recovery	0	15,006	15,006	0	0	0
Improved Case Assistance Reimbursement	(1,200)	1,200	0	(1,200)	1,200	
Medicaid Funding Transfer to HHC	(204,000)	0	(204,000)	(204,000)	0	(204,000)
Member Item Reallocation	3,438	0	3,438	0	0	0
OCSE Incentive Funds	0	2,600	2,600	0	0	0
One Time Revenue	(23,575)	23,575	0	0	0	0

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
Rollover HEAP Admin From FY15	\$0	\$717	\$717	\$0	\$0	\$0
SNAP EASE - Food Bank NYC	0	93	93	0	0	0
Subsidized Jobs for Homeless Clients	1,700	0	1,700	3,400	0	3,400
Technical Adjustment	(199)	0	(199)	0	0	0
TLC Rental of HRA Space	0	10	10	0	0	0
To Add HEAP 35 Admin Funds	0	855	855	0	0	0
Transfer Funds	0	(7,701)	(7,701)	0	(7,496)	(7,496)
URS Funds	0	11,063	11,063	0	0	0
YMI Technical/Funding Adjustments	(27)	0	(27)	500	0	500
<b>Subtotal, Other Adjustments</b>	<b>(222,005)</b>	<b>\$50,761</b>	<b>(\$171,243)</b>	<b>(\$201,494)</b>	<b>(\$10,445)</b>	<b>(\$211,939)</b>
<b>TOTAL, All Changes</b>	<b>(181,223)</b>	<b>\$56,491</b>	<b>(\$124,731)</b>	<b>(\$106,004)</b>	<b>\$30,873</b>	<b>(\$75,131)</b>
<b>HRA Budget as of the Preliminary 2017 Plan</b>	<b>\$7,434,586</b>	<b>\$2,227,794</b>	<b>\$9,662,381</b>	<b>\$7,608,303</b>	<b>\$2,200,035</b>	<b>\$9,808,338</b>
<b>New Needs - Exec. 2017</b>						
Access NYC	\$0	\$0	\$0	\$1,526	\$1,182	\$2,708
Adult Protective Services Staffing	335	321	656	3,241	3,114	6,355
Community Schools Immigration Legal Services Expansion	0	0	0	309	0	309
Establishment of the Department of Veteran's Services	0	0	0	(560)	0	(560)
Homeless Programmatic Enhancements	2,089	0	2,089	24,806	0	24,806
Job Center Staffing	0	0	0	10,176	6,264	16,440
Public Engagement Unit	0	0	0	2,153	0	2,153
SNAP Staffing	0	0	0	7,750	(7,750)	0
Subsidized Jobs for Homeless Clients	0	0	0	4,323	0	4,323
<b>Subtotal, New Needs</b>	<b>\$2,424</b>	<b>\$321</b>	<b>\$2,745</b>	<b>\$53,725</b>	<b>\$2,810</b>	<b>\$56,535</b>
<b>Other Adjustments - Exec. 2017</b>						
Cash Assistance Re-estimate	\$0	\$0	\$0	\$39,258	\$42,348	\$81,606
CEO Funding Adjustment	(64)	0	(64)	345	0	345
Child Support Enforcement Redesign	0	0	0	(1,102)	(2,138)	(3,240)
Collective Bargaining	312	78	390	405	86	1,349
Funding Adjustment	0	0	0	320	0	320
Funds moved	0	(5)	(5)	0	0	0
funds for shelter repair	0	(9)	(9)	0	0	0
Headcount Adjustment	0	0	0	(1,985)	0	(1,985)
HEAP Program Funding	0	14,796	14,796		0	0
Heat, Light and Power	(1,244)	(1,320)	(2,564)	(1,621)	(1,719)	(3,340)
Heating Fuel	(234)	(249)	(483)	(89)	(95)	(184)
Homeless Services Restructuring	0	0	0	49,253	44,289	93,542
Bronx Parent Housing Network	0	1,020	1,020	0	0	0
DFTA Legal Tech Adjustment	0	(1,067)	(1,067)	0	0	0
IC W/ HRA-Supporting Living	0	1,000	1,000	0	0	0
TLC rental of HRA Space	0	5	5	0	0	0
IT Consultant Insourcing*	0	0	0	(294)	(574)	(868)
Lease Adjustment	0	0	0	1,978	461	2,439
Medicaid Re-estimate*	(305,289)	0	(305,289)	(305,289)	0	(305,289)
Member Items Reallocation	330	0	330	0	0	0
NYC Service Program	0	0	0	50	0	50
Revenue Maximization	0	0	0	0	50	50
Wage Adjustment	3,263	1,080	4,343	3,263	1,080	4,343

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
YMI Funding Adjustment	(\$446)	\$0	(\$446)	\$0	\$0	\$0
<b>Subtotal, Other Adjustments</b>	<b>(\$303,372)</b>	<b>\$15,329</b>	<b>(\$288,043)</b>	<b>(\$215,507)</b>	<b>\$83,789</b>	<b>(\$131,718)</b>
<b>TOTAL, All Changes - Exec. 2017</b>	<b>(\$300,949)</b>	<b>\$15,650</b>	<b>(\$285,298)</b>	<b>(\$161,782)</b>	<b>\$86,599</b>	<b>(\$75,183)</b>
<b>HRA Budget as of the Fiscal 2017 Executive Plan</b>	<b>\$7,133,637</b>	<b>\$2,243,444</b>	<b>\$9,377,081</b>	<b>\$7,446,520</b>	<b>\$2,286,633</b>	<b>\$9,733,153</b>

\*These "Other Adjustments" are included in the Citywide Savings Program

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