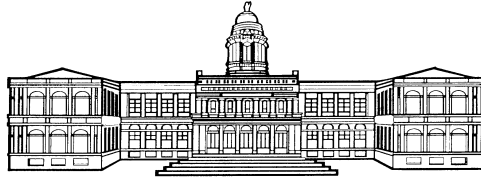


THE COUNCIL OF THE CITY OF NEW YORK

Finance Division



Hearing on the Fiscal 2010 Executive Budget for the **Department of Homeless Services**

May 26, 2009

Hon. Christine C. Quinn
Speaker

Hon. David I. Weprin
Chair, Committee on Finance

Hon. Bill De Blasio
Chair, Committee on General Welfare

Preston Niblack
Director

Jeffrey Rodus
First Deputy Director

Latonia McKinney
Deputy Director

Crystal Coston
Legislative Financial Analyst

Department of Homeless Services (071)

Agency Overview

The Department of Homeless Services (DHS), in partnership with public agencies and the business and nonprofit communities, prevents homelessness and provides temporary emergency shelter for eligible homeless people in a safe, supportive environment. DHS manages 11 City-run and 192 privately-run shelter facilities, consisting of 51 adult facilities and 152 family facilities. DHS also provides outreach services available 24 hours a day, seven days a week, as well as homeless prevention services through community-based programs.

Expense Budget Highlights

The Department of Homeless Services Fiscal 2010 Executive operating budget is \$774 million, of which \$303 million is City funding. The overall operating budget for DHS increased by \$17 million, or 19 percent since the Fiscal 2010 Preliminary Budget of \$648 million. City funds increased by \$27 million, or ten percent. The increase in the Department's overall expense budget is from an increase in federal and City funding for family shelter and adult shelter operations, collective bargaining, and homeless prevention programs.

The Fiscal 2010 Executive Budget for DHS includes additional PEG reductions of approximately \$11 million for Fiscal 2010 and in the outyears above the November and January Financial Plans, including: savings from agency-wide staff reductions of 105 positions through layoffs and attrition; savings from further reductions to the homeless prevention program HomeBase; one-time savings from capital eligible renovation expenditures; savings as a result of restructuring to the Street Solutions homeless outreach program; reductions to provider administrative and security costs, and a reduction to fleet related expenses.

As part of the American Recovery and Reinvestment Act (ARRA) of 2009, the City's share of a HUD Homeless Prevention and Rapid Re-housing (HPRP) grant is estimated at \$74 million. The funds will be allocated to the City through DHS, which submitted a proposed amendment to the 2008 Consolidated Plan. The amended proposal indicated that the agency plans to spend \$51.2 million toward homeless prevention and \$22.4 toward rapid re-housing. Pending HUD approval, the funding will be reflected in DHS' budget at a later date.

Since the Fiscal 2009 Adopted Budget, DHS has proposed a number of changes in adult and family shelter services and operations, prevention program spending, and headcount reductions. More analysis of these changes is outlined in the Program Budget Overview section of this report.

	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Spending				
Personal Services	\$115,150,755	\$119,873,004	\$116,987,337	\$114,210,309
Other than Personal Services	\$670,382,249	\$636,817,426	\$531,057,709	\$659,312,903
Total	\$785,533,004	\$756,690,430	\$648,045,046	\$773,523,212
Funding				
City	NA	\$311,913,799	\$275,852,004	\$303,341,264
State	NA	\$219,432,050	\$209,939,602	\$215,802,761
Federal - CDBG	NA	\$4,000,000	\$4,000,000	\$10,242,013
Federal - Other	NA	\$133,755,366	\$125,161,170	\$135,783,417
Intra-City	NA	\$87,589,215	\$33,092,270	\$108,353,757
Total	\$0	\$756,690,430	\$648,045,046	\$773,523,212
Headcount				
Full-time Positions	2,052	2,221	1,989	1,884

Capital Budget

The May 2009 Capital Commitment Plan includes \$167.2 million in Fiscal 2009-2013 for the Department of Homeless Services (including City and Non-City funds). This represents less than one percent of the City's total \$47.1 billion May Plan for Fiscal 2009-2013. The agency's May Commitment Plan for Fiscal 2009-2013 is 25 percent more than the \$133.7 million in the January Commitment Plan, an increase of \$33.5 million.

Over the past five years, the Department of Homeless Services has only committed an average of 42.7 percent of its annual capital plan. Therefore, it is assumed that a large portion of the agency's Fiscal 2009 capital plan will be rolled into Fiscal 2010, thus greatly increasing the size of the Fiscal 2010-2014 Capital Plan. Since adoption last June, the Capital Commitment Plan for Fiscal 2009 has increased by \$1.1 million, or 1.8 percent.

Currently the Department of Homeless Services appropriations total \$62.5 million in City funds for Fiscal 2009. These appropriations are to be used to finance the Department of Homeless Services \$46.4 million City-funded Fiscal 2009 Capital Commitment program. The agency has over 35 percent more funding than it needs to meet its entire capital commitment program for the current fiscal year.

In January the Mayor announced his intention to reduce the City's capital plan by 30 percent. The objective of the capital cut is to reduce the amount of the City's general obligation (GO) debt service as a percentage of total revenues. The 30 percent reduction in the Ten-Year Capital Plan Fiscal 2010 – 2019 would reduce the long-term average annual growth in debt service costs to 3.4 percent, equal to the level of forecast growth in City revenues. The 2010 Executive Capital Budget includes \$47.0 billion in planned commitments for Fiscal 2010 – 2019. This total includes \$12.8 billion in commitments for capital projects for the Department of Environmental Protection (DEP) which are funded primarily by non-GO debt. The GO-funded portion of the Fiscal 2010 – 2019 Executive Capital Plan is \$34.2 billion; this is \$6.93 billion or 16.9 percent less than the \$41.1 billion Preliminary Fiscal 2010 – 2019 Capital Plan.

Millions of dollars

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	TOTAL
January Plan						
City	\$62,317	\$25,538	\$8,525	\$11,717	\$25,663	\$133,760
Non-City						
Total	\$62,317	\$25,538	\$8,525	\$11,717	\$25,663	\$133,760
Executive Plan						
City	\$62,317	\$59,274	\$16,025	\$10,702	\$18,919	\$167,237
Non-City						
Total	\$62,317	\$59,274	\$16,025	\$10,702	\$18,919	\$167,237
Difference						
City	\$0	\$33,736	\$7,500	(\$1,015)	(\$6,744)	\$33,477
Non-City						
Total	\$0	\$33,736	\$7,500	(\$1,015)	(\$6,744)	\$33,477
Percent Chng.	0%	133%	88%	(9%)	(26%)	25%

Program Budget Overview

DHS' Program Budget consists of the following programs.

Program	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Adult Shelter Administration & Support	\$5,989,362	\$5,234,485	\$5,298,295	\$5,505,760
Adult Shelter Intake and Placement	\$7,243,140	\$6,466,326	\$8,586,717	\$8,623,571
Adult Shelter Operations	\$209,104,438	\$210,297,433	\$192,140,867	\$198,868,993
Family Shelter Administration & Support	\$5,623,037	\$5,725,938	\$5,889,933	\$6,032,932
Family Shelter Intake and Placement	\$23,448,310	\$23,971,356	\$25,672,044	\$25,880,498
Family Shelter Operations	\$379,746,271	\$323,113,445	\$289,461,695	\$336,850,581
General Administration	\$62,076,925	\$60,402,740	\$51,121,751	\$47,597,917
Outreach, Drop-in and Reception Services	\$27,921,031	\$17,380,400	\$20,080,732	\$20,689,842
Prevention and Aftercare	\$20,632,125	\$20,476,041	\$15,116,117	\$13,311,567
Rental Assistance and Housing Placement	\$43,748,364	\$83,622,266	\$34,676,895	\$110,161,551
Total	\$785,533,004	\$756,690,430	\$648,045,046	\$773,523,212

Headcount

Adult Shelter Administration & Support	87	83	83	83
Adult Shelter Intake and Placement	156	178	228	228
Adult Shelter Operations	345	330	330	330
Family Shelter Administration & Support	86	106	106	106
Family Shelter Intake and Placement	490	530	530	530
Family Shelter Operations	207	280	263	263
General Administration	619	600	335	230
Outreach, Drop-in and Reception Services	9	18	18	18

Headcount				
Program	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Prevention and Aftercare	8	0	0	0
Rental Assistance and Housing Placement	45	96	96	96
Total	2,052	2,221	1,989	1,884

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Adult Shelter Administration and Support

This program consists of the administrative and support functions of the adult shelter system.

	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Spending				
Personal Services	\$5,989,362	\$5,234,485	\$5,298,295	\$5,505,760
Total	\$5,989,362	\$5,234,485	\$5,298,295	\$5,505,760
Funding				
City	NA	\$3,487,336	\$3,551,146	\$3,758,611
State	NA	\$1,635,944	\$1,635,944	\$1,635,944
Federal - Other	NA	\$111,205	\$111,205	\$111,205
Total	NA	\$5,234,485	\$5,298,295	\$5,505,760
Headcount				
Full-time Positions	87	83	83	83

As indicated in the chart above, the program budget for Adult Shelter administration and support is comprised of Personal Service costs only. Between the Fiscal 2010 Preliminary Budget and the Fiscal 2010 Executive Budget, spending for Adult Shelter administration and support increased slightly by approximately \$207,000 or four percent. The majority of the increase in this area is due to an increase in spending for collective bargaining agreements.

Adult Shelter Intake and Placement

The Adult Shelter system has four intake centers: three for women and one for men. The intake center for men is located in Manhattan, while the centers for women are in the Bronx, Brooklyn, and Queens. Due to legal decisions in the early 1980s, single adults are guaranteed a right to shelter and do not have to apply for shelter as in the family system.

	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Spending				
Personal Services	\$7,243,140	\$6,466,326	\$8,586,717	\$8,623,571
Total	\$7,243,140	\$6,466,326	\$8,586,717	\$8,623,571
Funding				
City	NA	\$4,237,297	\$6,357,688	\$6,394,542
State	NA	\$2,229,029	\$2,229,029	\$2,229,029
Total	NA	\$6,466,326	\$8,586,717	\$8,623,571
Headcount				
Full-time Positions	156	178	228	228

Spending in this area increased slightly since the Fiscal 2010 Preliminary Budget by \$37,000, or less than one percent. The headcount remains the same between the Fiscal 2010 Preliminary Budget and the Fiscal 2010 Executive Budget, however, the proposed headcount increased by 50 positions between the Fiscal 2009 Adopted budget and the Fiscal 2010 Executive Budget as a result of the proposed increase to the number agency security peace officer positions. This action would in fact result in a savings of \$1.8 million (CTL) because DHS would replace contracted shelter security staff with trained DHS peace officers, which would, according to DHS, allow more efficiency and flexibility with the deployment of officers.

Adult Shelter Operations

The Adult Shelter system is comprised of 49 facilities that operate 7,185 beds. As in the family system, single adults living in shelters have access to a wide range of social services, including mental health treatment, substance abuse treatment, and employment training.

	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Spending				
Personal Services	\$14,987,441	\$17,237,126	\$18,218,066	\$18,236,860
Other than Personal Services	\$194,116,997	\$193,060,307	\$173,922,801	\$180,632,133
Total	\$209,104,438	\$210,297,433	\$192,140,867	\$198,868,993
Funding				
City	NA	\$105,480,728	\$88,365,162	\$97,295,707
State	NA	\$73,553,487	\$72,512,487	\$64,641,588
Federal - CDBG	NA	\$0	\$0	\$5,689,013
Federal - Other	NA	\$170,948	\$170,948	\$170,948
Intra-City	NA	\$31,092,270	\$31,092,270	\$31,071,737
Total	NA	\$210,297,433	\$192,140,867	\$198,868,993
Headcount				
Full-time Positions	345	330	330	330

Spending for adult shelter operations increased slightly by \$6.8 million or, 3.6 percent, between the Fiscal 2010 Preliminary Budget and the Fiscal 2010 Executive Budget.

Adult Performance Incentive Program (PIP)

In the Fiscal 2010 Preliminary Budget, DHS proposed a savings of \$4 million in Fiscal 2010 and in the outyears with the implementation of a new Adult Performance Incentive Program (PIP) which would enhance performance-based payments to adult shelter providers. The agency claims that this would increase permanent housing placements with those providers. However, the agency has not provided specific details on what the savings associated with the implementation of performance-based contracts for providers will be.

30th Street Bellevue Shelter

In the November Financial Plan, DHS proposed a savings of \$2.7 million in all City funds in Fiscal 2010 and in the outyears due to a reduction in food, medical, and maintenance costs resulting from the relocation of the intake center and shelter closing. However, based on the feedback the agency has received since the announcement of plans to relocate the 30th Street Bellevue Men's Intake Center in Manhattan to Bedford Atlantic Brooklyn, the agency has developed a new plan. The new plan will allow DHS to have two intake sites: one in Manhattan and a second at the Bedford-Atlantic Armory. DHS will remain at the 30th Street Bellevue location while exploring options for another Manhattan

site. The agency will intake at the 30th Street Bellevue location while exploring options for another Manhattan site.

Family Shelter Administration and Support

This program consists of the administrative and support functions of the family shelter system.

	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Spending				
Personal Services	\$5,623,037	\$5,725,938	\$5,889,933	\$6,032,932
Total	\$5,623,037	\$5,725,938	\$5,889,933	\$6,032,932
Funding				
City	NA	\$1,719,740	\$1,883,735	\$2,026,734
State	NA	\$1,265,391	\$1,265,391	\$1,265,391
Federal - Other	NA	\$2,740,807	\$2,740,807	\$2,740,807
Total	NA	\$5,725,938	\$5,889,933	\$6,032,932
Headcount				
Full-time Positions	86	106	106	106

As indicated in the chart above, the program budget for Family Shelter administration and support is comprised of Personal Service costs. Between the Fiscal 2010 Preliminary Budget and the Fiscal 2010 Executive Budget, spending for Family Shelter administration and support increased slightly by approximately \$143,000 or two percent. The majority of the increase in this area is due to an increase in spending on collective bargaining.

Family Shelter Intake and Placement

DHS operates two intake centers for families: the Prevention Assistance and Temporary Housing (Path) Office for families with children and the Adult Family Intake Center (AFIC) for adult families without children. Unlike single adults who have a legal right to shelter, homeless families must apply for shelter. DHS conducts investigations of each homeless family to determine if they are eligible for shelter. These eligibility investigations are completed within 10 days of a family's arrival at family intake. During the investigation, families are provided with a temporary shelter placement. Upon completion of the eligibility investigations, eligible families are provided with permanent shelter placements, while ineligible families are required to leave the shelter system, although they have the option to re-apply for shelter.

	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Spending				
Personal Services	\$23,448,310	\$23,971,356	\$25,672,044	\$25,880,498
Total	\$23,448,310	\$23,971,356	\$25,672,044	\$25,880,498
Funding				
City	NA	\$7,902,445	\$9,603,133	\$9,811,587
State	NA	\$4,043,264	\$4,043,264	\$4,043,264
Federal - Other	NA	\$12,025,647	\$12,025,647	\$12,025,647
Total	NA	\$23,971,356	\$25,672,044	\$25,880,498
Headcount				
Full-time Positions	490	530	530	530

Family Shelter Operations

The Family Shelter system is comprised of 169 facilities that operate 10,192 units of shelter. Contracted providers operate the vast majority of these facilities. The Family Shelter system is split into two parts: families with children and adult families without children.

	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Spending				
Personal Services	\$10,926,430	\$12,132,204	\$11,634,777	\$11,690,879
Other than Personal Services	\$368,819,840	\$310,981,241	\$277,826,918	\$325,159,702
Total	\$379,746,271	\$323,113,445	\$289,461,695	\$336,850,581
Funding				
City	NA	\$125,088,348	\$112,351,446	\$131,146,288
State	NA	\$97,986,534	\$87,000,365	\$100,345,502
Federal - CDBG	NA	\$4,000,000	\$4,000,000	\$4,000,000
Federal - Other	NA	\$94,038,563	\$84,109,884	\$99,358,791
Intra-City	NA	\$2,000,000	\$2,000,000	\$2,000,000
Total	NA	\$323,113,445	\$289,461,695	\$336,850,581
Headcount				
Full-time Positions	207	280	263	263

Between the Fiscal 2010 Preliminary Budget and the Fiscal 2010 Executive Budget, spending for Family Shelter Operations increased by \$47 million or 16 percent. The majority of the increase is a \$50 million re-estimate for capacity in family shelter operations.

The Elimination of Recreation Staff in Shelter Contracts

In the Fiscal 2010 Preliminary Budget, DHS proposed a savings of \$2.4 million (CTL) and \$1.6 million in State and Federal funds in Fiscal 2010 and in the outyears by no longer providing funding to providers for contracted recreation staff, which play a critical role in the lives of families and children by providing strengthening the socialization and communication skills of children and families with coping tools and activities in family shelters.

Graduated Payment System (GPS)

In the November Financial Plan, DHS proposed a savings of \$5.4 million in City tax-levy funds for Fiscal 2010 and in the outyears, with the implementation of a graduated payment system for family shelters. DHS propose to incentivize permanent housing placements for families in shelter. By increasing provider base payments by ten percent for families in shelter who are placed within six months and by reducing provider base payments by 20 percent for families who remain in shelter for longer than six months, DHS claims that client responsibility would increase, provider accountability would be enhanced, and aftercare services to prevent shelter re-entry and promote permanent housing would be guaranteed.

Client Contribution for Working Families

Based on a 1997 State regulation that has not been enforced by the City until now, families with earned income will now be required to contribute to shelter cost. In the November Financial Plan, DHS anticipated collecting \$1.3 million Fiscal 2010 and in the outyears. The family contribution will be determined by HRA based on public assistance regulations, and clients will have the opportunity to contest their contribution requirement through a fair hearing with New York State. Families will be expected to make arrangements with providers regarding the collection of their contribution. Final

decisions have not been made as to what the penalty will be for families that do not comply with the new contribution rule. DHS says that it is currently engaged in discussions regarding this policy.

General Administration

This program consists of several administrative functions of the Department including the Commissioner's office, the budget office, and the policy and planning unit. It also includes the Bureau of Repair and Maintenance, which is responsible for reviewing and evaluating the physical condition of shelters, and handles upgrades of DHS-operated facilities.

	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Spending				
Personal Services	\$43,025,675	\$43,853,281	\$36,331,713	\$32,765,260
Other than Personal Services	\$19,051,250	\$15,969,856	\$14,790,038	\$14,832,657
Total	\$62,076,925	\$59,823,137	\$51,121,751	\$47,597,917
Funding				
City	NA	\$30,545,078	\$22,853,178	\$19,173,014
State	NA	\$16,026,012	\$15,531,993	\$15,618,146
Federal - Other	NA	\$13,252,047	\$12,736,580	\$12,806,757
Total	NA	\$59,823,137	\$51,121,751	\$47,597,917
Headcount				
Full-time Positions	619	600	335	230

Between the Fiscal 2010 Preliminary Budget and the Fiscal 2010 Executive Budget spending for General Administration decreased by \$3.5 million, or 6.9 percent. Headcount also reduced by an additional 105 positions.

Agency-wide Personnel Reductions

In the Fiscal 2010 Executive Budget, DHS proposes a savings of \$4.8 million in Fiscal 2010 and \$5.7 million in Fiscal 2011 and in the outyears from an agency-wide personnel reduction of 88 positions, and a savings of \$816,000 in Fiscal 2010 and 2011, and \$1.7 million in Fiscal 2012 and 2013 thru staff attrition of 17 positions.

Hotel Staff Reductions

DHS will no longer have direct social service staff in commercial hotels that house homeless families. The majority of hotel sites will now provide their own social service staff to assist families. This action will eliminate 20 social staff positions for a savings of \$1.1 million in City tax-levy funding in Fiscal 2010 and in the outyears.

Community Assistant Reductions

In the Fiscal 2010 Preliminary Budget, DHS proposed to reorganize staff functions at directly operated shelters, intake sites, and in the central office to achieve efficiencies. This would result in the elimination of 174 positions and generate savings of \$1.9 million in Fiscal 2010 and \$4.4 million in Fiscal 2011 and in the outyears.

Fleet Reduction

Embracing an alternative savings proposal made by the City Council, OMB included in the November Plan lump sum reductions in City funds associated with a citywide fleet reduction. These lump sum

reductions included \$20 million in Fiscal 2010 associated with the purchase of fewer vehicles, and \$2 million annually beginning in Fiscal 2011 associated with lowered vehicle maintenance costs. The Executive Plan now zeroes out this lump sum figure and apportions the savings throughout the City's many agencies. For the [agency name], the Executive Plan shows a fleet reduction savings of \$ 60,000 in Fiscal 2010 and 2011 and a vehicle maintenance savings of \$9,610 in Fiscal 2012 and 2013. This action would reduce the agency's fleet by ten vehicles.

Health and Human Services Connect (HHS-Connect)

In Mayor Bloomberg's March 24, 2008 press release, he announced the creation of HHS-Connect, a system that would allow sharing of client information among City health and human service agencies. HHS-Connect will link more than a dozen City agencies so that caseworkers are able to share client information without compromising confidentiality. Clients will only need to provide their personal and other pertinent information one time to be included in a virtual integrated case file which they will be able to access and update online. Additional information, relevant only to specific agencies, is collected on an as-needed basis. The Fiscal 2010 Executive Budget reflects an increase of \$70,000 in Fiscal 2010 and \$54,000 in Fiscal 2011 and in the outyears for HHS-Connect costs in DHS.

Outreach, Drop-in and Reception Services

The Department's outreach programs target individuals who appear to be living in public spaces. Since these homeless individuals often resist participating in service programs, the key objective of outreach is to persuade them to leave spaces where they are at risk and access services. The City-operated outreach programs work with a network of shelters, drop-in centers, reception centers, faith-based shelters, soup kitchens and pantries. DHS operates a citywide outreach team and contracts for services in all five boroughs. The outreach programs currently operate 24 hours a day and include clinical and social work staff. However, DHS is in the process of reforming the structure of its drop-in centers by reducing the number of centers from eleven to five, with one center in each Queens and Brooklyn, two in Manhattan, and one in the Bronx.

	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Spending				
Personal Services	\$718,049	\$790,328	\$812,433	\$844,263
Other than Personal Services	\$27,202,983	\$16,590,072	\$19,268,299	\$19,845,579
Total	\$27,921,031	\$17,380,400	\$20,080,732	\$20,689,842
Funding				
City	NA	\$7,166,553	\$7,866,885	\$7,573,715
State	NA	\$10,213,847	\$12,213,847	\$12,513,847
Federal - CDBG	NA	\$0	\$0	\$553,000
Intra-City	NA	\$0	\$0	\$49,280
Total	NA	\$17,380,400	\$20,080,732	\$20,689,842
Headcount				
Full-time Positions	9	18	18	18

Spending for outreach, drop-in and reception services increased slightly between the Fiscal 2010 Preliminary Budget and the Fiscal 2010 Executive Budget.

The agency released an RFP on December 12, 2008 with the intent of reducing the current drop-in center model from a 24-hour a day, seven days per week operation to a day-only operation, operating

between the hours of 7:30 am and 8:30 pm, five days a week. However, three drop-in centers will continue to operate on the 24-hour seven day per week model. The locations are, the Living Room, which is federally funded and located in the Bronx, Main Chance, located in Manhattan, and The Open Door, also located in Manhattan, which DHS will only fund until March of 2010. DHS will procure three drop-in centers that will operate on 13-hour, seven days per week model, which include: Project Hospitality, which is located in Staten Island; CAMBA, which is located in Brooklyn; and Urban Pathways located in Manhattan.

Two drop-in centers that serve special needs populations, John Heuss House which serves the mentally ill, and Peter's Place, which serve the aging, did not apply for the new RFP and their contracts will expire on June 30, 2009. However, DHS says that it is confident that the needs of the elderly will be served well through the new drop-in center model and says that it has taken several measures, in partnership with the Department for the Aging (DFTA), to ensure that drop-in center staff will be trained on the needs of the elderly population and how to connect them to appropriate senior services.

Prevention and Aftercare

Started in September 2004, HomeBase is the Department's major homelessness prevention program. It began operating in six, high-need communities and expanded Citywide in Fiscal 2008. HomeBase offers a range of services to its clients including job training, assistance with legal action, housing relocation, and financial assistance for the payment of rent arrears. Additionally, it provides aftercare services to clients that have left the shelter system for permanent housing.

	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Spending				
Personal Services	\$162,126	\$0	\$3,996	\$21,446
Other than Personal Services	\$20,469,999	\$21,055,644	\$15,112,121	\$13,290,121
Total	\$20,632,125	\$21,055,644	\$15,116,117	\$13,311,567
Funding				
City	NA	\$10,810,337	\$2,095,885	\$4,991,335
State	NA	\$2,077,286	\$3,002,261	\$3,002,261
Federal - Other	NA	\$8,168,021	\$10,017,971	\$5,317,971
Total	NA	\$21,055,644	\$15,116,117	\$13,311,567
Headcount				
Full-time Positions	8	0	0	0

Spending for Prevention and Aftercare services decreased by \$1.8 million or eleven percent between the Fiscal 2010 Preliminary Budget and the Fiscal 2010 Executive Budget. The majority of the decrease is a reduction in spending for the HomeBase homeless prevention program.

In the Fiscal 2010 Preliminary Budget, DHS proposed a savings of \$5.1 million in Fiscal 2010 and in the outyears from a reduction in spending on HomeBase. Further reductions of \$1.8 million in Fiscal 2010 and \$3.3 million in Fiscal 2011 are reflected in the Executive Budget. However, as part of the American Recovery and Reinvestment Act (ARRA) of 2009, the City is anticipating approximately \$74 million from a Homeless Prevention and Rapid Re-housing (HPRP) stimulus grant. These funds are currently not reflected in DHS' budget. However, the agency has stated that it will use a portion of this funding to restore the reduction of funding to the HomeBase program and that there will be no impact on services this period.

Rental Assistance and Housing Placement

Prior to 2004, the Emergency Assistance Re-housing Program (EARP) provided bonuses to landlords so that they would rent apartments to homeless families using Section 8 vouchers. This was the Department's primary permanent housing program. However, EARP was terminated in December 2004 because the Administration believed that the program incentivized use of the shelter system. To replace EARP, DHS created a time-limited rental subsidy for families in the shelter system known as Housing Stability Plus (HSP). Families that had been in the shelter system for at least 90 days, and were receiving public assistance, were eligible to receive this aid. In April 2007, DHS announced that HSP would be replaced by Advantage New York, a new rental subsidy program that places a greater emphasis on self-sufficiency.

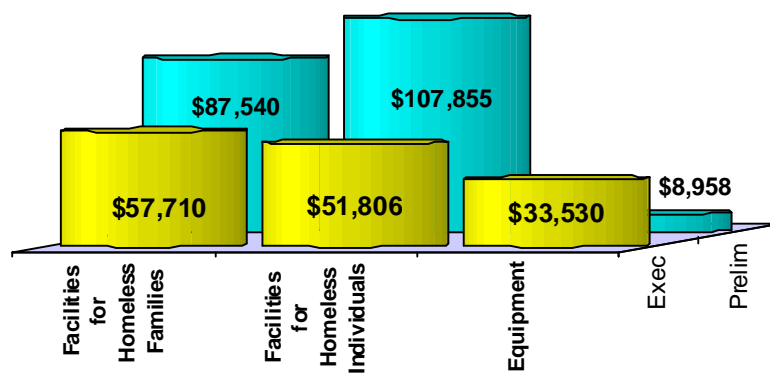
	2008 Actual Expenses	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget
Spending				
Personal Services	\$3,027,184	\$4,461,960	\$4,539,363	\$4,608,840
Other than Personal Services	\$40,721,180	\$79,160,306	\$30,137,532	\$105,552,711
Total	\$43,748,364	\$83,622,266	\$34,676,895	\$110,161,551
Funding				
City	NA	\$15,475,937	\$20,923,746	\$21,169,731
State	NA	\$10,401,256	\$10,505,021	\$10,507,789
Federal - Other	NA	\$3,248,128	\$3,248,128	\$3,251,291
Intra-City	NA	\$54,496,945	\$0	\$75,232,740
Total	NA	\$83,622,266	\$34,676,895	\$110,161,551
Headcount				
Full-time Positions	45	96	96	96

Funding for Rental Assistance and Housing Placement has increased significantly by \$75.5 million or 218 percent between the Fiscal 2010 Preliminary Budget and the Fiscal 2010 Executive Budget. The increase is the result of a \$75.2 million intra-city transfer of funds from the Human Resources Administration (HRA) to DHS for Advantage New York program contracts.

Executive Ten-Year Capital Strategy, 2010-2019

The focus of the Department of Homeless Services' Ten-Year Capital Plan continues to be the maintenance and development of transitional housing for homeless families and single adults. The agency's Ten-Year Executive Capital Plan decreased by \$61.4 million, or 30 percent, from the Preliminary Capital Plan of \$204.4 million. As indicated in the adjacent chart titled Capital Commitments by Program Area, \$109.5 million, or 77 percent, of the total plan amount is for the rehabilitation and development of transitional housing for homeless individuals (\$51.8 million) and homeless families (\$57.7 million), and the remaining \$33.5 million, or 23 percent is for social service buildings, Management Information Systems (MIS) and equipment.

Department of Homeless Services Ten Year Capital Plan Preliminary FY10 vs. Executive FY10



Executive Capital Commitment Plan, 2009-2013

The agency maintains this funding structure in the May 2009 Capital Commitment Plan for Fiscal 2010-2013. DHS's Fiscal 2010 Executive Capital Commitment Plan includes \$167.2 million, which is an increase of \$33.5 million, or 25 percent, from the Fiscal 2010 Preliminary Capital Commitment Plan. The agency has approximately \$48.9 million, or 29 percent, planned for the rehabilitation and development of transitional housing for homeless individuals, \$71.1 million, or 43 percent, planned for rehabilitation and development of transitional housing for homeless families and approximately \$47 million, or 28 percent, planned for social service buildings, MIS, and equipment.

Building code compliance, fire safety, and exterior building stabilization continue to be major priorities of DHS. Major projects at facilities for homeless families include the construction of a new intake center in the Bronx for families with children, renovations at a Brooklyn Help 1 family residence site, and an exterior building upgrade at the Nelson Avenue Shelter. The following are highlights of major family facility projects included in the Fiscal 2010 Capital Commitment Plan:

- \$25.2 million is included in the Fiscal 2010 Executive Capital Commitment Plan, which is a \$10 million increase from the Fiscal 2010 Preliminary Capital Commitment Plan, for the New Family Intake Center. The full cost of this project is approximately \$66.5 million, and center is being built at the 151 East 151st Street in the Bronx and is scheduled for completion in August of 2010;
- \$5.5 million is planned for renovations at the Help1 Family Residence located at 515 Blake Avenue in Brooklyn. These renovations include corrective work to the courtyard and playground. This part of the renovation is currently in the design procurement phase. The design of this project is scheduled in April of this year and be completed in October of 2010;

- \$6.1 million is planned for the Nelson Avenue exterior building upgrade and fire system. The building exterior building upgrade is currently in the design phase. Is estimated for completion in March 2010;

Capital projects at facilities for homeless single adults include building upgrades at the Kingsboro, Charles Gay, a Brooklyn Drop-in Center and the New Willow Ave facilities. The following are highlights of major family facility projects included in the Fiscal 2010 Capital Commitment Plan:

- \$2.5 million remains in the plan for building upgrades for the Kingsboro facility located at 681 Clarkson Ave. However, this project is going to be cancelled (not just pushed out to Fiscal 2013), due to cuts in DHS' capital budget. This project was previously on hold because of the need to resolve ownership issues which would take approximately two years. No design work can not begun until the ownership issue was resolved;
- \$3.1 million planned for fire safety and building upgrades at the Charles Gay shelter on Ward Island in the Fiscal 2010 Preliminary Commitment Plan has been decreased to \$1.1 million in the Fiscal 2010 Executive Capital Commitment Plan;
- \$1.6 million is included in the plan for the Willow Avenue building upgrade that is currently in the design compliance phase and is estimated for completion in April 2011.

Major MIS initiatives include continued expansion of DHS' computer network to directly link operated and contracted sites. The computer network expansion will provide access to the new Client Tracking System database which will enhance shelter management, reporting and interagency data sharing, and the implementation of a digital telephone system. The following are:

- \$29.9 million is included in the Fiscal 2010 Executive Capital Commitment Plan, which is a \$18.3 million increase from the Fiscal 2010 Preliminary Capital Commitment Plan for Softscape, a major database application planned for development at DHS, however, since this project was proven not to fit the their requirements, DHS reinvested the funds into building a citywide enterprise data system implementation of an integrated platform solution to support DHS's major five year plan initiative for prevention, adults, outreach and client tracking system;
- DHS is still planning to update and enhance its network infrastructure with equipment and software that will support the increasing number of existing and developing applications (including a new Client Tracking System for adults and families). DHS is also planning to procure equipment (storage, servers, etc.) for current and future management information system projects.

Supplemental Tables

Executive Budget Actions

The following table summarizes changes to the Fiscal 2009 and 2010 budgets since the Preliminary Budget. The Non-City actions include State, Federal, Other Categorical, Intra-City and Capital Inter-Fund Agreement (IFA) funding changes.

Description	Fiscal 2009			Fiscal 2010		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as per the January Plan	\$332,088	\$512,051	\$844,139	\$275,852	\$372,193	\$648,045
Executive Plan Programs to Eliminate the Gap (PEGs)						
Agencywide Personnel Reduction		\$0	\$0	(\$4,804)		(\$4,804)
Capital Eligible Renovation Expenditures	\$0	\$0	\$0	(\$2,599)	(\$1,401)	(\$4,000)
Federal Funds for HomeBase Prevention Program	\$0	\$0	\$0	(\$1,822)		(\$1,822)
Fleet Reduction	\$0	\$0	\$0	(\$60)		(\$60)
Shelter Provider Administrative & Security Savings	\$0	\$0	\$0	-		\$0
Staff Attrition Savings	\$0	\$0	\$0	(\$816)		(\$816)
Street Solutions	\$0	\$0	\$0	(\$1,000)		(\$1,000)
Total PEGs	\$0	\$0	\$0	(\$11,101)	(\$1,401)	(\$12,502)
Executive Plan New Needs						
Family Capacity Re-Estimate	\$0	\$0	\$0	\$24,697	\$25,301	\$49,998
Total New Needs	\$0	\$0	\$0	\$24,697	\$25,301	\$49,998
Executive Plan Other Adjustments						
Add Revenue to Home Base	-	\$700	\$700	-		\$0
Advantage IC Adult & Adult Families	-	\$17,693	\$17,693	-	\$75,233	\$75,233
Advantage Intra City	-		\$0	-		\$0
Agency Personnel & Headcount Reduction-Fringe Adjustment	-		\$0	\$383		\$383
Cd Stimulus Funding	-		\$0	-	\$6,242	\$6,242
Collective Bargaining	\$1,298		\$1,298	\$2,233		\$2,233
ESG funds for OTPS		\$577	\$577	-		\$0
Heat, Light,	(\$1,038)		(\$1,038)	\$285		\$285
Fuel	(\$300)		(\$300)	(\$379)		(\$379)
HHS Connect Cost Allocation	\$14		\$14	\$70	\$29	\$99
IC w/ DHS		\$29	\$29	0		\$0
Intracity rev Adjustment	\$9,045		\$9,045	\$9,045		\$9,045
Lease Adjustment	-		\$0	\$146	\$156	\$302
Move Funds from other to SRO	-	\$550	\$550	-		\$0
Safe Haven FY09		\$257	\$257	-		\$0
State Budget Reduction-Adult Shelter Cap	\$2,723	(\$2,723)	(\$0)	\$1,882	(\$7,571)	(\$5,689)
To Fund and Mod # of Positions	-	\$192	\$192	-		\$0
Vacancy Reduction-Fringe	-		\$0	\$227		\$227
Total Other Adjustments	\$11,741	\$17,275	\$29,017	\$13,892	\$74,089	\$87,981
Total Executive Plan Budget Changes	\$11,741	\$17,275	\$29,017	\$27,488	\$97,989	\$125,477
Agency Budget as per the Executive Plan	\$343,829	\$529,326	\$873,156	\$303,340	\$470,182	\$773,522

Summary of Changes Since June 2009 Plan

City Funds only, \$\$ 000's

	2009	2010	2011	2012	2013
June 2009 Plan	\$311,914	\$305,668	\$305,668	\$305,668	\$305,668
New Needs	\$24,974	\$24,697	\$24,697	\$24,697	\$24,697
Collective Bargaining	\$4,363	\$7,297	\$7,640	\$7,640	\$7,640
Other Adjustments	\$10,444	\$13,025	\$20,251	\$20,502	\$21,428
PEG	(\$7,865)	(\$46,344)	(\$46,206)	(\$46,287)	(\$31,220)
Exec 2010 Plan	\$343,829	\$303,341	\$311,873	\$312,219	\$312,265

Units of Appropriation

U/A#	U/A Name	2009 Adopted Budget	2010 Preliminary Budget	2010 Executive Budget	Percent Change from 2009 Adoption
100	Dept. of Homeless Services-PS	\$115,150,755	\$119,873,004	\$116,987,337	\$114,210,309
	Total PS	\$115,150,755	\$119,873,004	\$116,987,337	\$114,210,309
200	Dept. of Homeless Services-OTPS	\$670,382,249	\$636,817,426	\$531,057,709	\$659,312,903
	Total OTPS	\$670,382,249	\$636,817,426	\$531,057,709	\$659,312,903
	Total Agency	\$785,533,004	\$756,690,430	\$648,045,046	\$773,523,212