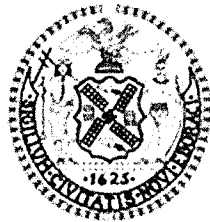




**Administration for
Children's Services**



Gladys Carrión, Commissioner
Testimony to the New York City Council
Committees on General Welfare, Juvenile Justice, and Women's Issues
May 12, 2016

"New York City Council Fiscal Year 2017 Executive Budget Hearing"

Good afternoon Chairs Ferreras, Cumbo, Levin, and Cabrera and members of the Finance, Women's Issues, General Welfare, and Juvenile Justice Committees. I am Gladys Carrión, the Commissioner of the Administration for Children's Services, and with me today is Susan Nuccio, our Deputy Commissioner for Financial Services and Jill Krauss, Deputy Commissioner for Communications and Community Affairs. Thank you for the opportunity to update you on our 2017 Executive Budget and to address the improvements that ACS is making to our systems, for our providers, and most importantly for the children and families that we serve.

For the past 20 years, ACS' has been working to promote the safety, permanency and well-being of New York City's children. The families who come to our attention are among the most challenged and most vulnerable in New York City. Including this year's proposed additions, the de Blasio Administration has added over \$160 million to ACS in the past two years to help us strengthen our work. We are adding 829 new staff positions, and are able to maintain historically low child protective caseloads. This past January, in partnership with the CUNY School of Professional Studies, ACS launched a state-of-the art Workforce Institute that will train and support New York City's entire frontline child welfare workforce.

As part of the Mayoral commitment, I'm happy to share that this plan proposes 106 staff and \$30 million that increases to \$66 million over the next three years, to support children and families. To implement a new primary prevention approach to reach families before they are in crisis, expand preventive services for high risk families, reduce the likelihood of children returning to foster care, and increase the availability of skilled clinical consultation services, we are investing \$19 million new dollars in FY 17, which will grow to over \$53 million by FY 19. To

fund increases in the subsidies for foster care, KinGAP and adoptive parents, as well special payments for youth in foster care, and discharge grants for youth leaving foster care, we are adding over \$10 million. And, for the first time, the City is making an extraordinary commitment to young people in foster care who want to attend college: over 200 young people will be able to afford college through a partnership with CUNY that adds \$1.4 million in FY17, growing to 2.7 million to support the housing, daily living and tuition expenses for foster youth who attend CUNY schools.

Budget Overview

Children's Services' budget for the 2017 Executive Financial plan provides for operating expenses of \$2.98 billion, of which approximately \$901 million is city tax levy. Last year's Adopted 2016 budget was \$2.95 billion. The difference of \$33 million is primarily due to new need funding that enhances services for children and families throughout New York City. Like all agencies across the City, ACS has been asked to identify efficiencies in our budget, and we are able to do so through three main initiatives: the first is savings from consolidating juvenile detention operations that will save \$5 million by FY18; the second is through an agency wide vacancy reduction of 250 headcount that will lead to a \$4 million city savings; the third is a foster care re-estimate for \$4 million funds which is due to an anticipated reduction in the foster care census. These savings will be reinvested to fund enhanced child welfare services. I'm pleased to say that these savings will in no way impact services to families.

Wage Adjustment

As a result of the human services wage adjustment initiative announced in the FY2016 Executive budget, ACS and other city agencies were able to increase wages for more than

50,000 employees of human service providers under contract with the City. A total of 400 ACS child care, child welfare, and juvenile justice contracts were eligible for the wage adjustment. Eligible employees will receive a wage increase of either 2.5% or up to \$11.50 per hour, whichever results in the higher wage. As announced in the Preliminary budget, this will be followed by the phase-in of an additional increase to a minimum of \$15 per hour by FY 2019.

Child Welfare Programs

The FY2017 Executive Budget proposes substantial resources to bolster our ability to support children and families. These funds will allow us to undertake a robust expansion of our preventive services and provide additional financial supports for youth in foster care and the families that care for them.

Families are strongest when they are connected to and supported by their communities. As the number of children in foster care continues to decline, we are increasing investments in a number of preventive services so that more children can be cared for safely by their families, in their communities without having to enter foster care. Using a public health approach for preventing child maltreatment, this year's budget allows us to implement a new primary prevention initiative that is designed to reach families *before* they come to the attention of the child welfare system. ACS will establish three Family Enrichment Centers - accessible, "storefront" centers that will offer a welcoming and supportive environment to walk-in families. The centers will connect families to services and supports in child development, housing, parenting skills, and health. We are proud to partner with the federal Consumer Financial Protection Bureau to bring financial literacy education as part of this initiative.

In addition to offering primary prevention services to decrease the need for ACS involvement, we are also expanding preventive services for our highest risk families. When fully implemented, \$31 million will support 2,350 new preventive slots. The new slots will include a combination of expanding existing preventive contracts and an RFP for additional services in FY 2018. In addition, ACS has long recognized that families who are reunited with their children need additional strong support to ensure stability and success during the transition from foster care back to home. By FY 18, we will add a total of \$8 million for 580 slots that will support families prior to discharge and continuing after family reunification. We will also add attorney and support staff to help prepare provider agencies for court appearances and to reduce the caseloads of our Family Court attorneys.

Foster Care

We celebrate National Foster Care Month this May with some terrific news about increasing funding throughout our system. Starting in 2017, we will be able to support youth in foster care to attend CUNY, increase the stipend paid to foster parents, double special payments for youth in care, and reinstitute the discharge grant for youth leaving foster.

Building pathways for success for our youth transitioning out of foster care is a major priority, and we are committed to supporting more young people as they attend and succeed in college. Beginning in FY 2017, ACS will provide financial assistance for up to 50 youth, growing to 200 by FY 2019, in care who attend CUNY schools to help support their tuition, living, and housing expenses each year and connect them to academic and other supportive services to help them succeed.

ACS will also invest \$10.2 million to increase the stipend and subsidy we pay to foster and adoptive parents, and Kinship Guardianship caregivers by 5%. We are also increasing supports for young people in two ways: The first is to enhance the “special payment” allowance that foster care providers offer to support the needs of children in foster care – anything from car seats to graduation attire, summer camp tuition, tutoring, and music or dance lessons. ACS is doubling the special payment from \$175 per child to \$350 per child. Second, youth aging out of foster care will receive discharge grants of \$1,000 to help them transition to independent living.

ACS will also invest \$3 million in FY17 (increasing to \$6.1 million in FY18) to expand our Clinical Consultation program, which pairs experienced clinicians with expertise in mental health, domestic violence, and other areas to support child protection staff, and to help families understand their challenges and navigate services. The FY 17 budget allows ACS to extend these clinical consultations to our staff at the Children’s Center and to our preventive and foster care and provider agencies as well. It will also bring more resources to address substance abuse and the needs of families with young children.

Last week, the DOI released a report regarding our child welfare work in three particular cases. While no three cases represent the 55,000 investigations we conduct each year, we take the responsibility to address case practice gaps very seriously and are committed to continuous improvement. This administration’s unprecedented investment in ACS has dramatically improved our ability to keep children safe and well. The additional investments of the plan brings the total FY 2017 commitment to support and enhance child welfare services to \$87 million in total funds (\$37 million in City funds), growing to \$122 million in total funds (\$52 million in City funds) by FY 2019.

This includes the creation of the Workforce Institute, a partnership with CUNY that created our state-of-the-art professional development institute. The institute has trained over 1,500 staff so far and will train 5,000 frontline staff in the skills they need to best serve children and families. In partnership with the CUNY School of Professional Studies, the Workforce Institute focuses on core competencies for child welfare and juvenile justice workers, such as analytic thinking, interviewing and investigation skills, and critical interpersonal skills of empathy, adaptability and advocacy. The Institute also teaches our supervisory staff ways to more effectively coach and support their teams. We now provide learning programs for thousands of staff employed by ACS and by our more than 75 provider agencies in the child welfare and juvenile justice sectors, and have already trained over 1,500 staff so far.

Juvenile Justice

Since 2012, the number of justice involved youth who require confinement has decreased dramatically. Our secure detention average daily population has declined by 54% from 188 in December 2012 to 87 youth in April 2016, while non-secure detention has seen a decline of 55% from 137 to 62 youth during the same timeframe. Our preventive providers, sister City agencies, and the City Council should be applauded for helping to bring about this tremendous reduction. As a result of the decline, ACS was able to close one of our NSD operations at the Beach Avenue non-secure detention facility in the Bronx on March 31, 2016. We reduced personnel without a single staff layoff, but rather by redeploying staff to other open positions and through attrition. Closing the Beach Avenue facility creates \$1.3 million city savings in the FY 17 budget.

Both of our secure detention facilities, Horizon in the Bronx and Crossroads in Brooklyn, are in need of substantial repairs. The declining population at each facility makes this an opportune moment to undertake these much needed facility renovations and consolidate operations into a single facility. Beginning this spring, the NYC Department of Design and Construction is assessing both existing facilities to determine what renovations are needed at each and make recommendations for consolidation into a single facility.

As the Council is aware, Department of Investigation released a report about a June 2015 Close to Home incident in which three youth escaped from a non-secure placement residence and perpetrated a horrifying assault. In response, ACS took immediate and decisive action. We closed the site in question and determined that the provider would cease all Close to Home operations. In the year since, NYPD crime prevention officers have assessed safety and security at all 27 of our Close to Home sites and we have substantially increased the number of site visits we conduct. ACS retained a nationally recognized expert in juvenile justice quality assurance to implement Performance Based Standards (PbS), a comprehensive system that has been adopted by 200 programs in over 30 states across the country.

As we testified in March, the Administration added close to \$4 million to our Close to Home budget, which will allow ACS to hire 35 new positions across the agency. The additional staff will improve our ability to respond to critical incidents, monitor provider agencies, continue the steep downward trend of AWOL incidents, and develop a data-driven approach to inspecting and evaluating programs.

Early Care and Education

This time last year the Administration announced a set of reforms in support of *EarlyLearn* programs geared toward improving the financial stability of providers, making services more affordable, better compensating the workforce, and ensuring safe and healthy learning environments. In addition to the 2.5% Cost of Living Adjustment and \$11.50 minimum wage for *EarlyLearn* staff, ACS is transitioning to an expense based reimbursement system. We are also reducing the fee paid by low-income parents whose children receive part-time care and improving our ability to keep facilities safe by adding staff to implement necessary repairs and renovations.

As we testified in March, the Administration is investing \$4.1 million to implement a trauma-informed care model across our *EarlyLearn NYC* system. The investment is made up of three components, all of which are part of the larger ThriveNYC Mental Health Roadmap: ACS will spend \$1.7 million to hire 22 social worker staff to provide support for *EarlyLearn* programs across the City; ACS will dedicate another \$1.6 million to procure an evidence-based trauma-informed model that we will implement in approximately 90 child care programs in the South Bronx and the Brownsville area of Brooklyn that serve particularly high-risk families. Finally, we are allocating \$800,000 of our \$4.1million investment in one-time funding to train early care and education providers in the social and emotional foundations of learning—addressing everything from promoting a positive classroom environment, engaging parents, and helping children cope.

As ACS testified at our Preliminary Budget Hearing, *EarlyLearn* contracts expire in September 2016, at which point we will take advantage of the option to renew contracts for two years through September 2018. We recognize how tirelessly our providers have been working

since *EarlyLearn* began in 2012. We hope that the two-year renewal coupled with the transition to an expensed-based reimbursement system and ongoing wage adjustments help stabilize the system so that our providers can continue to help the City's youngest children learn and grow.

Conclusion

In this very challenging work, there is no magic bullet. But with smarter investments in more effective interventions, we can make sure that more families and children receive the support they need. As I endeavor to continue strengthening the work of ACS, I am also refocusing our work on the strengths and successes of our children, families and communities. I would like to thank our dedicated workforce for their tireless efforts to support the children and families of New York City. I look forward to a continued productive collaboration with the City Council. Thank you for your time this afternoon. I welcome your comments and questions.

**Testimony of Steven Banks, Commissioner
The New York City Department of Social Services**

**Before the New York City Council General Welfare Committee and Finance Committee
HRA Fiscal Year 2017 Executive Budget
May 12, 2016**

I would like to thank the City Council's Finance and General Welfare Committees and Chairs Julissa Ferreras-Copeland and Stephen Levin for giving us this opportunity to testify today about HRA's budget and our continuing work to move forward with reforms of the agency's policies and procedures.

My name is Steven Banks and I am the Commissioner of the New York City Department of Social Services (DSS) and in that capacity I oversee the Human Resources Administration (HRA). Joining me today are our Chief Program Planning and Financial Management Officer Ellen Levine, our Executive Deputy Commissioner for Finance Erin Villari, and Department of Social Services Chief of Staff Jennifer Yeaw.

HRA is the nation's largest social services agency assisting over three million New Yorkers annually through the administration of more than 12 major public benefits programs. The Fiscal Year 2017 budget reflects this Administration's priority of addressing poverty and income inequality. Through policy reforms and changes in procedures we continue to make our programs and services more effective and efficient so that low-income and vulnerable New Yorkers are better served.

With an annual budget of \$9.7 billion, HRA provides assistance and services to three million low-income children and adults. This includes:

- Economic support and social services for families and individuals through the administration of major benefit programs (Cash Assistance, Supplemental Nutritional Assistance Program benefits (food stamps), Medicaid, and Child Support Services);
- Homelessness prevention assistance, educational, vocational and employment services, assistance for persons with disabilities, services for immigrants, civil legal aid, and disaster relief;
- And for the most vulnerable New Yorkers: HIV/AIDS Services, Adult Protective Services, Home Care, and programs for survivors of domestic violence.

On March 15, I testified before the General Welfare Committee concerning the Preliminary Budgets for HRA and the Department of Homeless Services (DHS). That hearing coincided with completion of the 90-day review of homeless services, and on April 11 the Mayor announced significant reforms of the City's programs to prevent and alleviate homelessness. The Executive Budget for HRA reflects the results of the 90-day review as well as further adjustments to the HRA budget as the Executive Budget was finalized. Following this HRA hearing, we will be discussing the DHS budget. For this hearing, I will highlight key HRA program reforms and discuss those specific to the 90-day review of homeless services.

Changes from Jan17 to Exec17 Plan

The HRA budget as of the Executive 2017 Plan is \$9.4 billion (\$7.1 billion City funds) in Fiscal 2016 and \$9.7 billion (\$7.4b City) in Fiscal 2017. The 2017 Plan increases by \$356 million compared to 2016 (\$314 million City funds), primarily as a result of the integration of the administrative management structure of HRA and DHS within the Department of Social Services, as well as the consolidation of prevention and rehousing services in HRA.

The two pie charts in the PowerPoint we have provided to you show in more detail how the HRA budget is allocated in 2016 and 2017 as of the Executive Budget submission.

HRA's Fiscal 2017 Executive Budget includes a combination of savings and repurposed funding and increases to support reforms:

- Increases of \$18.5 million (\$2.5million City funds) in 2016 and \$240 million (149 million City funds) in 2017 are principally related to the implementation of the integrated administrative management structure and homelessness prevention and rehousing initiatives as well funding for additional Adult Protective Services caseworkers, additional transitional jobs related to our employment services reforms, and a re-estimate of Cash Assistance expenditures related to reforms in our State-approved Employment Plan to address unnecessary fair hearings and the new State law reforming the public assistance sanction process.
- Annual Medicaid savings of \$305 million offset the new needs and the restructuring and integration adjustments. This savings is related to increased federal Medicaid reimbursement to the City and the State under the Affordable Care Act.
- Excluding the homeless services reorganization, changes to HRA/DSS headcount in the Executive Budget include:
 - **81** positions for Adult Protective Services (APS) caseworkers and supervisors, and legal and support staff to enhance client services.
 - Repurposing **310** Medicaid funded positions to City lines to provide temporary assistance in SNAP/food stamps offices as re-engineering technology and

business process improvements take hold. The repurposing of these positions also preserves jobs for eligibility staff as the State takeover of Medicaid operations continues to reduce HRA Medicaid responsibilities.

- Converting 55 technology consultant lines to City positions, producing City savings.

Summary: 90-Day Review Recommendations:

As part of the 90-day review, leadership and staff from the Administration, including the Human Resources Administration (HRA), the Department of Homeless Services (DHS) and the Mayor's Office of Operations, assessed the strengths and challenges of the current homeless services system in order to determine ways in which delivery of client services could be more effective and efficient with a clear focus on improving client outcomes.

The review included interviews with a variety of stakeholders. We interviewed more than 400 people, meeting with homeless people in shelters, on the streets and in focus groups; advocates, shelter and homeless services providers, other non-profit organizations, national experts and researchers, former DHS Commissioners, and elected officials; and staff union leadership and managers and staff at DHS, HRA and other City agencies. In all, 24 different government agencies and 60 non-profit providers participated in the review process.

The comprehensive review of New York City's homeless services policies and practices resulted in 46 reform recommendations. The reforms can be categorized under four broad categories: prevention, addressing street homelessness, sheltering, and rehousing.

Funding of \$66 million across both agencies is provided to implement the reforms, which will be offset by \$38 million in savings from integration, consolidation and reorganization of administrative management functions. The review process determined that DHS' scope of activity evolved over the last two decades to encompass multiple services that are also being performed by other agencies, including HRA. The integrated structure will allow DHS and HRA to leverage shared administrative operations to generate efficiencies and improve service delivery.

The \$66 million in City funding for reform investments is allocated between HRA and DHS and includes:

- \$25 million added to the HRA budget (total and City funds) for homelessness prevention and rehousing services consolidated at HRA, including additional aftercare services and funding to convert temporary housing sites into permanent housing through master leases and other innovative models. This will improve client outcomes through streamlined services and improved targeting of clients who would benefit from such programs and services, and will eliminate duplicative programming.

- 153 new positions at HRA include:
 - staff for rehousing, intake and diversion;
 - HRA staff for Homebase; and
 - new initiatives including restored Domestic Violence in-reach programs in shelter, a unified HRA housing command center, and a source of income discrimination unit.

- \$41 million added to the DHS budget for:
 - 110 new positions including staffing for HOME-STAT/Shelter Repair Squad (70) and family shelter oversight (40);
 - funding for street outreach contract enhancements;
 - shelter rate adjustments; and
 - contracting in current non-contract shelter sites.

The \$38 million in savings is generated from the efficiencies resulting from the shared administrative services model. The shared administrative services integration moves funding and positions from DHS to HRA to create the Department of Social Services shared services structure. The integration of functions – including legal, budget and finance, procurement, information technology, human resources, communications and program accountability – will maximize resources and leverage knowledge, skills and experience across the Department to gain efficiencies and realize savings. The \$38 million in savings includes:

- repurposing positions for new program initiatives;
- improved administrative claiming; and
- elimination of ineffective programming and duplicative functions.

Structural Reform:

HRA’s Homelessness Prevention Administration was formed as one of many reform initiatives within HRA and comprises the following units:

- Homeless Diversion Unit
- Rental Assistance Unit
- Landlord Ombudsman Services Unit
- Early Intervention Outreach Team
- Rental Assistance Program
- Legal Services Unit
- Customized Assistance

In order to streamline prevention and rehousing operations, the units focused on these areas that were formerly housed at DHS will be consolidated with units that perform the same

function at HRA. For example, DHS's Homebase prevention unit will join HRA's Homelessness Prevention Administration.

In prior Administrations, HRA had always provided some homelessness prevention services. And understanding from day one that homelessness had become a more significant problem during the years before the change in Administrations following the elimination of the Advantage rental assistance program in the 2011 State budget, the de Blasio Administration consolidated all the HRA homelessness prevention units into the Homelessness Prevention Administration, and then expanded prevention services substantially. Within this operating unit, we restored and expanded rental assistance programs, which are essential to preventing and alleviating homelessness, and we exponentially increased anti-eviction and anti-harassment legal services, which help keep New Yorkers in their homes and preserve affordable housing.

In order to maximize the Administration's rehousing efforts, a unified HRA management structure, based on the recent veterans move out initiative, will focus on finding permanent housing for shelter residents. DHS will focus on improving and managing shelter operations, including the development new types of shelters such as the Gateway and Homestretch models that combine temporary and permanent housing and community space.

And in order to advance accountability for preventing and alleviating homelessness across multiple City agencies, the City is creating an Interagency Homelessness Accountability Council that will report to the Deputy Mayor for Health and Human Services Herminia Palacio.

Prevention:

No price can be put on the human and social costs of homelessness; and the high level of homelessness over the past several years has also had a substantial fiscal impact on the City. However, an ounce of prevention is worth a pound of cure and we will continue to make sure that the tools of government that can prevent and alleviate homelessness are readily available and accessible to those who are in need.

Investment in preventative and restorative services is money well spent. For example, the cost of legal services and rent arrears provided by HRA is much less than the cost of shelter. And these costs do not include other costs that homelessness imposes on adults and children, including the loss of jobs, the loss of social supports that makes them more vulnerable to future crises, the disruption of medical care, and the disruption of children's education.

The 46 reforms from the 90-day review refocus the homeless services system to place an increased emphasis on the role of prevention services and to build on this Administration's

ongoing prevention initiatives – the provision of legal assistance and the payment of rent arrears – that have resulted in a 24% drop in evictions.

Programmatic Reforms:

Homebase:

Homebase plays a critical preventative role, and therefore we are expanding the scope of Homebase as the first point of entry for those at risk of homelessness so that people can be served in their home borough. Further, program management will move from DHS to HRA and we are realigning the roles of HRA staff at Homebase to prevent evictions and provide assistance. This integration will reduce inefficiencies and allow for more seamless and effective client service delivery.

Staff will use data analytics to proactively target prevention services for the most at-risk. There will be expanded onsite processing and triage for HRA benefits, including public assistance and rental assistance and Homebase nonprofit staff will expand their case management services to include family mediation, educational advancement, employment and financial literacy services.

Rental Assistance:

Building on the targeted rental assistance that we have implemented to date, we will expand our targeted rental assistance for at-risk clients to include those with mental health needs cycling between Rikers and homelessness, youth in DYCD shelters before they transition to DHS shelters, and doubled up families with school-aged children.

Collaboration:

As part of the 90-day review, we have asked the State to participate in two task forces with the City to:

- Implement alternatives to avert discharges from state prisons to shelter.
- Implement community-based programs to replace mental health shelters.

We look forward to working with our State partners to address the critical problem of homelessness in our City.

Rehousing:

Finding safe and affordable housing is essential to addressing homelessness. Coordinating rehousing resources in the City under one management structure, making the rental assistance program easier to navigate, enhancing aftercare services, and enforcing housing discrimination

laws will improve shelter move outs and housing stability. This unified HRA management structure, based on the veterans move out initiative, will enhance our shelter move out efforts.

Key components to our rehousing strategy include the following:

- Enhance shelter relocation programs by consolidating and streamlining the LINC, SEPS and City FEPS rental assistance programs.
- Increase enforcement of the source of income discrimination law.
- Streamline the housing placement process to connect homeless clients to HPD-financed units that are available and appropriate for their needs.
- Continue to utilize NYCHA apartments within the annual needs-based allocation for clients on the waiting list who are in DHS and HRA domestic violence shelters.
- Enroll qualified shelter residents on SSI/SSD to increase income and promote rehousing.
- Implement more effective aftercare services.
- Incorporate Continuum of Care strategic planning into homeless strategy development and establish a leadership reporting structure:
- Ask the State to permit use of Medicaid funds for apartment search and shelter relocation services for homeless clients with disabilities and to approve FEPS plan modifications.

Additional Major Executive Budget HRA Initiatives:

Adult Protective Services:

A total of \$6.4 million (\$3.2m CTL) was added for an additional 81 positions to address the increased APS caseload and to enhance client services. This enhancement also addresses the increased caseloads in the contracted Community Guardian program.

Cash Assistance:

There is an \$82m (\$39m CTL) re-estimate of the costs of Cash Assistance benefits, which supports a monthly caseload average of 386,000 in FY17, with the annual unduplicated caseload projected as remaining constant at 500,000 as it has for the past nine years. The monthly caseload also includes one-shot emergency assistance to prevent evictions and utility shutoffs; the unduplicated annual caseload for both ongoing assistance and one-shot emergency assistance is projected as remaining in the 600,000 range where it has been for the past nine years. The total CA budget in FY17 will be \$1.4 billion (\$600m CTL).

Job Center Operations:

\$16.4M and \$10.2M CTL, in a net increase, for the repurposing of 72 positions throughout HRA from the Office of Child Support (OCS) to support Job Center operations as well as funding to

support positions slated to be eliminated as a result of the previous Administration's premature estimate of savings in the out years related to Cash Assistance Re-engineering.

SNAP/Food Stamps:

HRA is repurposing 310 Medicaid positions to support the Supplemental Nutrition Assistance Program (SNAP) operations while technology and business process improvements continue to be phased in. The SNAP initiative reduces Federal and State Medicaid dollars and increases City funds by \$7.7 million in FY17. Funding is also added to support positions slated to be eliminated as a result of the previous Administration's premature estimate of savings related to SNAP Re-engineering. The 310 positions and the additional funding will be phased out by the end FY18 as the Re-engineering implementation is completed.

Subsidized Job Program:

\$4.3m in City funds are added for 300 transitional job slots at the Department of Sanitation as part of HRA's employment services reforms.

AccessNYC:

\$2.7 million is added for Access NYC maintenance and upgrades in order to support upgrades to the on-line benefits portal and mobile technology enhancements.

Public Engagement Unit:

Rental assistance has played a critical role in the Administration's success in enabling 34,943 children and adults in 12,149 households to avert entry into or move out of DHS and HRA shelters. \$2.1 million is allocated for the Public Engagement Unit to continue the public engagement campaign to recruit landlord support for the rental assistance program.

ActionNYC:

\$309,000 is added for Action NYC to support Community Schools Immigration Legal Services and provide services onsite at 25 community schools.

Medicaid Re-estimate: ACA (-\$305M CTL in FY16 and Outyears):

As part of the Affordable Care Act (ACA), the federal government provided an enhanced matching percentage (FMAP) to incentivize states to expand childless adult coverage to 138% of the federal poverty line (FPL). They also rewarded the states who were already covering part of this group with a transitional increase in the FMAP percentage. Since New York State and New York City were already covering childless adults up to 100% of the poverty level, the FMAP for the "previously covered" population increased from 50% to 75% and the ACA also requires

States to share these savings generated by federal increases with localities. This produces \$305.3M in savings for New York City, which accounted for 73% of the State-wide childless adults receiving Medicaid in State Fiscal year 2014.

The last few slides in our Power Point presentation highlight a number of the reforms that we have implemented since our prior testimony. We have accomplished a great deal over the past year. But we know there is much more to accomplish, and we will continue with our reform initiatives during the coming year.

Thank you again for this opportunity to testify and I welcome your questions.

HRA Executive Budget Testimony

Steven Banks, Commissioner

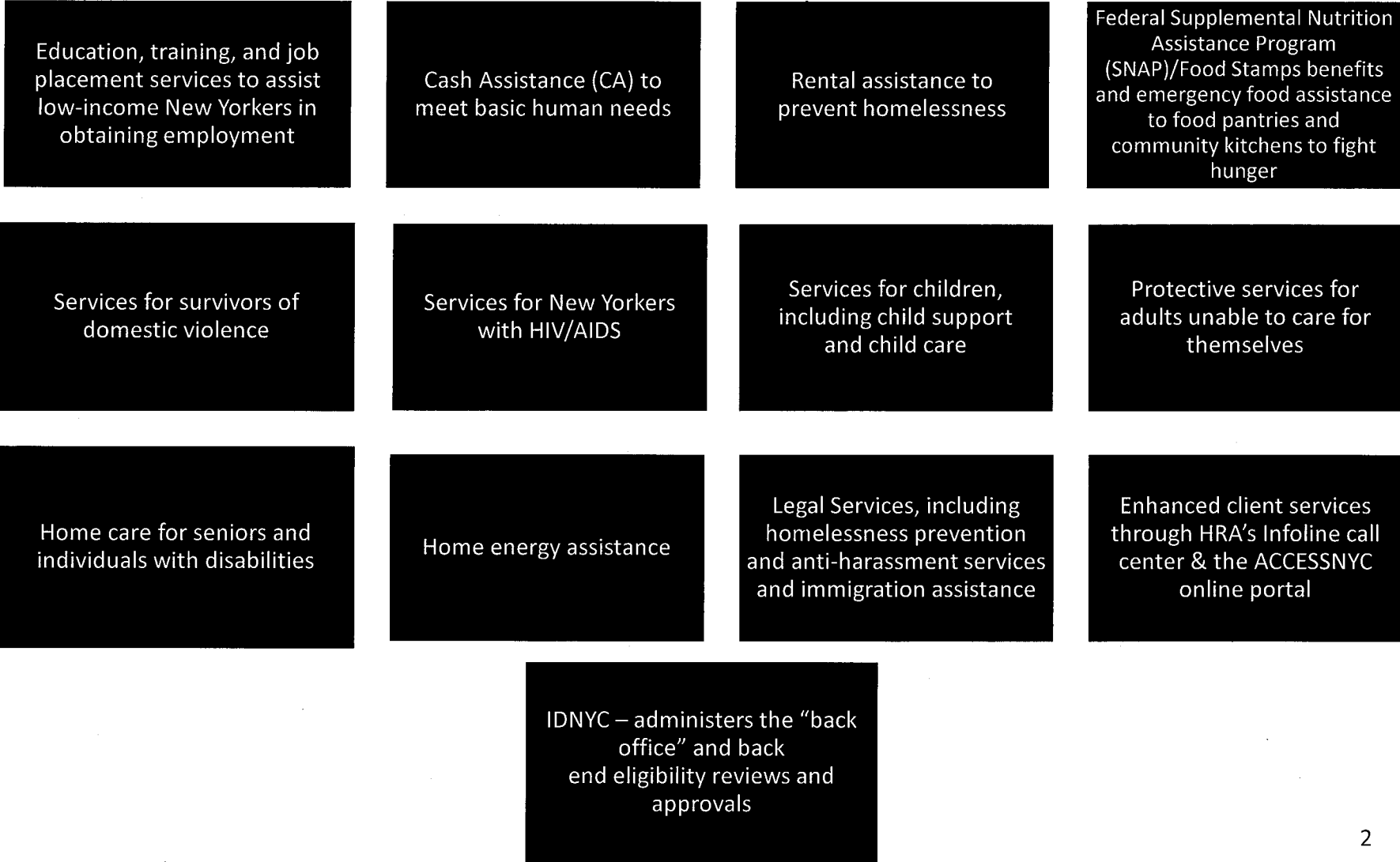
May 12, 2016



**Human Resources
Administration**

Department of
Social Services

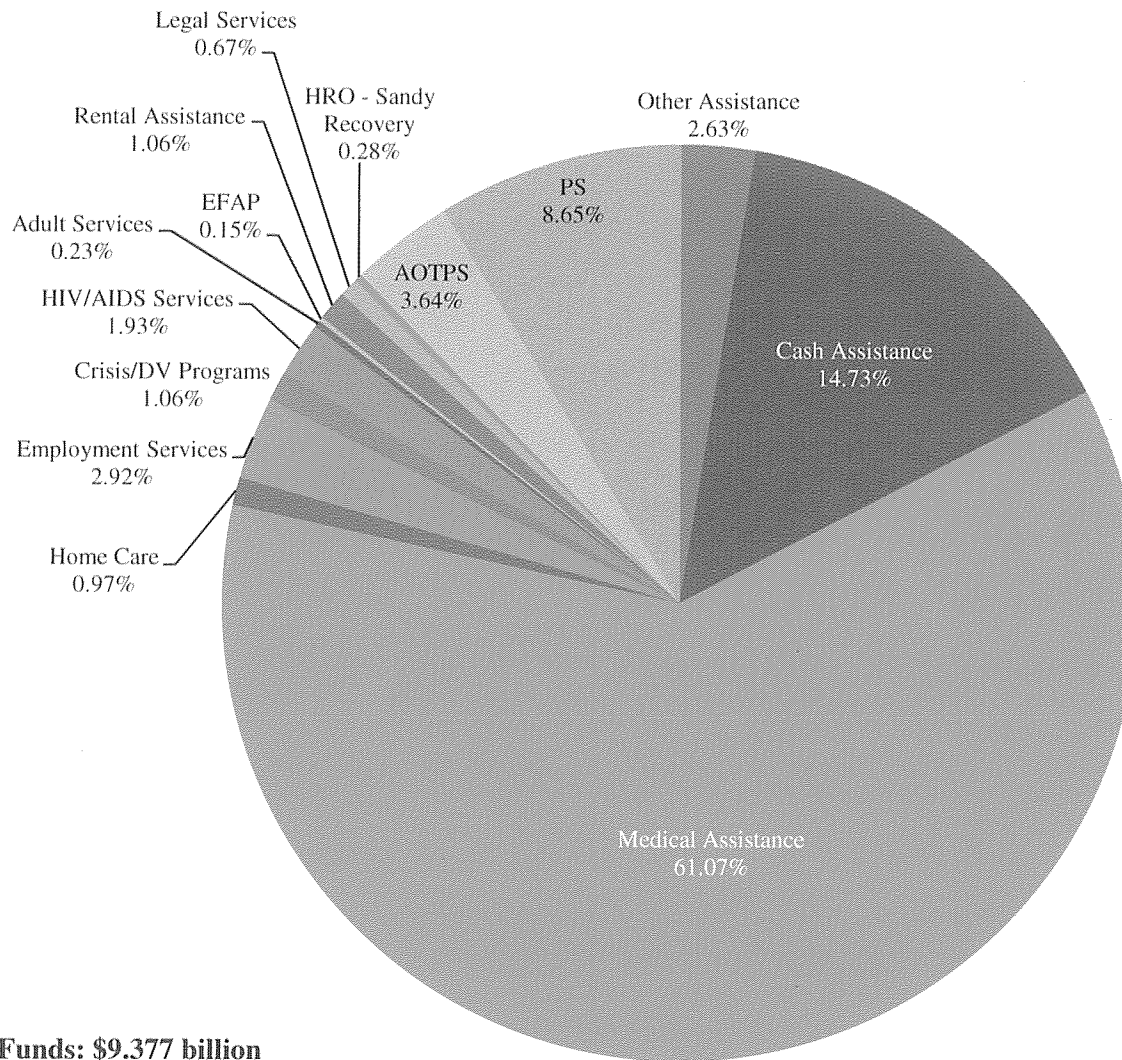
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OVERVIEW: NYC Human Resources Administration (HRA)

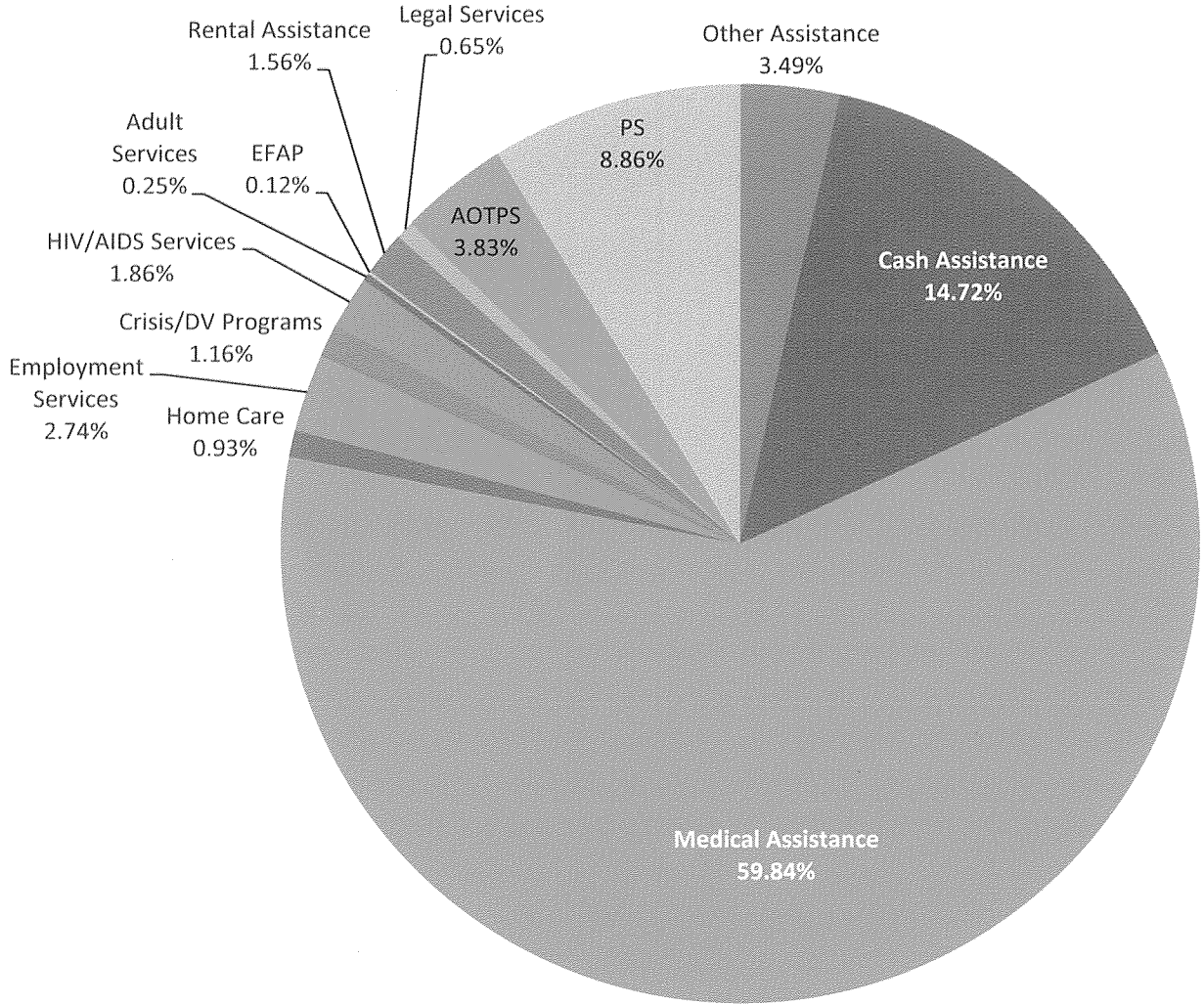
- HRA serves more than 3 million low-income New Yorkers through a broad range of programs to address poverty and income inequality and prevent homelessness
- Operating budget of \$9.7 billion in Fiscal Year 2017 (\$7.4 billion in City funds)
 - 78% is for Medicaid payments and cash assistance benefits
 - HRA continues to be responsible for much of the Medicaid program - which totals \$31 billion in NYC, although only one-fifth of these costs are part of the HRA budget
 - In addition, HRA administers \$3 billion in federal SNAP (food stamps) benefits that do not pass through the City budget
 - The HRA Capital budget of \$125.5 million (\$82.6 million in City funds) between Fiscal Years 2017-2020 supports the agency's technology and physical infrastructure

CHART 1: HRA Executive Plan Budget FY 2016



Total Funds: \$9.377 billion

CHART 2: HRA Executive Plan Budget FY 2017



Total Funds: \$9.733 billion

Changes from Jan17 to Exec17 Plan

- The HRA budget as of Executive 17 Plan is \$9.7 billion (\$7.4b City). The 2017 Plan increases by \$356 million compared to 2016 (\$314 million City funds).
- HRA's 2017 budget includes:
 - \$5.9 billion for **Medicaid** (\$5.7 billion tax levy, or 61% of the total HRA budget and 80% of the HRA City funds budget);
 - \$1.4 billion (\$600 million tax levy) for **Cash Assistance grants**;
 - \$151 million (\$103 million tax levy) for **rental assistance**;
 - \$67 million in **legal services** (\$53 million tax levy);
 - \$267 million (\$86 million tax levy) for **employment and related support services** such as transportation;
 - \$181 million (\$89 million tax levy) for **HIV/AIDS housing and support services**;
 - \$112 million (\$23 million tax levy) for **domestic violence, crisis and adult services**;
 - \$11 million (\$9 million tax levy) for **emergency food**;
 - \$862 million (\$291 million tax levy) for staff, working with clients in SNAP and Job Centers, child support offices, HIV/AIDS service centers, homeless prevention programs and Medicaid offices; and
 - \$373 million (\$162 million tax levy) for **administrative costs**: leases and supplies for HRA's 68 Job Centers, SNAP centers, HASA offices and other client serving locations.

Summary 90-Day Review

- Multiagency leadership and staff participation with a variety of stakeholders, including homeless people in shelters, on the streets and in focus groups; advocates, shelter and homeless services providers, other non-profit organizations, national experts and researchers, former DHS Commissioners, and elected officials; and staff union leadership and managers and staff at DHS, HRA and other City agencies
- Resulted in 46 reform recommendations, categorized under four broad categories:
 - prevention,
 - addressing street homelessness,
 - sheltering, and
 - rehousing.

Summary 90-Day Review Reforms

- Funding of \$66 million across both agencies is provided to implement the reforms, which will be offset by \$38 million in savings from integration, consolidation and reorganization of administrative management functions.
- The \$66 million in City funding for reform investments is allocated between HRA and DHS and includes:
 - \$25 million added to the HRA budget (total and City funds) for homelessness prevention and rehousing services consolidated at HRA. 153 new positions at HRA include:
 - staff for rehousing, intake and diversion;
 - HRA staff for Homebase; and
 - new initiatives including restored Domestic Violence in-reach programs in shelter, a unified HRA housing command center, and a source of income discrimination unit.
- \$41 million added to the DHS budget for:
 - 110 new positions including staffing for HOME-STAT/Shelter Repair Squad (70) and family shelter oversight (40);
 - funding for street outreach contract enhancements;
 - shelter rate adjustments; and
 - contracting in current non-contract shelter sites.

Summary 90-Day Review Savings

- The \$38 million in savings is generated from the efficiencies resulting from the shared administrative services model.
- The integration of functions – including legal, budget and finance, procurement, information technology, human resources, communications and program accountability.
- The \$38 million in savings includes:
 - repurposing of 115 positions for new program initiatives;
 - improved administrative claiming; and
 - elimination of ineffective programming and duplicative functions.

Structural Reform: Prevention

Expansion of HRA's Homelessness Prevention Administration:

HRA's Homelessness Prevention Administration was formed as one of many reform initiatives within HRA and comprises the following units:

- Homeless Diversion Unit
- Rental Assistance Unit
- Landlord Ombudsman Services Unit
- Early Intervention Outreach Team
- Rental Assistance Program
- Legal Services Unit
- Customized Assistance

Structural Reform: Prevention

Expansion of HRA's Homelessness Prevention

Administration:

In order to streamline prevention and rehousing operations, the units focused on these areas formerly housed at DHS will be consolidated with parts that perform the same function at HRA. **DHS's Homebase prevention unit** will join HRA's Homelessness Prevention Administration.

Programmatic Reforms: Homebase

Homebase program management will move from DHS to HRA

- Clients served in their home borough
- HRA staff realigned to prevent evictions and provide assistance
- Reduction in inefficiencies
- Use of data analytics to target prevention services
- Expanded onsite processing and triage for HRA benefits
- Additional case management services: landlord and family mediation, educational advancement, employment and financial literacy services

Programmatic Reforms: Rental Assistance and Rehousing

Collaboration

We have asked the State to participate in two task forces with the City to:

- Implement alternatives to avert discharges from state prisons to shelter.
- Implement community-based programs to replace mental health shelters.

We look forward to working with our State partners to address the critical problem of homelessness in our City.

Programmatic Reforms: Rental Assistance and Rehousing

Rehousing

Key components to our rehousing strategy include the following:

- Streamline shelter relocation programs by consolidating and streamlining the LINC, SEPS and City FEPS rental assistance programs.
- Increase enforcement of the source of income discrimination law.
- Streamline the housing placement process to connect homeless clients to HPD-financed units that are available and appropriate for their needs.
- Continue to utilize NYCHA apartments within the annual needs-based allocation for clients on the waiting list who are in DHS and HRA domestic violence shelters.
- Enroll qualified shelter residents on SSI/SSD to increase income and promote rehousing.
- Implement more effective aftercare services.
- Incorporate Continuum of Care strategic planning into homeless strategy development and establish a leadership reporting structure.
- Asking the State to permit use of Medicaid funds for apartment search and shelter relocation services for homeless clients with disabilities and to approve FEPS plan modifications.

Rental Assistance and Rehousing: Results

	FY15 and FY16 (through May 9, 2016)	
	Total Households	Total Individuals
DHS LINC 1	1,027	3,574
DHS LINC 2	571	1,987
DHS LINC 3	553	1,924
DHS LINC 4	1,541	1,814
DHS LINC 5	895	996
DHS LINC 6	56	192
HRA LINC 3	416	1,448
CFEPS	1,836	6,389
NYCHA	3,292	11,380
SECTION 8	1,379	4,530
SEPS	530	530
HOME TBRA	53	180
TOTAL	12,149	34,943

Notes: HRA LINC 3, CFEPS and SEPS contain data through the week ending May 6, 2016. CFEPS and SEPS data contains both DHS shelter move outs and community provider placements. SEPS data contains placements from prior months that was previously not reported. NYCHA total includes Project Based Section 8 and Priority Referrals. Section 8 total includes HPD Initiatives and NYCHA Priority.

Major HRA Initiatives

Expansion of HRA Programs for Vulnerable Populations: Adult Protective Services

- A total of \$6.4 million (3.2m CTL) was added for an additional 81 positions to address the increase in APS caseload and to enhance client services.
- This enhancement also addresses the increased caseloads in the contracted Community Guardian program.

Major HRA Initiatives

Re-estimate of Benefits:

Cash Assistance

- There is an \$82m (39M CTL) re-estimate of the costs of Cash Assistance benefits, which supports a monthly caseload average of 386,000 in FY17, with the annual unduplicated caseload projected to remain constant at 600,000.
- The total CA budget in FY17 will be \$1.4 billion (\$600 million City).

Major HRA Initiatives

Supporting Baseline Programs:

Job Center Operations

- \$16.4M and \$10.2M CTL, in a net increase, for the repurposing of 72 positions throughout HRA from OCS, to support Job Center operations as well as funding to support positions slated to be eliminated as a result of the previous Administration's premature estimate of savings related to Re-engineering.

Major HRA Initiatives

Supporting Baseline Programs:

SNAP/Food Stamps

- HRA is repurposing 310 Medicaid positions to support the Supplemental Nutrition Assistance Program (SNAP) operations while technology and business process improvements are phased in.
- The SNAP initiative reduces Federal and State Medicaid dollars and increases City funds by \$7.7 million in FY17. Funding is also added to support positions slated to be eliminated as a result of the previous Administration's premature estimate of savings related to Re-engineering.

Major HRA Initiatives

Expansion of HRA Programs:

Subsidized Job Program

- \$4.3m CTL to support transitional jobs with the Department of Sanitation; this will fund 300 slots as part of the employment services reforms.

Major HRA Initiatives

Supporting Baseline Programs:

AccessNYC

- To support new on-line features and the use of mobile technology, we've added \$2.7 million in Access NYC for maintenance and upgrades.

Major HRA Initiatives

Rental Assistance Program Unit

- Landlords have played a critical role in the Administration's success in enabling 34,943 children and adults in 12,149 households to avert entry into or move out of Department of Homeless Services (DHS) and HRA shelters.
- \$2.1 million in the Public Engagement Unit to continue the public engagement campaign to recruit landlord support for the rental assistance program.

Major HRA Initiatives

Expansion of HRA Programs:

ActionNYC

- \$309,000 for Action NYC to support Community Schools Immigration Legal Services and provide services onsite at 25 community schools.

Savings Initiatives

Medicaid Re-estimate: ACA

- As part of the Affordable Care Act (ACA), the Federal government provided an enhanced matching percentage (FMAP) to incentivize states to expand childless adult coverage to 138% federal poverty line (FPL). They also rewarded the states who were already covering part of this group with a transitional increase in the FMAP percentage.
- Starting in 2014, the FMAP for the “previously covered” population increased from 50% to 75%. In New York State, childless adults were covered up to 100% FPL before the ACA and the City was contributing to the cost of these individuals through our local share payments.
- The ACA stipulated that states are required to share the savings for the previously eligible with the localities, commensurate with the percentage of care that a locality provided versus the statewide total. In SFY14-15, NYC accounted for 73% of all childless adult care in NYS.
- This was equal to \$305.3M in savings.

Budget Detail: Capital

- HRA's capital budget of \$125.5 million* of which \$82.6 million are City funds:
 - \$80.5 million for technology to streamline operations and enhance client services, including key investments to Client Benefits Re-engineering.
 - \$31 million for facilities maintenance, equipment and improvements to DV shelters
 - \$12.8 million for the installation of telecommunications equipment
 - \$1.2 million for vehicles

* 4-year Capital Plan total funds

HRA Reforms

Examples of Reforms to Date and Key Impacts

- Reforms to address HRA policies that have harmed clients, have had an adverse impact on staff workload and morale, and subjected the City to potential financial penalties:

Remove WEP requirement for those with part-time jobs

Create system/model for Community Service options in place of WEP

Implement a legal services contract to assist clients in obtaining SSI

HRA Reforms

Implement Reengagement & Conciliation
Process

On-demand Eligibility
Interview for SNAP: On-
demand interview pilot for
SNAP recertification

Develop an updated
procedure on Persons
Residing Under the Color of
Law (PRUCOL) immigration
rules for MA eligibility

Launch new and privately
funded NYCitizenship
Program to provide free
citizenship assistance to
targeted WeCare clients

Create employer-based
training grant program

SNAP outreach to NYCHA
Residents

HRA Reforms

Create a mechanism/procedure that enables HRA to help parents with special needs children to secure child care

Conduct extensive training for the new Customer Service Supervisors (CSS) on identifying behaviors (and skills for managing) those who may suffer from mental illness or other disabling conditions.

Assist applicable NCPs in our Customer Service Walk-In Center with completing a court petition for a downward modification and assist with filing and serving the petition, including for incarcerated NCPs at Rikers who are due to be released soon.

Space Services Redesign Plan: Pilot expanded NYCHA MAP services at Staten Island Community Center

Align HRA services with Thrive NYC

Automatically administratively reduce arrears for NCPs currently or formerly in receipt of CA/SNAP through the Arrears CAP Program

Thank you!

NYC

**Human Resources
Administration**

Department of
Social Services



**Testimony of Steven Banks, Commissioner
New York City Department of Social Services**

**Before the New York City Council General Welfare Committee and Finance Committee
DHS Fiscal Year 2017 Executive Budget
May 12, 2016**

I would like to thank the City Council's Finance and General Welfare Committees and Chairs Julissa Ferreras-Copeland and Stephen Levin for giving us this opportunity to testify today about the Department of Homeless Services' budget and efforts to address homelessness in our City.

My name is Steven Banks and I am the Commissioner of the New York City Department of Social Services and in that capacity I oversee the Department of Homeless Services (DHS). Joining me today are DHS's First Deputy Commissioner Lorraine Stephens, Deputy Commissioner for Fiscal and Procurement Lula Urquhart, and Department of Social Services Chief of Staff Jennifer Yeaw.

The Executive Budget of the Department of Homeless Services reflects the completion of the 90-day review of homeless services that the Mayor announced on April 11 as well as further adjustments as the Executive Budget was finalized. In this testimony, I will highlight key DHS reforms and discuss those specific to the 90-day review of homeless services in New York City.

Changes from Jan17 to Exec17 Plan

The DHS budget increases in FY17 by \$187 million in total funds (\$169 million City tax levy) between the January Plan and the Executive Budget due to a combination of increases to support the agency's core mission as well as restructuring and repurposing related to the 90-day review.

New funding in FY17 includes:

- \$194 million for shelter capacity (\$161m City tax levy);
- \$45 million for shelter security (300 Peace Officers, supervisors and clinical intake staff) and related services at mental health shelters, high needs shelters and commercial hotels; and
- \$53 million (\$41 million City tax levy) for service enhancements related to the reforms.

These new needs are offset by restructuring and repurposing savings. DHS and HRA will leverage shared administrative operations – including legal, budget and finance, procurement,

information technology, human resources, communications and program accountability – this will maximize resources and leverage knowledge, skills and experience across the Department to gain efficiencies, realize savings, and improve service delivery.

As I noted in my earlier HRA testimony, this enhanced funding for DHS is part of the \$66 million that was provided across both agencies to implement the reforms, and is offset by \$38 million in savings from the integration, consolidation, and reorganization. The DHS share includes funding for:

- 110 new positions:
 - HOME-STAT/Shelter Repair Squad (70 positions);
 - family shelter monitoring and oversight (40 positions);
- street outreach contract enhancements;
- contract shelter rate adjustments; and
- contracting-in non-contract shelter sites.

These new needs are offset by restructuring and repurposing savings of \$38 million and, as I previously described in my HRA testimony, the consolidation also moves funding and positions from DHS to HRA to create the DSS shared services structure. The \$38 million in savings includes:

- repurposing positions for new program initiatives;
- improved administrative claiming; and
- elimination of ineffective programming and duplicative functions.

I will now go into additional detail regarding these new needs and savings.

Shelter Re-estimates

There has been a 115% increase in homelessness over the past two decades – from 23,526 on January 1, 1994 to 33,194 on January 1, 2002 to nearly 51,000 on January 1, 2014. Based on this trajectory, we were heading to a shelter census of 71,000 next year before this Administration's prevention and rehousing programs took hold. And despite these efforts, we continue to see entry into the shelter as a result of the multifaceted drivers of homelessness and housing insecurity.

The Fiscal Year 2017 shelter budget will be \$1.05 billion, of which \$587 million are City funds. Another \$65 million will be spent on shelter intake, administration and support. The Executive Budget provided an increase of \$194 million (\$160 million City tax levy) for shelter capacity above the January Plan based on the current spending.

Capital Budget

The DHS capital budget has been enhanced during the Executive Budget process to make good on the promise of providing safe and secure shelter and to have sufficient funding available to address the results of the Shelter Repair squad findings. The Five Year Plan totals \$272 million, including an increase of \$54 million in the September Plan and an increase of \$89.5 million in the Executive Plan. The Executive Plan increase supports over 60 new capital repair and shelter upgrade projects.

The two pie charts in the PowerPoint we have provided to you show in more detail how the DHS budget is allocated as of the Executive Budget submission.

90-Day Review Reforms

As a result of the 90-Day review, the Administration developed a comprehensive homeless services plan, focused on prevention and rehousing. There are four key elements to the new plan – prevention, rehousing, street homelessness outreach and improving shelter conditions – and a total of 46 individual systemic reforms.

In order to focus resources on prevention and rehousing as well as reduce inefficiencies and duplicative services the City is implementing an integrated administrative management structure with both the Human Resources Administration (HRA) and the Department of Homeless Services (DHS) reporting to a single Commissioner of Social Services (DSS).

Street Homelessness:

HOMESTAT:

The City's street homelessness reforms work together to better identify, engage, and transition homeless New Yorkers from the streets to appropriate services and permanent housing.

The full launch of HOME-STAT builds on our street homelessness prevention and response initiatives, and enhances funding for additional safe haven beds, drop in centers, and the development of 15,000 units of supportive housing units to make sure that those living on the streets have opportunities to come inside and connect to the services and supports they need.

In April, the City launched the HOME-STAT daily dashboard, an on-line reporting system that maps requests for homeless outreach assistance from the public and HOME-STAT canvassers and other related data. A monthly dashboard that reports on aggregate outcomes, conditions and performance was launched earlier this month. Together, these dashboards provide an unprecedented consistent, transparent, and broad set of data to track the City's efforts to address street homelessness and improve the lives of all New Yorkers.

Shelter:

The City is committed to providing decent living conditions and high-quality social services to every family and individual living in shelter. The following reforms address immediate concerns around shelter security and building conditions and include long-term strategies for sustaining these reforms into the future. These reforms also address pressing social services needs, targeting services to specific high-risk client groups and giving clients opportunities to enhance their income-building capacity by developing a career pathway while in shelter.

Structural Reform:

- Focus DHS operations on overseeing the not-for-profit shelters and related services and implement new accountability systems with prevention services aligned at HRA.

Programmatic Reforms:

Improve shelter security:

- Deployment of an NYPD management team to develop an action plan to upgrade security at all shelters.
- NYPD retraining for all DHS Peace Officers.
- Enhanced domestic violence services in DHS shelters: HRA's NoVA (No Violence Again) out-stationed Domestic Violence Services will be expanded to DHS Tier II family shelters to provide families with access to domestic violence services. Trained staff from HRA will go to designated Tier II shelters to provide these services. Existing social services staff in Tier II shelters will participate in enhanced training that will provide them with the tools to identify and refer families and individuals to the NoVA team, a NYC Family Justice Center, or other community-based domestic violence providers.
- Implement a more extensive reporting system for critical incidents that occur in shelters: DHS has implemented a new, more comprehensive system for the reporting of critical incidents in shelters. To ensure that problems are identified, violence is now defined much more broadly to include wide-ranging definitions of domestic violence, assault, and both child abuse and neglect. DHS is implementing thorough reforms to ensure that all critical incidents, especially violent incidents, are appropriately categorized, and there is appropriate follow-up.

Improve shelter conditions and operations by:

- Expanding Shelter Repair Squad 2.0 Operations: The City will continue to aggressively inspect homeless shelters to identify and address building violations and shelters in need of repairs. By establishing a unit of City staff to conduct twice a year inspections at all sites used to house homeless individuals and families this unit will identify and

address conditions. A publicly available Shelter Report Card will be produced regularly to hold the City and our providers accountable concerning ongoing reporting and repairing violations. Further, the City will ensure that all providers have clear information about the standards and regulations against which they are measured, explore ways to reduce the time it takes for violations to be cleared, and create a working group of shelter providers to focus on the best means of working together to improve shelter conditions.

- As we continue these semi-annual, multi-agency inspections, we are asking OTDA and the Comptrollers to participate, in order to streamline inspections and work collaboratively with our providers and partners in government to improve shelter conditions without creating unnecessary burdens and avoid duplication.
- Expanding the capital repair program to address unmet needs that have resulted in unsafe and unacceptable conditions in our shelters. The City will implement a program to systematically review and fix capital needs at shelters.
- Rationalizing shelter provider rates. For too long our contracts have not kept pace with the increases in costs to deliver quality program services and shelter to our clients. By rationalizing our provider rates, we are committed to working with providers to improve the conditions in our shelters. The City is evaluating payments to shelter providers to ensure they are sufficient to fund maintenance and services, and is assessing the capital needs of shelters which have not been adequately supported for many years.

Addressing ADA compliance in shelters:

- The City will hire a consultant to evaluate ADA accessibility in the DHS shelter system and formulate a compliance plan. Additionally, we are expanding the scope of HRA's ADA coordinator to cover the shelter system; HRA's ADA Coordinator will coordinate and oversee ADA compliance and initiatives in the shelter system. The Coordinator will also develop and implement staff training and address client complaints.

Phasing out the use of cluster shelters:

- The City will phase out the use of cluster shelter units, returning them to the market so that the apartments can be restored as low-rent housing;
- 260 cluster units have already been designated for closure during this fiscal year. The City will continue with the plan to phase out the 16-year cluster program through a combination of code enforcement to address inadequate conditions; working with owners to return units to the permanent housing stock, rehabilitate the buildings, and permit families to remain in the upgraded units; and, to the extent necessary, replacing units with a new shelter model that combines transitional housing, permanent housing, and community space.

- We continue to assess the potential conversion of existing shelters to permanent housing and replacing both clusters and hotels with models like Gateway and Homestretch, which include affordable permanent housing, shelter units, and community space at the same location. At other sites, it may be possible to convert an entire shelter site to permanent housing and we will begin that evaluation process at locations in East New York.

Promote career pathways for shelter residents by:

- Implementing adult literacy and High School equivalency programming at shelters. These new programs will help shelter residents move forward on a career pathway. Adult literacy and High School equivalency programming will be implemented at shelters for residents who need additional supports in these areas and will be integrated into employment services enhancements that are already underway at some adult shelters.
- The City will also implement a training and employment program at select shelters for residents to learn trades by providing system-wide shelter maintenance services.

The remaining slides provide additional details on our reforms. As you can see, the Executive Budget reflects the breadth of the comprehensive reforms that were announced as a result of the 90-day review. We look forward to working with you as we implement these essential reforms.

Thank you again for this opportunity to testify, and I welcome your questions.

DHS Executive Budget Testimony

Steven Banks, Commissioner

May 12, 2016



**Human Resources
Administration**
Department of
Social Services

OVERVIEW: NYC Department of Homeless Services (DHS)

- DHS serves New Yorkers through a broad range of programs to address homelessness, including those on the streets as well as those seeking shelter.
 - Outreach initiatives
 - Shelter
 - Housing permanency

Budget Overview

- Operating budget of \$1.31 billion (\$708.4m CTL) in FY16 and \$1.1 billion (\$577m CTL) in FY17
 - \$25 million in savings that begin in FY17 and
 - grant funds are added throughout the fiscal year

Changes from Jan17 to Exec17 Plan

The DHS budget increases in FY17 by \$187 million in total funds (\$169 million CTL) between the January Plan and Executive Budget due to a combination of increases to support the agency's core mission as well as restructuring and repurposing related to the 90 day review.

New funding in FY17 includes:

- \$194 million for shelter capacity (\$161m CTL);
- \$45 million for shelter security (300 peace officers, supervisors and clinical intake staff) and related services at mental health shelters, high needs shelters and commercial hotels; and
- \$53 million (\$41 million CTL) for service enhancements related to the reforms.

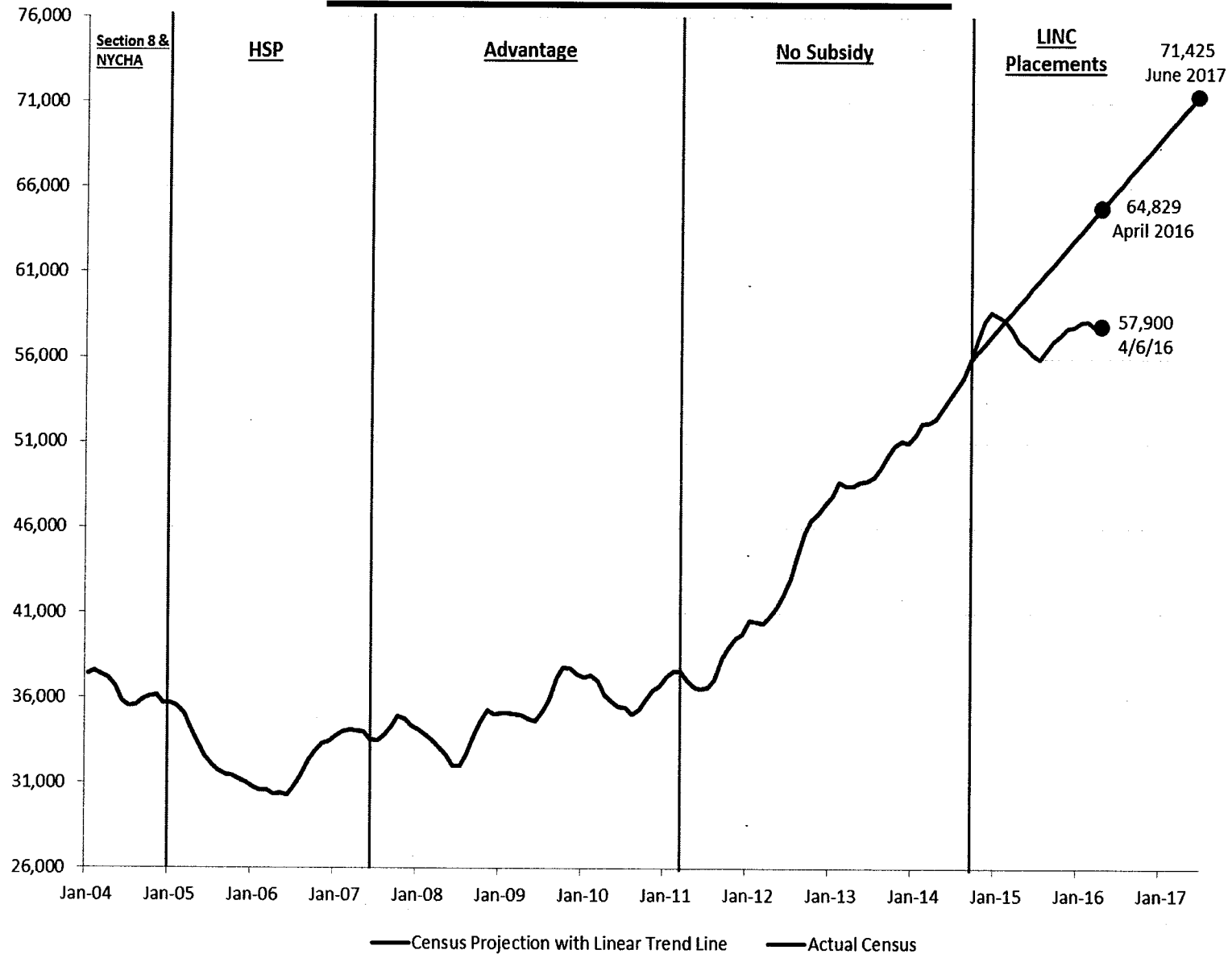
Changes to Headcount

- DHS and HRA will leverage shared administrative operations
- Funding for DHS reforms include:
 - 110 new positions:
 - HOME-STAT/Shelter Repair Squad (70) and
 - family oversight (40);
 - funding for street outreach contract enhancements;
 - shelter rate adjustments; and
 - contracting-in non-contract shelter sites.

Changes to Shelter Estimate

- There has been a 115% increase in homelessness over the past two decades – from 23,526 on January 1, 1994 to 33,194 on January 1, 2002 to nearly 51,000 on January 1, 2014.
- The FY17 shelter budget will be \$1.05 billion, of which \$587 million are City funds. Another \$65 million will be spent on shelter intake, administration and support. The Executive Budget provided an increase of \$194 million (\$160 million City Funds) for shelter capacity above the January Plan to reflect current costs.

Shelter Census Forecast Compared to Historical Growth



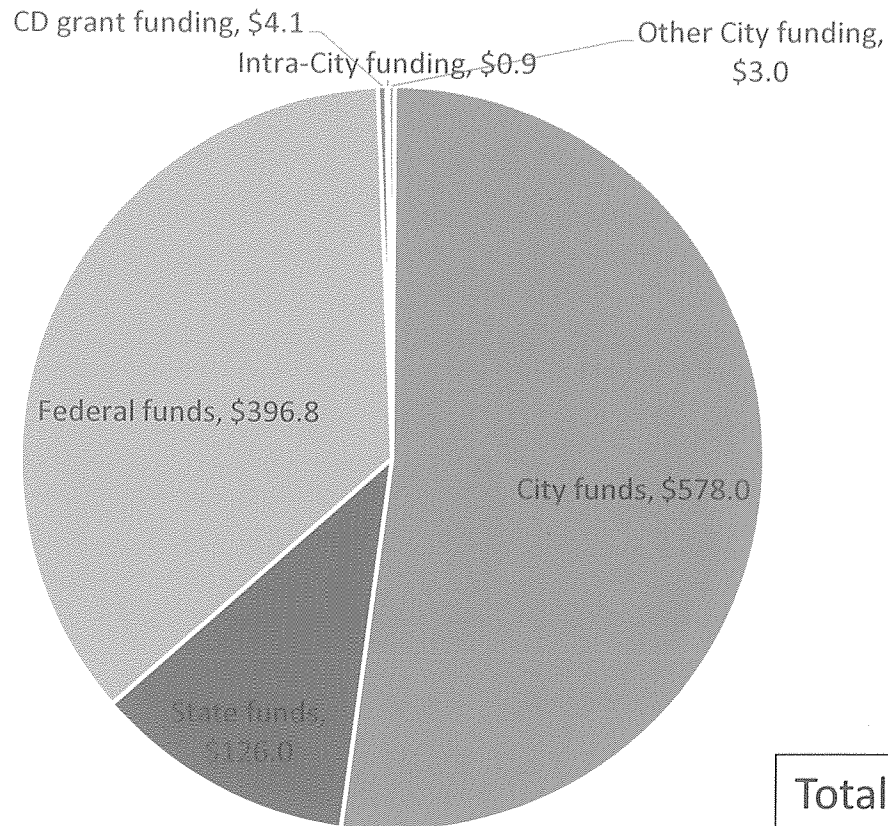
Budget Overview: Capital

- The Five Year Plan totals \$272 million, including an increase of \$54 million in the September Plan and an increase of \$89.5 million in the Executive Plan.
- The Executive Plan increase supports over 60 new capital repair and shelter upgrade projects.

NEED TO
UPDATE

DHS Budget

Expense Budget Funding Sources (in millions)



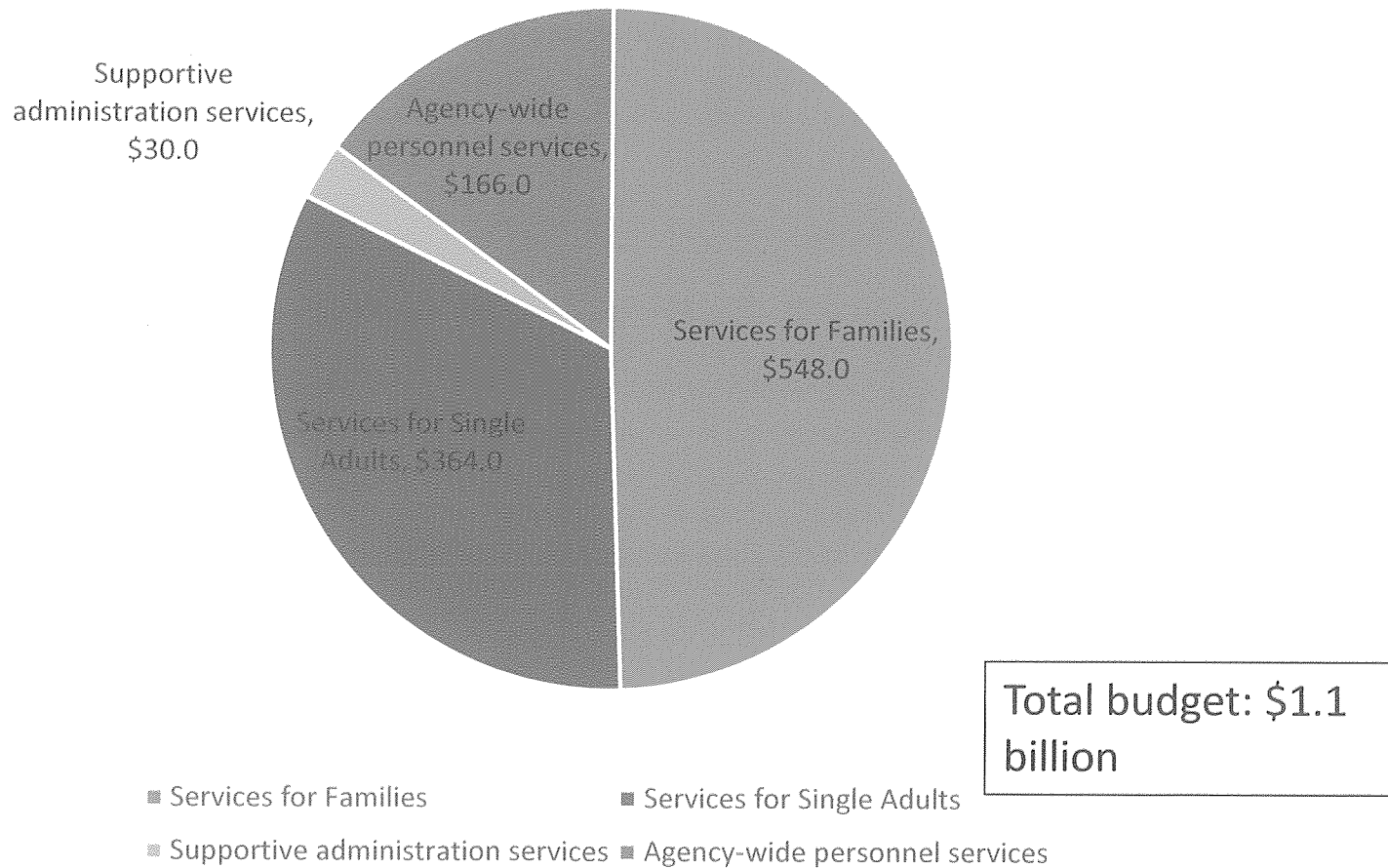
Total budget: \$1.1 billion

- City funds
- State funds
- Federal funds
- CD grant funding
- Intra-City funding
- Other City funding

NEED TO
UPDATE

DHS Budget

Expense Budget Allocation (in millions)



Summary 90-Day Review Reforms

- As a result of the 90-day review, the Administration developed a comprehensive homeless services plan, focused on prevention and rehousing.
- There are four key elements to the new plan – prevention, rehousing, street homelessness outreach and improving shelter conditions – and a total of 46 individual systemic reforms.
- The City is implementing an integrated administrative management structure with both the Human Resources Administration (HRA) and the Department of Homeless Services (DHS) reporting to a single Commissioner of Social Services (DSS).

90-Day Review Initiatives

HOME STAT

- Partnering with existing homeless response and prevention programs, HOME STAT is the most comprehensive street homelessness outreach effort ever deployed in a major U.S. city.
- Focus on hot spots from Canal Street to 145th Street and other areas to deploy resources where they are needed most.
- The rapid response capacity built into this initiative will ensure more timely responses to 311 calls and information gathered from our canvasses.
- With HOME STAT the contracted homeless outreach staff will grow substantially.

90-Day Review Initiatives

Shelter Safety and Shelter Security

- NYPD Management Team deployed to DHS to develop action plan to upgrade security at all shelters.
- NYPD retraining of DHS Peace Officers.
- New DV services for shelter residents.
- Reform of Critical Incident Reporting

90-Day Review Initiatives

Improving Conditions and Operations at Shelters

- Expand Shelter Repair Squad 2.0
- Shelter Report Card
- Call for coordinated inspection
- Expanded capital repair program
- Rationalizing shelter provider rates

90-Day Review Initiatives

Addressing ADA Compliance in Shelter

- The City will hire a consultant to evaluate ADA accessibility in the DHS shelter system and formulate a compliance plan.
- Expanding the scope of HRA's ADA coordinator to cover the shelter system:
 - coordinate and oversee ADA compliance and initiatives in the shelter system;
 - develop and implement staff training and address client complaints.

90-Day Review Initiatives

Permanently Ending Clusters

- The City will continue with the plan to phase out the 16-year cluster program through a combination of code enforcement to address inadequate conditions; working with owners to return units to the permanent housing stock, rehabilitate the buildings, and permit families to remain in the upgraded units; and, to the extent necessary, replacing units with a new shelter model that combines transitional housing, permanent housing, and community space.
- Returning cluster units to the market so that the apartments can be restored as low-rent housing.
- 260 cluster units have already been designated for closure during this fiscal year.
- When necessary, replacing both clusters and hotels with models like Gateway and Homestretch.

90-Day Review Initiatives

Career Pathways for Shelter Residents

- Implementing adult literacy and High School equivalency programming at shelters.
- Implementing a training and employment program at select shelters for residents to learn trades by providing system-wide shelter maintenance services in private shelters.

NOV and Jan17 Summary

NYC Safe and Provider Security

- Shelter Security and related new needs including the post January Plan announcements include 200HC, FY16 \$3.3M, FY17 300HC, and \$45M in the outyears.
- Funding includes enhanced clinical services at 11 single adult mental health shelters and for enhanced security at 12 of the adult shelters with the greatest number of security incidents.
- This funding is for continued enhanced security and increases that began with NYC SAFE. The NYC SAFE initiative added a total of \$22 million in FY16 to provide support across multiple agencies (of which DHS received about 50%) to individuals with serious untreated mental illness. The 300 headcount increase includes the intake clinical staff that were a part of the January 29 announcement.
- Funding is also provided to support ongoing additional security at four shelters based on the agency's internal assessment. The total number will continue to be evaluated based on the outcome of the comprehensive NYPD assessment.

NOV and Jan17 Summary

Shelter Repair Squad, Cleaning and Maintenance

- Funding for the Shelter Repair Squad, a multi-agency effort to address poor conditions in DHS shelters total funding \$6.5M in FY16, including 20 HC and \$7.5M total funding and 20 HC in FY17.
- Participating agencies, including the Mayor's Office of Operations, Department of Homeless Services, the Department of Buildings, Housing Preservation and Development, the Department of Health and Mental Hygiene and the Fire Department of New York
- Total violations at non-cluster shelters were 4,500 at the end of April, compared to 5,852 at the end of March, a decline of 23 percent over the past month.
- Total violations at non-cluster shelters have declined by 57 percent since the end of January 2016, down from a total of 10,474.
- Including new violations found and cleared a total of 9,120 violations in non-cluster shelters have been cleared so far this year.

NOV and Jan17 Summary

Adult Shelter Programming

- Additional funding for on-site shelter programming at 37 single adult shelters
- This includes \$8.9M total funding, including 81 HC in FY16 and \$16.9M total funding, including 81 HC in FY17.
- Contract providers have submitted plans that were approved by OMB for services including literacy, recreation, employment and other supports.

Savings Initiatives

Supportive Housing Shelter Savings (FY17 \$3.7M in total and city funds; FY18 \$11.4M; FY19 \$19.5M; FY20 \$28M)

- Shelter savings anticipated from the placement of 15,000 individuals over 15 years in newly created supportive housing units. Research evaluating the impact of previous supportive housing initiatives suggests that individuals placed into supportive housing have reduced utilization various public benefits, including an average of about 160 fewer days of shelter over the two years following placement for certain populations. The 15,000 new units are expected to result in shelter census reduction of about 550 individuals by full implementation in FY20.

Thank you!

NYC

**Human Resources
Administration**

Department of
Social Services

DHS Executive Budget Testimony

Steven Banks, Commissioner
May 12, 2016



Human Resources
Administration
Department of
Social Services

OVERVIEW: NYC Department of Homeless Services (DHS)

- DHS serves New Yorkers through a broad range of programs to address homelessness, including those on the streets as well as those seeking shelter.
 - Outreach initiatives
 - Shelter
 - Housing permanency

Budget Overview

- Operating budget of \$1.32 billion (\$717.1m CTL) in FY16 and \$1.29 billion (\$747.3m CTL) in FY17
- The change between 2016 and 2017 is due to:
 - \$25 million in savings that begin in FY17 and
 - grant funds are added after the new fiscal year starts

5

Changes from Jan17 to Exec17 Plan

The DHS budget increases in FY17 by \$187 million in total funds (\$169 million CTL) between the January Plan and Executive Budget due to a combination of increases to support the agency's core mission as well as restructuring and repurposing related to the 90-day review.

New funding in FY17 includes:

- \$194 million for shelter capacity (\$160m CTL);
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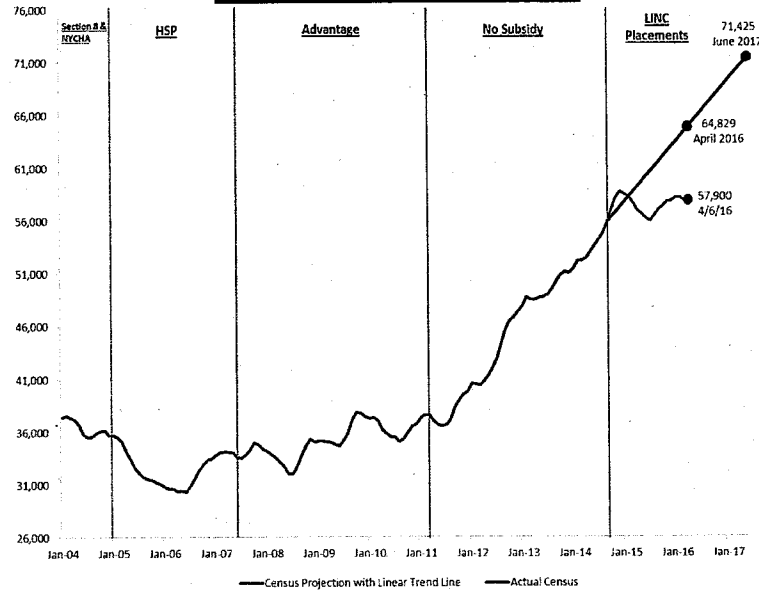
Funds for Reforms

- DHS and HRA will leverage shared administrative operations
- The funding for DHS reforms include:
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 - HOME-STAT/Shelter Repair Squad (70) and
 - family oversight (40);
 - funding for street outreach contract enhancements;
 - shelter rate adjustments; and
 - contracting-in non-contract shelter sites.

Shelter Re-estimate

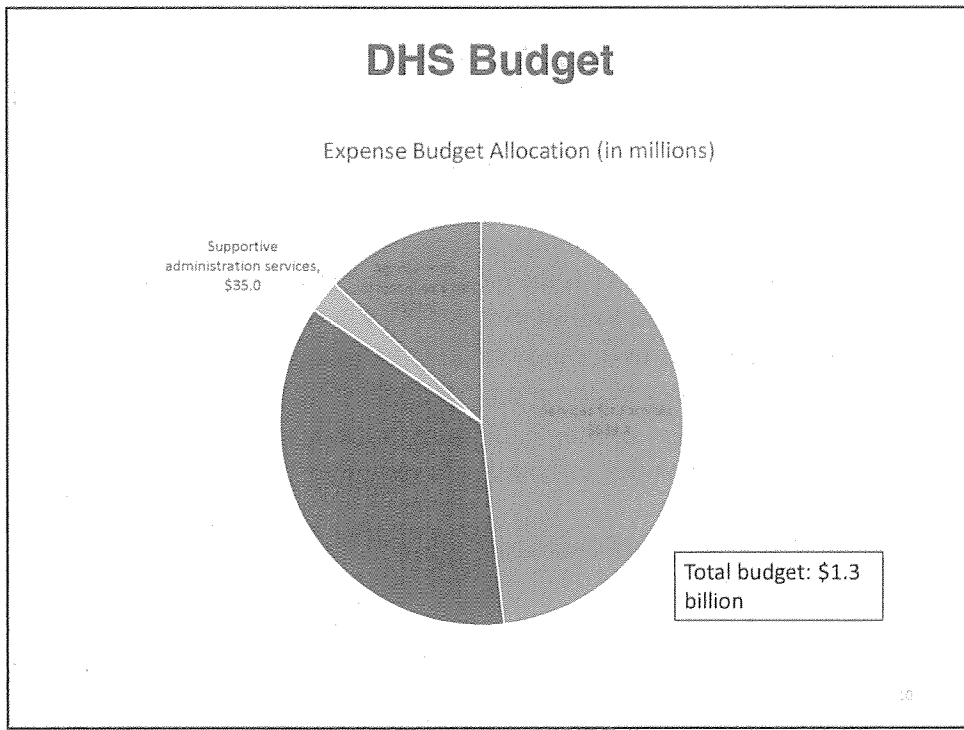
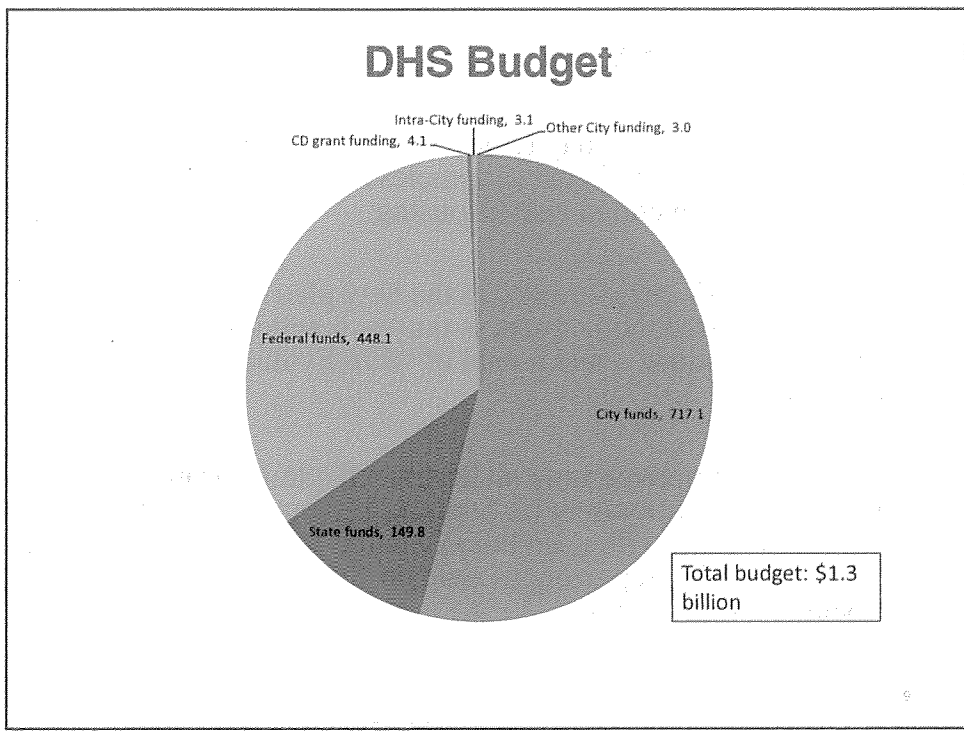
- There has been a 115% increase in homelessness over the past two decades – from 23,526 on January 1, 1994 to 33,194 on January 1, 2002 to nearly 51,000 on January 1, 2014.
- The FY17 shelter budget will be \$1.05 billion, of which \$587 million are City funds. Another \$65 million will be spent on shelter intake, administration and support. The Executive Budget provided an increase of \$194 million (\$160 million City Funds) for shelter capacity above the January Plan to support capacity for the current census.

Shelter Census Compared to Historical Growth Forecast



Budget Overview: Capital

- The Five Year Plan totals \$272 million, including an increase of \$54 million in the September Plan and an increase of \$89.5 million in the Executive Plan.
- The Executive Plan increase supports over 60 new capital repair and shelter upgrade projects.



Summary 90-Day Review Reforms

- As a result of the 90-day review, the Administration developed a comprehensive homeless services plan, focused on prevention and rehousing.
- There are four key elements to the new plan – prevention, rehousing, street homelessness outreach and improving shelter conditions – and a total of 46 individual systemic reforms.
- The City is implementing an integrated administrative management structure with both the Human Resources Administration (HRA) and the Department of Homeless Services (DHS) reporting to a single Commissioner of Social Services (DSS).

90-Day Review Initiatives

HOME STAT

- Partnering with existing homeless response and prevention programs, HOME STAT is the most comprehensive street homelessness outreach effort ever deployed in a major U.S. city.
- Focus on hot spots from Canal Street to 145th Street and other areas to deploy resources where they are needed most.
- The rapid response capacity built into this initiative will ensure more timely responses to 311 calls and information gathered from our canvasses.
- With HOME STAT the contracted homeless outreach staff will grow substantially.

90-Day Review Initiatives

Shelter Safety and Shelter Security

- NYPD Management Team deployed to DHS to develop action plan to upgrade security at all shelters.
- NYPD retraining of DHS Peace Officers.
- New DV services for shelter residents.
- Reform of Critical Incident Reporting

13

90-Day Review Initiatives

Improving Conditions and Operations at Shelters

- Expand Shelter Repair Squad 2.0
- Shelter Report Card
- Call for coordinated inspection
- Expanded capital repair program
- Rationalizing shelter provider rates

14

90-Day Review Initiatives

Addressing ADA Compliance in Shelter

- The City will hire a consultant to evaluate ADA accessibility in the DHS shelter system and formulate a compliance plan.
- Expanding the scope of HRA's ADA coordinator to cover the shelter system:
 - coordinate and oversee ADA compliance and initiatives in the shelter system;
 - develop and implement staff training and address client complaints.

15

90-Day Review Initiatives

Permanently Ending Clusters

- The City will continue with the plan to phase out the 16-year cluster program through a combination of code enforcement to address inadequate conditions; working with owners to return units to the permanent housing stock, rehabilitate the buildings, and permit families to remain in the upgraded units; and, to the extent necessary, replacing units with a new shelter model that combines transitional housing, permanent housing, and community space.
- Returning cluster units to the market so that the apartments can be restored as low-rent housing.
- 260 cluster units have already been designated for closure during this fiscal year.
- When necessary, replacing both clusters and hotels with models like Gateway and Homestretch.

16

90-Day Review Initiatives

Career Pathways for Shelter Residents

- Implementing adult literacy and High School equivalency programming at shelters.
- Implementing a training and employment program at select shelters for residents to learn trades by providing system-wide shelter maintenance services in the shelters.

17

Executive Budget Update

NYC Safe and Provider Security

- Shelter Security and related new needs including the post January Plan announcements include 200 positions in FY16 (\$3.3M) and 300 positions in FY17 and (\$45M) in the outyears.
- Funding includes enhanced clinical services at 11 single adult mental health shelters and enhanced security at 12 of the adult shelters with the greatest number of security incidents.
- This funding is for continued enhanced security and increases that began with NYC SAFE. The NYC SAFE initiative added a total of \$22 million in FY16 to provide support across multiple agencies (DHS received about 50%) to individuals with serious mental illness. The \$45M FY17 increase includes the intake clinical staff that were a part of the January 29 announcement.
- Funding is also provided to support ongoing additional security at four shelters based on the agency's internal assessment. The ultimate numbers will continue to be evaluated based on the outcome of the comprehensive NYPD assessment.

18

Jan Update: Shelter Conditions

Shelter Repair Squad, Cleaning and Maintenance

- Funding for the Shelter Repair Squad, a multi-agency effort to address conditions in DHS shelters, total funding of \$6.5M in FY16 and \$7.5M in FY17.
- Participating agencies including the Mayor's Office of Operations, DHS and HRA, the Department of Buildings, Housing Preservation and Development, the Department of Health and Mental Hygiene and the Fire Department of New York
- Total violations at non-cluster shelters were 4,500 at the end of April, compared to 5,852 at the end of March, a decline of 23 percent over the past month.
- Total violations at non-cluster shelters have declined by 57 percent since the end of January 2016, down from a total of 10,474.
- Including new violations found and cleared a total of 9,120 violations in non-cluster shelters have been cleared so far this calendar year.

19

Jan Update

Adult Shelter Programming

- Additional funding for on-site shelter programming at 37 single adult shelters
- This includes 81 positions and \$8.9M total funding, including 81 HC in FY16 growing to \$16.9M total funding in FY17.
- Contract providers have programs in operation for services such as literacy, recreation, employment and other supports.
- Directly run shelters are implementing plans for programs emphasizing employment, life skills and other supports.

20

Savings Initiatives

Supportive Housing Shelter Savings (FY17 \$3.7M in total and city funds; FY18 \$11.4M; FY19 \$19.5M; FY20 \$28M)

- Shelter savings anticipated from the placement of 15,000 individuals over 15 years in newly created supportive housing units. Research evaluating the impact of previous supportive housing initiatives suggests that individuals placed into supportive housing have reduced utilization various public benefits, including an average of about 160 fewer days of shelter over the two years following placement for certain populations.

21

Thank you!

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THE CITY OF NEW YORK**

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I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Felipe Frasco

Address: ACS

I represent: _____

Address: _____

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THE CITY OF NEW YORK**

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Name: Susan Nuccio

Address: 150 William St

I represent: NYC ACS

Address: 150 William St.

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Name: Steven Banks, Commissioner

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I represent: NYC Department of Social Services

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Name: Gladys Currier

Address: 150 William St

I represent: ACS

Address: 150 William St

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