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**Report to the Committee on Finance and the
Committee on General Welfare on the Fiscal 2023
Executive Plan and the Fiscal 2023 Executive
Capital Commitment Plan**

Human Resources Administration

May 20, 2022

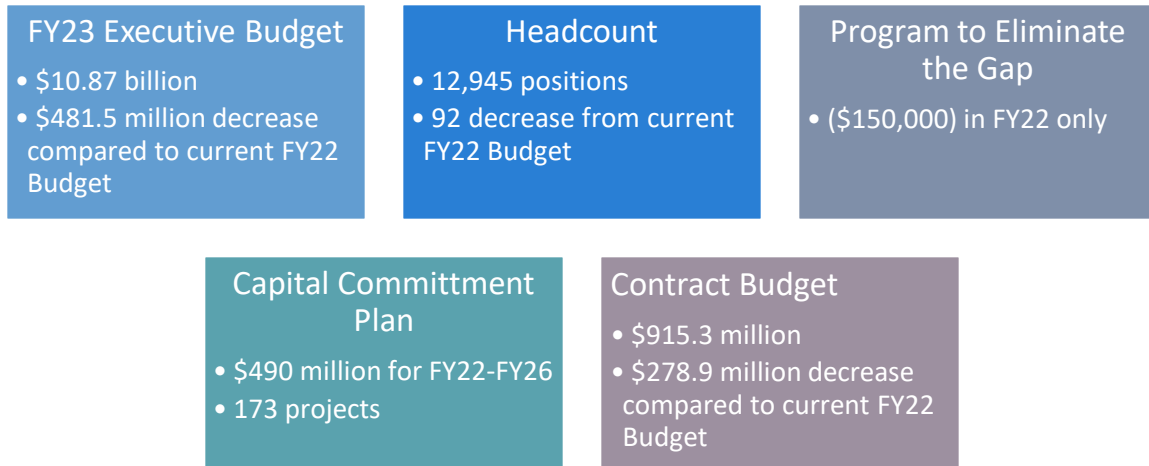
(Report Prepared by Julia K. Haramis)



Table of Contents

HRA Fiscal 2023 Executive Budget Snapshot.....	1
HRA Budget Overview.....	2
Personal Services and Headcount	2
Funding Sources.....	3
Program Area Budgets.....	5
Changes Since the Preliminary Budget by Spending Type	6
Fiscal 2023 Preliminary Budget Response	9
Federal and State Budget Risks	12
Capital Budget.....	13
Appendix A: Budget Actions Since Fiscal 2022 Adoption	15

HRA Fiscal 2023 Executive Budget Snapshot



Budget Response

Council Priorities

- \$25 million in FY22 and \$118.5 million in FY23 for Rental Assistance Programs
- \$33.8 million in FY23 for HASA Emergency Housing
- \$30 million in FY22 and FY23 for Emergency Food Assistance
- \$3.5 million in FY22 and \$5.8 million baselined with 10 positions, starting in FY23, for Supportive Housing Staffing
- Promise to Ensure Baseline Funding is Adequate for Emergency Assistance Grants

New Needs

Other Significant New Needs

- \$14 million in FY23 and \$11.9 million baselined with nine positions, starting in FY23, for Hart Island Operations
- \$10 million in FY23 for SNAP Information Technology Maintenance and Upgrades
- \$571,846 in FY22 and \$3.2 million in FY23 for MOIA Programs for Haitian and Ukrainian Immigrants
- \$2 million in FY22 for Halal Food Distribution

Other Adjustments

Significant Other Adjustments in the Executive Plan

- \$40.6 million in FY22 for HEAP benefits
- \$73.1 million reduction in FY22 and \$109.6 million reduction baselined, starting in FY23, Transferring Funds to H+H for Supplemental Medicaid Payments

Major Agency Issues

Agency Issues Identified

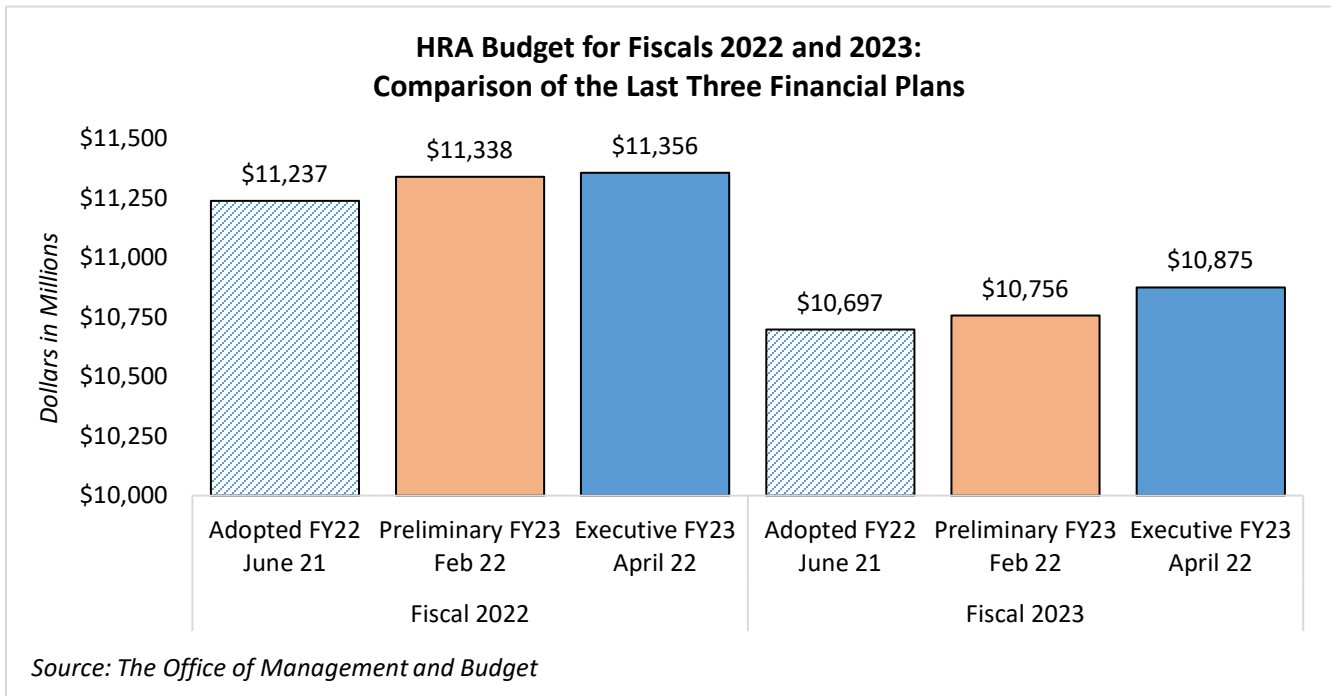
- Cost Shift from the State to the City for the State's Rental Assistance Voucher Rate Increase
- Impact of the End of the State Eviction Moratorium
- COLA for Human Service Providers
- Domestic Violence Shelter Capacity
- Access to Public Benefits
- Funding Cliff for Baselined Programs Funded with COVID-19 Federal Relief Funding Through FY25
- Adequacy of Funding for the Right to Counsel Initiative
- Eligibility of Homeless Survivors of Domestic Violence for HPD Homeless Set-Asides and Supportive Housing

HRA Budget Overview

On April 26, 2022, the Administration released the Executive Financial Plan for Fiscal 2022-2026 (Executive Plan) with a proposed budget for the City in Fiscal 2023 of \$99.7 billion. This report offers a review of the Human Resources Administration’s (HRA) Fiscal 2023 Executive Budget, including proposed budget actions taken in the Executive Plan. For additional information on HRA’s Preliminary Budget, please refer to the Fiscal 2023 Preliminary Budget report at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2022/03/HRA.pdf>.

HRA’s projected Fiscal 2023 Budget of \$10.9 billion represents 10.9 percent of the City’s proposed Fiscal 2023 Budget in the Executive Plan. HRA’s proposed Fiscal 2022 Budget is \$118.8 million, or 1.1 percent, larger than the agency’s Fiscal 2022 Adopted Budget (\$11.2 billion).

HRA’s Fiscal 2023 Budget increased by \$118.6 million, or 1.1 percent, from the Preliminary Plan (\$10.8 billion). The net increase is the result of several actions taken in the Executive Plan, the most significant of which are a transfer of \$109.6 million to Health + Hospitals (H+H) for its Supplemental Medicaid Payments, the addition of \$118.5 million for rental assistance programs, the addition of \$33.8 million for HIV and AIDS Services Administration (HASA) emergency housing, and the addition of \$30 million for the Emergency Food Assistance Program (EFAP).



Personal Services and Headcount

HRA’s Executive Plan includes funding for a total of 13,037 full-time positions in the current fiscal year, decreasing to 12,945 in Fiscal 2023. The Executive Plan represents a reduction in agency headcount of 597 in Fiscal 2022 since Adoption.

In the Executive Plan, funding for HRA's personal services (all agency staffing related expenses) comprise \$891.5 million, or 7.9 percent, of the agency's total Fiscal 2022 Budget. This number decreases to \$886.9 million, or 8.2 percent, in Fiscal 2023.

HRA Spending and Headcount

Dollars in Thousands	2020 Actual	2021 Actual	2022 Adopted	Executive Plan		*Difference 2022 - 2023
				2022	2023	
Spending						
Personal Services	\$833,712	\$836,461	\$880,046	\$891,461	\$886,852	\$6,805
Other Than Personal Services	9,722,234	9,257,024	10,357,292	10,464,678	9,987,739	(369,554)
TOTAL	\$10,555,946	\$10,093,484	\$11,237,339	\$11,356,139	\$10,874,590	(362,748)
Budgeted Headcount						
Full-Time Positions - Civilian	12,330	11,769	13,634	13,037	12,945	(689)
TOTAL	12,330	11,769	13,634	13,037	12,945	(689)

*The difference of Fiscal 2022 Adopted Budget compared to Fiscal 2023 Executive Budget.

Source: The Office of Management and Budget

Funding Sources

HRA's budget is financed by City funds as well as federal, State, and Intra-City funding sources. In the Executive Plan, HRA's primary funding source is City funding, which comprises 75.9 percent (\$8.6 billion) of HRA's total funding in Fiscal 2022, down from the 77.3 percent (\$8.7 billion) of the agency's budget financed by City funding in Fiscal 2022 in the Adopted 2022 Budget. City funding comprises 78.8 percent (\$8.6 billion) of the HRA's Executive Plan for Fiscal 2023.

The \$17.7 million increase in HRA's Fiscal 2022 Budget and the \$118.6 million increase in its Fiscal 2023 Budget between the Preliminary Plan and the Executive Plan is primarily the result of modifications to City funds, federal, and State funding sources. These changes include:

Federal Funding

Federal funding increases by \$44.5 million in Fiscal 2022, and by \$285,297 in Fiscal 2023, compared to the Preliminary Plan.

- The Fiscal 2022 growth is a result of several adjustments, most notably \$40.6 million in federal revenue is recognized for benefit payments under the federal funded Home Energy Assistance Program (HEAP).
- The Fiscal 2023 growth is the net result of several citywide adjustments related to leases and utility costs for HRA's office spaces.

State Funding

State funding increases by \$536,296 in Fiscal 2022, and by \$11.7 million in Fiscal 2023, when compared to the Preliminary Plan.

- The Fiscal 2022 growth relates to the State portion of the citywide utility cost adjustments and a technical adjustment.

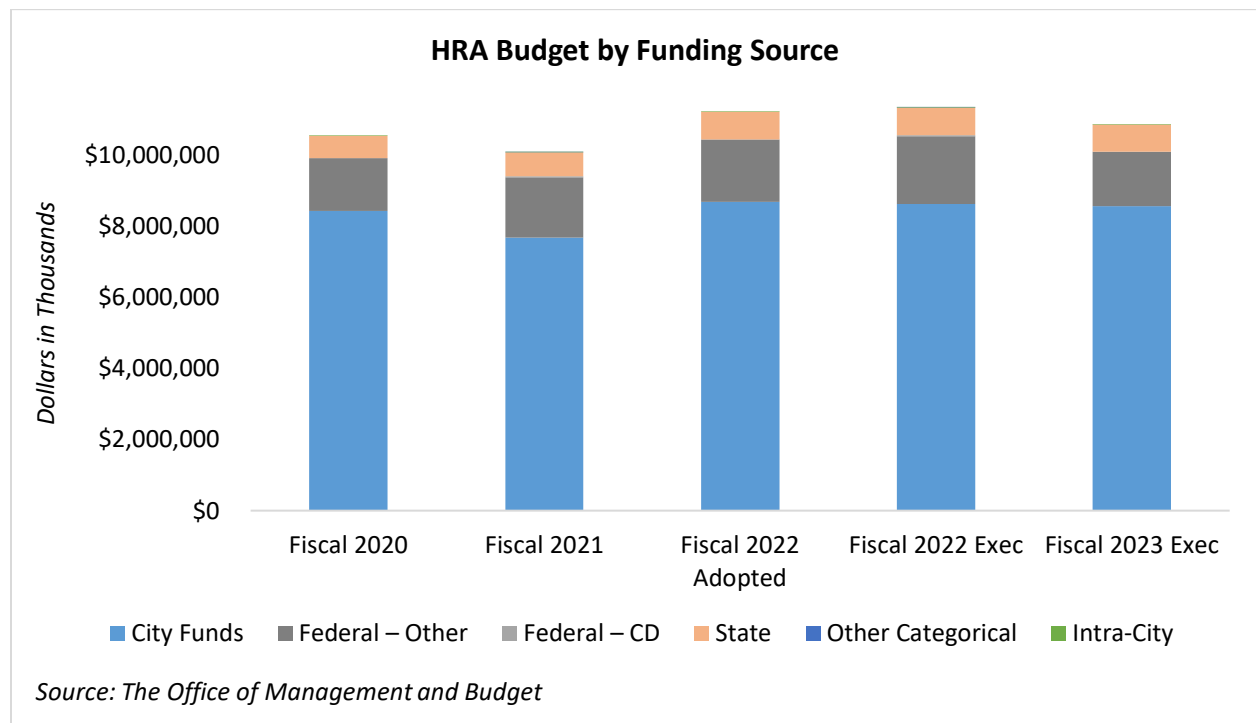
- The Fiscal 2023 growth is the net of several adjustments, the most notable include an additional \$9.8 million of funds for the State portion of costs for HASA emergency housing and \$2 million resulting from the transfer of single room occupancy (SRO) emergency housing contracts from the Department of Homeless Services (DHS) to HRA.

City Funding

City funding decreases by \$27.5 million in Fiscal 2022, and increases by \$106.7 million in Fiscal 2023, when compared to the Preliminary Plan.

- The Fiscal 2022 decrease is the result of several adjustments, the most significant changes are \$45.1 million added for new needs, offset by a reduction of \$73.1 million from the transfer of funds to H+H for Supplemental Medicaid Payments.
- The Fiscal 2023 increase is the result of several adjustments, the most significant changes are \$203.4 million added for new needs, partially offset by a reduction of \$109.6 million from the transfer of funds to H+H for Supplemental Medicaid Payments.

See Appendix A for a complete list of all changes reflected in HRA’s Fiscal 2022 and 2023 Budgets since Adoption.



<i>Dollars in Thousands</i>	2020 Actual	2021 Actual	2022 Adopted	Executive Plan		*Difference 2022 - 2023
				2022	2023	
Funding						
City Funds	\$8,431,217	\$7,678,577	\$8,681,428	\$8,619,354	\$8,571,324	(\$110,105)
Federal – Other	1,491,649	1,703,010	1,766,925	1,907,126	1,523,120	(243,805)
Federal – CD	1	26,105	0	36,800	0	0
State	620,085	677,354	778,918	781,880	770,079	(8,839)
Other Categorical	0	462	0	172	0	0
Intra-City	12,993	7,977	10,067	10,808	10,067	0
TOTAL	\$10,555,945	\$10,093,485	\$11,237,339	\$11,356,139	\$10,874,590	(\$362,748)

**The difference of Fiscal 2022 Adopted Budget compared to Fiscal 2023 Executive Budget.*

Source: The Office of Management and Budget

Program Area Budgets

To provide for better transparency within agency budgets, in 2007 at the behest of the City Council, the Administration began providing agency budgets broken down by program areas for fifteen of the City’s agencies. The programmatic budgets provide a summary of planned spending in each functional area of an agency.

	FY20 Actual	FY21 Actual	FY22 Adopted	Executive Plan		*Difference FY22-FY23
				FY22	FY23	
Budget by Program Area						
HIV and AIDS Services	\$330,623	\$317,039	\$322,489	\$322,532	\$308,227	(\$14,262)
Legal Services	184,730	194,295	232,540	242,693	196,840	(35,699)
Food Assistance Programs	71,688	23,046	21,793	26,594	50,236	28,443
Food Stamp Operations	85,993	79,894	71,520	74,358	73,627	2,106
Medicaid - Eligibility and Admin	92,964	91,040	109,964	110,023	110,255	292
Medicaid and Homecare	6,312,593	5,837,423	6,579,335	6,506,249	6,417,944	(161,391)
Homeless Prevention **	0	446,562	463,024	503,052	377,212	(85,812)
Subsidized Employment and Job Training	103,905	48,342	173,347	103,906	195,804	22,456
General Administration	463,785	502,372	549,728	570,669	470,389	(79,340)
Office of Child Support Enforcement	61,796	57,335	68,250	72,022	66,170	(2,080)
Adult Protective Services	54,886	53,852	60,955	63,748	60,956	1
CEO Evaluation	5,028	2,853	12,274	7,982	16,206	3,932
Domestic Violence Services	160,592	144,326	152,964	155,490	160,963	7,999
Employment Services Administration	25,793	28,698	33,257	34,617	33,402	145
Employment Services Contracts	135,809	134,787	155,167	167,953	124,031	(31,136)
Public Assistance and Employment Admin	282,882	292,034	259,269	314,724	254,916	(4,352)
Public Assistance Grants	1,505,824	1,542,703	1,650,650	1,650,650	1,650,350	(300)
Public Assistance Support Grants **	401,416	16,361	23,136	81,018	36,840	13,704
Home Energy Assistance	37,201	48,183	39,676	82,315	39,676	0
Information Technology Services	126,949	135,705	122,015	131,659	95,300	(26,715)
Investigation and Revenue Admin	67,303	67,232	82,037	82,070	82,096	60
Substance Abuse Services	44,186	29,404	53,948	51,818	53,148	(800)
TOTAL	\$10,555,946	\$10,093,484	\$11,237,339	\$11,356,139	\$10,874,590	(\$362,748)

**The difference of Fiscal 2022 Adopted Budget compared to Fiscal 2023 Executive Budget.*

*** Homeless Prevention is a new Program Area, initially added last fiscal year, and encompasses programs previously classified in the Public Assistance Support Grants Program Area. Funding adjustments start in Fiscal 2021.*

Source: The Office of Management and Budget

HRA's program budget includes 22 program areas. The Executive Plan includes changes planned for HRA's budget in Fiscal 2023 that impact 15 program areas. Below is a discussion of the most significant program area funding changes in the Executive Plan.

HRA's Budget as of the Executive Plan

- **Medicaid and Homecare.** The Executive Plan includes a decrease of \$161.4 million in Fiscal 2023 for this program area since the Fiscal 2022 Adopted Budget. The reduction is comprised of a \$51.8 million decrease for Fiscal 2023 reflected in prior financial plans, and a \$109.6 million decrease reflected in the Executive Plan from the transfer of funding to H+H for Supplemental Medicaid Payments.
- **General Administration.** The Executive Plan includes a decrease of \$79.4 million for this program area in Fiscal 2023 from the Fiscal 2022 Adopted Budget. This is comprised of an \$87.1 million decrease in Fiscal 2023 reflected in prior financial plans, and a \$7.7 million increase reflected in the Executive Plan due to several funding adjustments. The most significant of the adjustments include two new needs, \$3.2 million for programs administered by the Mayor's Office of Immigrant Affairs (MOIA) and \$5.8 million for HRA's supportive housing staff.
- **Homeless Prevention.** Budgeted spending in Fiscal 2023 for this program area in the Executive Plan decreases by \$85.8 million since the Fiscal 2022 Adopted Budget. This decrease is comprised of a \$207.5 million reduction from reflected in prior financial plans, partially offset by a \$122.1 million increase reflected in the Executive Plan comprised of an additional \$118.5 million for rental assistance programs and a \$3.7 million increase for SRO contracts.

Changes Since the Preliminary Budget by Spending Type

At each financial plan an agency will submit changes to its budget from the prior plan. These changes are comprised of new needs that have not previously been included in its budget, other adjustments to existing spending (these adjustments can involve adding funding or removing funding), savings programs which provide additional resources either through reduced spending or increased revenue, and savings restorations which include the restoration of expenditures that had been reduced in prior financial plans.

The summary of all changes made to HRA's financial plan since Adoption can be found in Appendix A.

New Needs

HRA's Executive Plan includes new needs of \$45.1 million in Fiscal 2022, \$213.2 million in Fiscal 2023, \$47.6 million in Fiscal 2024, and \$17.6 million in Fiscal 2025 and Fiscal 2026. All new needs are detailed below.

- **Rental Assistance Programs** (\$25 million in Fiscal 2022 and \$118.5 million in Fiscal 2023). The Executive Plan adds \$25 million in City funds in Fiscal 2022, and \$118.5 million in City funds in Fiscal 2023 to support HRA's rental assistance programs.

- **HASA Emergency Housing** (\$33.8 million in Fiscal 2023). The Executive Plan adds \$33.8 million in Fiscal 2023 for HASA SRO emergency housing. Funding is comprised of \$24 million in City funds and \$9.8 million from State sources. The increase aligns the Fiscal 2023 budget more closely with actual expenditures in prior years.
- **Emergency Food Assistance Program (EFAP)** (\$30 million in Fiscal 2023 and Fiscal 2024). The Executive Plan adds \$30 million in City funds in Fiscal 2023 and Fiscal 2024 for EFAP. After many years of lobbying from the Council, the Administration recently announced the expansion of EFAP to include fresh foods, issuing a request for proposal on January 31, 2022.¹ The additional funding will support the expanded scope of the program and the higher cost of fresh food compared to shelf-stable food. In the Executive Plan funding for EFAP in Fiscal 2023 and Fiscal 2024 is \$53.8 million, returning to the previously baselined amount of \$23.8 million in Fiscal 2025 and Fiscal 2026. The Office of Management and Budget (OMB) indicated they will work with HRA to assess future funding needs after the new version of the program is ramped up to determine if additional funding needs to be added to the budget in a future financial plan.
- **Hart Island Operations and Maintenance** (\$14 million in Fiscal 2022 and \$11.9 million in Fiscal 2023 and in the outyears). The Executive Plan includes an additional \$14 million of City funding in Fiscal 2022 and \$11.9 million of City funding in Fiscal 2023 and in the outyears for HRA to takeover of the operations and maintenance of Hart Island, which serves at the City's public cemetery. Funding will support an additional nine positions, including information technology staff and staff that will oversee contracted groundskeepers. Additionally, funding will support costs related to maintaining and improving Hart Island, which includes contracted providers for grounds maintenance.
- **Information Technology for the Supplemental Nutrition Assistance Program (SNAP)** (\$10 million in Fiscal 2023). The Executive Plan includes an additional \$10 million in City funds in Fiscal 2023 for HRA's information technology budget related to the administration of SNAP benefits. The agency plans to use the additional funding to continue the expansion of ACCESS HRA (the agency's electronic benefits application submission and processing platform) functionality and to conduct routine maintenance. This funding covers costs that are not eligible for Capital funding.
- **Supportive Housing Staffing** (\$3.5 million in Fiscal 2022 and \$5.8 million in Fiscal 2023 and in the outyears). The Executive Plan includes an additional \$3.5 million of City funds in Fiscal 2022 and \$5.8 million baselined in the outyears. This funding supports ten new positions starting in Fiscal 2023, for staff that process supportive housing applications. This funding will also support the existing baselined supportive housing positions which have not had associated baselined funding (in the past, HRA added funding, as needed, during the fiscal year to fund filled positions). According to HRA, there are 42 baselined positions for supportive housing in the budget, five of which are federally funded. This addition brings the headcount up to 52 budgeted positions starting in Fiscal 2023.

¹ The City Record Online, "HRA Food Distribution Program", released January 31, 2022, see: <https://a856-cityrecord.nyc.gov/RequestDetail/20220126108>.

- **Immigrant Support Programs** (\$571,846 in Fiscal 2022 and \$3.2 million in Fiscal 2023). The Executive Plan adds \$571,846 in City funding in Fiscal 2022 and \$3.2 million in Fiscal 2023 to support programs for immigrants, providing case management and legal services. Funding in Fiscal 2022 will support a new assistance program, for recent Ukrainian arrivals and Ukrainians residing in the City. In Fiscal 2023, the additional funding will provide services for recent Haitian arrivals and a continuation of the program for Ukrainian immigrants. These programs will be administered by MOIA.
- **Halal Food Distribution** (\$2 million in Fiscal 2022). The Executive Plan includes an additional \$2 million in City funds in Fiscal 2022 for halal meal distribution to low-income residents during Ramadan. This is the second year HRA has operated this program during the holiday. The need was identified through EFAP's work with emergency food providers across the City.

Other Adjustments

HRA's Executive Plan includes a \$27.2 million reduction in Fiscal 2022 due to other adjustments, with additional decreases of \$94.6 million in Fiscal 2023, \$104.9 million in Fiscal 2024, \$104.8 million in Fiscal 2025, and \$105 million in Fiscal 2026. Some of the major adjustments are detailed below.

- **Medicaid Funding Transfer to H+H** (\$73.1 million decrease in Fiscal 2022, \$109.6 million decrease in Fiscal 2023 and in the outyears). The Executive Plan reflects a decrease of \$73.1 million in City funding in Fiscal 2022 and a baseline City funding decrease of \$109.6 million starting in Fiscal 2023 to transfer funding to H+H. The transfer is due to a lower-than-expected need for local share payments for Medicaid benefits, which are paid out of HRA's budget. The funding will be used for other Medicaid-related expenditures incurred by H+H.
- **HEAP** (\$40.6 million in Fiscal 2022). The Executive Plan includes an additional \$40.6 million in federal funding in Fiscal 2022 for HEAP benefit payments. HEAP is an entitlement program that is fully funded with federal dollars. HRA submits claims for federal funds based on actual enrollment. Current year claims exceed the Fiscal 2022 baseline budget.

Savings Program

HRA's Executive Plan includes a \$150,000 decrease in Fiscal 2022 relating to a Program to Eliminate the Gap (PEG), which is detailed below.

- **Department of Investigation (DOI) Underspensing** (\$150,000 reduction in Fiscal 2022). The Executive Plan reflects a decrease of \$150,000 in City funding in Fiscal 2022 relating to an Intra-City transfer with DOI. HRA is projecting lower actual expenditures than budgeted.

Savings Restorations

N/A

Fiscal 2023 Preliminary Budget Response

In its Fiscal 2023 Preliminary Budget Response (Budget Response)², the Council identified several areas of concern relating to social service programs. The Council's proposals are discussed below along with an analysis of how/if they were addressed in the Executive Plan. Despite the increased funding added for certain programs, there are still some essential programs that did not receive additional support in the Executive Plan. No new funding was added in several areas highlighted by the Council in its response to the Mayor's Preliminary Plan.

Response Priorities	Amount Requested	Amount Included in the Executive Budget
Fund Cost of Living Adjustments for Human Service Providers	\$60,000,000	\$0
Fully Fund the Baseline Budget for HASA SROs	\$47,900,000	\$33,802,817
Increase HRA's Domestic Violence Shelter Capacity	\$41,635,885	\$0
Increase HRA's EFAP Baseline Budget	\$11,200,000	\$30,000,000
Increase Access to Public Benefits	\$10,000,000	\$0
Restore Source of Income Unit Staff and Funding	\$486,000	\$451,996
Address the Fiscal Funding Cliff	\$0	\$0
Client Services Staffing and Systems Upgrades for Benefits and Housing Assistance	\$0	\$5,761,013
Ensure Baseline Funding for the Right to Counsel Initiative is Adequate	\$0	\$0
Ensure Baseline Funding is Adequate for Emergency Assistance Grants	\$0	\$0
Expand Eligibility for HPD Homeless Set-Asides and Supportive Housing to Homeless Survivors of Domestic Violence	\$0	\$0
Fully Fund Rental Assistance Programs and the City FHEPS Voucher Rate Increase	\$0	\$118,500,000

- Fund Cost of Living Adjustments (COLA) for Human Service Providers.** The City's human services workforce are among the lowest paid workers in the City. Many of these employees have not received a COLA since Fiscal 2020. HRA contracts with human service providers for many essential programs including emergency housing programs and case management services. As a first step toward the goal of wage equity, the Council called on the Administration to baseline a four percent COLA, totaling \$60 million, for human service workers, across multiple City agencies. Nothing was added in the Executive Plan to address this request.
- Fully Fund the Baseline Budget for HASA SROs.** For the past several fiscal years, actual spending on HASA SRO emergency shelter units has been around \$60 million, which is

² The full Fiscal 2023 Preliminary Budget Response can be found at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2022/04/Fiscal-2023-Preliminary-Budget-Response-1-2.pdf>.

considerably higher than the baseline budget of \$16.6 million. HRA typically adds additional funding for these shelter units during the fiscal year to meet the actual need. During Fiscal 2022, HRA added \$47.9 million for these expenses. The Council called on the Administration to add \$47.9 million to HRA's baseline budget for HASA SROs to more appropriately reflect the real need. This request was partially addressed in the Executive Plan, as \$33.8 million was added in Fiscal 2023 only, increasing the Fiscal 2023 Budget to \$50.4 million. No funding was added in the outyears of the plan. OMB and HRA indicated that the City is required to provide these services and will continue to address the level of need by adding additional funding, as needed, in future financial plans.

- **Increase HRA's Domestic Violence (DV) Shelter Capacity.** The current DV shelter system, operated by HRA, does not have enough capacity to fully meet the demand. There are currently 2,451 beds in HRA's emergency DV shelter system³, where stays are limited by State regulations to 180 days, and 447 units in the Tier II DV shelter system.⁴ Many individuals who would benefit from the specialized services available in DV facilities end up in the DHS shelter system, where DV-specific support services are not available. The Council called on the Administration to expand DV shelter capacity to align more closely with demand by adding \$41.6 million to HRA's baseline budget to fund 200 new DV emergency shelter beds and 600 new DV Tier II units. Nothing was added in the Executive Plan to address this request.
- **Increase HRA's EFAP Baseline Budget.** EFAP has historically provided shelf-stable and limited frozen food items to emergency food providers across the City. The Council has called on the Administration to incorporate fresh foods into the program for many years and the new solicitation HRA issued on January 31, 2022, indicated that EFAP will expand its food offerings and include fresh foods starting in Fiscal 2023.⁵ Because fresh food costs more to procure than shelf-stable foods, providers would not have as much purchasing power without a commensurate adjustment to the EFAP funding baseline. In its Budget Response, the Council called on HRA to add increase the EFAP baselined budget by \$11.2 million, to \$35 million annually. The Executive Plan includes an additional \$30 million for the EFAP program in Fiscal 2023 and Fiscal 2024, bringing the budget for those years to \$53.8 million, but does include any additional funding in Fiscal 2025 or beyond. OMB and HRA indicated that they will continue to assess the need, in conjunction with the Mayor's Office of Food Policy, and will add funding, as needed, in the outyears.
- **Increase Access to Public Benefits.** There are many City residents who are eligible for but are not enrolled in public benefit programs. This has become even more problematic since the onset of the pandemic and the resultant increased need for public assistance.

³ The City of New York, "Preliminary Mayor's Management Report", February 28, 2022, pages 157-166, see: https://www1.nyc.gov/assets/operations/downloads/pdf/pmmr2022/2022_pmmr.pdf.

⁴ Testimony of Natasha Godby, Deputy Commissioner of Emergency and Intervention Services at the Human Resources Administration, City Council Oversight Hearing, November 29, 2021, see: <https://www1.nyc.gov/assets/hra/downloads/pdf/news/testimonies/2021/DSS-testimony-Council-DV-Shelter-Hearing-11292021.pdf>.

⁵ The City Record Online, "HRA Food Distribution Program", released January 31, 2022, see: <https://a856-cityrecord.nyc.gov/RequestDetail/20220126108>.

The Council called on the Administration to increase access to public benefits such as SNAP, cash assistance, Medicaid, and tax credit programs by adding \$10 million to HRA's budget to engage community-based organizations that provide outreach and education, to increase staff at HRA to process applications and assist clients, to improve interagency coordination, and to streamline the benefits application process. The Executive Plan did not include any additional funding to address this request.

- **Restore Source of Income (SOI) Unit Staff and Funding.** The City's Commission on Human Rights (CCHR) began investigating and responding to claims of SOI discrimination in housing in 2018. HRA's Fair Housing Litigation Unit (FHLU), established in 2017, also works to prevent and prosecute housing discrimination based on SOI. SOI discrimination undermines HRA's housing voucher programs that aim to assist individuals and families at finding permanent housing. In the November 2021 Plan, HRA transferred \$2 million to CCHR for its SOI unit, increasing it from five to 24 positions. In CCHR's Preliminary Plan, 18 positions were eliminated, with CCHR reducing spending by \$486,182. The Council called on the Administration to restore the 18 positions to CCHR. In the Executive Plan, HRA reflects a baseline transfer to CCHR of \$451,996 and six positions starting in Fiscal 2023. HRA indicated that the FHLU will be moving to CCHR, but it will still coordinate on complaints.
- **Address the Fiscal Funding Cliff.** The Executive Plan includes federal COVID-19 stimulus funding for a number of baselined HRA programs through Fiscal 2025, including EFAP and legal services. This funding totals \$28.8 million in Fiscal 2023, \$23.9 million in Fiscal 2024, and \$28.8 million in Fiscal 2025. The Council called on the Administration to do a thorough evaluation of programs and services currently financed with federal COVID-19 stimulus funding to ensure that there are appropriate funding sources in place for when the federal stimulus funding expires. The Executive Plan does not reflect any funding changes to address this, and it is still unclear if the baselined programs funded with federal relief will be supported with other funding sources after Fiscal 2025.
- **Client Services Staffing and Systems Upgrades for Benefits and Housing Assistance.** In its Budget Response, the Council called on the Administration to ensure that HRA has adequate staffing for the timely review and processing of public assistance benefits, rental vouchers, and supportive housing. Processing of clients seeking public assistance, placements in supportive housing, and approval of rental vouchers are often delayed due to staffing constraints. The Council also called on HRA to explore ways to improve the technology and systems that it uses when processing applications for public benefits and housing assistance. The Council called on HRA to improve turnaround times and increase efficiency and accuracy to ensure that clients receive assistance in a time-conscious manner, and do not lose out on benefits or housing placements due to processing delays. The Executive Plan includes an additional \$5.8 million of baselined funding starting in Fiscal 2023, to increase and support the existing staff that processes supportive housing applications. None of the other Council requests were addressed in the Executive Plan.
- **Ensure Baseline Funding for the Right to Counsel Initiative is Adequate.** The expiration of the eviction moratoria combined with the high unemployment rates and economic

upheaval resulting from the pandemic, has increased the demand for housing-related legal services, particularly among low-income City residents. The Council called on the Administration to ensure that the Right to Counsel program, contracted under HRA's Office of Civil Justice (OCJ), is adequately resourced to address the current and future needs of tenants around the City. This proposal was not addressed in the Executive Plan.

- **Ensure Baseline Funding is Adequate for Emergency Assistance Grants.** The Council's Response included a request that the Administration increase funding for emergency grants if the need arises. The expiration of the eviction moratoria, will likely increase the demand for emergency assistance grants, also referred to as "one-shots", as greater numbers of people who are struggling to make ends meet fall behind on rent and utilities payments. While no additional funding was added in the Executive Plan, the Administration indicated that emergency grants are an entitlement benefit, and it is closely monitoring utilization. HRA stated that it will add additional funding, as needed, but that spending in the current year is below the budgeted amount.
- **Expand Eligibility for Housing Preservation & Development (HPD) Homeless Set-Asides and Supportive Housing to Homeless Survivors of DV.** The Council called on the Administration to make homeless DV survivors a priority population for permanent housing programs. The Administration should expand eligibility to include this population for HPD's homeless set-asides and supportive housing placements under the NY 15/15 Plan. No additional funding was added in the Executive Plan to address this request.
- **Fully Fund Rental Assistance Programs and the City FHEPS Voucher Rate Increase.** For the past several fiscal years, actual spending on the City's rental assistance voucher programs has been considerably higher than the baseline budget. Typically, funds are allocated throughout the fiscal year, as needed. The Council passed a local law that required the City to increase its FHEPS voucher rates to match the Section 8 levels. Funding for the increase was added in Fiscal 2022 only. In its Budget Response, the Council called on the Administration to increase the baseline budget to a level that more accurately reflects the full need and fully funds the voucher rate increase. The Executive Plan adds \$25 million in Fiscal 2022 and \$118.5 million in Fiscal 2023 to support rental assistance programs, but no adjustments were made to the budget in Fiscal 2024 and beyond. HRA indicated that because vouchers are an entitlement program, they will continue to monitor usage of all rental assistance programs, and will make additional adjustments in future financial plans, as needed.

Federal and State Budget Risks

- **Cost Shift to the City for the State FHEPS Rate Increase.** On December 10, 2021, the Governor signed State legislation to increase the rental assistance voucher rates for the State FHEPS program to match those of the City FHEPS program, which were increased last year to match Section 8 levels.⁶ In addition, the State announced that it would

⁶ New York State, Press Release, December 10, 2021, "Governor Hochul Signs Legislation to Combat Homelessness and Expand Housing Affordability in New York City", see: <https://www.governor.ny.gov/news/governor-hochul-signs-legislation-combat-homelessness-and-expand-housing-affordabilitynew>.

appropriate \$100 million to provide rental supplements to individuals and families experiencing homelessness or facing an imminent loss of housing, regardless of immigration status, of which the City would receive \$68 million.⁷ The City originally planned to use these additional funds to provide rental assistance vouchers to undocumented individuals, who are not eligible for the standard City and State rental assistance programs. HRA will not be able to implement that plan, because the State budget did not include any funding for the State FHEPS rate increase. As a result, the additional \$68 million provided by the State will be allocated to fund the State FHEPS rate increase. HRA estimates that in five years, the additional burden of the State FHEPS rate increase will cumulatively cost the City \$198.8 million. No additional funding was budgeted in the Executive Plan to address this need, but the agency is cognizant that they will be required to fund the rate difference, as such vouchers are renewed and utilized, and additional funding will be added in future financial plans, as needed.

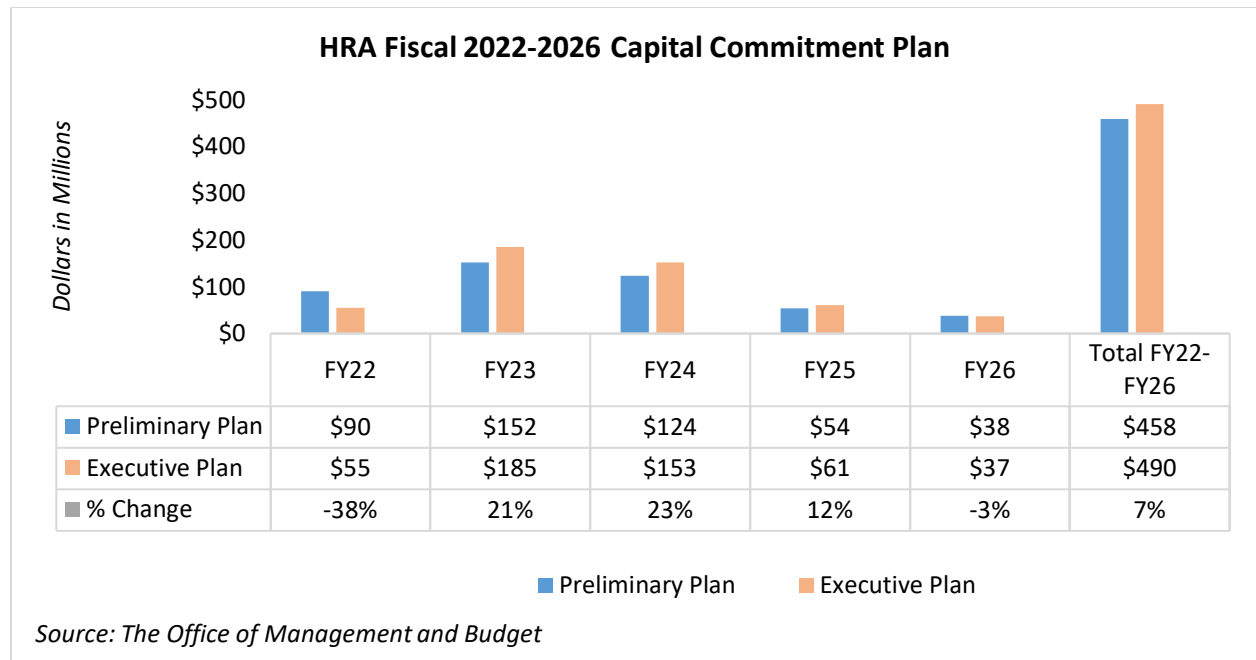
- **Impact of the End of State Eviction Moratorium.** On January 15, 2022, that State’s moratorium on residential evictions ended and eviction cases, which had been on hold since the onset of the pandemic, were permitted to resume. It is not yet clear what impact this action will have on homelessness in the City. As cases proceed, evictions are expected to increase and HRA could see an increased demand for its rental assistance programs, emergency one-shot assistance, social service benefits programs, homeless prevention services, and legal services. Additionally, DHS and HRA could see an increase in demand for shelter services.

Capital Budget

HRA’s capital program is presented in the Executive Capital Commitment Plan for Fiscal 2022-2026 (Commitment Plan) and the Fiscal 2023 Executive Capital Budget.

HRA’s commitments for Fiscal 2022 through 2026, as presented in the Commitment Plan, total \$490 million, \$32 million (7 percent) greater than the total for the same period presented in the Preliminary Capital Commitment Plan released in February. The agency’s planned commitments comprise less than one percent of the City’s total planned commitments of \$94.9 billion for Fiscal 2022 through Fiscal 2026.

⁷ New York State, Press Release, December 14, 2022, “Governor Hochul Announces \$100 Million in Rent Supplements for Struggling New Yorkers”, see: <https://www.governor.ny.gov/news/governor-hochul-announces-100-million-rent-supplements-struggling-new-yorkers>.



The commitments planned for each year in the plan period are largely concentrated in Fiscal 2023 and Fiscal 2024, with 11.3 percent of the entire planned expenditure in the current fiscal year, 37.6 percent in Fiscal 2023, and 31.1 percent in Fiscal 2024, 12.3 percent in Fiscal 2025, and 7.6 percent in Fiscal 2026.

Capital Project Highlights

- **Brownsville Community Center.** HRA allocated \$128.7 million from Fiscal 2022 through Fiscal 2025 for reconstruction of this center.
- **East New York Office, 2440 Fulton Street, Brooklyn.** HRA’s Commitment Plan includes \$41 million from Fiscal 2023 through Fiscal 2025 for the renovation of new office space for HRA operations. HRA will be leaving the space it currently occupies at 250 Livingston Street in Brooklyn because the landlord did not want to renew the lease. The new site in East New York will house operations for several HRA program areas but it will not be a client-service site. HRA will be occupying the new facility with other City agencies.

Appendix A: Budget Actions Since Fiscal 2022 Adoption

<i>Dollars in Thousands</i>	FY22			FY23		
	City	Non-City	Total	City	Non-City	Total
HRA Budget as of the Adopted FY22 Budget	\$8,681,428	\$2,555,910	\$11,237,338	\$8,404,244	\$2,293,015	\$10,697,259
Changes Introduced in the November 2021 Plan						
New Needs						
Commission on Gender Equity	\$327	\$0	\$327	\$491	\$0	\$491
Emergency Housing Vouchers	980	0	979,532	0	0	0
Haitian Immigration Services	1,500	0	1,500	0	0	0
Ida Relief for Undocumented	7,000	0	7,000	0	0	0
Mental Health at Domestic Violence Shelters	5,000	0	5,000	5,000	0	5,000
Vaccine Incentive	459	0	458.5	0	0	0
Workforce Development	0	0	0	855	0	855
Subtotal, New Needs	\$15,266	\$0	\$15,265	\$6,346	\$0	\$6,346
Programs to Eliminate the Gap (PEGs)						
POP Accrual Savings	(\$7,500)	\$0	(\$7,500)	\$0	\$0	\$0
Subtotal, PEGs	(\$7,500)	\$0	(\$7,500)	\$0	\$0	\$0
Other Adjustments						
Adult Literacy - MOIA	\$1,468	\$0	\$1,468	\$0	\$0	\$0
ARP ROLLOVER	0	8,790	8,790	0	0	0
C2C TRIE Transfer	(3,493)	0	(3,493)	(8,682)	0	(8,682)
City Service Corps (DSS)	(50)	0	(50)	(3)	0	(3)
Cleanup Corps Adjustment	0	(800)	(800)	0	0	0
Collective Bargaining	2,535	0	2,535	2,582	0	2,582
Crime Victim Assistance	0	0	0	(3,049)	(2,930)	(5,979)
Enhanced Space Management	(2,152)	(1,674)	(3,826)	(2,100)	(1,633)	(3,733)
ERAP	0	41,771	41,771	0	0	0
ExCEL Projects Round 1	0	272	272	0	0	0
Family Forward Demonstration	0	547	547	0	0	0
Fair Fares Funding Swap	(14,112)	14,112	0	0	0	0
FY22 PFRED Roll	0	35,800	35,800	0	0	0
HEAP 41 Admin Funds	0	2,055	2,055	0	0	0
Housing Anti-Discrimination	(2,000)	0	(2,000)	(2,000)	0	(2,000)
HRA Cleanup Corps	0	2,410	2,410	0	0	0
Human Services	851	0	851	0	0	0
Public Engagement Unit	839	0	839	839	0	839
Revenue MOD for CD funds	0	1,000	1,000	0	0	0
SNAP Outreach Funding - FFY21	0	950	950	0	0	0
SSO CAPPS Grant funding	0	1,095	1,095	0	0	0
SSO CAPS Grant Decrease MOD	0	(828)	(828)	0	0	0
SSO DV Bonus Grant	0	779	779	0	0	0
Technical Adjustments	90	7,046	7,136	(50)	139	89
Subtotal, Other Adjustments	(\$16,024)	\$113,325	\$97,301	(\$12,463)	(\$4,424)	(\$16,887)
TOTAL, All Changes in November 2021 Plan	(\$8,258)	\$113,325	\$105,066	(\$6,117)	(\$4,424)	(\$10,541)
HRA Budget as of the November 2021 Plan Budget	\$8,673,170	\$2,669,235	\$11,342,404	\$8,398,127	\$2,288,591	\$10,686,718
Changes Introduced in the FY23 Preliminary Plan						
New Needs						
Fair Fares	\$15,500	\$0	\$15,500	\$75,000	\$0	\$75,000
Vaccine Incentive	32	0	32	0	0	0
Subtotal, New Needs	\$15,532	\$0	\$15,532	\$75,000	\$0	\$75,000
Programs to Eliminate the Gap (PEGs)						
Administrative Underspending	(\$7,088)	\$0	(\$7,088)	(\$6,077)	\$0	(\$6,077)
Carfare Savings	(9,900)	0	(9,900)	0	0	0
DCAS Jobs Training Accrual	(490)	0	(490)	0	0	0
DSNY Jobs Training Accrual	(4,100)	0	(4,100)	0	0	0

<i>Dollars in Thousands</i>	FY22			FY23		
	City	Non-City	Total	City	Non-City	Total
Legal Services Accrual	(500)	0	(500)	0	0	0
Mental Health at DV Shelters	(4,160)	807	(3,353)	(1,640)	3,228	1,588
Parks Jobs Training Accrual	(11,000)	0	(11,000)	0	0	0
SNAP Admin Revenue	(3,500)	5,125	1,625	0	0	0
Substance Abuse Re-estimate	(1,000)	0	(1,000)	(800)	0	(800)
Vacancy Reduction - IC	(31)	0	(31)	(8)	0	(8)
Subtotal, PEGs	(\$41,769)	\$5,932	(\$35,837)	(\$8,525)	\$3,228	(\$5,297)
Other Adjustments						
ACL Grant	\$0	\$2,778	\$2,778	\$0	\$0	\$0
C2C TRIE Transfer	(178)	0	(178)	(118)	0	(118)
Coronavirus Relief Funds	0	7,900	7,900	0	0	0
Heating Fuel Adjustment	87	39	126	0	0	0
PS Realignment	0	(362)	(362)	0	(362)	(362)
Technical Adjustments	(16)	6,060	6,044	0	0	0
YMI Funding Adjustment	0	0	0	100	0	100
Subtotal, Other Adjustments	(\$107)	\$16,415	\$16,308	(\$18)	(\$362)	(\$380)
TOTAL, All Changes in the FY23 Preliminary Plan	(\$26,344)	\$22,347	(\$3,997)	\$66,457	\$2,866	\$69,323
HRA Budget as of the FY23 Preliminary Budget	\$8,646,826	\$2,691,582	\$11,338,408	8,464,585	\$2,291,457	\$10,756,042
Changes Introduced in the FY23 Executive Plan						
New Needs						
Emergency Food Program	\$0	\$0	\$0	\$30,000	\$0	\$30,000
Halal Food	2,000	0	2,000	0	0	0
Hart Island Operations and Maintenance	14,001	0	14,001	11,877	0	11,877
HASA Housing	0	0	0	24,000	9,803	33,803
Immigrant Affairs	572	0	572	3,248	0	3,248
Rental Assistance	25,000	0	25,000	118,500	0	118,500
SNAP IT Enhancement	0	0	0	10,000	0	10,000
Subway Safety Plan Supportive Housing Resources	3,481	0	3,481	5,761	0	5,761
Subtotal, New Needs	\$45,054	\$0	\$45,054	\$203,385	\$9,803	\$213,188
Programs to Eliminate the Gap (PEGs)						
PS Re-estimate – Intra-City with HRA	(150)	\$0	(150)	\$0	\$0	\$0
Subtotal, PEGs	(150)	\$0	(150)	\$0	\$0	\$0
Other Adjustments						
Adding OCSA Incentive Funding	\$0	\$1,011	\$1,011	\$0	\$0	\$0
Transfer for the Connections to Care Program	244	0	244	(200)	0	(200)
Collective Bargaining	12	0	12	19	0	19
DHS SRO Contracts Transferred to HRA	0	0	0	1,640	2,033	3,673
ESG Federal Grant for HOMEBASE	0	2,949	2,949	0	0	0
Family Justice Centers Contract Transfer to MOCJ	0	0	0	(579)	(556)	(1,135)
HEAP Realization of Federal Funding	0	40,584	40,584	0	0	0
Heat, Light, and Power Adjustment	550	550	1,099	517	517	1,033
Heating Fuel Adjustment	(98)	(44)	(142)	129	116	245
HRA Civilian Cleanup Corps Underspensing	0	(800)	(800)	0	0	0
Lease Adjustment	0	0	0	481	36	517
Office of Technology and Innovation Transfer	(105)	0	(105)	(629)	0	(629)
Office of Economic Opportunity Adjustment	453	0	453	12,283	0	12,283
Public Engagement Unit Adjustment	0	0	0	797	0	797
Source of Income Funding Transfer to CCHR	0	0	0	(452)	0	(452)
Supplemental Medicaid Adjustment	(73,100)	0	(73,100)	(109,600)	0	(109,600)
Technical Adjustments	(332)	954	621	(125)	(139)	(264)
Young Men's Initiative Adjustment	0	0	0	(927)	0	(927)
Subtotal, Other Adjustments	(\$72,377)	\$45,203	(\$27,174)	(\$96,645)	\$2,007	(\$94,639)
TOTAL, All Changes in the FY23 Executive Plan	(\$27,472)	\$45,203	\$17,730	\$106,740	\$11,810	\$118,550
HRA Budget as of the FY23 Executive Budget	\$8,619,354	\$2,736,785	\$11,356,139	8,571,324	\$2,303,267	\$10,874,590

Source: The Office of Management and Budget