



**TESTIMONY**

presented by

**Lilliam Barrios-Paoli**

**Commissioner**

at a hearing on

***The FY 2011 Executive Budget***

before the

**New York City Council Aging and Finance Committees**

on

**Monday, May 17, 2010**

**11:45 A.M.**

at

**City Council Chambers**

**City Hall**

**New York, NY**

Good morning, Chairs Lappin and Recchia and members of the Aging and Finance Committees. I am Lilliam Barrios-Paoli, the Commissioner of the New York City Department for the Aging (DFTA). Here with me today is Angeles Pai, Deputy Commissioner for Planning and Fiscal Operations and Marah Rhoades, Assistant Commissioner for the Bureau of Community Services. Thank you for the opportunity to testify before you today on the Department for the Aging's Fiscal Year 2011 Executive Budget.

The FY 2011 Executive budget is projected at \$226,652,737 in baseline funding and includes allocations of \$87 million to support senior centers; \$28 million for home delivered meals; \$22 million for case management services and \$16 million for homecare for homebound seniors who are not eligible for Medicaid. In addition, the FY 2011 preliminary budget allocates \$4 million for caregiver support services.

I have met with many of you over the past two weeks to discuss DFTA's budget for FY 2011, so you are aware that DFTA is facing a very difficult year due to shortfalls in funding from two distinct areas. I testified at the Preliminary Budget hearing that the State has moved to change the way in which the City can utilize Title XX (Social Service Block Grant) funding. As a result of this change, the City stood to lose up to \$25 million in funding traditionally used for senior centers, or nearly 1/3 of DFTA's senior center budget. The State Senate has recommended restoring 100% of Title XX discretionary funds and the Assembly has recommended 75% within their respective budget resolutions. As of today, however, DFTA still is unsure about the status of Title XX funds, but expects to lose between \$6 and \$12 million if the funds are restored at 75%. I would like to recognize the extraordinary support of the Administration, the Council and the advocates in helping us fight for a return of Title XX funding to sustain senior centers.

Second, as you know, our partners in the State government still have yet to pass a FY'11 budget, which seriously hampers DFTA's ability to plan responsibly for the coming fiscal year. While the status of the Aid and Incentives to Municipalities (AIM) funding from the State remains unclear, the City does expect significant reductions. In response to the State's Executive Budget recommendation that local assistance for mandated programs to the City be reduced by \$1.3 billion, the City has been forced to develop a balanced budget to meet its legally mandated

budget deadline of June 30, 2010. As part of the Executive Budget, DFTA is required to reduce City Tax Levy expenses by \$4.2 million. Given the size of the required cuts, and because DFTA's budget for senior centers is much larger than the respective budgets of the agency's other programs, the Department looked to absorb the \$4.2 million PEG in its senior center portfolio. If DFTA were to look to home-delivered meals or case management services to absorb the required reductions, the cuts would have likely destabilized two programs with relatively small budgets that serve the agency's most vulnerable constituents.

Instead, DFTA is beginning an orderly closure of 50 senior centers. To identify those centers that will close, DFTA adhered to strict criteria that are follows: 1) centers serving fewer than 30 meals daily; 2) part-time and satellite centers; and 3) centers with persistently poor Vendex ratings or other chronic issues.

By focusing on centers that fit these three criteria, DFTA sought to disrupt the fewest number of seniors as possible. The 50 centers provide only about five percent of the meals served in the senior center network. The average cost of meals at these centers is approximately \$16 to 17, while the average meal cost across the center network is about \$7. In short, these are very expensive programs that serve few people.

Even in the face of the closures, DFTA will maintain its support for the same number of meals within the senior center network. DFTA is setting aside funding to ensure that seniors from the impacted centers will be transported to other nearby sites and receive meals there.

To be sure, the decision to close centers is a very painful one for the Department and comes in response to the worst budget climate the City has weathered in decades. DFTA is sensitive to the fact that each of the 50 centers represents a special place for the older adults who attend them and DFTA will work hard to ensure a smooth transition for all of those affected. Please also be aware that if DFTA did not take these actions, we would be forced to implement an across-the-board cut to all senior centers of between 10% and 25%. Such a move would destabilize much of the network and result in closures of many more senior centers.

The City Council is an integral partner in the operation of the senior center network and DFTA values this partnership immensely. From the perspective of the senior center network, the Council's funding is discretionary only in name. The Council's financial support comprises a major component of many senior centers' operating budgets. Senior centers use Council designated funding to defray the cost of meals, rent, utilities and transportation. Many centers could not sustain their programs without the Council's important contributions. I urge the Council to consider this as it moves forward in negotiations on the FY11 Adopted budget. As always, thank you for your critical support and I look forward to answering your questions.

**THE COUNCIL  
THE CITY OF NEW YORK**

*Appearance Card*

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor    ☐ in opposition

Date: \_\_\_\_\_

Name: William Barry - Teal (PLEASE PRINT)

Address: \_\_\_\_\_

I represent: DFTA

Address: \_\_\_\_\_

◆ Please complete this card and return to the Sergeant-at-Arms ◆