

**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.