

The Council of the City of New York

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Report on the Fiscal Year 2015 Executive Budget for the

Department for the Aging

May 22, 2014

Executive Budget Highlights

- The Department for the Aging's (DFTA) proposed Fiscal 2015 Expense Budget totals \$259.7 million.
- The Fiscal 2015 Executive Budget includes a \$1.7 million increase in DFTA's Fiscal 2015 operating budget of \$259.7 million when compared to its Fiscal 2014 Adopted Budget of \$258 million.
 - Approximately \$150.2 million or 58 percent of DFTA's Fiscal 2015 Budget is City tax-levy, \$72 million, or 28 percent is from federal funding, and the remainder of DFTA's budget is funding through a combination of State and intra-city sources.
 - DFTA's overall headcount for Fiscal 2015 is 530 positions. This represents a decrease of 174 positions when compared to the Fiscal 2015 Adopted Budget.
- The Fiscal 2015 Budget includes a total of \$8.1 million in new needs, which comprises of additional funding for case management, congregate and home delivered meals reimbursement, as well as funding for new Innovative Senior Centers (ISCs).
 - There is an additional \$2.6 million for case management in Fiscal 2015 only.
 - There is \$3.3 million baseline funding in Fiscal 2015 and in the outyears for congregate and home delivered meals reimbursements to providers.
 - There is \$2.3 million baseline funding in Fiscal 2015 and in the outyears for six new Innovative Senior Centers.
- The Fiscal 2015 Capital Commitment Plan for the agency totals \$8.4 million, all of which are City funds.

Department for the Aging Overview

This report provides an overview of the Department for the Aging's Fiscal 2015 Budget, a review of the significant initiatives included in the Executive Budget, and a summary of the Department's Capital Budget for Fiscal 2014-2018. Appendices 1-3 report the changes made to the Fiscal 2014 and Fiscal 2015 Budgets since the adoption of the Fiscal 2014 Budget; and provides a list of Fiscal 2014 Council Initiatives and Restorations. For additional information on the Department's Budget and its various programs, please refer to the "DFTA Fiscal 2015 Preliminary Report" available at the Council's website.

DFTA Financial Summary

<i>Dollars in Thousands</i>	FY12 Actual	FY13 Actual	FY14 Adopted	FY14 as of FY15 Exec. Budget	FY15 Exec. Budget	*Change FY14 - FY15
Spending						
Personal Services	\$24,403	\$22,658	\$23,986	\$23,390	\$23,610	(\$376)
Other Than Personal Services	233,378	239,493	234,026	241,232	236,086	2,060
Total	\$257,781	\$262,152	\$258,013	\$264,622	\$259,696	\$1,683
Budget by Program Area						
Administration & Contract Agency Support	\$53,860	\$30,751	\$33,491	\$32,618	\$25,522	(\$7,969)
Case Management	18,286	19,979	22,332	22,402	25,848	3,516
Homecare	12,329	15,418	16,887	16,337	16,887	-
Senior Centers and Meals	125,891	148,790	145,407	149,695	161,464	16,057
Senior Employment & Benefits	11,023	9,010	6,681	8,486	6,726	45
Senior Services	36,392	38,205	33,214	35,083	23,248	(9,966)
Total	\$257,781	\$262,152	\$258,013	\$264,622	\$259,696	\$1,683
Funding						
City Funds	\$144,643	\$138,276	\$149,060	\$149,546	\$149,862	\$802
State	35,717	37,576	37,018	36,902	37,164	146
Federal - Community Development	1,755	2,298	2,235	2,235	2,234	(1)
Federal - Other	72,491	80,884	69,106	74,117	70,116	1,010
Intra City	3,169	2,988	594	1,821	320	(274)
Other Cat	6	130	-	-	-	-
Total	\$257,781	\$262,152	\$258,013	\$264,622	\$259,696	\$1,683
Positions						
Full-Time Positions - Civilian	286	285	297	295	296	(1)
Full-Time Equivalent Positions	547	487	407	372	234	(173)
Total	833	772	704	667	530	(174)

*The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Executive Plan funding.

New in the Executive Budget

- **Case Management.** The City Council's Fiscal 2015 Preliminary Budget response called for the Administration to add additional funding for case management to reduce DFTA's case management ratio, and the Department's Fiscal 2015 Executive Budget includes an additional \$2.6 million for case management. This additional funding is for Fiscal 2015 only, and was not baselined in the outyears. With the \$5.5 million for case management that was baselined in the November Plan for Fiscal 2015 and in the outyears, total funding for case management for this upcoming fiscal year totals \$8.1 million. This additional funding will allow the agency to reduce the case management ratio to 65 cases to one case manager City-wide, which is a reasonable case load that allows case managers to effectively and safely serve vulnerable seniors and addresses the case management waitlist.

It is important to note that in a recent study of caseloads in case management agencies commissioned by DFTA findings recommends that case managers only have an average caseload of 65 clients.

- **Increase Funding Meals Reimbursement.** DFTA's Fiscal 2015 Budget reflects a \$3.3 million baseline funding for congregate and home delivered meals reimbursement to providers. Although the agency is still determining how this additional funding will be distributed between congregate and home delivered meals reimbursement, it estimates an approximate 20 cent increase reimbursement for congregate meals.
- **Funding for Innovative Senior Centers.** In October 2013, DFTA issued a solicitation to expand the agency's innovative senior centers (ISCs) and awarded six new contracts shortly thereafter. The new ISCs are Education Alliance, Find Aid for the Aged, Carter Burden Center for the Aging, Ridgewood Bushwick Senior Citizens Council, Neighborhood Self-Help by Older Persons Project, and the Hellenic American Neighborhood Action Committee. The agency's budget includes \$2.3 million in funding for Fiscal 2015 and in the outyears for these new ISCs. Including these six additional ISCs, DFTA now has a total of 16 ISCs in its network.

Budget Highlights in DFTA

- **Personal Services Realignment.** In Fiscal 2015, DFTA realigned its personal services budget after a formal audit from the State Office For the Aging (SOFA). It was found that DFTA was not allocating resources equally between personal services and other personal services costs, and was using more resources towards personal services. To rectify this situation, DFTA realigned personal services headcount, and federal funds were moved from personal services to contractual services, and City funds were moved from contractual services to personal services. This realignment resulted in decreases and increases in funding for some program areas, but did not impact DFTA's overall budget.
- **Case Management Baselined Funding.** The Administration baselined \$5.5 million for case management for Fiscal 2015 and in the outyears.
- **Elder Abuse Prevention Baselined Funding.** The Administration baselined \$800,000 for elder abuse in Fiscal 2015 and in the outyears. DFTA plans to solicit a request for proposals (RFP) elder abuse contracts in early fall, and plans on administering one elder abuse contract per borough.

- **Information and Referral Contracts Baselined Funding.** The Administration baselined \$1 million for information and referral contracts in Fiscal 2015 and in the outyears. Information and Referral contracted programs primarily serve elderly immigrant populations, and provide the names and contact phone numbers and/or addresses of providers of services and other resources in their community.
- **Naturally Occurring Retirement Communities (NORCs) Baselined Funding.** The Administration baselined \$900,000 in funding for NORCs in Fiscal 2015 and in the outyears. DFTA announced the award winners of its recent NORC RFP, and included this additional baseline money to its total RFP NORC budget, which now totals \$6.5 million in Fiscal 2015.
- **Nutrition Services Baselined Funding.** The Administration baselined \$1 million for nutrition services for Fiscal 2015 and in the outyears. The funding will be used to provide home-delivered weekend and holiday meals to seniors
- **Borough Presidents' Discretionary, Senior Center Space, and Transportation Baselined Funding.** The Administration baselined \$7.6 million for Fiscal 2015 and in the outyears, specifically \$4.1 million for Borough Presidents' discretionary funding, \$1.5 million to senior center space costs, and \$2 million for senior center transportation costs.
- **Senior Centers Baselined Funding.** The Administration baselined \$3 million in funding for senior centers in Fiscal 2015 and in the outyears. This funding will go towards averting senior center closures and restore services to senior centers that previously loss funding. In
- **Social Adult Day Cares (SADs) Baselined Funding.** The Administration baselined \$400,000 for social adult day cares (SADs) in Fiscal 2015 and in the outyears.
- **NYCHA Community Services New Need.** The Administration added \$4.8 million for New York City Housing Authority (NYCHA) community services in Fiscal 2015. This new need is to support the four senior centers that transitioned from NYCHA to DFTA at the beginning of Fiscal 2014.

DFTA Capital Program

The Executive 2015 Capital Commitment Plan includes \$45.1 million in Fiscal 2014-2018 for the Department for the Aging (including City and Non-City funds). This represents approximately less than one percent of the City's total \$48.9 billion Executive Plan for Fiscal 2014-2018. There is almost no change in Executive Commitment Plan for Fiscal 2014-2018 when compared to \$45.2 million scheduled in the Preliminary Commitment Plan.

The majority of capital projects span multiple fiscal years, and it is, therefore common practice for an agency to roll unspent capital funds into future fiscal years. In Fiscal 2013, the Department for the Aging committed \$4.4 million or about 17 percent of its annual capital plan. Therefore, it is assumed that a significant portion of the agency's Fiscal 2014 Capital Plan will be rolled into Fiscal 2015, increasing the size of the Fiscal 2015-2018 Capital Plan as reflected in the chart below.

Since adoption last June, the City-wide total Capital Commitment Plan for Fiscal 2014 has decreased from \$20.9 billion in the Adopted Capital Commitment Plan to \$14.2 billion in the Executive Capital Commitment Plan, a decrease of \$6.7 billion or 32.1 percent.

DFTA 2014-2018 Commitment Plan

<i>Dollars in Thousands</i>	FY14	FY15	FY16	FY17	FY18	Total
Executive Plan	\$27,541	\$8,490	\$3,004	\$3,006	\$3,068	\$45,109
Preliminary Plan	\$38,169	\$1,703	\$1,741	\$1,780	\$1,842	\$45,235
Change	\$10,628	(\$6,787)	(\$1,263)	(\$1,226)	(\$1,226)	\$126
Percentage Change	28%	-399%	-73%	-69%	-67%	0%

Major Capital Projects & Executive Budget Highlights

The Capital Variance Report indicates minimal variance between the Executive 2015 Commitment Plan and the Preliminary Commitment Plan. The DFTA capital budget includes general funding for the rehabilitation and upkeep of senior centers. This funding may be used for large repairs and maintenance of centers on an ongoing basis. In addition, capital funds may be used towards senior center technology maintenance and upgrades, as well as purchasing new vehicles for senior centers. Funding for major Department for the Aging projects in the Capital Plan for Fiscal 2014-2018 include:

- \$9.1 million for infrastructure improvements to the City's senior center network, including renovations and repairs to the existing facilities; and
- \$8.5 million for computer network upgrades and equipment purchases.

Appendix 1: DFTA Fiscal 2015 Executive Budget Actions

<i>Dollars in Thousands</i>	FY 2014			FY 2015		
	City	Non-City	Total	City	Non-City	Total
Agency Acronym Preliminary Fiscal 2015 Budget	\$150,579	\$111,701	\$262,280	\$141,671	\$109,515	\$251,186
New Needs						
Case Management				\$2,600		
Increased Reimbursement for Meals				3,263		
Innovative Senior Centers				2,300		
Subtotal New Needs	\$0	\$0	\$0	\$8,163	\$0	\$0
Other Adjustments						
Heat, Light, and Power	\$406		\$406	\$107		\$107
Local Initiatives	149		149			0
Lease Adjustment				338		338
NSIP - Increase per NGA		1,553	1,553			0
Inter-City Adjustments	234		234			0
Technical Adjustments				(96)		(96)
Subtotal Other Adjustments	\$789	\$1,553	\$2,342	\$349	\$0	\$349
Total All Changes	\$789	\$1,553	\$2,342	\$8,512	\$0	\$349
Agency Acronym Executive Fiscal 2015 Budget	\$151,367	\$113,254	\$264,621	\$150,182	\$109,514	\$259,696

Appendix 2: DFTA Budget Actions since Fiscal 2014 Adoption

<i>Dollars in Thousands</i>	FY 2014			FY 2015		
	City	Non-City	Total	City	Non-City	Total
DFTA Adopted Fiscal 2014 Budget	\$149,654	\$108,358	\$258,012	\$117,110	\$109,515	\$226,625
New Needs						
NYCHA Community Services				\$4,800	-	-
Case Management				2,600		
Increased Reimbursement for Meals				3,263		
Innovative Senior Centers				2,300		
Subtotal New Needs	\$0	\$0	\$0	\$12,963	\$0	\$0
Other Adjustments						
November Plan Technical Adjustments	\$645	\$3,317	\$3,962	(\$441)	\$0	(\$441)
Case Management				5,500		5,500
Elder Abuse				800		800
NORCs				900		900
Information and Referral Services				1,000		1,000
Nutrition Services				1,000		1,000
Senior Centers				3,000		3,000
BP, Transportation, and Space				7,600		7,600
Social Adult Day				400		400
Preliminary Plan Technical Adjustments	274	(18)	256			
Heat, Light, and Power	406		406	107		107
Local Initiatives	149		149			0
Lease Adjustment				338		338
NSIP - Increase per NGA		1,553	1,553			0
Inter-City Adjustments	234		234			0
Technical Adjustments				(96)		(96)
Subtotal Other Adjustments	\$1,708	\$4,852	\$6,560	\$20,108	\$0	\$20,108
Total All Changes	\$1,708	\$4,852	\$6,560	\$33,071	\$0	\$20,108
DFTA Executive Fiscal 2015 Budget	\$151,367	\$113,254	\$264,621	\$150,182	\$109,514	\$259,696

Appendix 3: DFTA Council Initiatives and Restorations

Initiatives	FY14	Baselined
City Meals on Wheels	\$1,000,000	✓
Elder Abuse Prevention PEG Restoration	\$800,000	✓
Information and Referral Contracts	\$1,000,000	✓
NORC Supportive Housing Program	\$900,000	✓
Senior Center Closures PEG Restoration	\$2,989,107	✓
Senior Services Borough President's Discretionary Funding PEG Restoration	\$4,100,000	✓
Social Adult Day Care PEG Restoration	\$400,000	✓
Space Cost for Senior Centers	\$1,500,000	✓
Transportation Operating Costs	\$2,000,000	✓
Case Management	\$5,500,000	✓
TOTAL	\$20,189, 107	