



NYC Department of Homeless Services

Linda Gibbs
Commissioner

DEPARTMENT OF HOMELESS SERVICES
City Council Hearing on the FY05 Preliminary Budget and Mayor's
Management Report
March 23, 2004

Good afternoon. I am Linda Gibbs, commissioner of the Department of Homeless Services (DHS).

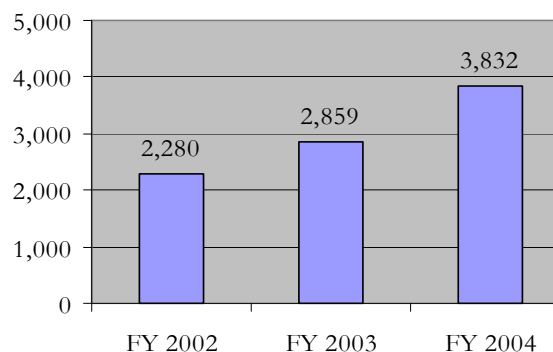
Thank you for the opportunity to testify before you today. As you know, it's been nearly two years since the June 2002 release of the department's strategic plan. A majority of the initiatives outlined in the plan have been implemented and ongoing quality improvement work continues. I am very proud that DHS staff and our partners have focused on this ambitious reform agenda, while still meeting our challenging mandate to ensure shelter to record numbers of homeless New Yorkers. Our work is beginning to pay off; the system is stronger, more stable, and more accountable today than in years past.

Today, I will report on indicators included in the Mayor's Management Report (MMR) and other accomplishments that have stabilized the system and led to improved outcomes for the homeless population. I will also report on the DHS preliminary budget for Fiscal Year 2005.

Placements into Permanent Housing

The City continues to build on its track record of success by placing ever-increasing numbers of families into permanent housing. The Mayor's insistence on inter-agency collaboration, targeted resource investment, as well as focused management, have resulted in a record number of homeless families transitioned from shelter to permanency thus far this year. From July 2003 to January 2004, 68% more families were placed into permanent housing than during the same period in the last fiscal year. These permanency efforts have been a critical part of stabilizing growth in the family shelter system. We will continue pressing ourselves toward further improvement.

Fiscal Year to Date Housing Placement Comparison

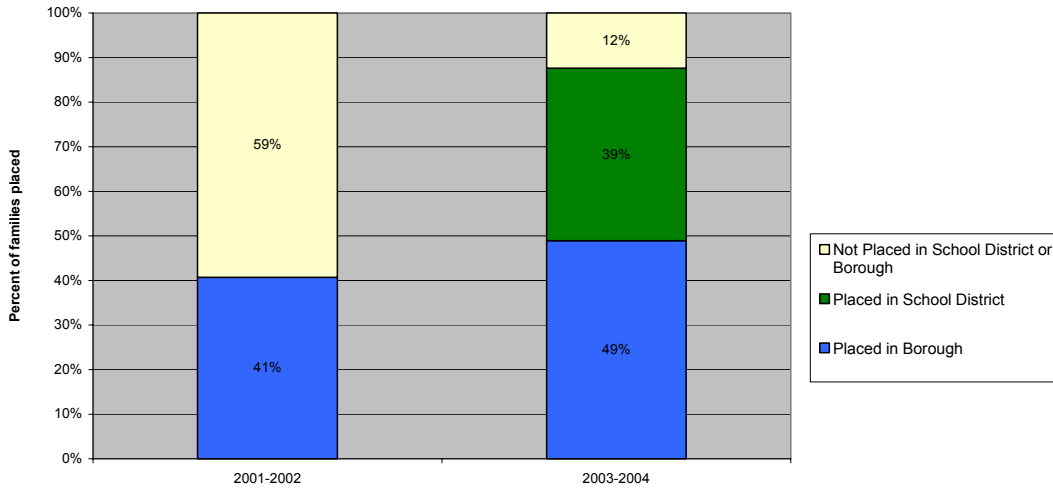


Number of Families Placed into Permanent Housing

Community-Based Placements

Since I last testified before the Council, DHS implemented a new community-based placement protocol for homeless families. By placing families into shelters that are in close proximity to the school of their youngest child, we are keeping children connected to their schools and parents to social and religious networks – networks that can provide much-needed support as families work to overcome their homelessness. From September 1 to January 31, 2004, there were 2,553 families with school-age children placed in DHS facilities. Of these families, 39% were placed in a shelter in their school district and 88% were placed in their home borough. This represents a 115% increase when compared to the same period in the 2001-2002 school year.

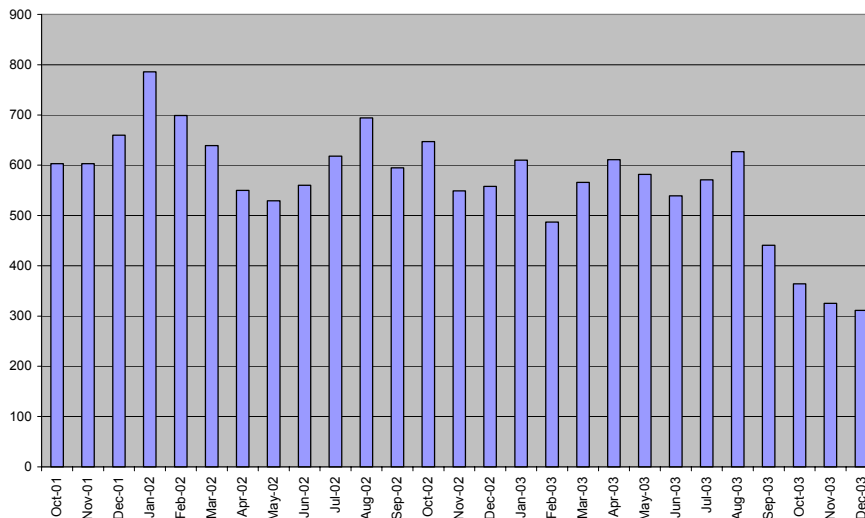
Community-Based Placement Comparison



Reduction in Facility Transfers

In a related strategic plan initiative, DHS has made headway in reducing the number of transfers that families experience while in the shelter system. With Tier II facilities now accepting conditional placements, we are able to serve families without transfer from shelter placement to permanent housing discharge. As you can see in the chart, DHS has reduced the number of transfers by 44% from December 2002 to December 2003. This initiative, like the community-based placement protocol, helps mitigate disruption to homeless children’s education, among other positive outcomes.

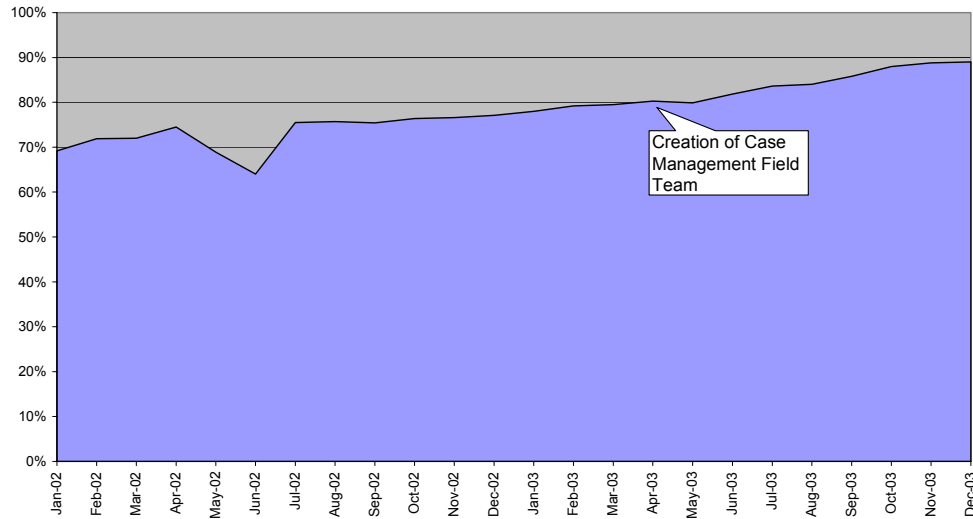
Total Number of Families Transferred Between Facilities



Increasing the Number of Families on Public Assistance

In April 2003, DHS established the Case Management Field Team (CMFT) to ensure that families that are eligible for public assistance are receiving benefits. Public assistance is an important step for families seeking rental subsidies through programs such as Section 8, and NYCHA. As a result of the creation of the field team, nearly 90% of families eligible for public assistance are now receiving aid, up from 79% when the initiative began. In addition to increasing income stability for homeless families, the initiative expedites housing assistance eligibility and has the added benefit of increasing federal and state reimbursement to the City for family shelter stays.

Percent of Families on Public Assistance



Reduction of the Scatter Site Program

We have also made progress in the difficult work of phasing out the scatter site program. I am pleased to report that in the face of continued high demand for shelter services, DHS has managed to reduce scatter site capacity by 323 units; another 40 units will be reduced at the end of the month. In addition, we are in negotiations with two providers to convert over 500 of these units to new cluster model Tier II contracts. DHS remains committed to ending the scatter site program, while also ensuring our ongoing ability to provide shelter to record numbers of homeless families.

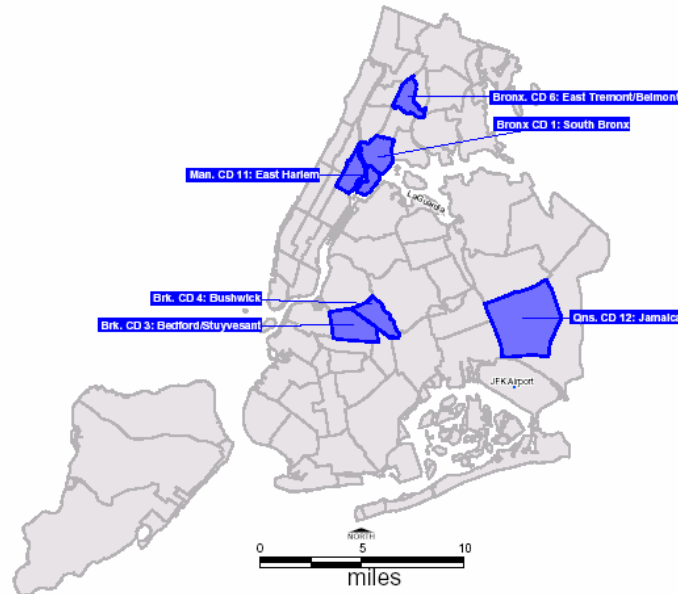
Conversion of Hotels to Contracted Tier II's

At the urging of the Comptroller, DHS is also undertaking steps to convert family hotels into contracted Tier II facilities. First and foremost, we have ended a long-standing agency practice of relying on hotels for new family capacity and are now only considering contracted sites as new shelters. In fact, no new hotels have been brought into the portfolio since August. We are working with the Comptroller's office to develop an expedited procurement process for these facilities. In a new development, we are in active negotiations regarding the conversion of three hotels to Tier II contracted facilities. I am hopeful that once we are successful with this first conversion, other providers will follow.

Housing Stability Initiative

In January, DHS' newly formed Prevention and Aftercare Unit announced the *Household Stability Initiative*, which calls for qualified community-based organizations to provide \$12 million worth of preventive services to individuals and families in high-risk communities. The associated Request for Proposals (RFP) targets six communities that together account for one in every four families entering shelter. Community organizations will provide casework services, issue short-term financial assistance, and help clients locate and access existing community-based programs such as job training, financial literacy, credit counseling, and anti-eviction programs. There's been tremendous interest in the program; 250 organizations have picked up the RFP. DHS plans to select providers and begin the new prevention program in September.

Household Stability Initiative – Phase One Communities



I'd now like to briefly report on the Fiscal Year 2005 preliminary budget. The preliminary budget continues to build on DHS' programmatic successes. For the current year, FY04, the department's expense budget is \$671 million; for next year, FY05, the budget is \$659 million. Of the \$659 million, \$282 million are city funds, \$189 million state funds, \$158 million federal funds, and \$30 million is intra-city funding. The \$659 million budget allocates \$248 million to services for single adults, \$363 million to services for families, and \$48 million to support services. This funding provides services for 38,341 individuals including 9,084 families with 16,178 children. This represents a slight increase over last year's census of 38,315 homeless individuals including 9,236 families with 16,604 children.

The DHS Capital Plan for the five year period of 2004-2008 is currently \$119 million. Capital projects for homeless families total \$32 million; projects for single adults total \$66 million; and \$21 million has been allocated for support services. Projects being carried out with capital funding include building upgrades, building envelope stabilizations, and purchasing of computer equipment and hardware.

In closing, I wanted to offer a brief update on efforts to create the City's first multi-sector strategy to end chronic homelessness. *Uniting for Solutions Beyond Shelter*, as the plan will be called, has as its goals overcoming street homelessness, implementing a "prevention first" agenda, identifying rapid rehousing strategies for those whose homelessness cannot be prevented, and resource reinvestment. Mayor Bloomberg has brought together an exceptional coalition of leaders from the business, non-profit, and public sectors. I have been impressed and overwhelmed by the diversity of organizations and leaders that are joining the City in this unprecedented effort. I look forward to working with all of you, too, as the plan comes into focus.

I am available to answer any questions.