



THE COUNCIL OF THE CITY OF NEW YORK

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HEARING ON THE FISCAL YEAR 2014 EXECUTIVE BUDGET FOR THE

DEPARTMENT FOR THE AGING

May 29, 2013

EXECUTIVE BUDGET HIGHLIGHTS

- The Department for the Aging (DFTA's) Fiscal 2014 Executive Budget totals \$225.6 million. The Department's overall headcount is 297 positions.
- The Fiscal 2014 Executive Budget includes a reduction of \$37.7 million, or 17 percent of DFTA's proposed operating budget of \$225.6 million in Fiscal 2014, when compared to its Fiscal 2013 Adopted Budget of \$263.2 million.
 - Approximately 76 percent of the funding reduction is City tax-levy (CTL) funding, and the remaining is from a combination of federal and intra-city funding sources.
 - \$27.65 million of the \$37.7 million loss in funding, or roughly 73 percent, can be attributed to the absence of one-time City Council funding in Fiscal 2013.
- The Fiscal 2014 Executive Plan includes the following other adjustments due to the federal sequestration: \$1.6 million decrease in Older American Act funding; \$3.3 million decrease in funding from the Social Services Block Grant; and \$1.3 million decrease in Title III nutritional funding.
- Council Funding in Fiscal 2013: \$27.65 million (see Appendix 3).
 - \$6 million for senior centers and meals, \$11.2 million for senior services, \$10.5 million in Aging Discretionary/Member items.
- Case Management Fiscal 2014 Budget: \$16.2 million; Year-Over-Year Reduction: \$2.7 million.
- Senior Services Fiscal 2014 Budget: \$19 million, Year-Over-Year Reduction: \$12.2 million.
- Senior Centers and Meals Fiscal 2014 Budget: \$133.3 million, Year-Over-Year Reduction: \$5 million.

FINANCE DIVISION

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DEPARTMENT FOR THE AGING OVERVIEW

This report provides an overview of the Department for the Aging's 2014 Budget, a review of the significant initiatives included in the Executive Budget, and a summary of the Department's Capital Budget for Fiscal 2013-2017. Appendices 1-3 report the changes made to the Fiscal 2013 and Fiscal 2014 Budget since adoption of the Fiscal 2013 Budget; and provides a list of Fiscal 2013 Council Initiatives. For additional information on the Department's Budget and its various programs, please refer to the "DFTA Fiscal 2014 Preliminary Report" available at the Council's website.

FINANCIAL SUMMARY					
<i>Dollars in Thousands</i>	2012	2013		2014	Difference
	Actual	Adopted	Exec. Plan	Exec. Plan	2013-2014*
Spending					
Personal Services	\$24,403	\$25,201	\$25,201	\$23,986	(\$1,215)
Other Than Personal Services	233,378	238,062	210,097	201606	(36,456)
TOTAL	\$257,781	\$263,263	\$235,298	\$225,592	(\$37,671)
Budget by Program Area					
Administration & Contract Agency Support	\$53,860	\$49,459	\$49,459	\$33,491	(\$15,968)
Case Management	18,286	18,967	14,926	16,232	(2,735)
Homecare	12,329	16,508	16,465	16,887	379
Senior Centers and Meals	125,891	138,383	125,354	133,334	(5,049)
Senior Employment & Benefits	11,023	8,704	8,704	6,681	(2,023)
Senior Services	36,392	31,243	20,390	18,968	(12,275)
TOTAL	\$257,781	\$263,263	\$235,298	\$225,592	(\$37,671)
Funding					
City Funds		\$145,276	\$117,310	\$116,640	(\$28,636)
Federal – CD		2,235	2,235	2,235	0
Federal – Other		77,562	77,562	69,106	(8,456)
Intra-City		1,223	1,223	594	(629)
State		\$36,968	36,968	37,017	49
TOTAL	\$257,781	\$263,263	\$235,298	\$225,592	(\$37,671)
Positions					
Full-time Positions	286	297	295	297	0
TOTAL	286	297	295	297	0

* Difference between FY 2013 Adopted Budget and FY 2014 Executive Budget.

NEW IN THE EXECUTIVE BUDGET

The Fiscal 2014 Executive Plan reduces the Department's budget by \$37.7 million, when compared to the Fiscal 2013 Adopted Budget. Much of the decrease in the Department's budget can be attributed to the absence of one-time City Council funding of \$27.6 million in Fiscal 2013. The Fiscal 2014 budget includes a \$7.2 million decrease due to technical adjustments, of which, \$6.2 million is the result of the loss in federal funding from sequestration. The Department was not required to implement any programmatic reductions to meet its 2014 Program to Eliminate the Gaps (PEG) target. It met its PEG target through accruals from federal grants, delays in awarding senior center contracts, and deferring maintenance of technology systems.

FEDERAL SEQUESTRATION

Sequestration is a series of automatic, across-the-board cuts to government agencies, totaling \$1.2 trillion over 10 years. The cuts are split 50-50 between defense and domestic discretionary spending. The budget cuts began on March 1, 2013. The spending reductions are approximately \$85.4 billion in Fiscal 2013, with similar cuts from Fiscal 2014 through 2021. The following reductions will impact the Department as a result of sequestration.

- **\$1.6 million decrease in Older American Act (OAA) funding.** The Office of Management and Budget (OMB) estimates a \$1.6 million decrease in OAA funding for DFTA in Fiscal 2014. Federal funds from OAA are used by states and aging agencies to develop, enhance, and coordinate community-based systems for seniors.
- **\$3.3 million in Title XX Reduction.** OMB estimates a \$3.3 million reduction in Title XX Social Services Block Grant funding in Fiscal 2014, which would impact DFTA's senior centers and meals program area.
- **\$1.3 million decrease in Title III funding.** Title III provides funding for congregate and home delivered meals. DFTA's Title III federal funding is projected to decrease by \$1.3 million. It is unclear how the agency will be able to absorb the loss in funding for nutritional programs in Fiscal 2014.

BUDGET HIGHLIGHTS IN DFTA

Despite the Council's best efforts to urge the Administration to restore and baseline funding for key program areas, DFTA's Fiscal 2014 Budget includes year-over-year funding reductions for case management, senior services, and senior centers and meals.

CASE MANAGEMENT

The Fiscal 2014 budget calls for a \$2.7 million decrease in funding for case management services when compared to the Fiscal 2013 Adopted Budget. The Fiscal 2014 case management budget is \$16.2 million, and the majority of this decrease in funding is due to the absence of one-time Council funding of \$4 million for case management in Fiscal 2013. Currently, DFTA's case to case manager ratio is 83:1; however, DFTA considers 80 cases per case manager to be the maximum permissible to provide basic services and ensure safety. Prior to the \$6.6 million case management PEG that was implemented starting in Fiscal 2011, DFTA's case management budget was over \$21 million, and the ratio of case to case manager was 66:1. The Council will continue to work with the Administration to ensure that case management services are sufficient in Fiscal 2014.

SENIOR SERVICES

DFTA's senior services budget is \$12 million less than the Fiscal 2013 Adopted Budget. This decrease in funding can be attributed to the exclusion of one-time Council funding of \$7.2 million, and discretionary funding in Fiscal 2013. Council provided restorations to elder abuse programs, Naturally Occurring Retirement Communities (NORCs) supportive service programs, social adult day (SAD) day care programs, and information and referral contracts.

SENIOR CENTERS AND MEALS

DFTA's Fiscal 2014 budget includes a \$5 million decrease in funding for senior centers and meals when compared to the Fiscal 2013 Adopted Budget. The decrease can be attributed to the lack of one-time Council funding of \$6 million in Fiscal 2013. Of the \$6 million in funding the Council provided in Fiscal 2013, \$3 million supports senior centers space and facility funding shortfalls; \$2 million supports fuel, insurance, and maintenance costs for senior center vans that transport seniors to medical/personal appointments, recreational activities, and other social service sites; and \$1 million provides additional funding to City Meals on Wheels. The Council will continue to work with the Administration to ensure that services provided through senior centers and meals are not diminished in Fiscal 2014.

ELDER ABUSE PREVENTION SERVICES

DFTA's Fiscal 2014 Executive Budget eliminates elder abuse prevention services. The City Council provided \$800,000 in Fiscal 2013 to restore these vital services. About 1,000 seniors annually are seen by the DFTA Elder Abuse provider network, and this network is one of the only means that elderly victims can report both physical and financial abuse to trained staff that specialize in cases involving seniors.

CAPITAL PROGRAM

The Executive 2013 Capital Commitment Plan includes \$40 million in Fiscal 2013-2017 for the Department of the Aging, all of which are City funds. This represents less than one percent of the City's total \$44.5 billion Executive Plan for Fiscal 2013-2017. The agency's Executive Commitment Plan total for Fiscal 2013-2017 is the same as the Department's Preliminary Commitment Plan total for Fiscal 2013-2017.

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 Year 2012, the Department for the Aging committed \$4.27 million or 17.6 percent of its annual capital plan. Therefore, it is assumed that a significant portion of the agency's Fiscal 2013 Capital Plan will be rolled into Fiscal 2014. Since adoption last June, the City's total Capital Commitment Plan for Fiscal 2013 has decreased from \$17.9 billion in the September Capital Commitment Plan to \$16.6 billion in the Executive Capital Commitment Plan, a decrease of \$1.3 billion or 7.3 percent.

2013-2017 Commitment Plan: Executive Budget and Preliminary Budget

Dollars in Thousands

	FY13	FY14	FY15	FY16	FY17	Total
Executive						
Total Capital Plan	\$26,322	\$7,382	\$2,703	\$1,741	\$1,780	\$39,928
Preliminary						
Total Capital Plan	\$31,761	\$2,943	\$1,703	\$1,741	\$1,780	\$39,928
Change						
Level	(\$5,439)	\$4,439	\$1,000	\$0	\$0	\$0
Percentage	(17%)	151%	59%	0%	0%	0%

MAJOR CAPITAL PROJECTS & EXECUTIVE BUDGET HIGHLIGHTS

The Department's Fiscal 2013-2017 Capital plan totals \$40 million, all of which are City funds. The majority of DFTA's Capital investments are in construction and renovations for various senior centers around the City, and technology improvements. Funding for the major Department for the Aging projects in the Capital Plan for Fiscal 2013-2017 includes the following:

- \$6.1 million for the rehabilitation of various senior centers throughout the City;
- \$3.7 million for technology improvements to collect client data;
- \$2.5 million for computer upgrades; and
- \$2.4 million for re-engineering DFTA's grants management system.

APPENDIX 1: BUDGET ACTIONS IN THE EXECUTIVE PLAN

<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
Budget as of the Preliminary 2014 Plan	\$139,197	\$126,621	\$265,818	\$116,408	\$116,576	\$232,984
Other Adjustments						
May Plan Technical Adjustments	(\$22)	\$3,971	\$3,949	\$232	(\$1,421)	(\$1,189)
Hurricane Sandy		(753)	(753)			
Federal Sequester					(6,202)	(6,202)
TOTAL, Other Adjustments	(\$22)	\$3,218	\$3,196	\$232	(\$7,623)	(\$7,391)
TOTAL, All Changes	(\$22)	\$3,218	\$3,196	\$232	(\$7,623)	(\$7,391)
Budget as of the Executive 2014 Plan	\$139,175	\$129,840	\$269,015	\$116,640	\$108,952	\$225,592

APPENDIX 2: BUDGET ACTIONS IN THE NOVEMBER, PRELIMINARY AND EXECUTIVE PLANS

<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
Budget as of the Adopted 2013 Plan	\$145,276	\$117,988	\$263,264	\$116,312	\$116,541	\$232,853
Programs to Eliminate the Gap (PEGs)						
Prior Year Accrual	(\$6,000)	\$6,000	\$0			
TOTAL, PEGs	(\$6,000)	\$6,000	\$0			
Other Adjustments						
November Plan Technical Adjustments	\$234	\$1,569	\$1,803	\$96	\$35	\$131
January Plan Technical Adjustments	(313)	1,066	753			
May Plan Technical Adjustments	(22)	3,971	3,949	232	(1,421)	(1,189)
Hurricane Sandy		(753)	(753)			
Federal Sequester					(6,202)	(6,202)
TOTAL, Other Adjustments	(\$101)	\$5,853	\$5,752	\$328	(\$7,588)	(\$7,260)
TOTAL, All Changes	(\$6,101)	\$11,853	\$5,752	\$328	(\$7,588)	(\$7,260)
Budget as of the Executive 2014 Plan	\$139,175	\$129,840	\$269,015	\$116,640	\$108,952	\$225,592

APPENDIX 3: COUNCIL INITIATIVES AND FUNDING

FY 2013 Council Changes at Adoption

Dollars in Thousands

Senior Centers & Meals	
Senior Centers and Programs Restoration	\$1,496
Space Costs for Senior Centers	1,500
Transportation Operating Costs	2,000
City Meals on Wheels	1,000
Senior Services	
Case Management Restoration	\$4,000
Elder Abuse Programs Restoration	800
Information and Referral Contracts	1,000
NORC Supportive Service Programs	900
Senior Services – Borough Presidents’ Discretionary Funding Restoration	4,100
Social Adult Day Care Programs	400
Member Items	
Local	\$4,991
Aging	5,546
TOTAL	\$27,653