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Mayor Michael Bloomberg Introduces his Executive Budget for City Fiscal Year 2012 HASA Case Managers Spared Budget Axe but Many other HIV Programs Face Fight to Survive Thousands of City Employee Layoffs Proposed

Friday, May 6, 2011 – New York Mayor Michael Bloomberg introduced his Executive Budget for the City fiscal year that starts on July 1, 2011, and goes through June 30, 2012 (CFY 2012). The proposed budget of \$65.7 billion includes \$1.2 billion in cuts, and that is on top of a series of reductions that have already been phased in over time that in total reach \$5.4 billion for FY 2012. What stands out in this budget is his proposal to lay-off more than 4,200 teachers and eliminate another 1,120 through attrition – a substantial number that will surely bring out the teachers union and education advocates in force to oppose these cuts. More than half of approximately 10,000 in proposed City worker reductions are coming from the Department of Education.

If there was a theme laid out by the Mayor this year, it was the message that NYC's fiscal woes can be blamed directly on Albany and Washington's declining fiscal commitment, a problem he says has accelerated in past few years. He made it a point to highlight State cuts in education to the City, arguing that teacher layoffs should be blamed on outside parties.

"The budget details the expanding gap between strong City support for services and declining State and Federal support for services, which has forced City taxpayers to cover the increasing costs of services. Further, much of the increase in cost for services is dictated by State and Federal mandates," Mayor Bloomberg said in his press release on the 2012 budget. State funding alone to the City was cut by \$1.8 billion according to City Hall. The message from the Mayor – blame them, not me, for proposed cuts in services.

HASA City Workers Spared at Expense of Major Cuts to Many HIV Programs

Last year, the Mayor sought to cut one-third of the case managers at HASA (HIV/AIDS Services Administration), which most advocates described at the time as a violation of both Local Law 49 and a standing federal court order (*Henrietta vs. Bloomberg*). In anticipation that the Mayor might attempt this again, Housing Works went to federal court and was successful in securing strong language from the judge that warned the City not attempt to cut HASA staff this year. As a result, this year's budget does not include a proposal to cut HASA case workers.

With his hands tied regarding HASA case worker cuts, Bloomberg in his budget goes after other HIV services in a “rob Peter to pay Paul” strategy. Not only does the budget once again fail to restore recurring cuts in HIV services, these reductions go much deeper than ever before. The reductions primarily are aimed at case managers in supportive housing programs and HIV nutrition services, which are provided solely through The Momentum Project. The nutrition funds for VillageCare’s Momentum would be completely eliminated by the Bloomberg budget – effectively bringing an end to this vital service after 25 years. Supportive housing programs face additional cuts of \$5.4 million.

The Mayor also targeted anti-stigma programs for elimination as well as a GMHC program to help HASA clients with financial management, which faces substantial reductions. To make it even more challenging, the recently passed FY 2011-12 State budget significantly cut the State’s contribution to supportive housing programs for single adults. The State match has been reduced from 50 percent to 29 percent for these programs, making the City’s cuts exacerbated by State policies.

For The Momentum Project, which has seen its other sources of funding evaporate over the years, funding from the City of New York is the only thing left that keeps this program open. Should City funding be dramatically curtailed or even eliminated, The Momentum Project, which just celebrated its 25th year of service, may not survive much into its 26th year. More than 2,000 persons living with HIV/AIDS rely on Momentum for congregate meals and pantry bags at four sites throughout the City.

In addition, HASA clients are now faced with an entirely new change in City policy that is dramatically impacting the ability to find housing. A few months ago, the HIV community began to learn, without any public notice from the City’s Human Resources Administration (HRA), or from HASA, that NYC would no longer pay security deposits to landlords but instead would give them vouchers. To what extent landlords are willing to accept these vouchers in lieu of security deposits is unclear, but certainly some may seriously hesitate before accepting any new HASA clients. In addition, the City decided to only give half a month’s rent, not a full month’s rent, as is the normal practice, to brokers who find apartments. This essentially amounts to a 50 percent reduction in brokers’ fees. The new practice to reduce by half the normal brokers’ fee was listed in the budget as a savings of \$4.8 million. These combined practices pose a serious barrier to finding housing for many persons living with HIV/AIDS. HIV advocates will confront the City administration on this, questioning whether this policy change will truly provide a savings if, in fact, indi-



The Momentum Project sustains health and fosters wellness by providing communal meals and supportive services to any person living with HIV/AIDS, their family members and loved ones in New York City.



viduals end up staying longer in SROs, which charge the City much higher rates than a normal apartment would cost.

The budget also lists a reduction of \$1.257 million for rental assistance at HASA. No further details on what exactly this cut means, how it would be enacted and its impact on clients was available at this time. Advocates and providers are bracing for very traumatic changes in City policy towards HASA clients.

This Bloomberg proposed budget seeks a significant curtailment of HIV funding, with some advocates contending that it exceeds cuts to AIDS services that had been sought during the Giuliani administration.

Other Cuts of Note

Other areas of the proposed budget that VillageCare has noticed as also potentially troubling include:

- » Reductions in certain types of cash assistance to some public assistance beneficiaries.
- » Reductions in payments to providers who help public assistance beneficiaries find employment.
- » Reductions in protective service contracts.
- » Finger printing of residents at inpatient substance abuse programs.
- » Elimination of 119-to-200 HRA positions.
- » Requiring families in emergency shelters to pay more for staying in shelters.
- » Reductions in broker fees for Department of Homeless Services recipients.
- » A 30 percent reduction in case management contracts at Department for the Aging

Senior Centers to Expand

At the same time, not everything is being subject to cuts. The Bloomberg administration said that it would open ten new senior centers, each serving approximately 250-300 people. In addition, one of the centers will officially serve gay, lesbian, bisexual and transgendered seniors, a first for the City.

Your Help is Needed!

As is the usual budget cycle, the Mayor's Executive Budget will have to be negotiated with the City Council. The City Council will begin budget hearings in a few weeks. Providers and clients will be urgently needed to speak at these hearings and let the City Council and the Mayor know how important these services are for persons living with HIV. The City fiscal year begins on July 1.

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