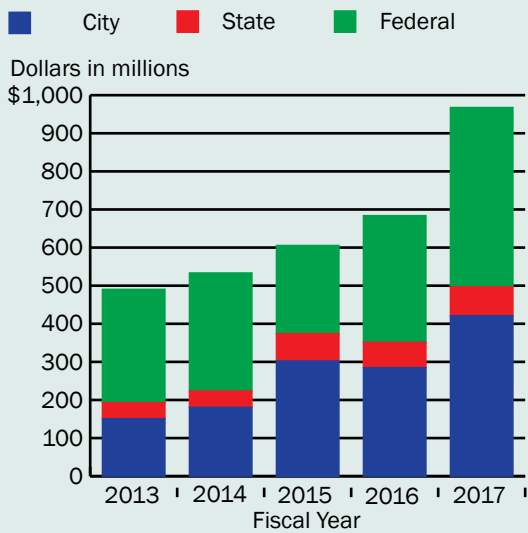


Is New York City Shouldering a Rising Share of Homeless Shelter Costs?

With the rising number of homeless families and individuals in the city's shelter system there has been a related rise in the costs of running the shelters. The city relies on a mix of federal, state, and local funds to pay for these expenses. But the increase in costs has not been borne evenly across these funding sources. The share of shelter expenses paid by the city has increased in recent years, while the shares paid with federal and state funds have fallen.

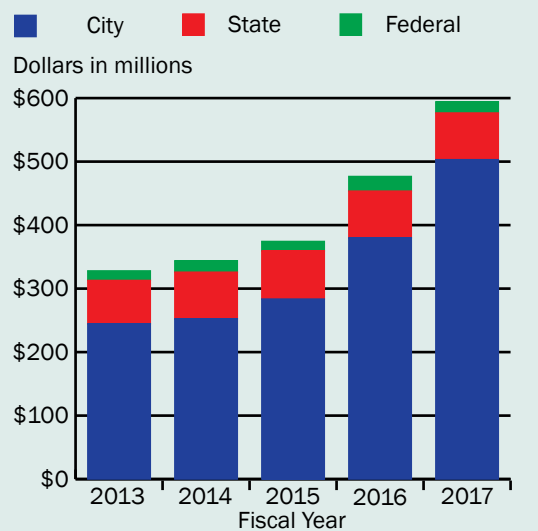
Cost of Family Shelters Rise: Federal Funds Cover Smaller Share While City Share Increases



- Federal cash assistance funds, historically the largest source of funding for family shelter, is tied to households' eligibility to receive this aid. In fiscal years 2013 and 2014, federal funds paid an average of \$304 million, or 59 percent, of total family shelter costs.
- In 2015, federal funding for family shelters decreased to \$231 million while costs continued to rise, leaving federal funds covering only 38 percent of family shelter expenses.
- Family shelter costs continued to rise in 2016 and especially in 2017 as families entered the shelter system. Federal funding also increased, reaching \$471 million in 2017—49 percent of total family shelter costs.
- As the share of costs funded by the federal government has fallen, the share paid by the city increased. City funding grew from 31 percent of costs in 2013 (\$151 million) to 44 percent in 2017 (\$421 million) as the number of families with children in the system jumped from a daily average of 9,840 in 2013 to 12,818 in 2017. The daily average of adult families climbed from 1,723 to 2,461 over the same period.
- State funding has fluctuated slightly year to year but continues to hover around an average of 9 percent of total costs annually.

- Shelters for single adults are primarily funded with city money, with some additional funding through a state grant; relatively few dollars come from the federal government. In 2017, the city spent \$503 million sheltering single adults, more than double the \$245 million spent in 2013.
- Despite an 81 percent increase in the budget to shelter adults over the same period, the state's contribution remained relatively flat, averaging \$73 million a year. The average population of single adults in shelters grew from 9,526 in 2013 to 13,547 in 2017, an increase of 42 percent.

State Funding Remains Flat as City Continues to Pay for Majority of Cost to Shelter Individuals



SOURCES: IBO analysis of data from the Mayor's Office of Management and Budget and Office of the New York City Comptroller

NOTES: For more details on how shelter costs are funded and alternative uses for shelter funding, see IBO's October 2015 [fiscal brief](#). Family shelter costs include expenses for both families with children and adult family shelters. Spending totals include shelter operations, shelter intake and placement, and shelter administration and support; totals exclude intracity funds.

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Prepared by Sarah Stefanski
New York City Independent Budget Office