

Create a Pilot Rental Assistance Program for Individuals Exiting Jail or Prison at Risk for Homelessness

Savings: \$106 million over a two-year period

There is strong link between incarceration and homelessness. Research shows that individuals exiting jail or prison are as much as 10 times more likely than the general public to become homeless. At a December 2021 City Council hearing, the de Blasio Administration testified that about 28 percent of the recent growth in the city's single adult shelter population resulted from individuals who had been involved in the criminal-legal system. Furthermore, studies show that a lack of stable housing is correlated with increased rates of recidivism and returning to jail for technical parole violations. Both the city jail and homeless shelter systems are a substantial cost to the city, with direct per person costs averaging around \$600 and \$130 per day, respectively, in 2020. While the number of people in jail and prison have decreased in recent years, at least temporarily, due to the policies to reduce crowding during the pandemic and an ongoing push for jail reform; this has brought to the forefront the lack of housing for many of the recently-released individuals.

Under this option, the city would create a pilot rental assistance voucher program for individuals exiting incarceration who demonstrate a lack of stable housing options. Vouchers would pay an amount equivalent to the federal Section 8 and local CityFHEPS rates (the latter is a city-funded housing voucher program for households exiting homeless shelters) around \$1,900 monthly for a studio or one-bedroom apartment, and be time-limited to a two-year period—the period following release from incarceration when recidivism is most likely to occur. The vouchers are not intended for those with serious mental illnesses (distinguishing this option from supportive housing models), and could be limited to only those convicted of non-violent offenses.

The cost of the two-year voucher would average \$46,000 per person, or \$63 per day, which includes costs associated with administrative and housing placement services. Factoring in that some in the pilot program will wind up back interacting with either the jail or homeless system, the voucher cost would still be more than offset by shelter and jail savings. IBO estimates the potential savings on avoided shelter and jail stays at \$73,000 per person. If the city were to make a total of 4,000 voucher placements through such a program, we estimate there would be net \$106 million in savings for the city over a two-year period; if individuals are able to avoid state or federal prisons through the housing voucher option, there may be savings at other levels of government as well.

Proponents might argue that involvement with the criminal-legal system creates many barriers to reentry, including employment and housing prospects. Both homelessness and incarceration disproportionately affect Black and Hispanic New Yorkers, making this also a racial equity problem. Providing housing stability for a two-year period allows individuals a greater chance at finding regular employment and allows them time to reconnect with their family and communities. While supportive housing for formerly incarcerated individuals already exists in the city, those housing units are generally intended to serve individuals with greater clinical needs and are vastly oversubscribed.

Opponents might argue that housing discrimination is rampant, despite being illegal, and individuals with these vouchers will struggle to find landlords willing to accept them. They might also say it rewards bad behavior, while so many other New Yorkers without a history in the criminal-legal system struggle to find and pay for housing, especially those at the lowest income levels. Others might argue that the city would be taking a financial gamble paying for vouchers on the premise that subsequent savings would materialize—if the city does a poor job identifying individuals to provide the housing vouchers to, the city will wind up spending more rather than less.

Eliminate “Specialized Academic” Bonus to 13 Screened and Specialized High Schools

Savings: \$20 million annually

Every year, the New York City Department of Education allocates additional funding to 13 public high schools with “supplementary instruction and assessments, including higher course/credit loads and AP courses.” These 13 schools include the eight specialized high schools where students are admitted based on the results of the Specialized High School Admissions Test (SHSAT): The Bronx High School of Science, The Brooklyn Latin School, Brooklyn Technical High School, High School for Mathematics, Science and Engineering at City College of New York, High School of American Studies at Lehman College, Queens High School for the Sciences at York College, Staten Island Technical High School, and Stuyvesant High School. The remaining five high schools receiving this allocation use other academic screens to admit students selectively: Bard High School Early College, NYC iSchool, Millennium Brooklyn High School, Bard High School Early College Queens, and Townsend Harris High School.

This “Specialized Academic” allocation is a component of the Fair Student Funding (FSF) formula, which funds schools based on a weighted per-pupil basis designed to provide additional funding to students with greater need and is the largest source of discretionary dollars for schools. Through the FSF formula, the 13 schools listed above are set to receive an additional \$1,055 per student for the 2021-2022 school year (the amount is the same at all 13 schools). Typically, this allocation represents about 16 percent of the total FSF allocations received by the 13 schools.

Based on school enrollment from the 2020-2021 school year, the total amount these schools would receive for the current school year is just over \$20 million, ranging from \$6 million for Brooklyn Tech to \$400,000 for the High School of American Studies at Lehman College. The value of the academic bonus has been relatively stable over the years, with per-student allocations increasing slightly from \$1,021 in the 2017-2018 school year to \$1,055 in 2021-2022. Total enrollment at the 13 eligible high schools has grown by an average of 1.0 percent annually between 2016-2017 and 2020-2021, with 19,471 students enrolled in 2020-2021.

Proponents might argue that most of these schools are already well-resourced, having experienced teachers and well-connected parents and alumni. Some, like Brooklyn Tech, Bronx Science and Stuyvesant, boast significant endowments to help fund extracurricular activities. Given that these 13 high schools are not the only schools which educate/enroll academically well-prepared students with advanced curricula and/or AP courses, this is an inequitable use of funds. Proponents might also argue that this allocation is inequitable because of the disproportionately low number of Black students and Hispanic students enrolled in these 13 schools. Further, this funding is for supplemental enrichment rather than student need, although the latter is the primary focus of FSF.

Opponents might argue that these schools, admitting many of the most academically advanced students in the city, need these extra resources for supplementary instruction and assessments including higher course/credit loads and AP courses. Also, because the schools have historically received this money, removing this allocation from school budgets would be disruptive to these schools.

Make Organics Collection Mandatory Citywide

Savings: \$33 million annually after first five years

New York City has operated some sort of voluntary organics program through the Department of Sanitation (DSNY) for many years. It began as a seasonal yard waste collection program in the 1990s, later expanded to food scrap drop-off sites, and in 2013 a voluntary curbside collection program was established in select neighborhoods. The organics program was suspended in 2020 due to the pandemic, and while it resumed in 2021 it was under an opt-in model—if enough buildings in a neighborhood sign up, DSNY would pick up organics. The Mayor, however, has proposed suspending even the expansion of this model. Thus, the curbside organics has yet to grow into a citywide program and the city has never managed to divert more than about 1.4 percent of its waste from landfills to organics collection. (Around 46 percent of what goes in the city's refuse stream is compostable material.) With relatively low tonnage of organic waste being collected, DSNY has been unable to design efficient organics truck runs or negotiate cheaper compost processing costs, leading to considerably higher costs for organics on a per ton basis than refuse or metal, glass, plastic, and paper recycling.

If the city were to make the sorting of organic waste mandatory citywide, as it is for metal, glass, plastic, and paper materials, organics tonnage would increase. This would allow for the fixed cost of a truck run shift to be spread over more tons of collection, and simultaneously reduce the number of refuse truck runs needed as organics is diverted out of the refuse stream. (See IBO report on organics for further details). Beyond collection costs, the city would be in a better position to negotiate lower costs for organics processing—currently \$132 per ton—if it were at a larger scale, as cities like San Francisco have done.

In 2019, DSNY spent around \$775 million in total collecting and disposing of the refuse, recycling, and organics waste streams. In the near term, if organics collection ramps up, collection and composting costs would initially rise by about \$39 million in total over the first three years. IBO estimates the expansion of organics would begin to yield savings roughly four years out, and cumulative savings would offset the initial cost increases by year five. This assumes the city is able to increase organics participation to match recycling rates through public advertising and enforcement, and that recycling sorting would also slightly improve as a result of increased sorting overall. In future years, diverting organics would save around \$33 million annually relative to current waste collection and disposal costs. IBO's cost modelling is based upon the current volume and composition of waste being collected by DSNY, and the current DSNY fleet of single and dual-bin trucks.

Proponents might argue that the environmental benefits of composting over landfilling is a huge benefit for a city facing climate change, and that shifting DSNY priorities away from garbage collection towards recycling and organics signals the city's commitment to broader environmental efforts. Separating out compost from other waste and putting it in sealed collection bins would reduce the amount of food source for vermin in buildings and on city sidewalks. Proponents would also say that New Yorkers already learned how to sort recycling and organics sorting is no more difficult than that.

Opponents might argue that increasing the volume of organics would require more trucks on city streets at least in the short-run, adding street congestion and local pollution. Residents would have to figure out a way to sort out and store compost in their buildings before it goes to curbside collection. They may say that despite years of a mandatory recycling program, New Yorkers still do not perfectly sort their recycling and it may take many years for city residents to sort enough organics to increase tonnage sufficiently. Expanding the organics program increases overall DSNY costs in the near term, and if expected growth in organics collections does not materialize, neither will the future savings.

Switch to Digital Textbooks for High School Students

Savings: \$16 million annually beginning in year four

Digital textbooks, also known as e-textbooks or e-book readers, are small portable devices that display text on a screen. In addition to traditional textbooks, NYC public school syllabi now use the Google Classroom platform for selected assignments. Under this option, high school students would switch to using digital text books exclusively. This option assumes a year-to-year phase in starting with an initial cohort of ninth grade students with each new ninth grade cohort added annually until all high school students are using digital textbooks. Savings would be generated as high school students use the same e-reader over four years. However, savings are not generated until year three of the phase-in when the cost of using digital textbooks in 9th, 10th, and 11th grade would exceed the cost of purchasing hardcopy high school textbooks for the same number of students in that year. Beginning in the fourth year, savings stabilize, growing only by the general upward trend in textbook prices.

In the 2021-2022 school year, the DOE expects to spend over \$116 million on textbooks. Some of that expense is offset with revenue from state aid for textbooks under the New York State Textbook Law, which also reimburses costs for software, hardware, and library materials. This option assumes that electronic instructional materials is an allowable purchase with state aid.

The cost for e-textbooks can be separated into two costs: the one-time cost of purchasing an e-book reader device for each high school student as they enter 9th grade to be used over the course of their high school career, and the annual cost of downloading instructional materials associated with the student's courses.

Based on current average retail prices, standard e-book readers for all high school students would cost \$46 million. Based on a prior proposed Department of Education contract with a vendor to provide a web-based storefront for all e-books and other electronic content IBO estimates annual contractual costs to be roughly \$10 million. Under a four year phase-in that takes into account enrollment changes for each grade cohort, savings would first be realized in the third year of the phase-in and more than double to \$16 million in the fourth year.

Proponents might argue that e-readers have the capability to hold the entire school year curriculum in the form of digital text that is downloaded from computers or websites and that the size of e-books reduces the size and weight of student backpacks. They may also say that digital textbooks reduce refuse and recycling costs for the city and reduce the need for photocopying when textbooks are in short supply. Finally, proponents might argue that as older versions of textbooks become obsolete, updated versions in the online format can be more easily and quickly distributed to students and that electronic copies are cheaper to produce than printed texts and therefore bulk purchase is more feasible if needed. In fact, Amazon now offers many literature classics for the Kindle e-reader for free.

Opponents might argue that although today's students are digitally savvy, a hard bound book will never exhaust its battery and become unavailable to the reader. Opponents may also argue that the burden of replacing a lost, stolen, or damaged e-reader might outweigh the usefulness of the product. It is not clear who would pay these replacement cost, or how many devices would need replacement in any given year. Opponents could also argue that many curriculum texts are not yet even offered in the e-reader format. Additionally, they could say that digital textbooks do not have the functional ease for non-sequential learning that actual physical books do.

Reduce Hours of Operation for 311 Call Services

Savings: \$6 million annually

Since it was launched in 2003, New York City's 311 Customer Service Center (known as 311) has been operational 24 hours a day, 7 days a week fielding non-emergency calls. Users of 311 are connected with an operator to receive information, register complaints, and access non-emergency city services; in addition to calls to 311, requests can also be placed through the website, app, or social media. The most frequent 311 requests are complaints about noise and lack of heat, and requests for sanitation to collect large, bulky items. Although the volume of requests to 311 is relatively stable across the days of the week, they are not evenly distributed across all 24 hours of the day. In 2019, 85 percent of 311 requests were placed in the two-thirds of the day between 8 a.m. and midnight. This pattern has held true so far in 2020 as well, even with the surge in less-routine service requests related to the pandemic, Black Lives Matter protests, and Tropical Storm Isaias, in addition to the more typical noise and heat complaints.

This option would cut full 311 service to 16 hours per day—from 8 a.m. to midnight. Users would still be able to submit requests through online platforms at any time, and recorded messages such as the status of alternate side parking would continue at all hours. Reducing the hours of operation for the call center would yield an estimated \$6 million in savings annually, primarily through a reduction in costs associated with call center personnel, a mix of both city workers and contractors.

Proponents might argue that scaling back services during the hours when they are unused is a common-sense efficiency. Other major cities such as San Antonio, Denver, and Philadelphia operate 311 systems within set service hours. The 311 service is not intended to address emergencies, and those who are able could use the website, app, or social media platforms to place a request during hours phone operators are not available. The majority of service requests placed after midnight concern noise complaints, many of which either cannot be substantiated or have cleared up by the time the police department responds, or agency-specific questions, which would not be seen by the relevant agency representatives until the following morning anyway.

Opponents might argue that city residents, workers, and visitors are accustomed to around-the-clock service, and that they should be able to connect with 311 no matter the hour. They would further argue that late-night calls currently made to 311 would be replaced by calls to 911 instead, potentially slowing the city's response to emergencies and potentially compelling the city to add personnel to the 911 system. It is also possible that many of the calls to 311 that would have been made during the night would instead be made when the service resumes at 8 a.m., leading to a spike in early morning calls that could require added staffing on the morning shift.

Reduce Assessment of School Buildings to One-Half of All Buildings Every Year

Savings: \$7 million annually

Every year, the School Construction Authority conducts a comprehensive set of building inspections for each school building owned and operated by the Department of Education. The inspections, called the Building Condition Assessment Survey (BCAS), are critical to identifying deficiencies in school buildings in three domains: architectural, electrical, and mechanical. Therefore, inspections are conducted by teams that include an architect, an electrical engineer, and a mechanical engineer, who rate components on a scale from 1 to 5, with “1” denoting the best condition and “5” denoting the worst.

The School Construction Authority contracts the work to one or more private companies each year. For the last school year, 2018-2019, Parsons Brinckerhoff and Amman & Whitney were jointly awarded the contract to inspect each of the more than 1,300 school buildings owned by the Department of Education for a total cost of \$16.4 million. On average, teams survey one school building per day. Over the past five years (fiscal years 2015 through 2019), Building Condition Surveys cost the School Construction Authority an average of \$14 million a year.

The New York State Education Department requires that building conditions be surveyed once every five years. If, rather than survey all school buildings each year, the School Construction Authority instead surveyed half of all school buildings, the city could save about \$7 million annually. This option assumes that the cost of the contract could be halved if the number of buildings surveyed was similarly halved.

Proponents might argue that this would be a good way to cut back on the amount of money spent on contracts and at the same time reduce the disruption to schools when inspections are underway. Biennial inspections would not only exceed the state's inspection standard but also exceed requirements under the city's Local Law 11, which requires buildings taller than six stories have their exteriors inspected every five years.

Opponents might argue that about 80 percent of the city's school buildings were built in 1970 or earlier and frequent inspections are necessary to properly identify deficiencies that need to be addressed. They might also point out that in seeking to balance the risk of allowing potentially dangerous conditions to develop against the cost of more frequent inspections, the city's first priority should be student safety.

Reinstate Performance Incentive Program for Providers of Shelter for the Single Adult Homeless Population

Savings: \$21 million annually

While the city has focused on measures to prevent homelessness and improve shelter conditions, the number of homeless households in city shelters remains high and the average length of stay in shelters continues to increase. This option would revive a model used in both the Giuliani and Bloomberg administrations where the city paid financial bonuses on top of existing operating contracts to shelter providers who helped their clients leave the shelter system. These bonuses were based upon metrics such as length of stay, rates of placement into permanent housing, and rates of households returning to shelter.

Under a new performance incentive program, high-performing providers of shelter for single adults would be granted bonus payments commensurate with any reduction in the average length of stay for their shelter residents compared with the prior year. Payments would only be made, however, if clients who exited a shelter do not return to the shelter system within a year. Such a performance incentive program would be expected to reduce the average length of stays and therefore reduce city shelter costs. There would be no reduction in payments for missing targets, a feature of past iterations of this program.

The average length of stay for single adults in shelter exceeds 13 months, and these shelters are almost entirely city-funded. If a performance incentive program yielded even a 5 percent reduction of care days, the city would save \$21 million in annual shelter costs. This assumes that shelter savings are split 50/50 between the city and shelter provider, after accounting for a small number of clients who exit the shelter system but return to a shelter within a year. Shelter providers that serve special populations—such as mental health shelters—could be given modified goals that reflect the needs of those populations. The Department of Homeless Services client database already is set up to allow the agency to track these performance metrics.

If the incentive does not result in reduced shelter stays, the city is not financially worse off because no performance payments would have been paid. Similarly, shelter providers would not be worse off because they would continue to be paid at their contracted rates as they would in the absence of the program.

Proponents might argue that there is no payment difference between keeping one shelter resident there for a longer period versus multiple clients entering and exiting over the same period. Since intake and exit are the most labor-intensive parts of a homeless shelter stay and therefore the most costly, there is currently a financial disincentive to moving shelter residents out. Performance incentive payments provide a monetary motivation for shelter providers to reduce lengths of stay and help exiting clients remain stably housed outside of the shelter system.

Opponents might argue that shelter operators are currently paid at rates to cover the expenses of assisting homeless households to move into permanent housing; they should not need additional incentives to do a job they are already being compensated to do. Shelter providers that serve special needs or particularly difficult clients could potentially lose out on bonuses. The program could lead shelter providers to focus their rehousing efforts on the easier-to-place clients assigned to their shelters and reduce assistance to clients who are harder to place.

Require Landlords of Rental Buildings To Obtain Operating Permits

Savings: \$20 million annually

Under current law, owners of rental buildings with three or more apartments must annually register their contact information with the Department of Housing Preservation and Development (HPD) for a \$13 fee. There is no relationship between registration and ensuring that a building meets health and safety standards under the city's housing maintenance code. It has been decades since the city routinely inspected apartment buildings. Generally, HPD only inspects apartments for violations of the city's housing code if a tenant complains.

This option would require landlords to obtain an annual permit to operate their buildings, modeled after the city's restaurant permitting requirement. The city of Toronto has implemented a similar program in an effort to spur better housing maintenance by building owners, particularly of lower rent housing. Under this option, landlords would be required to hold a permit for each of their buildings and to either be trained or have a managing agent or other employee trained and certified on the housing code. All buildings would be subject to an annual inspection, and, like restaurants, a posted grade rating.

To ensure access to a property, inspections would be scheduled with owners, who would facilitate inspection of common areas and building systems. Owners would also have to post notice of an upcoming inspection and tenants would have the option of having their individual apartments inspected.

The city would charge an annual fee based on a building's apartment count to obtain a permit, which would cover the annual inspection and training costs. The fee would be about \$700 for a 24-unit building (using current inspection costs adjusted for the economies of scale created by performing many inspections in one building at once). Because of these routine inspections, complaint-based inspections would decrease, generating savings for the city. Most of the costs to perform a complaint-based inspection are borne by the city, not the landlord. If complaint-based inspections were to drop by half, the city would save \$20 million annually.

Proponents might argue that are already required to operate a motor vehicle and to open a restaurant, tasks that, if done improperly, pose a public risk. Failure to maintain safe housing poses a similar risk. Permitting would help ensure landlords know health and safety laws. Landlords would also have an incentive to maintain their buildings properly to receive a good rating while also helping to meet the public policy goal of preserving housing, especially more affordable units. Posted grades would be an easy way to inform prospective tenants of building issues. Restaurant permitting does not appear to hurt the restaurant industry or dramatically increase prices—similar results could be expected for rental buildings.

Opponents might argue that the cost of obtaining a permit and possible increased civil penalties for housing code deficiencies would be passed on to renters. They also might argue that posting ratings publicly might create a stigma for the building's tenants, and that with rent-stabilized tenants often reluctant to give up a lease and limited vacancies at low and moderate rents, it is much harder to move than to choose a restaurant based upon rating information. Additionally, opponents might argue that responsible landlords with few or no housing code violations will now have to shoulder the cost of ensuring that less responsible landlords are maintaining their buildings properly.

Use Open-Source Software Instead of Licensed Software For Certain Applications

Savings: \$36 million annually

Each year the city pays fees to maintain a variety of computer software licenses. Many open-source alternatives to traditional software packages are available at no cost for the software. Several cities have transitioned to using open-source software for such functions. For example, Munich, Germany switched from Microsoft to use the open-source systems of Linux and LibreOffice, creating its own "LiMux" system. Under this option the city would reduce its use of licensed software by switching to open-source software.

Initially, the city would need to invest funds to hire developers to create and install the programs, as well as new applications for specialized city programs that would be compatible with the new systems. Staff would need retraining, though some of these costs would be offset by reducing current spending on training for existing software. In recent years, the city has spent an average of \$36 million to maintain its Microsoft licenses, which includes email, server technology, and desktop programs for city employees. If the city were to switch from Microsoft to open-source software and reduce what it is now spending on licenses by one-third as it developed the new programs, the initial savings would be around \$12 million. In several years, as the city completed the development of its open-source system, the savings could increase to the full cost of the Microsoft licenses.

The city also pays for licenses for other software programs that it uses on a smaller scale, which might be more easily transitioned to open-source software, although city savings would also be much less. For example, many city agencies have individual licenses for analytical software such as SAS and ArcGIS, software that has open-source alternatives such as R and QGIS that could instead be adopted. A city agency with 20 licenses for licensed analytical packages would spend about \$27,000 a year to maintain the licenses. If 10 agencies of roughly that size switched from a commercial package to open-source, the city could achieve savings of about \$270,000 per year.

Proponents might argue that open-source software has become comparable or superior to licensed software over time and would allow the city more technological flexibility and independence. Moreover, open-source software is constantly being improved by users, unlike improvements to licensed software that are often available through expensive updates. Switching to open-source software would become easier as more employees in other sectors learn to use the software prior to working for the city.

Opponents might argue that purchasing software from established companies provides the city with access to greater technical support. In addition, city workers have been trained and are experienced using licensed software. Finally, new software may not interact as well with the licensed software used by other government agencies or firms.