



NYC Independent Budget Office Asylum Seeker Cost Projections For Fiscal Years 2024 & 2025 as Of the 2023 November Plan

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Introduction

- This document contains the Independent Budget Office's (IBO) asylum seeker cost scenarios based on policies and procedures announced and data provided by the Adams administration. IBO's analysis focuses on anticipated expenditures, not actual spend-to-date.
- IBO continues to estimate costs the City has and is projected to incur due to the influx of asylum-seeking individuals and families based upon three different scenarios to project total spending over 2024 and 2025 (all years are city fiscal years). See previous scenarios and analysis published [May 2023](#) and November [2022](#).
- All three of IBO's scenarios yield substantially lower spending than the November Plan which: 1) maintains daily per-household spending at very high emergency rates; 2) assumes straight linear population growth through 2024; and 3) projects a stable population in 2025.
- Days after releasing the November Plan—which included significant Program to Eliminate the Gap (PEG) reductions—the Mayor's Office of Management and Budget (OMB) directed agencies to further reduce asylum seeker spending by 20%.^{1,2}

Footnotes

¹PEG reduction letter found [here](#) and PEG book found [here](#).

²OMB's 11/20 letter found [here](#).

Background

- Asylum seekers are currently housed in shelters administered by multiple city agencies (“Non-DHS facilities”), not just the Department of Homeless Services (DHS), which oversees most shelters for unhoused New Yorkers. Many of these shelter services have been procured using emergency contracts rather than competitive bidding.

- The Administration has announced requirements for asylum seekers to exit facilities (“Exit Requirements”) as follows:

| Date Issued | Population | Facility Type | Time to Exit |
|--------------------|--|------------------------------|--------------------|
| July 9, 2023 | Families with minor children | HPD Overflow Voucher Program | 28 days |
| July 19, 2023 | Adults and adult families (collectively, “Adults”) | Non-DHS facilities | 60 days |
| September 23, 2023 | Adults | Non-DHS facilities | Revised to 30 days |
| November 13, 2023 | Adults | DHS facilities | 30 days |
| November 15, 2023 | Families with minor children | Non-DHS facilities | 60 days |

- While populations are required to exit after specific time-frames, they may re-enter or appear in other parts of the social service provision spectrum. As a result, these Exit Requirements cannot be seen as a pure cost reduction. IBO is not able to estimate the additional costs of exits as of now but will evaluate once more data is available.

Background, *continued*

- As of the release of the November Plan:
 - Only adults in non-DHS facilities had reached the date for their shelter Exit Requirements.
 - Single adults seeking another placement after reaching their Exit Requirement are being provided transportation costs—including plane tickets—to leave New York City, but rarely additional shelter stays.
 - OMB has shared data from what is thus far only one month that demonstrates the impact of the Exit Requirements with IBO. IBO calculates that the Exit Requirements reduced the Adult population sheltered in non-DHS facilities by nine percent from September to October 2023. There is insufficient data from which to determine the impact that the Exit Requirements might have on the population of families with minor children, so IBO estimates that the impact will be less than for the Adult population.

Cost Overview and Comparisons of IBO's Scenarios

Spending shifts according to:

- Size of population;
- Breadth of services offered;
- Rates paid for services provided.

Asylum Seeker Cost Scenarios

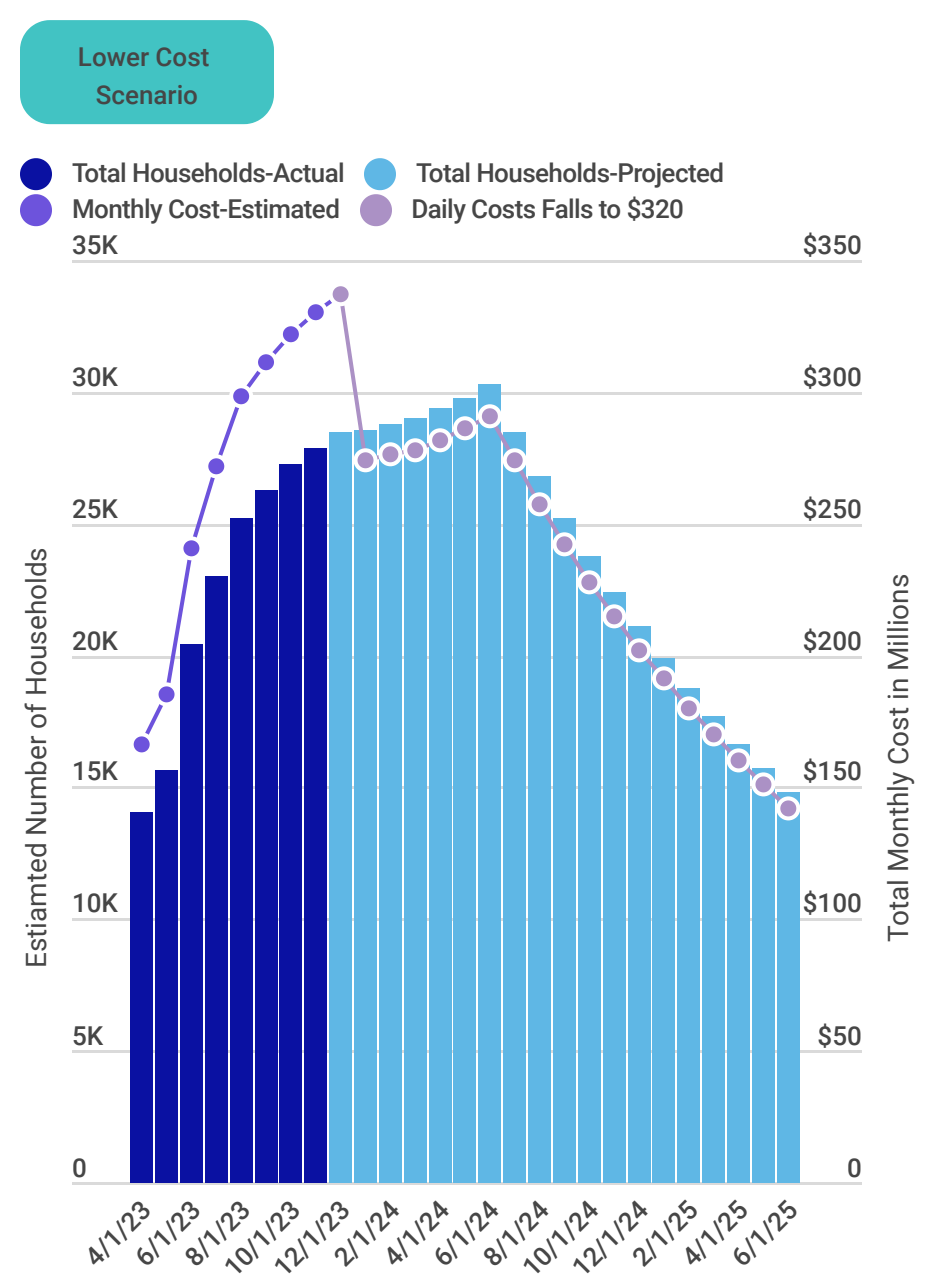
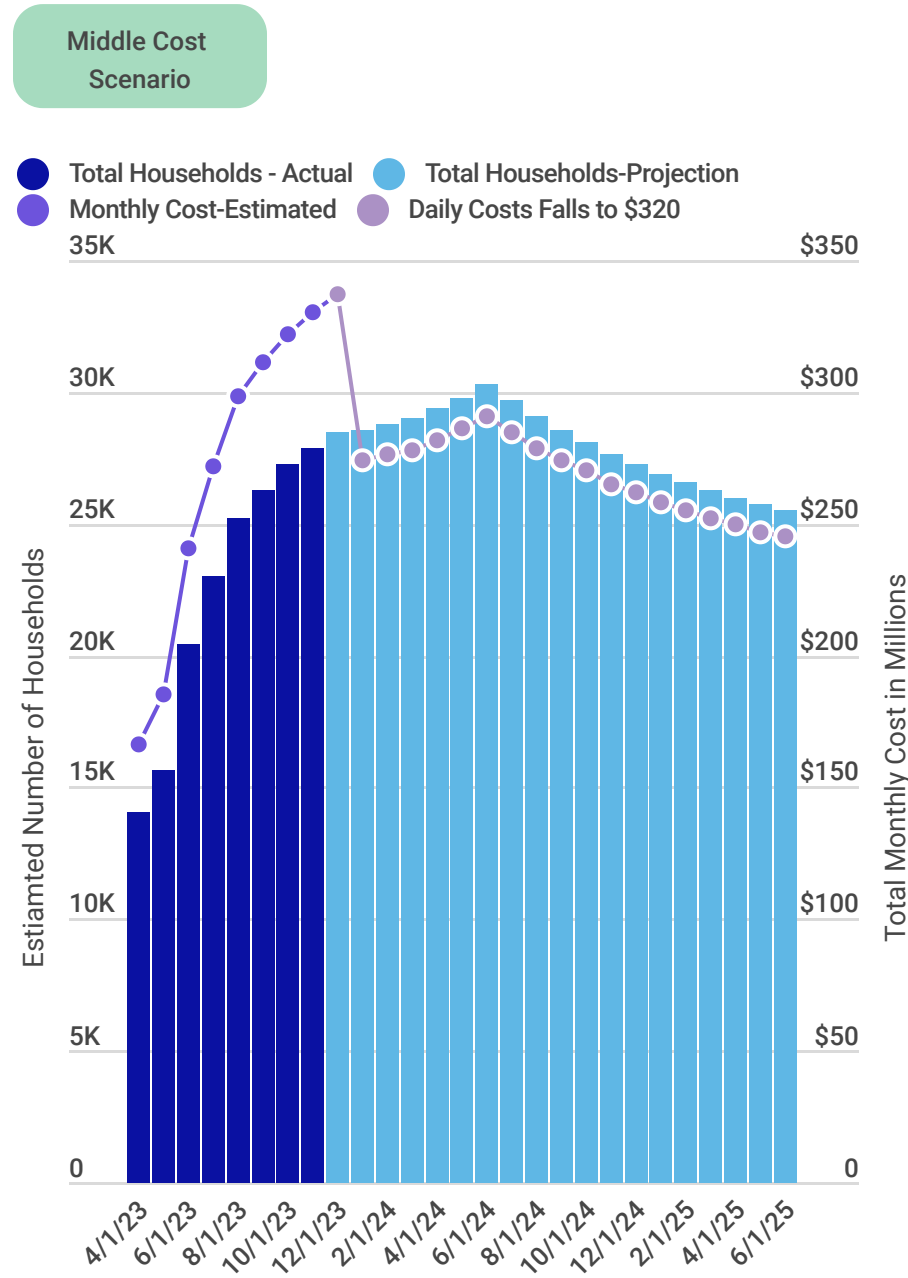
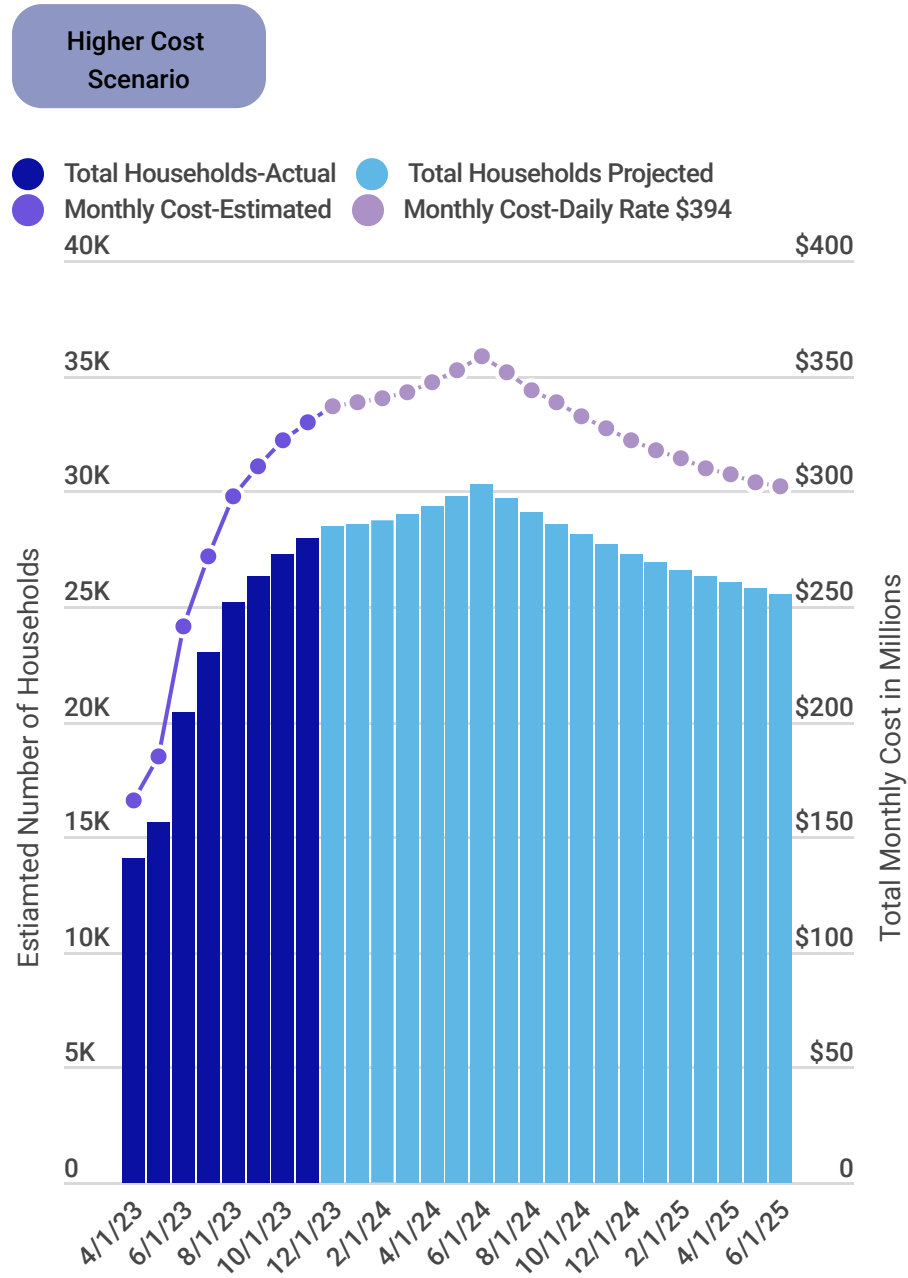
By Fiscal Year, dollars in billions

| Scenario | 2024 | 2025 | Cumulative Total |
|--------------------------|-------|-------|------------------|
| OMB November Plan | \$4.7 | \$6.1 | \$10.8 |
| IBO Higher-Cost Scenario | \$3.9 | \$3.9 | \$7.8 |
| IBO Middle-Cost Scenario | \$3.6 | \$3.1 | \$6.7 |
| IBO Lower-Cost Scenario | \$3.6 | \$2.4 | \$6.0 |

SOURCE: IBO analysis of monthly data from the Mayor's Office of Management and Budget

IBO Cost Scenarios and Assumptions for Asylum Seeker Population and Blended Rate for Services

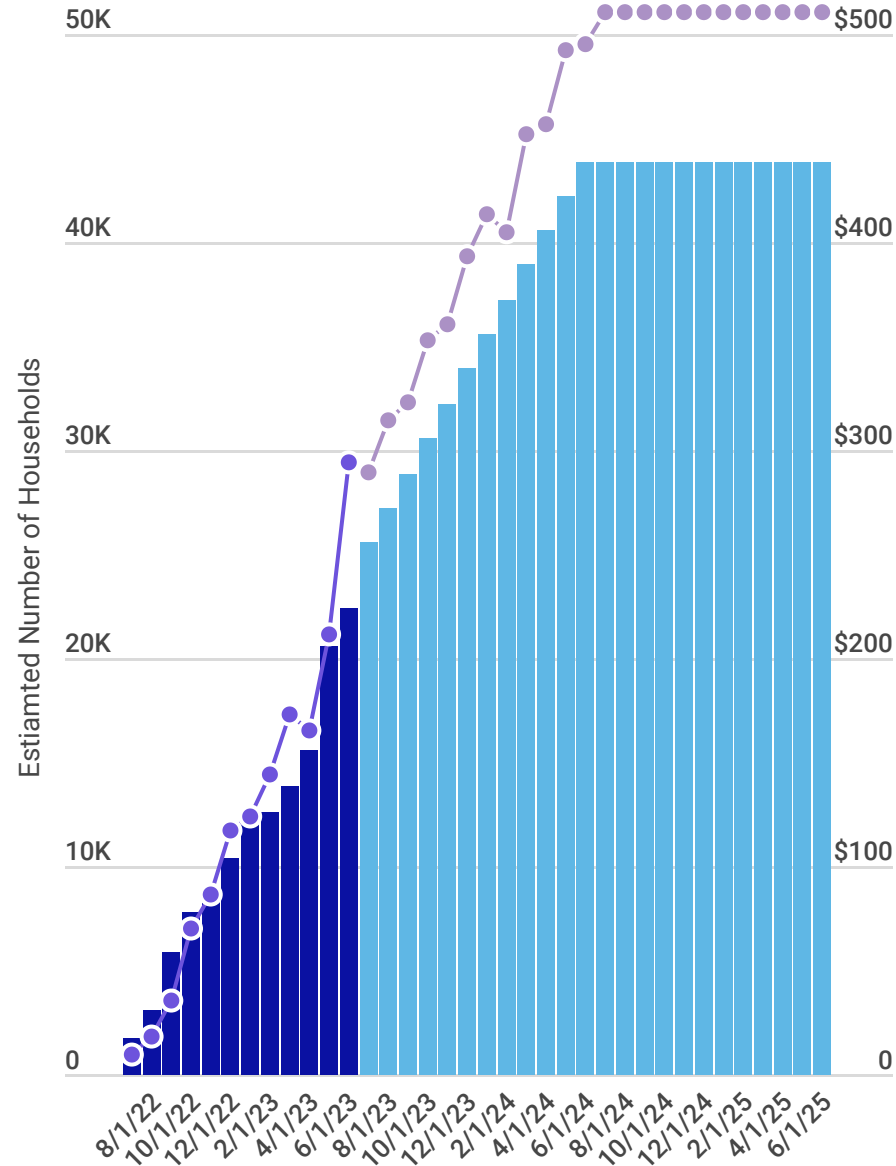
Use the buttons to switch scenarios.



IBO Cost Scenarios and Assumptions for Asylum Seeker Population and Blended Rate for Services

OMB Model: August

- Total Households: Actual
- Total Households: Forecast
- Average Monthly Cost, \$383 per diem
- Average Monthly Cost, \$383 per diem: Projected



| Fiscal Year | Cost |
|-------------|----------------|
| 2023 | \$1.45 billion |
| 2024 | \$4.7 billion |
| 2025 | \$6.1 billion |

| | | IBO Lower Cost Estimate | IBO Middle-Cost Estimate | IBO Higher-Cost Estimate | OMB November Plan (August Forecast) |
|---|--|--|--------------------------|---|---|
| Population | Adults | Declines at a monthly rate of 9% through 2025 due to Exit Requirements | | | Increases through 2024 based on May-September 2023 growth rates and remains constant in 2025. |
| | Families With Children | Increases through 2024 based on May-September 2023 growth rates and declines at a monthly rate of 5% in 2025. ¹ | | Increases through 2024 based on May-September 2023 growth rates and remains constant in 2025. | |
| Costs | Per Household blended rate for services cost | \$320 ² | | \$394 ³ | \$383 |
| Difference in Total Projected Spending from OMB November Plan | Fiscal Year 2024 | (\$1.1 billion) | (\$1.1 billion) | (\$0.8 billion) | - |
| | Fiscal Year 2025 | (\$3.7 billion) | (\$3.0 billion) | (\$2.2 billion) | - |
| | Two-Year Total | (\$4.8 billion) | (\$4.1 billion) | (\$3.0 billion) | - |

SOURCE IBO analysis of monthly data from Mayor's Office of Management and Budget

NOTES: 1. 5% assumes that the census of families with children will actually decline at about half the rate of Adults, given Exit Requirements.

2. The per household per day cost of \$320 is based on the [Administration's 2023 cost containment plan](#). Based on the daily rates included in OMB's November 20th letter, the result would be \$315.20. Both are materially higher than the 2023 DHS average rates of \$235 for families and \$145 for single adults.

3. The most recent daily household rate cited by OMB at the City Council hearing on 10/23/23.

Other Considerations

Some of the areas that IBO is monitoring but does not have sufficient data to include in the current scenarios are:

- Potential costs resulting from implementation of current shelter Exit Requirements, such as costs: for the shelter re-entry process, to address street homelessness, and for other types of the City services.
- Capacity of service providers to rapidly increase scale of operations (limitations include available sites and uneven NYC pay scales that disadvantage nonprofit vs. for-profit service providers).
- Service gaps between different agencies overseeing shelter provision and specific sites, as well as different prices paid for the same services at different sites.
- Impact of available government rental subsidies on housing this population.
- Efforts to transition procurements to more competitive bidding methods, in light of the need to reduce costs and make services more consistent across the City and to comply with the City Comptroller's recent directive aimed at reining in the use of emergency contracting.
- Immigration legal services.
- Economic benefits as asylum seekers enter the workforce.