



NEW YORK CITY COMPTROLLER
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Funding for New York City's Services for People Seeking Asylum: Excerpt from the [*State of the City's Economy and Finances*](#)

December 2023

Overview

New York City has experienced an exceptional rise in people seeking asylum since the Spring of 2022, and has provided many with shelter, legal services, and other aid. Providing these services has created unforeseen budgeting and programmatic challenges for the City. Individuals and families seeking asylum also face long-term needs, including immigration services, work authorization and employment services, school enrollment, and sustainable, affordable housing.

As of December 3rd, more than 150,000 asylum seekers have gone through the New York City emergency shelter system, with 67,200

currently in shelter. The City’s response has changed with the growth of the population; starting with emergency shelters provided through the Department of Homeless Services (DHS) and then, beginning in October 2022, adding NYC Health and Hospitals (H+H) Humanitarian Emergency Response and Relief Centers (HERRCs). Over time, other City agencies – including NYC Housing Preservation and Development (HPD), NYC Emergency Management (NYCEM) and the Department of Youth and Community Development (DYCD) – have begun providing shelter. As of December 3, 2023, there are 214 emergency shelters for asylum seekers across all these agencies, an increase of 153 shelters, or 250 percent, compared to December 4, 2022. For additional updates, visit the Comptroller’s Office [Online Hub](#) for Asylum Seeker Service Provision.

Funding Included in the City’s November Financial Plan

The FY 2024 Adopted Budget and June Financial Plan allocated \$2.9 billion in FY 2024, and \$1 billion in FY 2025 to support services, largely shelter, for asylum seekers. The City’s latest plan released in November adds \$1.8 billion in FY 2024 (\$1.36 billion City, \$447 million State, \$9.7 million federal), \$5.1 billion in FY 2025 (\$4.8 billion City, \$272 million State), \$2 billion in FY 2026 (all City funding), and \$1 billion in FY 2027 (all City funding). As of November 30th, \$948 million has been spent in FY 2024.

Table 1. Funding for Asylum Seekers (FY 2023 and November Financial Plan)

(\$ in millions)	FY 2023 Actuals	FY 2024	FY 2025	FY 2026	FY 2027	Total
City	\$1,036	\$3,566	\$5,540	\$2,000	\$1,000	\$13,142
State	438	1,009	562			2,009
Federal		145				145
Total	\$1,474	\$4,720	\$6,102	\$2,000	\$1,000	\$15,296

Source: Mayor’s Office of Management and Budget

Note: FY 2024 excludes \$18 million in Intra-City funds.

CITY

Compared with the June 2023 Plan, the City-funded portion of the budget increased by \$1.36 billion in FY 2024, \$4.8 billion in FY 2025, \$2 billion in FY 2026 and \$1 billion in FY 2027. City funds now total more than \$12.11 billion over the Financial Plan and \$13.14 billion when including FY 2023 actual spending.

STATE

The State's FY 2024 Mid-Year Update to its Financial Plan (released in late October) commits to \$1.9 billion in support for New York City.¹ It includes items for which the State reimburses the City (estimated at \$1.5 billion), as well as items outside of the City's budget for which the State pays directly, e.g., the National Guard and Medicaid (estimated at \$349 million). Of the funding in the State Budget, \$1.1 billion is for reimbursement of emergency shelter costs, \$308 million is for the Floyd Bennett Field HERRC, \$48 million is for case management and legal services, \$26 million is for public assistance costs, and \$12 million for infectious disease support.

Not included above are the Governor's commitment to fully reimburse the City to operate a 1,000 bed HERRC at the Creedmoor Psychiatric Center and the cost of 2,000 beds at a HERRC at Randall's Island, initially estimated to cost \$124 million and \$248 million annually, respectively.² The shelters began operation in August 2023. (Notably, Randall's Island has a capacity of 3,000 beds, of which 1,000 are paid for by the City).

On October 28, 2023, the NY State Division of the Budget issued a memo indicating it would begin to limit assistance (other than what it has committed to so far) and shift from paying for shelter towards paying primarily for legal services and case management in next year's State budget.³

Based on this information, the Comptroller's Office anticipates total State funding of \$2.3 billion from FY 2023 to FY 2025, including estimated reimbursements for the Randall's Island and Creedmoor sites through next year. Afterwards, reimbursements for shelter costs will wind down.

FEDERAL

The November Financial Plan includes \$145 million of Federal Emergency Management Administration funding in FY 2024—\$38.4 million from the Emergency Food and Shelter Program (EFSP), and \$106.9 million from the Shelter and Services Program (SSP).^{4, 5, 6} The City has received \$49 million from EFSP so far in FY 2024 (\$10.5 million more than anticipated), but none from the latter program. For services to be eligible for reimbursement under SSP, the City must provide identification data (e.g., Alien Registration Numbers, names, dates of birth, etc.) and identify services provided to individuals within 45 days following release from U.S. Department of Homeland Security (USDHS). Furthermore, hotel services cannot exceed 5 percent of the total funding request, and per diem reimbursements are capped at a fraction of the City's per diem

¹ [Mid-Year update to the FY 2024 Enacted Budget Financial Plan | New York State FY 2024 Enacted Budget \(ny.gov\)](#)

² [Read the letter - The New York Times \(nytimes.com\)](#)

³ <https://www.politico.com/newsletters/new-york-playbook/2023/10/30/some-good-budget-news-but-migrant-cost-concerns-00124139>

⁴ [Emergency Food and Shelter Program - Humanitarian Awards | FEMA.gov](#)

⁵ [Shelter and Services Program Awards | FEMA.gov](#)

⁶ [Shelter and Services Program Awards | FEMA.gov](#)

cost. The City requested but—to the Comptroller’s knowledge—has not obtained a waiver from these requirements.

Given the stringent requirements and, thus far, inability to meet or waive them, it is uncertain whether the City will secure Federal reimbursement through the SSP program. City funds therefore may need to cover \$106.9 million of this funding. The City subsequently received an additional \$10.5 million from EFSP (which is not reflected in the November Plan), reducing this risk to \$96.4 million.

AGENCY BUDGETS

The majority of asylum seekers in City shelter are in shelters managed by DHS, H+H, and HPD, and 89 percent of all asylum seeker funding is contained within these agencies’ budgets. The distribution of funding across City agencies shifted in the November Plan, with DHS’s FY 2024 asylum seeker related budget decreasing by \$364 million, from \$1.79 billion in the Adopted Budget to \$1.42 billion in the November Plan. By contrast, H+H’s FY 2024 budget increased by more than \$1.4 billion to \$2.17 billion, suggesting that, at least currently, the City is investing more heavily in H+H-managed HERRCs.

Table 2. Asylum Seeker Expenditures by Agency

Agency	Final FY 2023	Adopted FY 2024	November Plan FY 2024	November Plan FY 2025
H+H	\$469	\$748	\$2,174	\$2,822
DHS	764	1,786	1,422	1,863
HPD	33	147	433	671
DCAS	38	-	380	403
NYCEM	89	160	160	187
OTI	31	30	81	90
DSS	15	29	29	33
All Other	33	5	41	34
Total	\$1,474	\$2,905	\$4,720	\$6,102

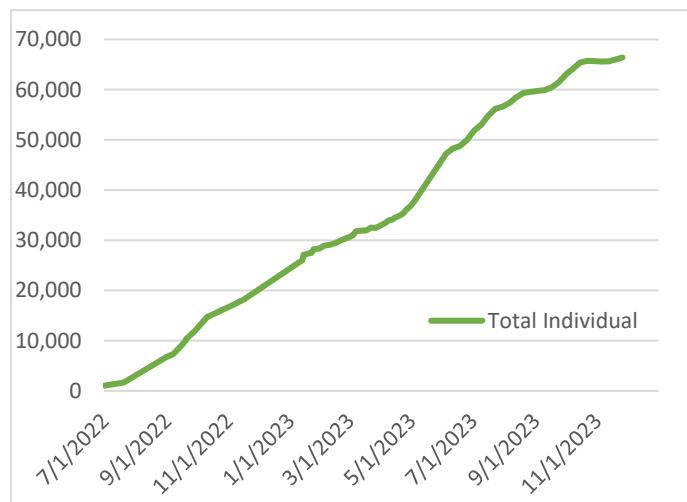
Source: Mayor’s Office of Management and Budget

Note: FY 2024 All Other excludes \$18 million in Intra-City funds.

Comptroller’s Office’s Projections of Census and Costs

The Comptroller’s Office utilizes demographic updates from City Hall and the City Council’s Asylum Seeker Terms and Conditions to develop projections of the census of people seeking asylum staying in New York City shelters.⁷ The chart below shows the historical growth of asylum seekers in emergency shelters since the start of FY 2023 (July 1, 2022).

Chart 1. Individuals in NYC Emergency Asylum Shelters



Following the expiration of Title 42 in May 2023 and through the summer, the population went through a period of high growth.⁸ A more recent plateauing of the population is likely due to policy changes limiting shelter stays introduced by the Mayoral Administration, described in more detail below; though more recent increases suggest external factors are still at play, including seasonality as well as continued fluctuation at the border.⁹ These factors could offset the impact of time limits on shelter stays.

Source: New York City Mayor’s Office

AGENCY AND SHELTER TYPE

Since the beginning of FY 2024, the shelter capacity provided by managing agencies has evolved, as also indicated by the shift of funding among agencies. Table 3 below focuses on the census dynamics by agency from July 2, 2023, through November 26, 2023.

Table 3. Census of Asylum Seekers in Shelter, by Managing Agency (Individuals)

	7/2/2023	11/26/2023	Total Change	Percent Change
Total by Agency	51,830	66,450	14,620	28.2%
H+H	13,440	22,920	9,480	70.5%
NYCEM	3,820	1,840	(1,980)	(51.8%)

Source: New York City Mayor’s Office

⁷ <https://council.nyc.gov/budget/fy2024/>

⁸ <https://www.justice.gov/crt/title-42-public-health-and-welfare>

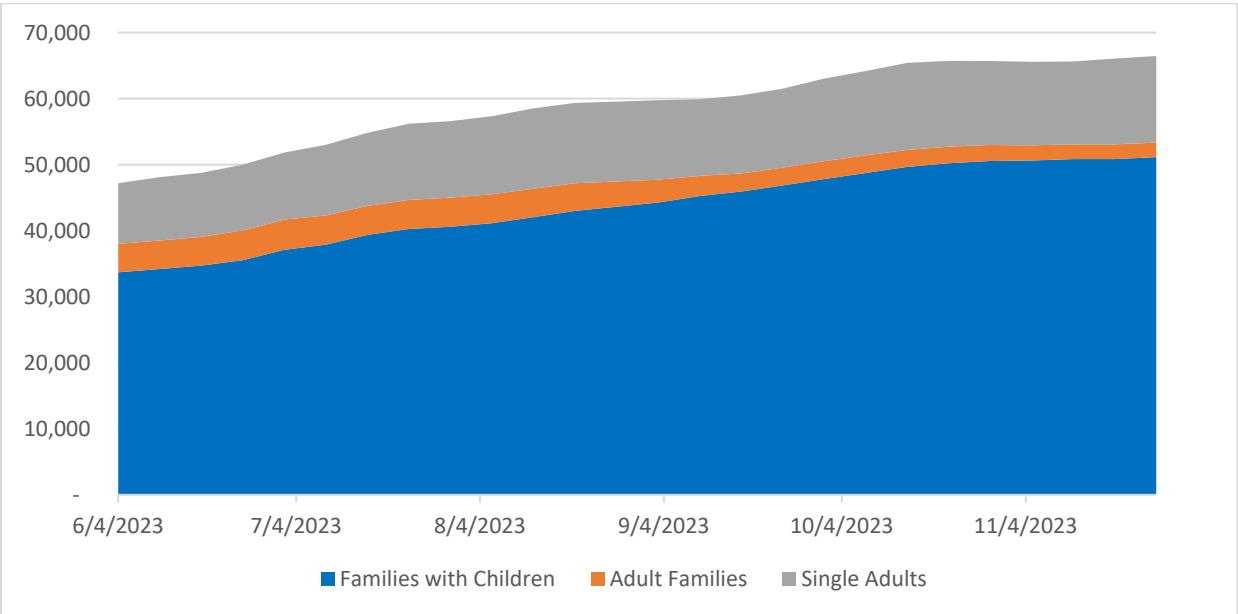
⁹ [NYC grapples with new migrant surge as asylum-seekers pour through remote Arizona town \(nypost.com\)](https://www.nypost.com/2023/05/15/nyc-grapples-with-new-migrant-surge-as-asylum-seekers-pour-through-remote-arizona-town/)

	7/2/2023	11/26/2023	Total Change	Percent Change
HPD	3,590	7,310	3,720	103.6%
DYCD	30	40	10	33.3%
DHS	30,950	34,340	3,390	11.0%

Over this period, the total number of asylum seekers in City shelters increased by 14,620 or 28 percent, with DHS growing by 11 percent, H+H growing by 71 percent, and HPD more than doubling. The large growth in the H+H and HPD censuses is notable because these agencies manage larger congregate shelters. In addition, HPD operates shelters located outside of the city.

Individuals seeking asylum residing in City shelters are classified into one of three household types: families with children, adult families, and single adults. The census is broken down by household type in Chart 2. The growth in the census between July 2, 2023, and November 26, 2023, was primarily driven by an increase of 13,120 individuals in families with children. On July 2, individuals in families with children represented 72 percent of all asylum seekers; by November 26 these individuals represented 77 percent of the total. Over the same period, the proportion of single adults has remained constant at around 20 percent of the total, while the share of adult families has decreased from 9 percent to 3 percent.

Chart 1. Asylum Seeker Composition by Shelter Type (Individuals)



Source: New York City Mayor’s Office

POLICY CHANGES

To free up space in the City’s shelter system, in July the Administration began issuing leave notices to individual asylum seekers without children staying in City shelters. Initially, the notices required asylum seekers in non-DHS shelters to leave after 60 days; in September, this was reduced to 30 days. More recently, this policy was expanded to single adult asylum seekers in DHS shelters. In October, 60-day time limits were announced for families with children in non-DHS shelters. Asylum seekers can reapply for housing but must begin the process again, with no guarantee of an immediate placement.^{10,11,12}

In addition, the City has increased its use of larger congregate-style facilities at Randall’s Island and more recently, Floyd Bennett Field, even for families (spaces are for families of two to six people, with partitions eight feet high and open above).¹³ After implementation of these policies the census began to flatten, but has since grown by 1,200 households from November 12th to December 10th, an average of 45 households per day.

POPULATION PROJECTIONS

The rate of asylum seekers entering New York City and utilizing the emergency shelter system has been volatile. This irregular trend makes projections difficult, with forecasts further complicated by Federal immigration policies, the recent change in the City’s policies on time limits and use of congregate facilities, and other legal uncertainties.

In its [FY 2024 Comments on the Executive Budget](#) report released on May 23, 2023, the Comptroller’s Office projected that households would grow at 51 per day, compared to OMB’s April 2023 Financial Plan projection of 40 households per day. These estimates were soon surpassed by reality: from May 1, 2023, through October 1, 2023, growth averaged 75 households per day. In August, the Mayor announced new financial estimates (used in the November Plan). While citing the longer-term growth trend of 69 households per day, OMB used 55 households per day for these financial estimates, which OMB said adjusted for announced policy changes (including requiring single adult asylum seekers to re-apply for shelter after 60 days). However, the reduced figure did not fully incorporate the potential effect of all the policy changes delineated above, such as the 60-day time limit imposed on families and the 30-day time limit subsequently imposed on single adults and families without children.

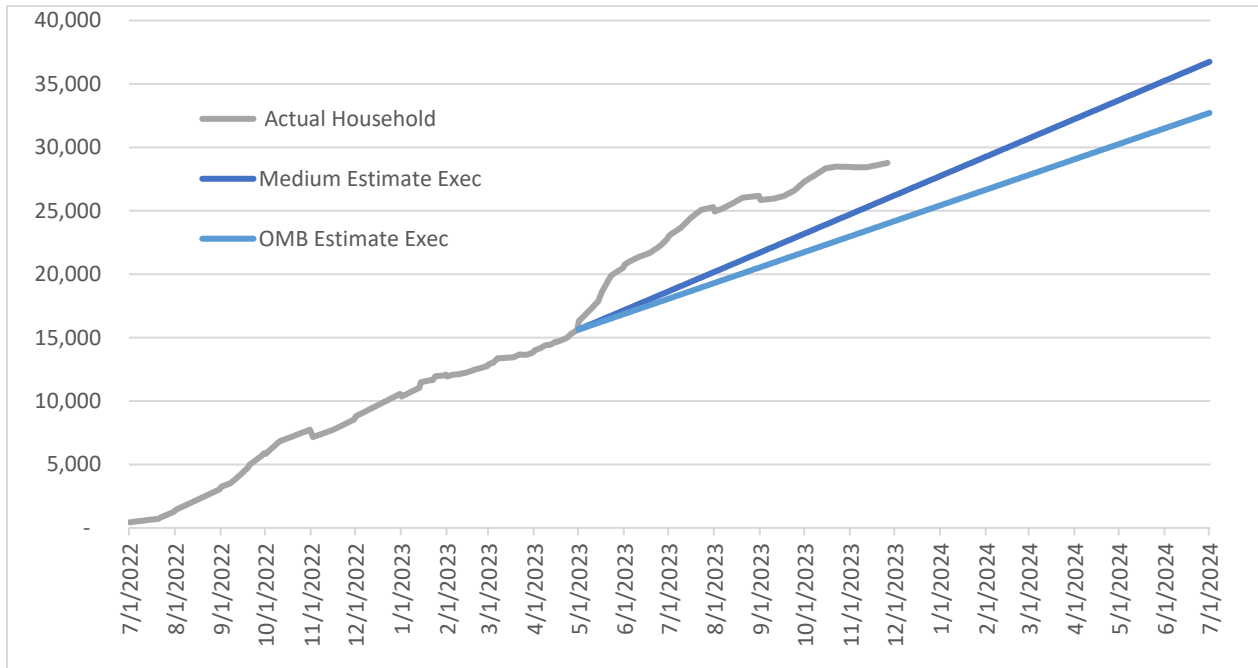
¹⁰ [NYC announces 60-day limit in city shelters for asylum seekers amid migrant crisis – NBC New York](#)

¹¹ [NYC to limit shelter stay for asylum-seekers with children - ABC News \(go.com\)](#)

¹² [NYC expands 30-day stay limits to single adult migrants in DHS shelters - Gothamist](#)

¹³ <https://www.nydailynews.com/2023/10/16/nyc-to-house-migrant-families-with-kids-in-semi-congregate-settings-despite-right-to-shelter-rules/>

Chart 2. Asylum Seeker Shelter Census, Actual v. Comptroller's April 2023 Projections (Households)



Source: Office of the New York City Comptroller, Mayor's Office of Management and Budget

Note: A household can be a family with children, adults living together as a family (adult parent with an adult child or adults living as partners without children) or a single adult living alone.

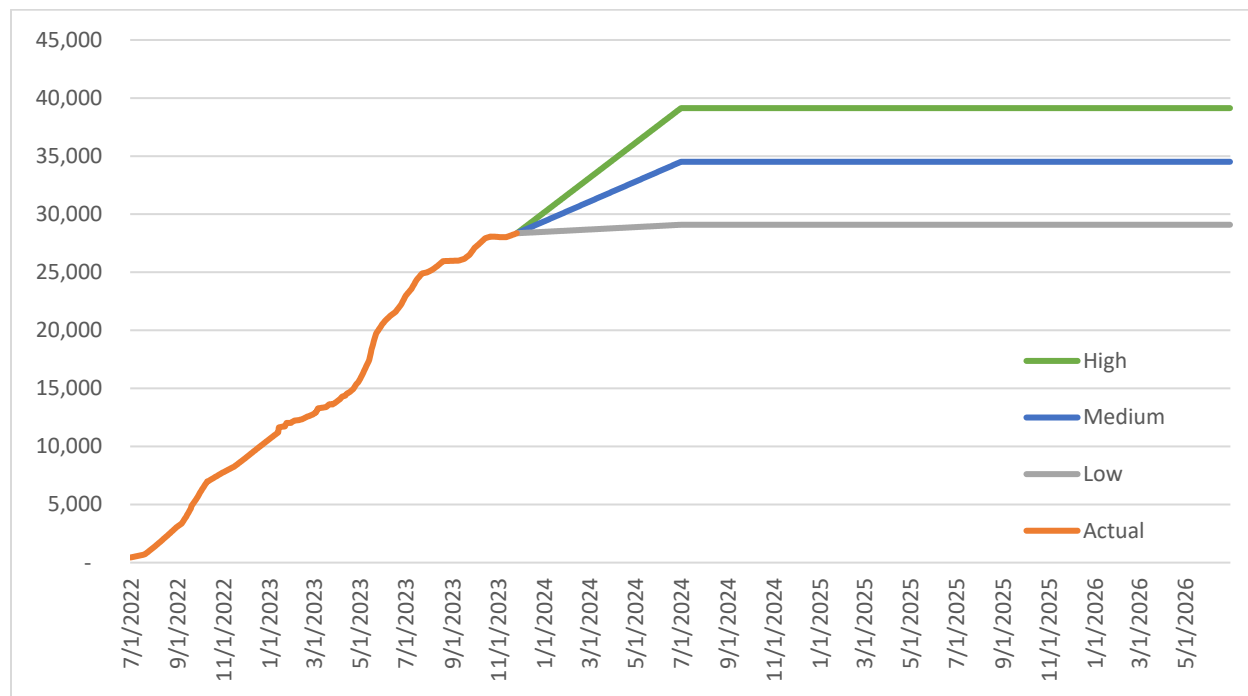
As part of its *Annual State of the City's Economy and Finances* report, the Comptroller's Office updated its projection scenarios. Projecting the number of asylum seekers in City-administered shelter is challenging. While new policies that can affect future trends have been put in place, their impact is yet to be established empirically. In addition, variation in the inflow of asylum seekers could offset their impact. The uncertainty is compounded by the scarcity of data made available by the Administration. Similarly, there is little visibility into the components and trajectory of the per diem cost, making any scenario fundamentally assumption-driven.

Based on recent trends and the potential impact of time limits, the range of population growth assumptions for the rest of FY 2024 has shifted downward. Below is a summary of the growth scenarios:

1. **Low-growth:** three households per day, the average increase for the four-week period (October 16 – November 12) following the City's commencement of issuing leave notices to families; this is the lowest four-week period since the influx began.
2. **Medium-growth:** 28 households per day, the average growth rate from August 1, 2023, through November 26, 2023. This period was chosen to capture the impact of the issuance and implementation of the 30-and-60-day leave notices across household types.
3. **High-growth:** 49 households per day. This is the median growth rate since spring of 2022, when the number of asylum seekers in shelter started rising.

Given the lack of clarity of the above information, and broad uncertainty around long term planning for asylum seekers, the Comptroller’s Office is holding the population flat beginning in FY 2025.

Chart 3. Updated Comptroller’s Projection of Asylum Seeker Shelter Census (Households)



Source: Office of the New York City Comptroller

Note: A household can be a family with children, adults living together as a family (adult parent with an adult child or adults living as partners without children) or a single adult living alone.

PER DIEM COSTS

The total amount spent, including housing and start-up services (constructing and outfitting buildings to make them legally habitable to asylum seekers) as well as supplies, IT costs, medical care and food divided by shelter nights yields the household per diem, or the daily cost of services provided per household.

For the November Plan, OMB did not revise its FY 2024 per diem of \$383, published in its August projection. However, per diems have continued to rise in the first quarter of FY 2024: according to the City Council’s (latest as of publication) October Terms and Conditions [report](#), the per diem reached \$396. Detailed data on the components of the per diem average were not available to the Comptroller at the time of writing. Therefore, the cost scenarios are based on the assumption that the per diem will remain at \$396 in FY 2024 and will be lower afterward.

Maintaining the higher per diem in FY 2024 and reducing per diems in FY 2025 and the outyears is plausible for several reasons:

- If service levels remain the same, costs will remain high until emergency contracts expire and competitive procurement begins, which should contribute to lower per diems in FY 2025.
- Historically, the cost of sheltering families with children is greater than that of single individuals or adult families, and (as described earlier) the proportion of families with children has grown through the first part of the fiscal year.¹⁴
- Thus far in FY 2024, H+H has had more spending than any other City agency, and the November Plan raises its asylum seeker budget in FY 2024 and FY 2025 to levels exceeding those of DHS.¹⁵ Generally, H+H services have been more expensive due to high start-up costs of building out, renovating and maintaining entire non-traditional structures for shelter use, as well as high contract costs. DHS services have proven relatively less expensive through the utilization of non-profits and existing shelter providers in contracted hotel space.
- To decrease the per diem in FY 2024 the Administration must spend well below current levels to significantly reduce the average, which is unlikely.
- If the City can maintain operating its current sites, and the census does begin to stabilize, there should be less of a need for startup and other one-time costs in the outyears, and the per diem should decrease.

The Comptroller's Office has modeled two scenarios: a) a 10 percent per year reduction starting in FY 2025 and b) a 5 percent reduction in FY 2025 followed by annual 10 percent reductions in FY 2026 and FY 2027.

Under these scenarios, FY 2027 per diems would be between \$289 and \$297. For comparison, per diem rates for DHS shelters prior to the need for emergency shelters were \$139 for single adults and \$188 for families with children.¹⁶ However, the DHS per diem covers only homeless shelter and related services, while the City's calculation of the per diem for asylum seekers includes the IT infrastructure, the intake center, transportation, other services, and administrative overhead. And while competitive procurement should drive the price of services down from the current cost, non-traditional and recently procured hotel space will likely remain more expensive than non-profit run shelters with long-standing leases.

¹⁴ https://www.nyc.gov/assets/operations/downloads/pdf/mmr2023/2023_mmr.pdf

¹⁵ *Id.* *Asylum Seekers Report October 2023*

¹⁶ [2022_mmr.pdf \(nyc.gov\)](https://www.nyc.gov/assets/operations/downloads/pdf/mmr2022/2022_mmr.pdf)

ALTERNATIVE ESTIMATES OF TOTAL COST

Combining the population and cost components provides a full fiscal year estimate of anticipated spending for three scenarios:

1. The low-cost scenario assumes low growth (three households per day), an FY 2024 per diem of \$396, and a 10 percent reduction in per diem costs each of the following fiscal years (\$356 in FY 2025, \$317 in FY 2026, and \$289 in FY 2027).
2. The medium-cost scenario assumes growth of 28 households per day, and the same per diem profile as the low-cost scenario.
3. The high-cost scenario assumes growth of 49 households per day, and per diem of \$396 in FY 2024 followed by a 5 percent reduction in FY 2025, and 10 percent reductions afterwards (\$376 in FY 2025, \$337 in FY 2026, and \$297 in FY 2027).

Table 4 provides the total cost for each year of the November Plan for each scenario.

Table 4. Comptroller’s Office Asylum Seeker Cost Projections

(\$ in Millions)	FY 2024	FY 2025	FY 2026	FY 2027
Low	\$4,023	\$3,784	\$3,364	\$2,943
Med	\$4,256	\$4,490	\$3,991	\$3,492
High	\$4,454	\$5,373	\$4,808	\$4,242

Source: Office of the New York City Comptroller

Comptroller’s Estimates Against the Financial Plan

The Comptroller’s Office uses the medium cost scenario to calculate risks and offsets against the City’s Financial Plan related to asylum seekers. While the large variations in the growth of the census over time suggest that using a longer time frame is important in assessing trends, this Office also assumes that the Administration’s policies limiting continual shelter stays to 60 and 30 days will influence the trajectory. The middle scenario (based on data from August 1 to November 26, 2023) provides the longest period of data after the inception of the Administration’s policies.

The FY 2024 overall expense estimate of \$4.26 billion is \$465 million lower than the Administration’s projection of \$4.72 billion. The FY 2025 estimate of \$4.49 billion, is \$1.61 billion less than the Administration’s FY 2025 estimate of \$6.10 billion.

Of the \$2.3 billion in total State support that the Comptroller’s Office projects will flow through the City’s budget, the Comptroller’s Office assumes the City will receive \$1.31 billion in FY 2024 and \$549 million in FY 2025. This is \$305 million *more* than currently budgeted by the City in FY 2024, which would lower City costs resulting in an offset. FY 2025 support is \$13 million *less* than currently budgeted by the City, resulting in a risk in FY 2025.

In addition, of the \$145 million of Federal funding budgeted in FY 2024, the Comptroller’s Office is including a risk of the remaining \$96.4 million of aid not yet received, given the lack of a waiver from reimbursement requirements.

Taking into account the City funds already budgeted for those fiscal years, the total offset in FY 2024 is \$674 million and \$1.60 billion in FY 2025.

OMB’s November Plan also added placeholder City fund amounts of \$2 billion and \$1 billion in FY 2026 and FY 2027. Despite the difficulty of forecasting these costs into the outyears, the Comptroller’s Office assumes City-funded risk for each of those years is \$1.99 billion and \$2.49 billion, barring Federal or State aid in either year.

Table 5. Comptroller’s Office Asylum Seeker Risks and Offsets

(\$ in millions)	FY 2024	FY 2025	FY 2026	FY 2027
Expenditure Offset/(Risk)	\$465	\$1,613	(\$1,991)	(\$2,492)
State Funding Offset/(Risk)	\$305	(\$13)	\$0	\$0
Federal Funding Offset/(Risk)	(\$96)	\$0	\$0	\$0
City Funding Offset/(Risk)	\$674	\$1,600	(\$1,991)	(\$2,492)

Source: Office of the New York City Comptroller

Looking Ahead

After releasing the November Plan, OMB issued a letter to agencies that the FY 2025 Preliminary Budget, due to be released in January 2024, will include a 20 percent reduction to the asylum seeker budget in FY 2024 and FY 2025 through changes designed to reduce the per diem and length of shelter stays.

As of the November Plan, a 20 percent reduction each year would result in reductions of \$947 million in FY 2024 and \$1.22 billion in FY 2025, or a cumulative reduction of \$2.17 billion, just \$100 million less than the Comptroller’s City-funded offsets for FY 2024 and 2025 combined. This means that the Comptroller’s restated gaps already incorporate the asylum seekers savings that will be budgeted in January.

Given that the current fiscal year is nearly halfway over, more of the cost reduction will take place in FY 2025. The savings will need to be achieved through a combination of lower expenses per household (which could be achieved through more competitive pricing and/or a more efficient provision of services), a lower overall population, and/or increased Federal or State reimbursement. Reducing the Plan by the 20 percent target in January, however, will not mean the savings have been achieved. The Administration must be transparent about what combination of steps will be taken to reduce the cost and allow for appropriate monitoring to ensure their efficacy and impact.

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