



THE CITY OF NEW YORK  
INDEPENDENT BUDGET OFFICE

110 WILLIAM STREET, 14<sup>TH</sup>  
FLOOR NEW YORK, NEW  
YORK 10038  
(212) 442-0632 • EMAIL: [iboenews@ibo.nyc.ny.us](mailto:iboenews@ibo.nyc.ny.us)  
<http://www.ibo.nyc.ny.us>

**Testimony of Sarah Stefanski**  
**Assistant Director, New York City Independent Budget Office**  
**To the New York City Council Committee of the Whole**  
**Regarding the City's Response to Asylum Seekers**  
**December 20, 2022**

Good afternoon, members of the City Council Committee of the Whole. I am Sarah Stefanski, an assistant director at the New York City Independent Budget Office. Thank you for the opportunity to be part of today's hearing. My testimony will focus on some of the budget implications of the recent influx of asylum seekers to the city.<sup>1</sup> This ties both to questions on the city's ability to adequately fund and deliver services, but also to the city's fiscal condition, as expenses associated with asylum seekers at the present scale were not anticipated when the city adopted its budget this past June. IBO's testimony draws on [our analysis](#) of the costs to provide services to asylum seekers published in early November and our [Fiscal Outlook](#) report released yesterday.

***Per-Household Costs of Providing Services.*** The total cost of city services provided to the newly arrived asylum seekers is difficult to estimate with certainty as the number of people arriving, and remaining in the city, continues to evolve. Because of this, IBO has estimated the annual per-household cost of the various services. This allows stakeholders to update cost estimates as the situation unfolds. Our total per-household estimate ranges from about \$2,000 for an individual who does not enter the city's shelter system and receives some basic health and legal services, to nearly \$93,000 for a family of four who enters a shelter for one year, has two children enrolled in the city's public schools, and receives some basic health care and legal services.

The largest portion of this per-household cost is shelter. Based on the Department of Homeless Services (DHS) average daily cost of providing shelter in fiscal year 2022, IBO estimates that the annual shelter cost per household to be around \$50,000 for an individual, \$69,000 for a family with minor children, and \$63,000 for a family of related adults. This incorporates not only expenses associated with housing, but also meals, security, and case management costs. IBO's shelter estimates encompass all types of asylum seeker shelter stays—whether at a DHS-run facility or at a Humanitarian Emergency Response and Relief Center (HERRCs)—as we expect the costs of associated stays at the city's current hotel-based HERRCs to be similar to DHS shelter costs. Our per-household shelter estimates do not include, however, the costs associated with the construction, relocation, and demobilization of the temporary structure at Orchard Beach and later Randall's Island as many of these costs have been part of larger contracts and not specifically broken out.

The second largest part of our per-household cost is for public education. IBO estimates that the annual per-pupil costs for students coming from asylum-seeking families totals \$8,240. This includes \$6,240 through the city's Fair Student Funding formula allocation—which accounts for the additional funding the formula provides for English Language Learners. Our per-pupil cost also factors in a special \$2,000 per-pupil allocation that the city's Department of Education (DOE) announced in October for schools that enrolled six or more students who live in temporary housing coming from what the city had identified as asylum-seeking households. Along with these shelter and education costs, IBO also included per-person costs totaling around \$2,000 for basic healthcare and legal assistance costs.

**November 2022 Financial Plan.** In addition to examining the per-household costs, IBO estimated a related but somewhat different cost in our recent Fiscal Outlook report—the funding that will need to be added to the city's budget to pay for these services this fiscal year and next. In its November Financial Plan, the Adams administration included \$1 billion of unspecified federal funding in this fiscal year, 2023, to reimburse the city for costs associated with asylum seekers. The mayor's budget office has not publicly identified a source for this federal funding. IBO's own analysis finds that the Federal Emergency Management Agency (FEMA) is unlikely to be a large source of funding. Furthermore, border states and other localities have made similar requests for federal aid that remain largely unfulfilled, making the question of federal assistance much larger than just the dollars New York City is seeking.

**Additional City Funding Needed for 2023 and 2024.** Without a specific federal funding source identified, IBO expects much of the asylum-seeker costs will be borne by the city, and that costs will be incurred this fiscal year and next. For fiscal year 2023, IBO estimates that the city will require an additional \$374 million in city funds. Of this total, \$261 million are for shelter costs, \$50 million for emergency management, \$30 million for information technology, \$23 million for social services, and \$10 million for administrative services. For the shelter portion of this cost, IBO builds off our per-household estimate of shelter costs, taking into account forecast growth in the asylum seeker population, while at the same time accounting for funds already included in the city budget for DHS shelter services this year, which can be used to cover some of the asylum-seeker shelter costs. The non-shelter portion of the 2023 estimate is based on what the Mayor's Office of Management and Budget (OMB) has budgeted with federal dollars for the related agencies in the November Financial Plan. To be clear, these amounts do not reflect the entire cost of providing services, but rather what IBO estimates is needed outside of current agency budgets for the 2023 fiscal year.

The November Plan added no funding (federal or city) for asylum seekers for the next fiscal year. IBO estimates that another \$628 million in city funds will be needed in fiscal year 2024, specifically for shelter costs. IBO's shelter adjustment for 2024 is larger than 2023 for three main reasons: first, we assume asylum seekers will continue to enter the shelter system in the months ahead; second, we assume many asylum seeker households will remain in shelter for at least one year; and lastly, because DHS currently has less budgeted for shelter costs in 2024 than it does 2023.

**Costs Not Include in IBO's Estimate of Additional Funds Necessary.** OMB's \$1 billion in federal funding for asylum seekers included \$310 million for H+H, the city's public hospital system. IBO does not

anticipate that costs for direct medical care provided through H+H will fall to the city. As a public hospital system, H+H maintains its own budget, separate from that of the city. For now, we assume that all health costs for asylum seekers will be borne by H+H, rather than the city.

Lastly, the November Plan did not include any asylum-seeker federal aid for DOE. IBO assumes the DOE will use funding from elsewhere in its existing budget to cover costs associated with educating children from the families of asylum seekers through its mid-year adjustment process.

As the total number of asylum seekers who will ultimately arrive in the city is difficult to predict, IBO's estimates are just that, our best projections given available data. We will continue to closely monitor and report on the expected costs.

Thank you for your time, and I am happy to answer any questions.

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<sup>i</sup> For the purposes of this testimony, IBO refers to the newly arrived individuals and families as asylum seekers. Neither IBO, nor the city, know the immigration status of all the newly arrived individuals and they have been often interchangeably referred to as migrants and asylum seekers. While we use the term asylum seeker, this is not meant to denote a specific known legal status. For a more technical and legal explanation of the terms "asylum seeker," "migrant," and "refugee," see [UNHCR Master Glossary of Terms](#).