



**Testimony of Steven Banks, Commissioner
Department of Social Services**

**Before the New York City Council General Welfare Committee
The DSS Fiscal Year 2020 Preliminary Budget**

March 25, 2019

Good morning. I would like to thank the City Council's General Welfare Committee and Chair Stephen Levin for giving us this opportunity to testify today about the Department of Social Services' Fiscal Year 2020 Preliminary Budget and our reforms to improve benefits and services for low-income New Yorkers.

My name is Steven Banks and I am the Commissioner of the New York City Department of Social Services (DSS). In this capacity, I oversee the Human Resources Administration (HRA) and the Department of Homeless Services (DHS). Joining me today are DSS First Deputy Commissioner Molly Murphy, HRA Administrator Grace Bonilla, DHS Administrator Joslyn Carter, DSS Chief Program Planning and Financial Management Officer Ellen Levine, and DSS Chief of Staff Scott French.

The FY20 Preliminary Budget reflects the ongoing reforms and initiatives that we have been implementing over the last five years to address past policies that for many years had not served our clients well. During the past five years as the HRA Commissioner and the last three heading DHS as well as HRA as the DSS Commissioner, we have been focused on addressing the underlying structural barriers our clients face and improving the ways in which clients interact with our agency and access the benefits and services they need.

The reforms and initiatives we are implementing are taking hold, despite prior decades of underinvestment in affordable housing and the ongoing affordability challenges in our rental market. From 2005 to 2015, median rents increased almost five times as fast as household income, with rents going up nearly 19 percent and incomes increasing less than 5 percent. And, to make matters worse, our city lost approximately 150,000 units of rent-regulated housing between 1994 and 2012. The New York City Housing and Vacancy Survey reported recently that the vacancy rate is less than 2 percent for low-cost housing and less than 1.1 percent for housing at the lowest-cost level. These are the hard realities that our clients and our agency confront every day.

As I will outline in my testimony today, the funding in our FY20 Preliminary Budget supports our continued commitment to improve our policies, programs, and operations to reduce income inequality, fight poverty and homelessness, and help New Yorkers in need get back on their feet with dignity.

The FY20 HRA/DSS Preliminary Budget is \$10.16 billion, consisting of \$7.78 billion in City funds. The FY20 DHS Preliminary Budget is \$2.11 billion, consisting of \$1.21 billion in City funds. The HRA headcount for

FY20 includes 11,183 City-funded positions and another 3,500 non-City positions. DHS headcount for FY20 includes 2,613 City-funded positions and another approximately 50 non-City positions, most of which are added to the budget once the fiscal year begins.

The Preliminary Budget maintains our funding for our core missions and provides some important additions including baseline funding for the street solutions expansion, rent increases in the scatter-site housing program for clients with HIV/AIDS, funding to provide implicit bias training to all of our combined DSS staff and funding for body-worn cameras for our Peace Officers, both of which we described in our testimony last month, and \$106 million for the Fair Fares program in FY20 that we will discuss today.

As the Mayor announced when the FY20 Preliminary Budget was released last month, we are working with the Office of Management and Budget to develop savings for the FY20 Executive Budget. These savings will build on efficiencies that we have already achieved over the last five years. For example, during my first year at HRA, we implemented a plan to repurpose more than 500 central administrative staff lines to enhance the provision of front-line client services.

Reforming Social Services Policies and Access to Benefits

Over the past five years, we have made a number of significant reforms to transform the client experience that are supported in the FY20 Preliminary Budget. Consider, for example, these policies we have changed to benefit our clients:

- Clients used to have to “work off” their benefits in the Work Experience Program (WEP) at City and not-for-profit agencies – we eliminated the WEP program and replaced it with new opportunities in subsidized jobs, more diverse internship and community service opportunities, and education and training programs to help clients move forward on a career pathway.
- Participation in four-year college was not a permissible employment activity for clients – we successfully advocated for a change in State law to permit clients to obtain college degrees that greatly enhance their ability to earn a living wage.
- Clients who were subjected to punitive sanctions for missing WEP assignments received appointments at the Intensive Services Center #71, and if they missed those appointments the entire family would be denied assistance – we closed Center #71.
- Clients used to be subjected to durational employment sanctions for Cash Assistance if they were charged with violating a program rule – we successfully advocated for a change in State law as applied to New York City to give clients an opportunity to “cure” a violation at any time and avert a durational sanction – and we also successfully advocated for a reduced State sanction period for SNAP/food stamps. That means people do not have to lose their housing, go hungry or forego buying clothing for their children because of a durational sanction.
- As part of the transformation process for Cash Assistance to reduce unnecessary office visits, clients can now submit recertification questionnaires online, and submit documents from a smartphone – through the ACCESS HRA portal clients can open an account to gain access to over 100 case-specific points of information for Cash Assistance and SNAP in real-time, including application and case statuses, upcoming appointments, account balances, and documents requested for eligibility determinations – and clients can make changes to contact information, view eligibility notices electronically, request a budget letter, and opt into text message and email alerts.

- Clients used to be subjected to churning due to unnecessary case closings which required clients to request State fair hearings to reopen their case – we put in place new protocols to prevent unnecessary case closings, and State fair hearing challenges decreased by more than 47 percent – as a result, clients have access to the benefits they need, and the City is no longer subject to a potential \$10 million annual State financial penalty for unnecessary hearings. To prevent both unnecessary case closings and unnecessary sanctions and resulting unnecessary hearings, before an adverse action is taken, we make sure that all required client support services (childcare, carfare) were in place, reasonable accommodations were honored, mailing addresses were correct, and notices were sent in the correct language. And now conciliation appointments are scheduled at CareerCompass and YouthPathways employment providers, rather than at Job Centers, so that we can re-engage clients immediately and avoid unnecessary extra appointments.
- Clients recertifying for Cash Assistance used to be forced to reapply if they failed to return mail questionnaires or submit requested documentation. Missing paperwork shouldn't mean someone loses their benefits – we now make it easier for clients to continue their assistance if they submit what is needed within 30 days of a case closing.
- All homeless clients used to have to travel to a single HRA Job Center in Queens – we stopped that practice and homeless clients can now seek assistance at a Job Center in their home borough.
- All seniors used to have to go to a single HRA Job Center in Manhattan – we changed that and now seniors can receive services at a Job Center in their home borough.
- Previously, clients only received a Center ticket that did not list the purpose of their visit. In 2017, we worked with the Urban Justice Center's Safety Net Project to implement the Universal Receipt – the "Confirmation of Contact with your Center" form – to provide an individual who completes a visit at a Job or SNAP Center with a document that indicates the nature and date of the visit or contact, and a copy of this receipt is also available in Access HRA. This receipt process is now codified into Local Law as a result of legislation sponsored by Speaker Johnson.
- We improved Access HRA with a client benefits portal so that SNAP applications, recertifications, and renewals can all be done online without having to go to an HRA SNAP office – now SNAP clients conduct 87 percent of these transactions online and documents can be submitted via our mobile app on a smartphone.
- Clients used to have to conduct SNAP eligibility interviews by phone within a rigid four-hour window – now interviews are conducted at the client's convenience by phone and the percentage of completed telephone eligibility interviews increased from 29 percent in 2013 to 95 percent in 2018. This change helps clients access the benefits they need to purchase food.
- Clients classified as Able-Bodied Adults Without Dependents (ABAWDs) were limited to SNAP/food stamps benefits for only three out of 36 months if they could not find work for at least 80 hours a month because New York City refused to accept a federal waiver of this rule that every other county in New York State and most other States accepted – we reversed this policy and accepted the waiver that covers areas in NYC with high unemployment so that more clients can retain their SNAP benefits – and now we are fighting back against the Trump Administration's efforts to drastically reduce the scope of ABAWD waivers.
- Rent arrears checks used to be processed at each individual HRA Job center – we streamlined the system by instituting a centralized rent arrears processing unit to ensure that rent arrears payments are issued by the required due date.
- New York City Housing Authority rent payments used to be issued in paper checks – now we have a streamlined system for making these rent payments electronically, and we are

developing a similar payment system for private landlords. Moreover, using ACCESS HRA, clients can confirm that the rent was paid to their landlords pursuant to a reform now codified in State law to provide such confirmation. This makes the process easier for clients and gives them one less thing to worry about as they pay their rent.

- In 2014, 90 clients per year received reasonable accommodations – in settling the 2005 *Lovely H.* class action lawsuit, we began working with expert consultants to develop tools to assess whether clients need reasonable accommodations as the result of physical and/or mental disabilities – now 46,000 clients annually receive reasonable accommodations.
- Clients with HIV used to have to wait until they were diagnosed with AIDS to receive HASA assistance – working with Speaker Johnson when he was a Council Member and Housing Works, we ended that counterproductive policy so that we ensure that clients have the services and housing assistance they need.

Reforming Homeless Policies and Services

As we have reported previously, homelessness increased 115 percent in our city from 1994 to 2014, and we have implemented a comprehensive plan that broke this trajectory. We know we have much more work to do, but our initiatives are beginning to take hold:

- Keeping the shelter census flat over two years for the first time in a decade;
- Doubling down on preventing homelessness — evictions are down 37% since 2013;
- Providing more permanent housing — enabling more than 109,000 children and adults to move out of shelter or avoid shelter altogether;
- Bringing people off the streets and out of the subways – since HOME-STAT began in April 2016, our street teams have helped more than 2,000 people come off the streets and subways and remain off; and
- Transforming the City’s approach to shelter — closing more than 180 substandard shelter sites and siting 42 new borough-based shelters to offer help as close as possible to the anchors of life like jobs, schools, health care, houses of worship and family and support networks.

Funding in the FY20 Preliminary Budget will support these four key pillars of the Mayor’s *Turning the Tide* plan that was released just two years ago with these results so far:

First Pillar – A Prevention First Approach

PROGRESS: EVICTIONS DOWN 37%

- We have provided emergency rent arrears benefits to over 50,000 households each fiscal year since FY15, helping rent-burdened New Yorkers at risk of eviction stay in their homes.
- We have expanded free legal assistance for New Yorkers in danger of eviction, increasing funding for legal services for tenants exponentially, from roughly \$6 million to \$166 million at full implementation in FY22 – evictions have dropped by 37% and more than 100,000 New Yorkers were able to stay in their homes from 2014 through 2018.
- We are phasing in over five years the funding necessary to provide universal access to legal services for all New York City tenants facing eviction in housing court or NYCHA

termination of tenancy cases – a first-in-the-nation initiative of the Administration and the Council that will benefit more than 400,000 New Yorkers annually at full implementation in FY22 with \$166 million in annual funding for tenant legal services.

Second Pillar – Rehousing to Alleviate Homelessness

PROGRESS: MORE THAN 109,000 NEW YORKERS REHOUSED

- In 2011, the City and State cancelled the Advantage rental assistance program, resulting in a 38 percent increase in homelessness in just three years, between 2011 and 2014.
- We stepped in to fill the gap, creating new rental assistance programs as well as reinstating rehousing programs – which together have helped more than 109,000 children and adults move out of shelter or avert shelter altogether since 2014, with the majority exiting shelter into housing.

Third Pillar – Transforming the Approach to Providing Shelter

PROGRESS: SHRINKING DHS’S SHELTER FOOTPRINT BY NEARLY 30%

- Our plan calls for shrinking the NYC DHS shelter footprint by 45 percent by ending the use of 360 “cluster” shelter and commercial hotel locations citywide while opening a smaller number of 90 borough-based shelters across the five boroughs.
- Through these strategies, in just two years we’ve reduced the shelter footprint by nearly 30 percent citywide, getting out of more than 180 shelter sites that did not meet our standards, including already ending use of 70% of the units in the Giuliani-era cluster program – and to help us do so, earlier this month we announced the conversion of cluster units to permanent housing in 17 buildings that will enable 1,200 homeless children and adults to be permanently housed with rent-stabilized leases and upgraded apartment conditions in buildings that will be owned by reputable non-for-profit housing groups.
- As we phase out the old haphazard, band-aid approach to providing shelter that built up over the past 40 years, we have sited 42 new high-quality borough-based shelters, 23 of which are already open, offering families and individuals the opportunity to get back on their feet closer to their support networks and the communities they called home.
- At the same time, while we have held the overall DHS census flat for the last two years for the first time in a decade, we’ve also made progress driving down the number of families experiencing homelessness and residing in shelter on any given night, with the peak number of individuals across those families declining by nearly 3,000 between 2014 and 2018, even as we have provided shelter and services to more than 550 evacuees from Puerto Rico who the Trump Administration abandoned.

Fourth Pillar – Addressing Street Homelessness

PROGRESS: MORE THAN 2,000 NEW YORKERS OFF THE STREETS

- In 2016, we launched HOME-STAT, the most comprehensive street outreach program in the nation, with outreach teams canvassing all five boroughs 24/7/365, engaging New Yorkers experiencing homelessness and encouraging them to accept services and transition indoors.
- Thanks to a doubling in our funding for and the size of those outreach teams and doubling – soon to be tripling – our Safe Haven and stabilization beds, our HOME-STAT program has helped more than 2,000 individuals come off the streets and subways and into transitional and permanent settings and continue to remain off the streets and subways.

New Initiatives

Fair Fares NYC

In January, we officially launched Fair Fares NYC. The program will provide thousands of New Yorkers at or below the poverty level with access to affordable public transportation, easing the financial burden of commuting to work and a wide range of essential tasks that require travel.

The Fair Fares NYC Metrocard allows participants to purchase unlimited weekly and monthly passes at a 50 percent discount at MTA vending machines. The City also worked with NYC Transit to phase in a pay-per-ride option, which was launched on March 15, 2019.

- Starting on the launch date, DSS/HRA began contacting New Yorkers who are working and receive Cash Assistance (CA), and who do not already receive transportation assistance from HRA or NYC Transit, to inform them of their eligibility and invite them to visit the nearest Fair Fares NYC location to pick up their Fair Fares Metrocard. In February, DSS/HRA began contacting some working SNAP/food stamps recipients as well.
- Additional mailed notices, reminder phone calls and texts were, and continue to be, made to eligible individuals who have not picked up their discounted card.
- Eligible individuals and those with questions can also call 311 and HRA Infoline for assistance in receiving the Fair Fares Metrocard.
- In the first week of March, we launched a targeted digital advertising campaign to inform eligible individuals about the program and encourage them to pick up their discounted Metrocard.

Beginning next month, DSS/HRA will expand eligibility to all working New Yorkers with incomes at or below the federal poverty level who are receiving CA or SNAP benefits and do not already receive transportation assistance. And we are making it even easier for participants to get enrolled and receive their Fair Fares cards. Next month, eligible clients will be able to enroll in the Fair Fares program online using ACCESS HRA and receive their card through the mail without any need to come into an office.

Planning is underway to expand the program in the Fall of 2019 to more low-income New Yorkers, such as those served by the City University of New York (CUNY), the New York City Housing Authority

(NYCHA), and veterans. In January 2020, we plan to launch an open enrollment process for all eligible New Yorkers at or below the Federal Poverty Level who don't have discounted transportation assistance from HRA or NYC Transit.

In the Preliminary Budget, the Fair Fares program was funded with \$106 million in FY20 (the second year of implementation). Future funding for the program is subject to budget discussion. We appreciate the leadership of Speaker Johnson and his continued collaboration on this initiative, as we continue to enroll more New Yorkers every day.

The State and Federal Landscape

Finally, our FY20 Preliminary Budget has been released against a background of significant challenges at the State and federal levels that imperil our progress and our reforms.

The State Executive Budget, for example, proposes to cut New York City's reimbursement for Family Assistance (funded by Temporary Assistance for Needy Families or TANF) by 10 percent annually. This would amount to a \$125 million cut in annual public assistance and family shelter funding. Given the impact of this potential \$125 million budget gap on our reforms to improve client services, we appreciate the support of the Council to prevent this cut from being enacted in the final State budget that is being negotiated right now.

On the federal level, the Trump Administration is using the regulatory process as an end-run around the compromise reached by Congress in the 2018 Farm Bill. As described earlier in my testimony, in May 2014, New York City accepted the federal Able-Bodied Adults Without Dependents (ABAWD) waiver which provides individuals who are unemployed or underemployed with an exemption from the work requirement limitation so they can receive ongoing SNAP/food stamps if they cannot find at least 80 hours of work per month. Otherwise, they would be limited to receiving SNAP benefits for only three months in any three-year period unless they qualify for an exemption or are able to find enough hours of work each month.

In the 2018 reauthorization of the Farm Bill, Congress rejected the Trump Administration's attempts to significantly roll back the availability of the ABAWD waiver. However, circumventing Congress's determination to limit the Trump Administration's ABAWD rollback, the US Department of Agriculture has released a proposed rule that would restrict ABAWD waivers to areas where the unemployment rate is higher than 7 percent compared to the current unemployment rate threshold of 10 percent. This attack on unemployed and underemployed low-income single adults will exacerbate food insecurity. Should this rule be adopted, it will result in many New Yorkers losing their SNAP benefits if they are not able to find 80 hours of work in a month. We will be opposing this proposed rule, and we hope we can count on the support of the Council to fight this draconian proposal.

Thank you again for this opportunity to testify and we will continue to work with the Council to keep moving forward with our reforms of these important programs. We welcome any questions you may have.