



## **HRA ANNOUNCES NEW EMPLOYMENT PLAN FOCUSED ON JOBS THAT MOVE CLIENTS OUT OF POVERTY**

The New York City Human Resources Administration (HRA) today issued a plan for improving how the agency helps its clients develop job skills, obtain employment and build sustainable careers that provide a path out of poverty, Commissioner Steven Banks announced. After a period of public comment, the Employment Plan will be submitted to the New York State Office of Temporary Assistance and Disability Assistance (OTDA) as required by the biennial employment plan process. Commissioner Banks is testifying about the Plan at an Oct. 1 hearing of the New York City Council.

“The Employment Plan is a blueprint for meeting the goals of the de Blasio Administration to address poverty and inequality. With this Plan, we can do a better job of helping clients develop skills and find work that pays enough to support their families and leave public assistance for good. The Plan sets out the details for implementing the reforms presented in HRA’s May 19 testimony to the City Council,” said HRA Commissioner Banks. “By replacing the one-size-fits-all approach, better assessing clients’ strengths, challenges and goals, and emphasizing education and training tied to areas of the economy creating jobs, we will be able to help more people move into stable jobs with a career ladder, and, perhaps most importantly, to not return to the caseload or churn on and off it.”

Every two years, HRA is legally required to submit to the New York State OTDA an Employment Plan that outlines HRA’s employment services for applicants and recipients of Cash Assistance and Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) benefits and that defines how it is spending \$200 million annually on those services.

The Plan affects about 56,000 Public Assistance clients who have work requirements based on federal and state law. It includes separate employment programs designed specifically to help youth aged 18 to 24, domestic violence survivors, homeless shelter residents, Limited English Proficient (LEP) New Yorkers, and those with disabilities. It is based on three principles:

1. One-size-fits-all programs don’t work. One out of every four clients who were reported as receiving job assistance has been returning to the caseload within 12 months. Accurately assessing the actual needs of applicants and recipients can result in matching them with the programs most likely to help them.

2. Education is essential to career success, but for education and training programs to work they must be tied to industries that are growing and creating jobs, and they must include supports to help low-income New Yorkers successfully complete them.
3. In the long run, there will be more positive outcomes from providing clients with access to work and work-related activities that can lead to sustainable careers. The alternative has been a system where even minor rule infractions can lead to sanctions that have excluded people from the very services that were supposed to help them

The Employment Plan includes the following:

- **Education and Training.** Many clients lack the high school or college degree required by even most entry level jobs. In New York City, workers with a high school diploma or equivalent earn 1.5 times as much as workers without these credentials and workers with an Associate's degree earn 2 times as much. Thus, the Plan focuses on education and training.
  - Youth aged 18 to 24 will be offered an opportunity to complete high school or its equivalent as long as they are participating in full-time education and making progress toward completion.
  - Clients, especially youth, will be offered an opportunity to pursue post-secondary education, including four-year college degrees, as provided by the new state law, as long as they also meet the 20-hour work requirement and make progress toward completion. To increase graduation rates, HRA will build on a CUNY program that provides job and educational supports, and will create work and internship programs that are on or near a student's campus.
  - Clients with Limited English Proficiency (LEP) will also be offered the opportunity to participate in English as a Second Language programs.
- **Continue phasing out the Work Experience Program (WEP) model** and replace it with internship opportunities and community service options that can lead to employment as well as part-time subsidized jobs and other employment programs that meet the individual needs of each Cash Assistance client. WEP placements fell by half in the last year of the prior administration.
- **Continue to require 35 hours per week of work**, with limited exceptions: reducing it to 30 hours, as provided by federal and state law, for families who are, for example, caring for a child with disabilities with no after school care, or who are in a shelter and need time to search for housing; and reducing it to 25 hours for families with children under age 4, as allowed by federal law, since childcare for very young children is difficult to find and more expensive. Those who are able to work longer hours will be supported in doing so.
- **Increase program participation** by reducing unnecessary sanctions and case closings. HRA's prior policy was to keep people in sanction from participating in work, training and other work-related activities. This kept them from moving out of poverty and off the caseload. Instead, HRA will now:
  - Develop a data system that prevents HRA from scheduling appointments that conflict with other known work activities and appointments, causing clients to miss appointments or work and risk sanctions.
  - Conduct a pilot project to allow up to five days of excused absences for illness without documentation, in line with the City's new five paid sick days law.

- Assess a variety of means to determine why clients are missing appointments or work and then work to resolve problems before clients are sanctioned so they can continue participating in work activities. This includes testing methods such as reaching out to resolve problems before the formal conciliation process; extending the grace period for failure to report from 24 hours to 72 hours; and instituting a standard lateness policy modeled on those used by employers.
- Improve HRA's conciliation, good cause, and dispute resolution procedures to avert \$10 million in potential state penalties due to unnecessary fair hearings and to address the link between adverse case actions and homelessness (nearly one quarter of applicants for shelter from the Department of Homelessness were found to have had an HRA case closing or sanction within 12 months of seeking shelter).
- Enhance efforts either to assist clients with disabilities who can work to obtain the help that they need to find jobs, or to enable clients with disabilities who cannot work to obtain federal disability assistance in place of Cash Assistance.

In this year's Plan, HRA is providing details for reforms originally announced in testimony to the City Council on May 19 that are aimed at improving employment and training outcomes so that more clients have an opportunity to achieve increased economic security by obtaining employment, moving off the caseload and out of poverty. HRA's efforts to fight poverty and income inequality through its employment services will be enhanced by comprehensive employment initiatives that are being developed by the Mayor's "Jobs for New Yorkers" task force.

In developing this Employment Plan, HRA obtained feedback from a wide variety of key stakeholders. More than 40 focus groups and meetings were held with HRA staff, current and former clients, service providers, community-based organizations, advocates, the legal services community and other City agency partners. The 30-day public comment period allows for further feedback, which will be incorporated into the final plan to be submitted to the State.

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## **EMPLOYMENT PLAN BACKGROUND INFORMATION**

### **Who does the Plan cover?**

The Employment Plan is aimed at improving outcomes for Cash Assistance recipients who are required by federal and state law to engage in work and work-related activities.

- Of 350,000 New Yorkers on Cash Assistance in any given month and of 500,000 unduplicated New Yorkers who receive recurring Cash Assistance during the year, about half are children below age 18.
- Of 172,000 households receiving recurring assistance each month, about 92,000 are permanently or temporarily exempt because they are child-only cases or have an adult who is unemployable and/or exempt due to disability, illness or age, etc., based on the criteria of federal and state law as applied under prior Administrations.
- About 24,000 households have a working adult, but have income low enough to qualify for Cash Assistance. They already meet the work requirement.
- About 56,000 households have adult Cash Assistance recipients required to participate in work and work-related activities in order to receive assistance. The Employment Plan is aimed at helping this group.
- About 20,000 of the 56,000 are in the sanction status or the sanction process at any given time. HRA's prior policies have not allowed these clients to participate in work or work-related activities.

### **How has HRA been doing in moving clients to work?**

HRA reported 92,717 job placements in 2013. But that number includes:

- 15,107 individuals, or 16%, who were already working when they received a one-time grant, usually rental assistance to prevent eviction and homelessness.
- 11,721 applicants, or 13%, who were rejected for assistance but were discovered by later data matching to have found jobs on their own.
- 17,125 clients, or 18%, who were not connected to HRA's employment programs and later data matching found they had a job, or had a job already when they were accepted for ongoing assistance or food stamps.
- Thus, almost half, 43,953, or 47%, of the job placements that HRA claimed were not as a result of the agency's direct efforts.
- 25% of clients who are reported as being connected to the workforce by HRA returned to HRA within 12 months to seek recurring Cash Assistance again.

### **What has been the impact of the high volume of sanctions on clients?**

- Over an 18-month period, 45.6% of Cash Assistance recipients experienced either a sanction or a closing for non-compliance.
- More than one third of recipients subject to work requirements were sanctioned, or in the sanction process, and for that reason were not permitted by HRA to participate in those work requirements.

- Instead of determining how to help recipients build careers and move off of the caseload, staff spent a great deal of time dealing with infractions, many of them often minor, leading to negative actions and sanctions.
- Nitpicking on rules led to thousands of Fair Hearings after recipients protested negative actions.
- HRA won only 10% of the Fair Hearing cases that were heard and now faces a potential \$10 million fine under state law for unnecessary hearings.
- Of all the children and adults in Department of Homeless Services' shelters who filed shelter applications during the first six months of 2013, almost one quarter were part of a Cash Assistance case that closed or had a sanction related to non-compliance in the previous 12 months.
- One third of Cash Assistance recipients had their first application for assistance rejected, but were accepted soon after that rejection.

### **What can HRA do to increase college graduation rates for its clients?**

According to CUNY's Office of Institutional Research and Analysis, only 20% of first-time freshman enrollees earn an Associate's degree within 6 years. To address the low completion rate, HRA will replicate the CUNY Accelerated Study in Associate Programs (ASAP) for Cash Assistance recipients. CUNY ASAP provides comprehensive advisement, job development and tutoring support to enrolled students. Students are also scheduled into classes grouped together to allow them to balance work and school and to form a community with their fellow classmates. An evaluation of CUNY ASAP found that it leads to better retention, credit accrual, and degree attainment. In addition, HRA will develop a partnership with CUNY to provide work study and internships to Cash Assistance recipients.

### **Helping low-income workers stay employed**

While this plan is focused on Cash Assistance recipients who are not in the workforce, it is important to note that many of the New Yorkers receiving some assistance from HRA are already working and that HRA's support helps them remain in the workforce. Living in a very expensive city, low-income workers, who are generally struggling to begin with, can be derailed by a variety of emergencies and unexpected expenses. For the three million New Yorkers receiving Medicaid, 1.7 million receiving food assistance, 700,000 receiving home energy assistance, and 100,000 receiving one-time cash assistance to prevent evictions, stop utility shutoffs or help with other emergencies, these supports can be critical in maintaining employment. Having health insurance means those workers can stay healthy and working and avoid the economic disaster that severe illness can impose on those with no insurance. Food and energy assistance, child support, and the Earned Income Tax Credit (EITC) strengthen households and help families survive on low-income jobs. Emergency cash assistance and services to prevent homelessness can also stabilize families and keep them from losing employment in the face of sudden emergencies. Subsidized child care assistance, provided through the Administration for Children's Services (ACS), is another essential program to help keep low-income workers in the workforce. While perhaps not traditionally seen as part of HRA's formal employment plan, HRA's ability to help New Yorkers stay in their jobs is as important as assisting those without jobs. Clearly, efforts aimed at keeping low-income workers in the workforce are much less expensive and more efficient than having to help New Yorkers return to the workforce, especially after an extended absence.