

**Testimony Of Steven Banks, Commissioner Of The New York City Human Resources
Administration, at the New York State Senate’s Task Force on the Delivery of Social Services in
New York City – April 16, 2015**

I would like to thank the Task Force on the Delivery of Social Services in New York City Chair Senator Tony Avella for giving us this opportunity to testify today about HRA’s reforms as well as key legislative priorities.

As you know – every day in all five boroughs – the City’s Human Resources Administration (HRA) is focused on carrying out the Mayor’s priority of fighting poverty and income inequity and preventing homelessness. With an annual budget of \$9.7 billion and a staff of 14,000, HRA provides assistance and services to some three million low-income children and adults, including:

- economic support and social services for families and individuals through the administration of major benefit programs (Cash Assistance, Supplemental Nutritional Assistance Program benefits (food stamps), Medicaid, and Child Support Services);
- homelessness prevention assistance, educational, vocational, and employment services, assistance for persons with disabilities, services for immigrants, civil legal aid, and disaster relief;
- and for the most vulnerable New Yorkers: HIV/AIDS Services, Adult Protective Services, Home Care and programs for survivors of domestic violence.

HRA is about more than cash assistance; we help low-income workers stay on the job and we work to prevent homelessness. While most of the public focus tends to be on how many people receive cash assistance, it is important to note that a large number 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. Among other assistance, HRA provides these key work supports:

- There are 2.5 million New Yorkers receiving Medicaid through HRA and tens of thousands more through the new State health insurance exchange;
- 1.7 million New Yorkers receiving SNAP food assistance and millions of meals served through food pantries and community kitchens;
- 700,000 New Yorkers receiving home energy assistance every winter; and
- 100,000 receiving one-time cash assistance each year to prevent evictions and utility shutoffs or provide assistance with other emergencies.

For all these New Yorkers, these supports can be critical in maintaining employment. Having health insurance means 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 strengthen households and help families survive on low-income jobs. Emergency Cash Assistance and services to prevent homelessness can also stabilize families and individuals and keep them from losing employment in the face of sudden emergencies. 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.

HRA also helps thousands of the most vulnerable New Yorkers, providing shelter and supportive services to families recovering from the trauma of domestic violence, support for people living with HIV and AIDS, protective services for adults unable to care for themselves and home care services for seniors and individuals with physical or mental disabilities, and legal services to address the harassment of tenants, avert homelessness and help immigrants.

Reforms

For the past year, we have been focused on significant reforms to better serve low-income New Yorkers. As part of this ongoing process, I met with frontline staff in all five boroughs, created staff focus groups and surveys, and reorganized the senior level of HRA's management to move the reform process forward. We also looked to our external stakeholders soliciting input from clients and engaging the advocates, community-based organizations, and legal representatives to seek input.

Our reforms focused on addressing HRA policies that harmed clients, were barriers preventing New Yorkers from accessing assistance, had an adverse impact on staff workload and morale, and subjected the City to potential financial penalties for unnecessary fair hearings. With more than two dozen key reforms in place, we continue our work to ensure that those in New York City who need to access our programs and services are able to do so and that relief is effective and assists low-income New Yorkers in working towards more permanent stability.

Now I would like to describe HRA's key new reform initiatives.

Employment Plan

HRA spends approximately \$200 million a year on employment programs. Every two years, we are required to file with the New York State Office of Temporary and Disability Assistance an employment plan for how we will be using those funds to help our clients. We submitted a new plan last year and it was approved by the State on December 31st. It will take us about two years to replace all of the current contracts and completely implement the new program.

The new Plan reflects a new approach based on these principles:

- **Improving assessments** to address each client's actual strengths and needs will improve outcomes compared to the prior one-size-fits-all approach that led to one out of every four clients who are reported to have received employment assistance returning to the caseload within 12 months.

- **Maximizing education, training and employment-related services** will open job opportunities and create the basis for building career pathways out of poverty.
- **Eliminating unnecessary punitive and duplicative actions** that lead to preventable negative actions and fair hearings (that subject New York City to potentially \$10 million in financial penalties) will allow staff to focus on more effective problem solving and allow clients to avoid delays in accessing services, finding jobs and moving into sustainable employment.

In order to understand the data that we report about the size of the cash assistance caseload, it is important to understand that of the approximately 350,000 New Yorkers receiving assistance in any given month, most are not subject to work requirements, according to the same state and federal rules applied by prior Administrations. That is because about half are children and many more are seniors or clients who have barriers to employment because of either permanent or temporary disabilities.

That 350,000 number of New Yorkers receiving cash assistance fluctuates month-to-month, particularly as we increase the payment of rent arrears to prevent evictions and homelessness and we reduce the counter-productive churning of children and adults off and on and off the caseload, which now subjects us to a potential \$10 million New York State penalty for unnecessary fair hearings and is associated with shelter applications. An analysis of the Department of Homeless Services (DHS) shelter applications during a six-month period in 2013 found that 23% of the applicants had an HRA case closing or case sanction within the prior 12 months.

In contrast to expected fluctuations in the monthly caseload, the annual unduplicated caseload of New Yorkers receiving recurring cash assistance has remained steady at 500,000 during the past year as it has since at least 2008.

Moreover, of the approximately 90,000 clients who are subject to work requirements, 25,000 actually have jobs; however, they make so little they still qualify for cash assistance. This underscores why the Mayor's call for an increase in the minimum wage is so important for addressing poverty and income inequality – as well as reducing our caseload. This is a legislative area we look forward to working with you on.

During the phase-in of our OTDA-approved Employment Plan:

- The goal is to ensure HRA's employment and training programs are effective in connecting and/or reconnecting New Yorkers to the workforce.
- We want to maximize education, training, and employment-related services.
 - 60% of employable clients lack a high school diploma or equivalent degree, so we will allow recipients up to age 24 to participate in full-time basic education.

- As permitted under the 2014 state law we supported, we will allow participation in a four-year college degree program. And we are putting supports in place to help clients successfully complete their education.
- We will increase access to targeted training for jobs in high-growth industries and utilize available Career Pathway programs.
- As noted, instead of one-size-fits all, we are creating new employment strategies for youth, clients with limited English proficiency, shelter residents, those with work limitations, those with justice system involvement, and older clients.
- We are also working to enhance program participation and the resolution of disputes before a fair hearing is requested.

One specific goal is to phase out WEP and replace it with more effective and sustainable work activities. Our Employment Plan provides for a two-year WEP phase-out period.

- HRA has already collaborated with CUNY to implement a paid work study program to phase out WEP for CUNY students who are receiving Cash Assistance. In January 2015, we began a program to provide paid work study opportunities for CUNY students who are pursuing an undergraduate degree and need to meet an HRA work requirement.
- As a result of this collaboration, we have phased out approximately 500 CUNY WEP slots, about 10 percent of the total number of WEP slots throughout the City.

We are developing additional initiatives to replace WEP in accordance with the Employment Plan.

Improving Access to SNAP/Food Stamps

During 2014, there were about 1.76 Million New York City residents receiving federal SNAP benefits, including more than 650,000 children, and they purchased a total of more than \$3 billion in food. The federal government estimates that every \$1 of food stamp spending generates \$1.80 in economic activity. That means SNAP brought about \$5.4 billion to the City economy, much of it to small businesses in all five boroughs of the City.

Recently, the number of people receiving SNAP benefits has been declining nationally and in New York. This is probably because the improving economy means that some people's earnings have improved and they no longer qualify and because the Congress reduced the SNAP benefit, which makes the benefit less valuable for some people.

The official SNAP participation rate is 77% in New York City, which is a relatively high rate. HRA's own analysis shows that the participation rate among children is approximately 95% but it is closer to 70% for seniors and other adults. So we are implementing several initiatives to close this gap.

- HRA has a major effort to make enrollment for federal benefits easier.

- We are restoring headcount cut by the prior Administration to improve service in our centers.
 - At all but one of the HRA SNAP Centers, clients can use PCs to submit applications.
 - Client Service Supervisors have also been placed at designated HRA SNAP Centers to assist clients with accessing services on-site.
 - We are obtaining a waiver for on-demand SNAP interviews, allowing clients to call at their convenience rather than have to spend days waiting at home for a call from us.
 - We are improving the AccessNYC website to make possible not only applying online, but also recertifying.
 - We have put in place interim systems to submit documents to make sure they are not lost – soon clients will be able to use a smart phone to submit documents.
- We also have implemented extensive outreach efforts.
 - HRA’s Office of Supplemental Nutrition Assistance Program Outreach Services provided outreach services at more than 1,543 individual community events in FY’14.
 - With the Robin Hood Foundation, Benefits Data Trust and DFTA, we are conducting outreach to 100,000 seniors, 60 and over, who have Medicaid, but not SNAP benefits
 - We are working with the New York City Housing Authority to identify residents who do not receive SNAP benefits and are likely to qualify for them.
 - This month we will be launching a major outreach campaign and will seek your support in that effort.

Legal Services

At the beginning of our current fiscal year on July 1, 2014, the Mayor consolidated legal services from the Department of Homeless Services (DHS), the Department of Housing Preservation and Development (HPD), the Department of Youth and Community Development (DYCD), and the Mayor’s Office of Criminal Justice (MOCJ) at HRA in order to enhance coordination and effectiveness.

Contracted services include: anti-eviction, anti-harassment tenant protection, immigration, domestic violence, securing federal benefits, and other legal matters. We are also developing a study of the unmet needs in Housing Court to evaluate what programs will be most effective in preventing homelessness.

The civil legal services programs and the \$18.8 Million in associated funding in the City’s baseline budget that have been consolidated at HRA are as follows:

- \$13.5 Million for anti-eviction legal services, which represents an increase of \$7.1 Million above the previous funding levels as part of the Mayor’s new initiatives to prevent homelessness that were announced in September; and
- \$5.3 Million for legal assistance for immigrants, including legal services for survivors of domestic violence, immigrant workers, and immigrant City residents with legal needs involving citizenship and permanent residency.

In addition, during the course of this fiscal year, additional legal assistance programs have been developed at HRA:

- a new program that will provide access to legal assistance for community residents identified as victims of tenant harassment in order to prevent displacement, keep families and individuals in their homes, and maintain affordable housing – when fully implemented this program will fund \$31 Million in civil legal assistance and \$5 Million in HRA support services on an annual basis;
- a new program to assist children and adults with disabilities obtain federal disability benefits in place of state and local public assistance – when fully implemented this program will be funded at \$2 Million on an annual basis for Appeals Council Review and Federal Court Services; and
- a new \$660,000 program in FY’ 15 to support the legal assistance to help New Yorkers benefit from the President’s Executive Action for immigrants.

In addition to the Administration’s commitment of resources in the baseline budget, as part of the FY’ 15 budget agreement between the Mayor and the City Council, \$17.6 Million in discretionary funding has also been added to the City budget for this year for these programs:

- \$11.725 Million for civil legal services, including citywide civil legal services, legal services for low-income workers, legal assistance to obtain unemployment insurance benefits and federal disability benefits, legal services for survivors of domestic violence, legal services for veterans, and anti-eviction and SRO housing legal services;
- \$1 Million for the Unaccompanied Minors Initiative; and
- \$4.9 Million for a unique Family Unity Project to keep immigrant families together and avert deportation.

In combination, as Chief Judge Jonathan Lippman has done for the Judiciary’s civil legal assistance initiative, these programs prioritize providing civil legal assistance in core matters involving the “essentials of life” – legal problems in the areas of:

- housing (including evictions, foreclosures, and homelessness);
- family matters (including domestic violence, children, and family stability);
- access to health care and education; and
- subsistence income (including employment wages, disability and other basic benefits, and consumer debts).

HIV/AIDS Services

HRA's HIV/AIDS Services Administration, known as HASA, provides intensive case management services to some of New York City's most vulnerable residents – persons living with AIDS or clinically symptomatic HIV.

After the State passed the new rule in April 2014 providing that eligible persons living with HIV/AIDS will pay only 30% of their earned or unearned income towards rent, we expeditiously implemented it, including issuing retroactive rental assistance to more than 7,500 HASA clients. We are thankful for your support in enacting this essential provision as part of the 2014 State budget.

We greatly appreciated the Governor's June 2014 Pride Day announcement of the goal of ending the AIDS epidemic in New York by 2020 and his appointment of a Task Force to develop and recommend a blueprint for doing so. We look forward to the release of the blueprint and working with you on implementing the Task Force's recommendations for achieving this critical goal, which will save lives and money.

Improving Client Access

HRA is implementing significant reforms to provide greater accessibility to clients with disabilities, our LGBTQI clients and those who need language access assistance.

As part of the recent Lovely H. Settlement, HRA is developing and implementing policies and procedures to provide clients with disabilities meaningful access to our programs and services. A new office of Disability Affairs was created and many projects are underway including:

- Developing guidelines and best practices for web and print access.
- Developing an agency-wide survey to assess systems, training, data collection and policies related to disability issues and reasonable accommodations, including a staff survey.
- Establishing and building on relationships with various advocacy agencies and community organizations that assist people with disabilities with enrolling in benefits.
- Developing trainings on reasonable accommodations.
- Working within HRA to ensure and support compliance with legal requirements, including the Lovely H. settlement.

Lesbian, Gay, Bisexual, Transgender, Questioning and Intersex people have been identified as an underserved community, who may be disproportionately likely to live in poverty, and to have difficulty accessing public benefits. To address these client needs, HRA created a new LGBTQI Affairs Office. Projects underway include:

- Tracking and resolution of LGBTQI-related complaints.

- Comprehensive needs assessment for LGBTQI clients, including research and stakeholder surveys, and changes to program areas to allow for increased visibility of LGBTQI issues.
- Coordinating a work group with community-based organizations and advocates that focus on LGBTQI concerns.
- Creating and implementing a training curriculum on LGBTQI issues that will provide both a baseline of knowledge and specific guidance for program areas.
- Developing HRA's day-to-day practices for working with LGBTQI community members, including structural changes in program areas, updates to existing policies and the creation of new resources for staff.

Ensuring that clients have access no matter what language they speak is a high priority for HRA. The Office of Refugee and Immigrant Affairs (ORIA) works collaboratively with HRA's programs to advance language and immigrant access to public benefits. Projects underway at the Office of Refugee and Immigrant Affairs include:

- Answering inquiries from frontline staff making immediate immigrant eligibility determinations and ensuring training helps staff make accurate determinations.
- Continuing to build partnerships with immigrant serving CBOs and advocacy groups.
- Working in partnership with program areas to maximize client access to bilingual staff at HRA sites throughout the five boroughs.
- Collaborating with the Mayor's Office of Immigrant Affairs to advance the Mayor's priorities around immigrant and LEP access

Homelessness

As part of the de Blasio Administration's effort to reduce homelessness, there has been a substantial expansion of HRA's homelessness prevention services.

- For the first time, HRA has a Homelessness Prevention Administration, bringing together and coordinating all our existing and new programs. It includes the following:
 - Homelessness Diversion Units (HDUs) located at all HRA Job Centers and at the Department of Homeless Services' PATH facility are now utilizing new diversion tools that include short-term financial support.
 - HRA is now deploying on-site staff at DHS Homebase offices around the City and at the New York City Housing Authority's administrative hearings office in addition to staff at the Housing Courts.
 - There is an Early Intervention Outreach Team (EIOT) for outreach to families and individuals in need of legal assistance or emergency rental assistance based on early warning referrals from the Housing Court.

- Landlords are essential to fighting homelessness so we created the Landlord Ombudsman Services Unit (LOSU) to address the needs and concerns of landlords and management companies that provide permanent housing for families and individuals receiving public assistance.
- The Rental Assistance Program was formed to implement the new LINC initiatives.
- The Legal Assistance Initiatives Program manages all the legal assistance programs that have been consolidated at HRA to enhance coordination and effectiveness.

HRA also recently created the Family Independence Administration's Central Rent Processing Unit to centrally process, issue and deliver emergency rental assistance payments to landlords to prevent evictions.

Together with DHS, we continue to work on improving the LINC rental assistance program to make it more effective and ensure it reaches everyone in need. Since the program's creation, we have added three additional LINC programs and now there are a total of six unique LINC programs for homeless New Yorkers. The six LINC programs for homeless New Yorkers in the shelter system are:

- LINC I: Rental Assistance for working families;
- LINC II: Rental Assistance for families with multiple shelter system stays over a period of time and multi-system involvement;
- LINC III: Rental Assistance for survivors of domestic violence;
- LINC IV: Rental Assistance for seniors and for adults receiving Supplemental Security Income, Social Security Disability, or veterans disability benefits;
- LINC V: Rental Assistance for working adults; and
- LINC VI: Rental Assistance for families with children already in shelter who exit to live with relatives or friends.

We are also working with the City Department of Housing Preservation and Development to transfer HOME Section 8 funds to HRA to implement a new program to help alleviate homelessness. Subject to approval from the US Department of Housing and Urban Development, HPD will allocate \$20 million of its Federal HOME grant to HRA for a Tenant Based Rental Assistance (TBRA) program to move more than 1,200 homeless families out of shelters and into housing beginning in FY' 16. This rental assistance will be targeted to families in shelters receiving SSI and Social Security benefits. The program will begin operation this summer.

For these programs to prevent and alleviate homelessness to be successful, a significant investment from both the City and State is essential. We appreciate your assistance in obtaining these allocations in the FY' 16 budget:

- \$220 million over four years for rental assistance and related homelessness assistance;
- \$15 Million to prevent evictions and alleviate homelessness through a pilot program to increase supplemental housing allowances that have not been raised in over a decade; and
- 3,900 new supportive units for New York City.

However, there is much more that is needed to address the continuing high numbers of children and adults in the shelter system. We are looking forward to continuing to work with our State partners to respond to this urgent problem.

Legislative Priorities

As we continue to work with our State government partners like you, we want to highlight our priorities for the remainder of the session:

1. Conciliation: We have supported S3596. This legislation would clarify notice requirements, conciliation procedures and sanctions in cases when the recipients of public assistance have not complied with employment program requirements.

By clarifying notice requirements and conciliation procedures we will be able to improve the administration of the Cash Assistance program and more effectively address the problem of unnecessary fair hearings and the associated cost for the State.

By modifying the present Cash Assistance sanction time frames for recipients willing to come into compliance with program rules, the proposed legislation provides an important new tool for us to use to encourage program engagement and compliance. Such proposals will reduce the number and cost of State fair hearings related to sanctions, increase compliance by New Yorkers willing to adhere to program requirements, and, most importantly, end the suffering of many families struggling through extended periods of unnecessary sanctions despite the fact that the client is willing to comply, which can lead to nonpayment of rent to landlords, evictions and homelessness.

2. Fair Hearing Chargeback: In the 2014 budget, a statutory change was enacted to subject New York City to a \$10 million penalty if the City did not successfully eliminate its backlog of fair hearings. The backlog was more than 70,000, which the City has essentially eliminated. To the extent the chargeback was enacted to address the backlog, that need has been eliminated but unfortunately the chargeback language continues to be in effect until it sunsets on March 31, 2016.

The formula in the chargeback provision is calculated in a way that penalizes the City for the cases that are withdrawn at the time of the hearing. Now that the backlog has been resolved, under the current methodology, in order to avoid the penalty HRA would have to conduct full hearings, even when the issue has been resolved prior to the hearing, rather than withdraw cases at the time of the hearing.

In the event that the statutory chargeback provision is not deleted entirely, we suggest a revision that would require the City to provide quarterly reports outlining the efforts the City has made to minimize any existing backlog, and providing that if the reports are not submitted or the backlog grows over four or more consecutive quarters, the City would be subject to the existing chargeback methodology and penalty.

3. Homelessness Prevention and Housing Assistance: The cost of shelter for a family is substantially more than that of permanent housing. One promising provision in the State budget process has been the focus on the rent levels for the Family Eviction Prevention Supplement (FEPS) program. Unlike the HUD fair market rent levels, the FEPS maximum rent standard has not increased since 2005 when it was set at \$1,050 (but only funded up to \$850). When the City launched the State-City LINC program last September at a lower level (\$1,200), we learned that private market rents are at least at the HUD fair market levels and very little housing is available below the HUD levels.

We look forward to working with our partners in State government and you as we address this issue. We also suggest that we work together to evaluate the relationship between current lawful rent levels in New York City and the underlying shelter allowance (\$400 for a family of four) that has been flat since it was implemented in 2003.

Likewise, we would like to work with you on the effort to increase the amount of available supportive housing in New York City. The first three NY/NY agreements between the City and State have clearly demonstrated that supportive housing is a proven cost-effective and humane way to alleviate homelessness.

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We have accomplished a great deal over the past year, and we will continue with our reform initiatives during the coming year. With your assistance, enactment of our legislative priorities will further these reform efforts to enhance assistance and services for low-income children and adults in New York City. Thank you again for this opportunity to testify and I welcome your questions.