

**Testimony Of Steven Banks, Commissioner Of The New York City Human Resources Administration, at the New York State Senate Joint Hearing – Senate Standing Committee on Social Services and Senate Standing Committee on Children and Families**

**September 17, 2015**

I would like to thank the Senate Children and Families Committee Chair Tony Avella, Social Services Chair David Carlucci, Senator Daniel Squadron, and members of the Committee for giving us this opportunity to testify today.

My name is Steven Banks and I am the Commissioner of the New York City Human Resources Administration (HRA). We are here to discuss the social services that are available to pregnant women and children up to age five in New York City, and we would also like to take this opportunity to update you on our work to reform HRA policies and procedures to create a more efficient and effective service delivery system.

Every day in all five boroughs – HRA is focused on carrying out the Mayor’s priority of fighting poverty and income inequality and preventing homelessness. In FY’16 HRA’s budget is \$9.9 billion and our headcount is more than 14,000. HRA provides services to more than 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 (formerly known as 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.

Our services assist low-income New Yorkers in staying on the job and in the workforce, providing food and healthcare for their families and averting homelessness. In a city where the cost of living has steadily increased, households that depend on the earnings of low-wage workers can quickly be derailed by unforeseen emergencies and expenses. This is the case for more than 25,000 HRA Cash Assistance clients who are employed; however, their incomes are so low that they still qualify for cash assistance. For them, increasing the minimum wage is essential to moving out of poverty and off the HRA caseload.

For low-income working New Yorkers and their children under the age of five, among other assistance, HRA provides these key work supports:

- 197,484 New York children under age five receive Medicaid through HRA and tens of thousands more through the new State health insurance exchange;
- 94,494 children under age five receive SNAP food assistance and millions of children and families receive meals served through food pantries and community kitchens;
- 107,000 New Yorkers receive one-shot emergency assistance each year to keep their homes and continue utility services;
- 44,000 families seek services related to domestic violence they are experiencing, and 3,877 families receive domestic violence shelter – including working heads of households and their children; and
- 9,044 New Yorkers receive eviction prevention legal assistance – including working heads of households and young children.

Having access to comprehensive health care allows families with children to stay healthy, in school, and working – and gives them security in knowing that they are not one potential medical emergency away from an economic catastrophe. Having SNAP/food stamp benefits gives families a chance to put fresh and nutritious food on their tables to alleviate hunger and food insecurity for children.

In addition to work supports for families and individuals, over the past year – as has been the case for the past seven years – HRA has provided basic Cash Assistance to a stable caseload of 500,000 adults and children, 38,926 of whom are below the age of five. Having access to Cash Assistance allows parents to pay for necessities for their children, including clothing, public transportation, and school supplies.

Every day, HRA helps thousands of the most vulnerable New Yorkers, including children under the age of five, by providing energy assistance, homelessness prevention and legal aid, support for children and adults recovering from the trauma of domestic violence, services for people with HIV and AIDS, child support enforcement, and access to Earned Income Tax Credit assistance. These services are assisting families to move toward self-sufficiency. Researchers have positively associated many of these social services with improved long-term outcomes for clients, particularly for children.

- Homelessness diversion programs reduce risk factors for poor school outcomes;
- Medicaid and other public insurance programs are associated with better health, lower mortality and decreasing household debt;
- SNAP/food stamp benefits improve long-term health and self-sufficiency;
- access to prenatal care fosters healthier children and provides long-term benefits to mothers; and
- Child support is positively associated with a number of child well-being indicators, such as educational attainment, schooling, and cognitive outcomes.

## **Update on Reforms**

For the past 18 months, HRA has implemented or substantially developed reforms of policies and procedures to better serve low-income families and individuals aimed at reducing the number of New Yorkers living in poverty and helping clients move off of the HRA caseload. We

have focused on reforming counterproductive policies that harm clients and have an adverse impact on our staff workload, and subject the City to financial penalties due to unnecessary fair hearings.

I want to take this opportunity to again thank our partners in the Senate who have helped us in these reform efforts – particularly Senator Avella who has led the fight to enact reform of the fair hearing chargeback law that subjects New York City to a potential \$10 million penalty even though we have eliminated a backlog of 70,000 cases that we inherited and to enact reform of the Cash Assistance program in which we are currently barred from providing aid to households in which a household head has cured an employment program compliance issue but is subject to a durational sanction. Both bills are pending submission to the Governor.

We have already enacted more than 100 key reforms aimed at creating a more efficient and effective service delivery system and to ensure that no one who is eligible for services is denied due to bureaucratic barriers.

Now I would like to describe several of HRA's key new reform initiatives that impact pregnant woman and children up to age five. While HRA programs are not specific to this population that is the focus of the hearing, our overall programs and services have a beneficial impact for pregnant women and young children under five.

### **Cash Assistance, Employment Program Reforms And Helping Families Move Out Of Poverty**

Low-income families and those who are struggling can receive help in the form of Cash Assistance, a safety net for families and their children. As I noted earlier, for the past seven years, approximately 500,000 children and adults receive Cash Assistance each year. Most are not subject to federal and state work requirements, meaning they have received a waiver from work-participation rules due to circumstances such as being over age 65, having a disability, or being a child. Approximately 90,000 clients are subject to work requirements as determined by federal and state rules.

HRA spends \$200 million on employment programs annually, but our analysis last year of the performance of these programs showed that these services could be much more effective. With this in mind we have developed and are implementing significant employment program reforms that have been approved by the State Office of Temporary Assistance and Disability Assistance, with a goal of connecting or reconnecting New Yorkers to the workforce and minimizing the chances that families will need to return to Cash Assistance.

By replacing the former one-size-fits-all approach with improved and individualized assessments, an emphasis on education, training and employment-related services and long-term employment sustainability, and eliminating unnecessary punitive and duplicative actions, HRA expects to help more clients maintain and secure gainful employment and prevent families from cycling on and off Cash Assistance. We want to ensure that clients have the type of meaningful training that leads to sustained, gainful participation in the workforce.

## **Improving Education, Training And Employment-related Services**

Recognizing the increase in earning potential tied to obtaining educational credentials and working with the State to implement the 2014 amendments to the New York State Social Services Law, we have amended our approved work activities to include two-year, four-year, and out of area colleges. Further, we have increased supports for Cash Assistance recipients enrolled in college by increasing the availability of paid internships and work study activities tailored to the student's field of study. In addition, based on the change in state law, recipients are allowed one hour of unsupervised homework for every class hour; on-line courses are now approved for up to 10 hours; and test preparation time for licensing is now approved up to six weeks after course completion. Recipients up to age 24 with no high school diploma are encouraged to gain a diploma and may participate in full-time basic education. To better connect young people to these opportunities, HRA also holds educational fairs targeted at 16-24 year olds.

HRA is completely revamping its employment programs through a new RFP process, and concept papers were recently issued to obtain input from potential vendors. Pending the implementation of new contracts, through the current employment vendors, HRA provides contextualized trainings leading to employment in the following sectors: Healthcare, Security, Retail Sales, Food Service, Customer Service, and Maintenance. The employment vendors also offer some TASC, ESL and ABE literacy courses. OTDA programs are available to Cash Assistance clients, offering wage subsidies, Career Pathways and Career Bridge programming. And for employed, eligible families transitioning off Cash Assistance, available transitional benefits include child care, child support enforcement, SNAP, health insurance, HEAP, LINC rental assistance, federal and state EITC, and transportation reimbursement through the employment vendors for up to 90 days after job placement. These transitional benefits are put in place to allow clients to move gradually from public assistance to employment and finally to full independence as their income rises.

## **SNAP/Food Stamps**

SNAP provides critical support to low-income New Yorkers, including working families, to increase their ability to purchase healthy food. During 2014, there were about 1.76 million New York City residents receiving federal SNAP benefits, including more than 650,000 children, and every day we are working to fill in the gap of unmet need so that children are not forced to skip a meal or consume unhealthy food because it is more affordable.

The federal government estimates that every \$1 of food stamp spending generates \$1.80 in economic activity; in 2014 SNAP recipients purchased a total of more than \$3 billion in food in New York City. This means SNAP brought about \$5.4 billion to the City economy, much of it to small businesses in all five boroughs of the City. SNAP isn't just helping low-income families and individuals; it's helping entire communities to thrive.

For low-income families with children in New York, the social safety net of SNAP offers assistance in meeting basic needs, lifting children out of poverty, increasing food security and improving health and educational outcomes. Further, access to SNAP for pregnant mothers is associated with improved pregnancy outcomes, employment and long-term family stability.

But recently, the number of households receiving SNAP benefits has been declining nationally and in New York. The improving economy and job market means that some people's earnings have improved and they no longer qualify. But those who continue to qualify are seeing a reduction in the per-person benefit as a result of years of deep federal program cuts and the 2013 expiration of the federal American Recovery and Reinvestment Act benefit increases.

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%. As part of our campaign to increase access to SNAP/food stamps, thousands of New Yorkers have visited our new website, FoodHelp.nyc that directs people to AccessNYC, where they can find out if they qualify for more than 30 different HRA benefits. And we continue to optimize the AccessNYC website to make it possible not only to apply online, but to also recertify online, and at all but one of the HRA SNAP Centers clients can use PCs to submit applications without waiting to see a worker. Next month, we are rolling out on a citywide basis a new application to enable clients to submit documents from a smartphone.

But there is more to do and we are continuing to develop and implement additional initiatives to alleviate food insecurity in New York City. For example, we have submitted multiple federal waiver requests to streamline the process for obtaining and recertifying for benefits. As part of this effort, with OTDA's support, we have recently received federal approval to revamp the current complex telephone interview system that we inherited with a new "on demand" system to enable clients to schedule their own phone interviews. This approach to streamline access to benefits has already been implemented in other states.

### **Child Support Enforcement**

HRA has a strong Child Support Enforcement program that collects approximately \$742 million annually and handles approximately 400,000 cases a year, including 90,000 with children under age five on the caseload. HRA's Office of Child Support Enforcement (OCSE) makes it possible for children to receive the financial support of both parents. Child support payments are an important tool in the fight against poverty. Studies have shown that children who receive the financial and emotional support of both parents have better outcomes.

OCSE assists parents, regardless of income and immigration status. Clients applying for or receiving Cash Assistance benefits are automatically referred to OCSE for child support services, if appropriate. Parents not receiving public assistance may apply for services by visiting the OCSE office in the Family Court in the borough where they live. Our child support caseload increasingly includes noncustodial parents who are better off financially and more likely to make court-ordered payments.<sup>1</sup>

OCSE offers a wide variety of programs for low-income noncustodial parents to help them find employment, pay down on child support arrears, manage child support obligations, and support their children financially and emotionally, including:

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<sup>1</sup> "A Change in Approach: A Shift In Priorities and Caseload at the City's Office of Child Support Enforcement," NYC IBOreports, July 2014, <http://www.ibo.nyc.ny.us/iboreports/2014childsupport.pdf>

- The Modify DSS Order (MDO) program can help noncustodial parents who earn below the State self-support reserve, and whose children are on Cash Assistance, to have their child support order lowered, to reflect their actual income without returning to Family Court.
- The Arrears Cap and Arrears Credit programs can lower arrears for low-income non-custodial parents who owe child support debt to the government if they meet certain criteria.
- The Support Through Employment Program (STEP) helps unemployed Non-Custodial Parents find employment to support themselves and their children.
- While visitation agreements are not part of the child support process in New York, HRA's OCSE can refer parents to free or low-cost mediation services to discuss child rearing and other issues.

OCSE is now working more closely with community-based organizations that serve noncustodial parents. We are launching a new online portal and now noncustodial parents can opt to let OCSE share their child support status electronically with organizations that offer services like employment assistance, financial counseling, and support for fathers, as well as with churches and other faith-based groups. New efforts to keep noncustodial parents informed about child support and employment enhancing initiatives increases the likelihood that arrears will be paid off and support reaches the child.

### **Preventing Homelessness**

Here are several homelessness prevention initiatives at HRA that also benefit children under five and pregnant women.

- When fully implemented in FY17, New York City will be allocating \$76 Million for legal assistance for low-income New Yorkers in our baseline budget. This is in comparison to up to \$6 Million that the prior Administration funded from year to year. No other municipality allocates even a small fraction of what New York City is committing to provide access to civil justice. This provision of civil legal assistance is a key component of this Administration's overall effort to address poverty and income inequality.
- We also implemented the CityFEPS program to prevent and alleviate homelessness for 1,000 families.
- We implemented the Tenant Based Rental Assistance program with federal HOME funds to move more than 1,200 homeless families out of shelters and into housing by targeting federal rental assistance to families, pregnant women, and chronically street homeless individuals, whose households receive federal Supplemental Security Income or Social Security disability benefits.
- We moved more than 15,000 children and adults from shelters as part of a four-year investment of \$1 billion for rental assistance – including LINC, CityFEPS, and now SEPS – and prevention initiatives.

For all of these programs to be successful in preventing and alleviating homelessness and for them to prevent families from entering into the temporary shelter system, a sustained investment

from both the City and State for years to come 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 prevent homelessness and keep children and adults in stable homes and to move children and adults in the shelters into permanent housing. We are looking forward to continuing to work with members of these Senate Committees to respond to this pressing need and to work with our state partners to adequately fund necessary programs and services, including increases in the amount of supportive housing and addressing the need for rental allowances that are adequate to prevent homelessness.

We have accomplished a great deal over the past 18 months, but we know that we have much more work to do 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 families in New York City. Thank you very much for your support.