

Testimony Of Steven Banks, Commissioner Of The New York City Human Resources Administration, at the New York State Assembly Joint Hearing – Committee on Social Services, Committee on Children and Families, Committee on Education and the Puerto Rican/Hispanic Task Force

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Good morning. I would like to thank Chairpersons Hevesi, Lupardo, Nolan, Crespo, and members of the Committees on Social Services, Children and Families, Education and members of the Puerto Rican/Hispanic Task Force for giving us the opportunity to testify today.

My name is Steven Banks and I am the Commissioner of the New Yorker City Human Resources Administration (HRA). We are here to discuss the impact of poverty on New York City Children and their families, as well as the effects and barriers it creates to achieving self-sufficiency.

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 inequality and preventing homelessness. With an annual budget of \$9.9 billion and a staff of 14,000, HRA annually provides services to some three million low-income children and adult, 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, among other assistance, HRA provides these key work supports:

- 816,414 New York children under age 18 receive Medicaid through HRA and tens of thousands more through the new State health insurance exchange;
- 620,401 children receive SNAP food assistance and millions of children and families receive meals served through food pantries and community kitchens;
- 175,315 children under age 18 receive Cash Assistance benefits;
- 107,000 New Yorkers, including children under the age of 18, receive one-shot emergency assistance each year to keep their homes and continue utility services;
- 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 their children.

At HRA, we are keenly aware that 30 percent of children in New York City live in poverty and an additional 500,000 children are living near the poverty line, just one missed paycheck away from economic catastrophe and homelessness. That is why the Administration has prioritized lifting low-income New Yorkers out of poverty and breaking the cycle of poverty experienced by so many families.

For the past 18 months, HRA has implemented or substantially developed reforms and procedures to better serve low-income families and individuals, reduce the number of New Yorkers living in poverty, combat the lack of affordable housing and growing homelessness, and help clients move off of the HRA caseload permanently. We are working to more efficiently and effectively meet the needs of the entire family and provide adult members of the family with skills and training to enable them to enhance their current skill set, maintain employment, pursue a career pathway, and make enough money to be self-sufficient and lift their family out of an intergenerational struggle with poverty. We take our role in interrupting intergenerational cycles of poverty and transitioning families off of public assistance very seriously.

Having access to comprehensive health care allows families to stay healthy, in school, and working and gives them security in knowing that they are not one medical emergency away from an economic disaster. Having federal SNAP/food stamp benefits gives families a chance to put fresh and nutritious foods on their tables so that no child in New York City goes to bed hungry. Having access to Cash Assistance allows working parents to cover the cost of things like public transportation and other necessities for their children like school supplies. Having access to child support allows custodial parents to provide for the basic needs that children require so that they can develop into healthy, self-sustaining adults.

HRA also helps thousands of the most vulnerable New Yorkers by providing energy assistance, homelessness prevention and civil legal aid, support for families and individuals recovering from the trauma of domestic violence, vital services for people with HIV and AIDS, Earned Income Tax Credit assistance, and child support enforcement. These services are assisting families as they move toward self-sufficiency every day. Further, researchers have positively associated

many of these social services with improved long-term outcomes for clients, particularly for children.

- Homelessness prevention 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 stamps 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

As previously mentioned, for the past 18 months HRA has focused on improving client services and reforming counterproductive policies that harm clients, 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 Assembly who have been steadfast supporters of our reform efforts. Assemblyman Hevesi, you've been a true partner and we look forward to working with you in the upcoming session to continue to advance our reforms. With your leadership, legislation passed both houses that will reform 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 legislation also passed both houses that will reform the Cash Assistance program in which we are currently prevented 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 and we have urged that both be signed.

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. 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 New Yorkers of every age and the entire family. We therefore want to update you on a few of the reforms and initiatives that we have implemented over the past 18 months:

- We are replacing the former one-size-fits-all approach with improved and individualized assessments that place an emphasis on education, training and employment-related services and long-term employment sustainability, and we are eliminating unnecessary punitive and duplicative actions.
- We are revamping HRA's employment programs through a new RFP process based on a new Employment Plan that the State Office of Temporary Assistance and Disability Assistance approved on December 31, 2014.
- We have launched our new website, FoodHelp.nyc, that directs New Yorkers to AccessNYC, where they can find out if they qualify for more than 30 different HRA benefits. And we continue to enhance the AccessNYC website to make it possible not

only to apply for food stamps online, but to also recertify online, and at all but one of the HRA SNAP/food stamps Centers clients can use PCs to submit applications. And next month on a citywide basis clients will be able to upload and submit SNAP/food stamps documents using their smartphones.

- We have launched a new online portal and now noncustodial parents can choose to let our Office of Child Support Enforcement 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.
- We have expanded shelters for survivors of domestic violence, adding space to serve a total of about 13,300 children and adults a year, a 50% increase over the current 8,800 individuals served each year.
- When fully implemented in FY17, the Mayor has allocated \$74 Million to HRA 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.

Priorities for State Initiatives for Achieving Reform

For the upcoming legislative session, we would like to work together with our partners in State government to further help low-income New Yorkers by:

- increasing the state-set shelter allowance,
- improving the benefits of and access to FEPS,
- enhancing access to supportive housing,
- raising the state minimum wage, and
- working to enact legislation to remove unnecessary barriers to benefits needed to maintain housing, utilities, childcare, employment, basic health, and lifelong well-being.

Homelessness Prevention and Housing Assistance: The cost of shelter for a family is substantially more than that of permanent housing. For us to truly prevent and alleviate homelessness we need to enhance available rental assistance programs. We therefore want to work with you to fully fund the state shares of the LINC, CityFEPS and now SEPS programs.

We also want to 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 three and \$215 for a single adult) 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.

Expand the 30 Percent Rent Cap for HASA Clients: After vigorous advocacy from the Mayor, many elected officials (including members of the Assembly) and HIV/AIDS advocates,

the State's FY 2014-15 budget included funds and a new rule to cap at 30 percent the amount of earned and unearned income certain HASA-eligible households pay in rent. HRA quickly and fully implemented the new law, and we greatly appreciate the support of the Assembly in achieving this critical protection for our clients. But there are many households that have been excluded from the rent cap because of current Cash Assistance budgeting rules. We are, however, discussing with OTDA an approach to budgeting that would include, for example, those with higher Social Security Disability income. At the same time, we continue to be concerned that the State's responsibility for this entitlement program is capped, leaving the City to fully fund this important rental assistance initiative. Addressing this structural issue will be particularly important as the Legislature considers the reforms to end the AIDS epidemic by 2020 as set forth in the Blueprint for doing so that the Governor's Task Force for Ending the Epidemic issued earlier this year.

Restore Emergency Assistance for Families (EAF): The State has provided modest resources to address the homeless crisis and we encourage additional resources from the State to address this crisis. However, at the same time, the State enacted a punitive New York City-only cut for Emergency Assistance for Families which funds crucial components of the City's efforts to prevent and alleviate homelessness. We urge the Assembly to work with our other partners in state government to restore the ten percent New York City-only cut for Emergency Assistance for Families. State funding for EAF for New York City shelters and emergency services was reduced by \$22.5 million and shifted to a 10 percent required City match. That funding is crucial component to the City's efforts to prevent and alleviate homelessness; \$22.5 million pays for shelter expenses, homeless prevention programs such as anti-eviction grants, and emergency rental assistance for low-income families.

Address Burial Allowance and Furniture Allowance Deficiencies: The allowance for burial costs is currently \$900, an amount set in 1987 that is clearly inadequate. Pursuant to Social Services Law § 141(1), localities are charged with the responsibility of furnishing public assistance to persons for the "removal and burial of the body of the recipient of public assistance or care who shall die, or of a person found dead in the public welfare district." HRA proposes increasing the allowance.

The allowances for furniture replacement were set several decades ago, and they are also extremely low – for example, \$184 for a living room and \$205 for two single beds. A public assistance client who is faced with having to buy furniture with these outdated allowances may be unable to buy the needed item, such as a child's bed or crib, or may have to use the part of his/her Cash Assistance, the basic allowance, which is supposed to be used to purchase food and other items (e.g., clothing, toiletries, etc.) to buy it. HRA proposes increasing the allowance.

State law provides that emergency assistance may be granted to eligible persons in need to replace necessary furniture and clothing when they have suffered the loss of these items as the result of fire, flood or other like catastrophe. The current policy is that a bed bug infestation is not covered even though emergency assistance should encompass instances where pests have destroyed clothing and furniture. HRA proposes including pest infestation that cannot be controlled by a licensed exterminator as a basis for covering replacement cost.

Remove Bureaucratic Barriers to Effective and Efficient Social Service Delivery

Conciliation: We fully support A.4250/S.3596, and we thank the Assembly for your support in passing this critical piece of legislation. This legislation amends Social Services Law § 341, and would clarify notice requirements, conciliation procedures and sanctions in cases when the recipients of Cash Assistance have not complied with employment program requirements. The bill also amends Social Services Law § 342. Right now, the law makes no provision for lifting durational sanctions even if the sanctioned individual becomes exempt from work requirements due to, for example, disability. Providing local districts with the ability to lift sanctions would enhance available strategies to provide assistance and help clients move forward and off the caseload. The sanction process of the last 20 years did not promote self-sufficiency. In fact, it is associated with homelessness. Our analysis of the Department of Homeless Services shelter applications during a six-month period in 2013 found that 23 percent of the shelter applicants had an HRA case closing or case sanction within the prior 12 months. Our hands are also tied in many cases when it comes to engaging a client who is sanctioned under state law and this leads to very real consequences for those most in need of our assistance. We want to ensure that clients have the type of meaningful training that leads to sustained, gainful participation in the workforce. We look forward to your support in urging the Governor to sign this legislation.

Fair Hearing Chargeback: In the 2014 budget, a statutory change was enacted to subject New York City to a \$10 million penalty if HRA did not successfully eliminate its backlog of fair hearings. The backlog was more than 70,000, which HRA 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. We thank the Assembly and lead sponsor Social Services Committee Chair Hevesi for your leadership in advancing this bill which passed both houses unanimously, and request your support in urging the Governor to sign the bill into law. As you know, the bill would require the City to submit quarterly reports and also modify the way in which the chargeback is calculated following the reduction of fair hearing backlog.

Reduce Income Inequality

Raise the minimum wage for all workers: As previously mentioned, of the approximately 86,000 clients who are subject to federal and state law work activity requirements, more than 25,000 actually have jobs; however they still qualify for Cash Assistance. This underscores why the Mayor's call and the recent support from the Governor 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 key priority area for us and we look forward to working with you to achieve this breakthrough.

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 adults in New York City. Thank you very much for your support.