

**Testimony of Steven Banks, Commissioner
The New York City Human Resources Administration**

**Before the New York City Council General Welfare Committee
HRA's Fiscal Year 2017 Preliminary Budget
March 15, 2016**

I would like to thank the City Council's Finance and General Welfare Committees and Chairs Julissa Ferreras-Copeland and Stephen Levin for giving us this opportunity to testify today about HRA's budget and our continuing work to move forward with reforms of our policies and procedures.

My name is Steven Banks and I am the Commissioner of the New York City Human Resources Administration. Joining me today are HRA's Chief Program Planning and Financial Management Officer Ellen Levine, Executive Deputy Commissioner for Finance Erin Villari, and HRA's Chief of Staff Jennifer Yeaw.

HRA is the nation's largest social services agency assisting over three million New Yorkers annually through the administration of more than 12 major public assistance programs. HRA also administers one of this Administration's cornerstone programs: IDNYC, the country's most successful municipal identification program.

HRA continues to be at the forefront of the de Blasio Administration's focus on addressing poverty and income inequality in New York City.

During the course of FY16, we have testified before the Council at oversight hearings focused on a number of our program areas, including:

- HRA's Employment Plan
- HRA's HIV/AIDS Administration (HASA)
- Supportive Housing
- Homelessness
- IDNYC
- Hunger

These hearings provided opportunities to speak in detail about our major reform efforts within each of these areas. Living in an expensive city, one in which the cost of living continues to rise while wages remain stagnant means that low-income workers, who are generally struggling to begin with, can be derailed by unexpected emergencies and expenses. Many of these low-

income workers, nearly 27,000, earn so little that they still qualify for ongoing public assistance from HRA – a critical reason why this Administration has taken a leadership role in advocating for an increase in the State-set minimum wage.

Having a job is simply not enough to lift low-income New Yorkers out of poverty. Working clients need a living wage. Accordingly, through our December 31, 2014 State-approved employment plan, HRA has been implementing a series of initiatives during the two-year phase-in period in order to help clients permanently transition from public assistance and out of poverty and to reduce the possibility that clients will have to return to public assistance as they often did in the past when they were placed into low-paying, short-term employment. In particular, our employment plan implements changes in state law so that our clients are able to obtain necessary training and education to lift them out of poverty. We are also in the process of implementing new state legislation, signed in December by the Governor, which reforms the process for sanctioning work-required Cash Assistance recipients. This reform requires a review for barriers to employment prior to sanction and permits the reengagement of clients upon their willingness to participate rather than after a mandatory durational period. In addition, we continue to work with our state partners in applying for federal waivers to streamline access to SNAP/food stamps so that all eligible clients can receive benefits while still maintaining compliance with all state and federal rules and requirements.

Among other assistance, HRA provides the following supports for low-income workers and other children and adults:

- Medicaid: 2.2 million New Yorkers receive Medicaid through HRA and over a million more through the State health insurance exchange;
- SNAP and food assistance: 1.68 million New Yorkers are receiving SNAP/food stamps and millions of meals served through food pantries and community kitchens;
- HEAP: 685,000 New Yorkers receive home energy assistance every winter; and
- One-time Cash Assistance: 107,000 receive one-time cash assistance over the course of a year to prevent evictions and utility shutoffs or provide assistance with other emergencies.

These supports are critical to maintaining employment and/or housing stability for low-income New Yorkers, and as such this Administration has made expanding access and enrollment in these programs a priority.

Additionally, HRA helps thousands of the most vulnerable New Yorkers by providing shelter and supportive services to families and individuals recovering from the trauma of domestic violence, support for people with HIV, protective services for adults unable to care for themselves and home care services for seniors and individuals with certain physical or mental

disabilities, and legal services to address tenant harassment, avert homelessness through eviction prevention, help immigrants, and secure federal disability benefits.

HRA's Staff consists of:

- 14,301 budgeted headcount in FY17 paid for with a combination of City, State, and federal funds.
- Public servants who choose to work at HRA and help New Yorkers in need; many have dedicated their entire careers to public service.
- A diverse workforce: 70% women, 59% African-American, 18% Hispanic, 15% White, and 8% Asian.
- A unionized workforce with members of 13 different unions.

HRA's Budget:

As of the January 17 Plan, the HRA FY16 budget is \$7.44 billion City funds (\$9.66 billion total), increasing to \$7.6 billion City funds (\$9.8 billion total) in FY17.

Between Fiscal 2016 and 2017, HRA City funds increase by \$174 million and total funds increase by \$146 million. The year-to-year increase in City funds includes fully annualized collective bargaining increases; \$100 million more in the Medicaid FY17 budget (\$5.4 billion), due to one less weekly State payment in FY16; and year-to-year increases for rental assistance and new programs, including supportive housing and the End The Epidemic (ETE) initiative.

While the HRA January Plan budget declined by \$186 million in City funds and \$139 million in total funds in FY16 and by \$72 million in City funds and \$108 million in total funds in FY17 compared to the November Plan, this was the net result of over \$40.8 million in new City funded initiatives in FY16 (\$46.5 million in total funds) growing to over \$95 million in FY17 (\$137 million total funds) offset by one-time revenue adjustments in FY16, as well as the transfer of \$204 million from HRA to New York City Health + Hospitals for disproportionate share Medicaid costs that are no longer eligible for the federal Medicaid match.

HRA also received 150 new positions in FY16 and 327 in FY17 and out. However, agency-wide headcount goes down by 303 between FY16 and FY17 due to the Cash Assistance and SNAP Re-engineering reductions under the prior Administration that were projected as the result of technology and business process improvements. HRA is working with the City's Office of Management and Budget to make sure that any reductions are aligned with the real timeline for implementation of the technology and business process enhancements so that they improve access and streamline processes without affecting client services.

The two pie charts in the Power Point presentation provided to you show how the HRA expense budget is currently allocated from year to year.

Now I would like to describe HRA's Major New Initiatives and Spending Changes:

Expansion of HRA's Homelessness Prevention and Housing Reforms:

The HRA budget reflects the Administration's continuing comprehensive initiatives to prevent and alleviate homelessness within the City, which has built-up over many years. HRA has always provided some homelessness prevention services, but over the past two years we consolidated all of the HRA homelessness prevention programs into a single unit and expanded it substantially. During this same time, the Administration restored rental assistance programs that had been eliminated in 2011 in the State budget in order to increase services to prevent and alleviate homelessness, and considerably expanded anti-eviction and anti-harassment legal services, which help to both keep families and individuals in their homes and preserve affordable housing.

Over the past two years, the new rental assistance programs and other permanent housing efforts have enabled 30,129 children and adults in 10,242 households to avert entry into or move out of Department of Homeless Services (DHS) and HRA shelters.

Likewise, since July 2014, 16,745 New Yorkers have received eviction prevention and anti-harassment legal assistance – including working families and individuals. With the ramp-up of the ten-fold increase in these programs that the Mayor authorized – from \$6.5 million per year in the prior Administration to \$62 million, some 33,000 households a year, including well over 113,000 people, will receive legal assistance to prevent evictions and harassment.

We have also helped more people with emergency rent assistance, keeping thousands of New Yorkers in their homes. In FY13, HRA provided rent arrears to 42,000 households at a cost of \$124.1 million. In FY15, HRA provided rent arrears to nearly 53,000 households at a cost of \$180.7 million. The increase in spending of 46 percent resulted from increased monthly rents that families and individuals have to pay, additional households being found eligible due to the increasing gap between rents and income, and enhanced targeting of these services to prevent homelessness through partnerships with community-based organizations.

These increased prevention efforts are showing concrete results: Evictions by City Marshals have decreased 24 percent since Mayor de Blasio took office, down from 28,849 in 2013 to 21,988 in 2015. Our prevention programs are also cost-effective and generate savings in averted shelter costs. For example, the average cost of a rent arrears grant to prevent an eviction is \$3,400 and the average contract cost of an anti-eviction or anti-harassment legal

services case is about \$1,800 in comparison to the \$38,000 average annual cost of providing shelter.

Supportive Congregate and Scattered Site Housing

For the Mayor's supportive housing plan, the HRA budget includes \$13.3 million in FY17, growing to over \$100 million by FY20, to operate 15,000 new units of supportive congregate and scattered site housing to be developed over the next 15 years. The \$13.3 million includes funding for the operation and initial roll out of approximately 500 units in FY17. This new commitment to supportive housing will house individuals with severe mental illness, survivors of domestic violence, homeless veterans and other high-need and vulnerable clients.

Housing Placement and Shelter Move-Out Bonuses

The HRA budget includes \$18.3 million in FY16 to support community-based organizations that are identifying available housing that can be rented through our rental assistance programs and for shelter move-out assistance to extend funding for bonuses for landlords and brokers to encourage participation in the rental assistance programs, through June 2016. For FY17 and the out years, funding is included for these community-based organizations. Ongoing funding for bonuses for landlords and brokers will be evaluated along with the other move-out and prevention strategies during the Executive budget process.

The components of this funding include community-based housing placement services, the landlord bonus, broker's fees, the Veteran's move-out bonus, and enhanced furniture grants for rental assistance clients as follows:

- \$2.5m for CityFEPS provider payments
- \$1.0m for Veteran's bonuses
- \$10.9m for Broker's Fees
- \$2.4m for Landlord bonuses
- \$1.3m for Enhanced Furniture Allowance grants

Three-Quarter Housing project

In June 2015, the Mayor announced an interagency taskforce to review the use of three-quarter houses in New York City.

HRA is part of this task force along with other City agencies, including the Mayor's Office of Operations, the Department of Housing Preservation and Development, the Department of Buildings, and the Fire Department. Using HRA's data analytics, the task force has inspected 87 three-quarter houses and taken action to reduce overcrowding and dangerous conditions at 38 locations. As a result of HRA's intervention as part of the task force's work, since June 2015, 104

former residents of three-quarter houses have already been placed into permanent, affordable housing utilizing the City-funded SEPS, which is the Special Exit and Prevention Supplement Program, and other rental assistance programs.

The Plan includes \$7.9 million in FY16 and \$4.5 million in FY17 and the out-years for the Three-Quarter Housing project to continue to investigate sites and relocate clients to other temporary and permanent housing. This funding includes security, case management, and a rapid re-housing contract.

Services for Veterans

The HRA budget includes \$2.1 million in FY16 increasing to \$2.9 million in FY17 and the out-years for Veterans Initiatives to provide permanent housing and supportive services, including workforce development, to stably house formerly homeless veterans. Rental assistance is provided through the City's rental assistance programs, Section 8, and HUD VASH.

Another \$560,000 is allocated for 10 positions to provide outreach services in the Mayor's Office of Veteran's Affairs to veterans throughout the five boroughs.

Domestic Violence Shelter Expansion

The January Plan includes an additional \$2.9 million in City funds and \$6.2 million in total funds in FY16 increasing to \$4.6 million City funds and \$15.4 million total funds in FY17 for domestic violence shelter and services expansion. The expansion includes 300 Emergency Shelter beds and 400 Tier II family units added to the 2,228 Emergency beds and 245 Tier II shelter units. Funding is also included for staff to increase the No Violence Again (NoVA) and other DV screening, referrals, and services at DHS sites.

Legal Services

The HRA budget includes additional funding of \$9.2 million in FY17 and \$12 million in FY18 and out for Anti-Eviction Legal Services to expand in 10 neighborhoods that contribute about 15% of DHS family shelter eviction-related entrants annually. As noted earlier, this increases HRA's citywide anti-eviction and anti-harassment legal services spending to \$62 million to serve some 33,000 households, including more than 113,000 people, by full implementation in FY17. These anti-eviction legal services represent this Administration's commitment to protecting tenants from displacement, preserving affordable housing, stabilizing neighborhoods, and averting homelessness. There are also real neighborhood impacts including: declines in evictions; reductions in the loss of subsidized and rent stabilized housing; improvements to the housing stock, such as addressing buildings experiencing lack of heat and hot water and other essential services, and lack of repairs; and the preservation of affordable rents.

Hotline for Shelter-Related Issues

The HRA budget also includes \$1.1 million in total and City funds in FY16, increasing to \$2 million in the baseline for expansion of HRA's Infoline to answer a new hotline for shelter residents who have concerns related to DHS shelter conditions and services.

Subsidized Jobs for Homeless Clients

The HRA budget includes \$4.6 million, including \$3.4 million transferred from DHS and \$1.2 million in new funding in FY17, for subsidized jobs for homeless clients. This employment strategy funds 500 transitional public and private sector jobs program slots for shelter clients who move into permanent housing. The funding is for the Shelter Exit Transition (SET) program, which places clients with private employers, and to expand transitional job slots that will be added in City agencies, including the Department of Sanitation. HRA currently funds 1,800 Job Training Program (JTP) slots in the Parks Department and 70 slots in the Department of Sanitation with a budget of \$49 million.

This expansion of subsidized jobs is part of HRA's two-year phase-out of the Work Experience Program (WEP) in the State-approved employment plan. WEP placements had not led to sustained work and movement off of the HRA caseload. Therefore, WEP is being replaced by work activity permitted under federal and state law that will be more effective in doing so.

Expansion of HRA Programs for Vulnerable Populations:

The FY17 budget also includes substantial enhancements to other major programs.

IDNYC: In FY14, in partnership with the Council, the Administration created and implemented the largest municipal identification program in the country. IDNYC is directly operated by HRA through a joint initiative with the Mayor's Office of Immigrant Affairs and the Mayor's Office of Operations. And while this program will be the focus of a Committee on Immigration hearing, it is important to report to this Committee that in its first full year of operation, 730,000 New Yorkers obtained an ID and we now operate in 31 locations and five pop-up sites. A new need of \$7.6 million and 80 positions has been added in FY17 to support the continued operation of the IDNYC program. The new need brings the baseline budget to \$18.7 million and 241 positions in FY17.

Ending The Epidemic: HRA has been committed to ending the AIDS epidemic since the 1980s when a then-unknown disease was identified among gay men in New York City. This Administration was pleased to sign-on to the Governor's Blueprint to End The Epidemic and since has made considerable investments to do so.

Consistent with the Mayor's World AIDS Day announcement, in the January Plan the de Blasio Administration included the City's share of the funding necessary to support an expansion of HRA's HASA program to all income-eligible individuals with HIV. In partnership with the State, our plan is to permanently expand HASA services to all low-income New Yorkers with HIV. We are hopeful that the final State budget this year will include the State's full share to expand HASA in this way and thereby make it possible to end the epidemic. The funding in HRA's budget to end the epidemic is as follows:

- \$26.2 million in City funds in FY17 and \$32.1 million in FY18, expected to be matched equally with State funds for expanded services, including rental assistance, transportation and nutrition benefits, and staff to **End the HIV/AIDS Epidemic (ETE)**. An estimated 7,300 new clients would be eligible for services over the course of five years if our State partners commit the State's share of the dollars. Unfortunately, the State Executive Budget did not include funding for these services that are necessary to end the epidemic. With the proposed implementation of the ETE plan, the DHS budget includes over \$20 million annually in related shelter savings for homeless adults and families.

ADA Compliance: In March 2015, the parties to the **Lovely H.** class action lawsuit settled the federal case with an agreement to implement major systemic reforms to enhance assistance and services for clients with disabilities. This lawsuit, filed in 2005, contended that then-existing programs for clients with disabilities denied them meaningful access to those programs and related services in violation of the Americans with Disabilities Act ("ADA").

Over the course of the past year, HRA, in consultation with an expert consultant, developed tools to assess whether clients need reasonable accommodations as the result of physical and/or mental health limitations or other impairments. HRA then provides the appropriate accommodations, including referrals to HRA's Wellness, Comprehensive Assessment, Rehabilitation and Employment ("WeCARE") program or other services designed to assess and meet the needs of clients with disabilities.

- \$3.3 million in City funds was added in FY17 to provide Reasonable Accommodations for clients with disabilities to implement the **Lovely H. Settlement**, including funding for WeCare services and reasonable accommodation implementation throughout HRA. This is in addition to \$3.8 million in City funds added in FY17 in the Executive 2016 budget for WeCARE services and expanded fair hearing services.

In January 2016, there were 52,006 clients participating in WeCARE. The number of WeCARE program participants increased by 47 percent between October 2014 and January of this year due to a large number of clients awaiting assessment that grew in 2015 during the settlement

negotiations. The settlement and the new funding will enable WeCARE vendors to assess and provide appropriate services over the course of the fiscal year to the clients who are awaiting assessments. New, dedicated Supplemental Security Income (SSI) appeals services contracts in 2016 will continue improving federal SSI benefits awards for clients, which increased by 3.2 percent from 2014 to 2015.

We also want to report that a huge milestone for clients was recently reached – more than 6,510 WeCARE clients were placed in employment between January 2014 and December 2015. With the assistance of dedicated providers, these clients are focused on what they can do – not on what they can't do.

Other initiatives include:

- \$2.2 million in total funds (51% City share) in FY17 for additional costs of the **Community Guardian program**, a contracted service for adults unable to care for themselves.
- \$1.6 million in total funds (51% City share) for the **Teen Relationship Abuse and Prevention Program (Teen RAPP)**, a contract program that directly serves approximately 11,000 students citywide and indirectly reaches additional students with positive healthy relationship and zero tolerance for school violence messages. Teen RAPP addresses emotional and safety needs, enhances knowledge of relationship abuse, and provides an introduction to healthy social norms.

Capital Funding:

HRA's four-year capital budget of \$151.9 million, including \$105.5 million in City funds, includes:

- \$85 million for technology to streamline operations and client services, including key investments to Client Benefits Re-engineering;
- \$43.7 million for facilities maintenance, equipment and improvements;
- \$15.1 million for the installation of telecommunications equipment; and
- \$1.3 million for vehicles.

Finally, I would like to update the Committees on two of the major ongoing reforms at HRA, our Employment Plan implementation and our Benefits Reengineering initiative.

HRA's Employment Plan

Earlier this month, we released RFPs for HRA's new employment program that will assess Cash Assistance applicants and recipients' skills, interests, and employment barriers to connect them

with the jobs, training, education or services most likely to help each of them build a career and permanently transition from Cash Assistance.

HRA's approach is aligned with recommendations from the Mayor's Career Pathways: One City Working Together report, and is a part of the broader conversion of the City's workforce development programs into a "career pathways" model that emphasizes helping New Yorkers access sustainable, well-paying jobs.

As we have testified previously, these RFPs do not represent the full range of employment programs and services that we are funding and operating, and which will be available for contractors to use to leverage their services. For example, HRA also provides education and training services through arrangements with CUNY. Additional HRA employment programs that contractors can make use of include:

- Internships related to a career pathway that meet the State Department of Labor standards (funded through a separate RFP, Internship Placement Services (IPS));
- Subsidized transitional jobs programs, including positions at the Parks Department and in the private sector (e.g., the Parks Opportunity Program (POP) and the Shelter Exit Transitional Jobs (SET) program, which has been transferred to HRA from the Department of Homeless Services, to promote shelter move-outs); and
- HireNYC, which leverages the purchasing power of the City, including:
 - HireNYC Human Services: the requirement for City human services contractors to hire HRA Cash Assistance clients (applies to contracts with HRA, DHS, the Administration for Children's Services, the Department for the Aging, the Department of Youth and Community Development (DYCD), and the Department of Probation); and
 - HireNYC Development: employment targets related to hiring, retention and advancement for permanent jobs created by businesses at City-supported development projects.

We look forward to updating the Committees on our progress in moving our clients to sustainable careers and off of HRA's caseload.

WEP Phase Out

As noted earlier, we are implementing a two-year phase-out of the Work Experience Program (WEP) as part of our State-approved employment plan. WEP placements have not led to sustained work and movement off of the HRA caseload and we are replacing it with work activity permitted under federal and state law that will be more effective in doing so.

Compared to April 2014 (when I began to serve as the HRA Commissioner), the number of clients currently enrolled in WEP assignments at City agencies is less than 2,000, which is a reduction of 1,686 (-46%). The number of City agencies that have WEP assignments has decreased from 19 in April 2014 to 13 in February 2015 and to 8 in February 2016. The implementation of the additional JTP slots at the Sanitation Department will further reduce these numbers in the coming months.

Benefits Reengineering

Over the past two years, HRA rolled out new features and technological advances that streamline applying and recertifying for benefits. The goal is to improve HRA's flexibility, accuracy and responsiveness, minimize client wait time for crucial benefits, and address staff workload. As our work to modernize and optimize HRA's benefits systems continues, we want to update you on several of our recent advances, including:

- The launch of an enhanced ACCESS NYC website. ACCESS NYC screens eligibility for over 30 City, State and federal benefit programs. We upgraded the system to make it possible to not only to apply for SNAP/food stamps online, but to also submit a recertification for SNAP benefits. This new and improved website is accessible in English and the six Local Law 73 languages (Arabic, Chinese, Haitian Creole, Korean, Russian and Spanish).
- "On-demand" SNAP interviews began in January of this year in Staten Island and were expanded to Washington Heights earlier this month. Clients no longer have to wait for HRA to call during a scheduled appointment time to complete the interview portion of their SNAP recertification. After they submit their SNAP recertification form, clients are able to call HRA's new call center at any time during business hours for an "on-demand" SNAP interview. HRA will continue to add centers to this process throughout the rest of the year.
- HRA's Document Upload, which makes it easy for clients to upload important eligibility documents connected to their SNAP/food stamps case by using their mobile device to photograph and submit documents such as pay stubs or utility bills. Mobile document upload was launched in November 2015 and we have received well over 100,000 SNAP eligibility documents since then.

As we continue to implement long-term enhancements this year to improve access to SNAP/food stamps and Cash Assistance for eligible clients, we are continuing to explore short-term reforms to provide more effective access for clients to receive the benefits to which they are entitled. We also continue to work with our partners in the state and federal government concerning our waiver request to make sure that Able Bodied Adults Without Dependents (ABAWDs) living in lower Manhattan do not lose federally-funded SNAP benefits after only

three months of assistance because they are unable to find sufficient work to meet strict work requirements even though they reside in one of the most expensive areas of the country.

The last few slides in our Power Point presentation highlight a number of the reforms that we have implemented over the last fiscal year, some of which we have already discussed at prior hearings. We have accomplished a great deal over the past year, and we will continue with our reform initiatives during the coming year.

Thank you again for this opportunity to testify and I welcome your questions.