

**Testimony of Verna Eggleston Administrator/Commissioner Human Resources Administration  
before the Committee on General Welfare on the FY 2003 Preliminary Budget & FY 2002 Preliminary Mayor's Management Report**

Good morning. My name is Verna Eggleston and I am the Commissioner and Administrator of the Human Resources Administration. I would like to thank the Chair, Councilmember deBlasio, and the other members of the City Council General Welfare Committee for giving me the opportunity to testify today on HRA's priorities and budget.

Before I talk about some specific budget issues, I would like to provide you with a brief overview of the current state of HRA and the challenges it faces.

Returning to HRA after a number of years, I find it a very different agency than the one I left. HRA recognizes that investment in staff is an investment as a system as a whole, and as we move forward, we continue to insure that our workers have the skills and resources to best serve our client population. The staff's approach to work has been professionalized, and training has been provided to enhance their skills. HRA's significant investment in computerization has created faster, more efficient systems that insure the needs of clients are met in the most timely and accurate manner. Over the past few years renovations have been completed on seventy-five to eighty per cent of our Job Centers, creating an environment that is conducive to working in a more professional manner. There has been a heightened emphasis on assisting clients to move into jobs, and on developing new methods for tracking our progress. Through these mechanisms, HRA has achieved some remarkable successes, and continues to be successful as we help more people out of poverty.

However, there remain many opportunities to build on that success. Today, HRA faces three major challenges in continuing to help people move to independence.

First, during most of the last Administration, the City's economy was booming and creating thousands of jobs. However, in the last six months of 2001 we saw the effects of a growing recession. We saw a dramatic rise in unemployment, as those who lost jobs in this changing economy joined those who were unable to compete in the workplace before the recession, due to their lack of vocational or language skills. This was exacerbated by the tragedy on 9/11, and since then the City has lost more than 100,000 jobs.

Second, during the last Administration, the public assistance rolls declined dramatically, as thousands moved into the workforce. However, many of those remaining on public assistance have special needs and require targeted services. These include substance abusers, the elderly, victims of domestic violence, and the disabled. It is crucial that their individual needs are recognized and met, so that, where appropriate, they are provided with the services that can lead to an eventual move towards work and independence.

Third, federal welfare law must be reauthorized by October 1, 2002. TANF II will set the terms for what HRA can and must do for the next period, to address special needs populations and all those we serve. To achieve our goals, HRA needs maximum flexibility from federal and state levels to allow us to tailor our programs to meet the needs of our clients, where the clients are. Needless to say, HRA's and the City's involvement in the TANF reauthorization planning process is vital if we are to regain control of our jurisdiction.

The task before us is to evaluate what worked before in the context of today's challenges, to review our clients' many successes, and to determine how we move forward. I have an excellent team working with me, staff who are ready to assess the last 8 years and develop an implementation plan for TANF II that can address our current challenges. Let us not forget that as the largest municipal welfare department in the country, we lowered the rolls from a peak of 1.16 million in March 1995, to the current number of 450,600. This includes successfully moving over 265,000 clients from welfare to work just in the last two years.

HRA must be open to new ideas and understand the needs of the many communities and individuals we serve. Our clients face a range of issues including finding childcare, health insurance, affordable housing and employment. HRA cannot address those problems in isolation. In this Administration, agencies are already meeting and working toward collaborations that will center on each client's needs: "One client. One City. One plan."

All City agencies must work together. I have been meeting with advocates, organizations involved in social services, elected officials and labor leaders. I have had frank discussions with them about our successes and what we could be doing better to improve our performance.

In addition, to ensure constant comments and suggestions, we will reconstitute and revitalize the HRA Citizens Advisory Committee. The new Committee will have broad representation from business, labor, public interest, community, representatives of the providers with whom we do business, and our clients. It will meet regularly and help us develop new ways to address the needs of their communities.

We are working with the stakeholders, consumers, providers, and the State, to forge a path towards our common goals. In monthly meetings with other commissioners, we are developing a unified approach to TANF reauthorization.

While we continue to develop our specific objectives, I can give you a general sense of what we will emphasize in TANF II.

Our primary goal must be retention -- helping the people who have moved into the workforce stay there. To do that, HRA must focus on the support services it provides to our clients and those newly-employed, including Medicaid, child care, food stamps, child support, and the earned income tax credit. In addition, HRA supports a network of employment service centers that can help any New Yorker find a job or obtain the skills for a better job.

We want to help people remain in the work market by moving them to supports provided within their own communities. Our primary focus will be on enhancing services that will result in our clients' maintaining independence. The services we have in place already support people to prepare for and find work, and to ensure that only those who are eligible receive assistance. My focus will be on how long we can sustain our clients in employment as they work toward achieving social and financial independence and maintaining stable homes in their communities. I will continue to emphasize the "work first" approach; however, I want to be sure we bring integrity and compassion to the work we do. We have found that all clients can be very successful moving into the world of work when given the support they need. We have to help them move to the ultimate goal: a return to the community of their choice, not to one we choose for them.

It is clear that the "one-size-fits-all" approach to service delivery will not work. We must meet all our clients where they are and determine what services they need to move to social and financial independence. For example, we have special centers for those with addiction problems, for pregnant women, for victims of domestic violence, for the disabled, for immigrants, and for seniors. In those centers, staff can be specially trained to help each group overcome their particular barriers to independence.

For seniors, we have found that some now on public assistance qualify for Social Security and we are working with the Social Security Administration to help them get the benefits to which they are entitled. Other seniors want to work, either because they need a few more quarters of work to qualify for social security or because they want the additional income or because they just enjoy being in the workplace. Therefore, we have a program to help them find work.

This approach to service provision can only be successful if the tools to ensure integrity are set in place. To strengthen the integrity of HRA's activities, I have created a Contracts Review Board, which will provide oversight of our contracting process and help ensure that all contracts are awarded fairly and provide the best value to taxpayers. We want to do outreach to community based providers so that they will be able to work with us to sustain the members of their communities.

As we formulate our plan for the future, we are, of course, eager to have the input and advice of the City Council.

Now, let me turn to some specific budget issues.

Like all agencies, HRA is bearing its share of the burden of addressing the fiscal challenges facing the City. However, I am very pleased that HRA was able to achieve its \$66 million city tax levy savings target without any significant service cuts. This was accomplished through great effort on the part of HRA staff. It reflects HRA's recent attempts to become more efficient, to automate operations, and to identify ways to maximize federal and state revenue. To me, it is critical that we continue to find ways to avoid or minimize service cuts. I will continue to make this a priority in my administration.

The budget supports the direction in which the Agency must move. For example, it will enable HRA to continue supporting clients to find work. In FY 2001, 130,000 of our clients found unsubsidized jobs. And in this fiscal year, from July 1, 2001 through the end of December 2001, HRA has assisted nearly 83,000 people to obtain employment. Of these, we have achieved 52,300 unsubsidized job placements since September 1, 2001! I think this is a remarkable achievement at the same time that the State is reporting over 120,000 job losses in the City since September 11th.

Recent news has focused on subsidized jobs in the Parks Department - an important component of our overall program, but a small one. The jobs in the Parks Department are valuable for many of our clients, but they are intended as transitional employment. The federal funding supporting these jobs does not allow us to subsidize them indefinitely. However, the Parks Department jobs will help people develop work histories that will assist them to find unsubsidized employment. And, we are assisting each Parks Department employee to locate an unsubsidized job in the private sector. We plan to offer each person a training voucher and link them to one of our employment vendors. With the experience these workers have gained, the training they are provided, and the links the vendors have with the private sector, the workers should be in a good position to locate a new position at a fair wage.

By adding additional dollars for Medicaid, this budget also supports people who want to sustain health insurance coverage. We have adequate funds to support those who will be converting from Disaster Relief Medicaid. As you know, this program began on September 24, 2001. It was intended to provide temporary, expedited Medicaid fee-for-service coverage to lower-income City residents for four months. By the end of 2001, there were approximately 253,000 Disaster Relief Medicaid/Family Health Plus cases, which included approximately 380,000 individuals. In fact, at the end of 2001, more people in New York City were enrolled in Medicaid than ever before - close to 2 million.

Since the four-month term of the first group of enrollees expired in January, the State has notified them that their eligibility was extended to allow them to come into Medicaid offices to apply for either Medicaid or Family Health Plus on an ongoing basis. We expect the first group of those notified to come in starting at the end of March, and we will meet with them individually to explain

their options and assist them in enrolling to maintain continued coverage. We need your help to make sure your constituents take advantage of this opportunity.

Child care is crucial to all our efforts to promote and sustain work. Many people need reliable and consistent childcare in order to maintain employment. The Automated Child Care Information System (ACCIS) offers clients definite improvements to sustain their child care. For example, since the end of calendar 2001, ACCIS has automatically transitioned child-care payments for participants who leave public assistance for work. When their public assistance cases are closed, ACCIS provides child-care payments for 60 days while the necessary processing for transitional child-care benefits is completed. At the end of 12 months of transitional child care, ACCIS automatically transfers eligible families to the Administration for Children's Services to continue their child care.

As we have been implementing this new ACCIS system, we have encountered problems ensuring that providers are paid. Not all providers are used to the new system that requires them to submit their attendance sheets. Other providers have not completed the State-required terms and conditions they must sign. We are stepping up our efforts to explain the new system to participants, providers and communities, and to make our systems more accessible. For example, we are designing an automated voice response system for ACCIS that will allow vendors to report child attendance by telephone rather than by mail. HRA expects to implement the telephone reporting system by the end of March 2002. We believe this will go a long way towards helping improve the current situation.

Finally, I want to mention some new initiatives in the HIV/AIDS Services Administration. We are committed to moving quickly to establish the HASA Advisory Board under Local Law 49. With that Board, we will look at all of HASA'S activities to determine how we can better meet the needs of its roughly 30,000 clients. As part of this budget, we are going to make expanded efforts to assist HASA clients in establishing eligibility for SSI, which will strengthen their guarantee of continued income and Medicaid eligibility, while at the same time ensuring that their overall benefits levels are not decreased.

In conclusion, my staff and I are determined to continue to find ways to implement cost savings measures and efficiencies and generate State and Federal revenue so that we can maintain service levels. As TANF "part two" unfolds, we will all be faced with a new set of challenges and opportunities as the federal and state laws are reauthorized and we continue to work to help clients obtain and sustain employment. My goal is to assist each client to maximize their potential to achieve social and financial independence. Our collective, continuous efforts to implement a plan and a budget to enable us to do that are critical to our success. I look forward to the challenge.

City Hall  
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