

Testimony of Verna Eggleston Administrator/Commissioner Human Resources Administration before the Committees on General Welfare and Finance on the FL 2003 Executive Budget

As you know, I am Verna Eggleston, the Commissioner and Administrator of the Human Resources Administration. I would like to thank the Chairs, Councilmembers de Blasio and Weprin, and the other members of the City Council General Welfare and Finance giving me this time to testify on HRA's Executive Budget.

I am pleased that we are meeting today given that last week Mayor Bloomberg articulated his vision for the next five years of welfare reform. In his speech last Wednesday, the Mayor emphasized that New York City's welfare program will continue to focus on work activities in conjunction with education and training, and that we will expand our focus in the areas of welfare prevention and employment retention. The Mayor has said repeatedly that we must improve our schools, and last week he added that a good education system is necessary to prevent the youth of today from becoming the welfare recipients of the future. There can be no welfare reform without education reform. Our Mayor clearly made that point in last week's speech. Our Mayor also emphasized the importance of retaining people in employment and helping them gain their economic independence.

If you have not already done so, I urge you to read our Mayor's speech on the Internet at www.nyc.gov. On the HRA page at that site, you can also obtain the detailed welfare reform reauthorization legislative recommendations prepared by HRA, with input from numerous other city agencies, and endorsed by the Mayor.

It is now our responsibility to implement these new welfare reform policies. I am determined to be bold and innovative to ensure the success of welfare reform in New York City, the largest social services jurisdiction in the country. My goals are to:

- help ensure that initiatives are developed for younger generations so that they do not become dependent upon welfare in the future,
- reduce the welfare rolls by assisting recipients to move into the workforce,
- identify and develop initiatives that will help people retain their jobs after they leave welfare for work,
- increase the number of working people who enhance their skills through education and training so that they can obtain better jobs and move toward financial independence, and
- engage the men in the lives of these families-they have been absent too long

Preventing future generations from entering the welfare system means providing them with a good education. We need all of our youth to be prepared for the world of work and possess those skills that will guarantee their success. Toward this end, HRA will collaborate with other agencies to build their capacity to receive our referrals to their support programs to help young people who are becoming independent, but without adequate resources. We also want to enhance after school and school-to-work programs. We must include in our educational programs those who are aging out of the foster care system or leaving the juvenile or criminal justice system. Together, we must do a better job preparing adolescents to take on adult responsibilities.

HRA's other focus must be job retention -- helping the people who have moved into the workforce to stay there and continue to move up their career ladders. We must promote the appropriate mix of services that will result in our clients' maintaining and enhancing their independence. The services we have in place have been effective at preparing clients for and finding work. During this fiscal year, from July 1, 2001 through May 4, 2002, HRA has already assisted 125,844 people to obtain some subsidized, but primarily unsubsidized, employment. Despite the overall loss of jobs in the City since September 11, 2001, we are well on our way to meeting our City Fiscal Year 2002 job placement goal of 155,000, 25,000 more jobs than we achieved in CFY 2001.

Our success will not only be defined by the number of people leaving the welfare rolls. It will also be defined by fewer people seeking our help and more remaining independent and self-sufficient. I want to place more emphasis on the job retention component of our services. Ensuring the availability of transitional support services such as child care and Medicaid is also essential to achieving this goal, as is ensuring that people eligible for Food Stamps and the Earned Income Tax Credit receive these supports as well. Our TANF reauthorization proposals ask for greater flexibility to provide transitional support to those who need it, and who without it may have a hard time remaining in the workplace.

We must meet all our clients where they are and determine what services they need to move toward social and financial independence. For example, we must enhance the services in our specialized centers for those with addiction problems, those needing only Food Stamps or Medicaid, for those suffering from HIV or AIDS, for pregnant women, for victims of domestic violence, for the disabled, for immigrants, and for seniors. In those centers, staff are specially trained to help each group overcome their particular barriers to independence.

We met with you in March to discuss the Preliminary Fiscal Year 2003 budget. The Fiscal 2003 Executive Budget for HRA contains no major changes since the Mayor's Preliminary Plan. We, like other agencies, have developed a set of contingency budget cuts. The plan as proposed is necessary because the City is facing a financial crisis that we cannot ignore and for which we must be prepared. The contingency plan attempts to minimize service cuts. Public programs such as Medicaid, Public Assistance, and Food Stamps, would not be reduced at all since they are mandatory programs. Currently we do not know if HRA will have to implement any plan. Should it be necessary to implement the contingency plan, however, we would be glad to discuss it with you. We would be open to alternative suggestions for cuts, if reductions are required.

At your hearing on the Preliminary Budget, we assured you that we would fully expend the adult program Work Force Investment Act funds that had to be spent by June 30, 2002. I am happy to report that our spending plan has been a complete success. We have submitted actual expenditures of \$71 million through March 2002, and anticipate fully spending the remaining \$7 million of the PY2000 Adult allocation by June 30, 2002. These funds have been spent on workforce development goals, including employment programs, training vouchers and job fairs. Discussions with the Department of Employment and other City offices about transferring WIA responsibilities are ongoing and an initial transfer of responsibilities has already occurred.

In conclusion, I remain committed to finding ways to improve HRA's programs, and where possible, to identifying efficiencies in order to generate additional cost savings to the City. I am also determined to maximize state and federal revenue whenever feasible, so that we can maintain or expand service levels without overburdening the City's budget in these difficult times. As the TANF reauthorization process concludes, we will all be faced with a new set of challenges and opportunities. HRA's primary goal is to help clients maximize their potential to achieve financial independence. Our collective, continuous efforts to implement a plan for TANF Part II, with a budget that enables us to do so, are critical to our success. We look forward to the challenge and to your support.

CITY HALL
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