



**Human Resources  
Administration**  
Department of  
Social Services

## **TESTIMONY**

Robert Doar, Commissioner  
Human Resources Administration/Department of Social Services

*2009 Executive Budget November Plan Hearing*

*Joint Hearing of the New York City Council  
General Welfare and Finance Committees*

November 20th, 2008

Good morning Chairman de Blasio and Chairman Weprin and members of the General Welfare and Finance Committees. Joining me this morning is Kathleen Tyler, Deputy Commissioner for HRA's Budget Office who has been responsible for preparing our budget submissions throughout this year.

When I was here in May, I explained that over the course of the year we had engaged in two extensive exercises to maximize our revenue sources as well as identify cost reductions throughout our Agency. These efforts resulted in \$75.9 million in savings in fiscal year (FY) 2008 and a total of \$232.7 million in savings over the period of FY2008 through FY2012. However, with the City facing a cumulative \$4 billion budget gap for FY2009 and FY2010, Mayor Bloomberg was very clear that more needed to be done.

To address this gap, HRA has identified \$15.3 million in savings for FY2009 and \$105.2 million over a four year period of FY2009-FY2012. In light of these economic times I can not tell you that there weren't some very hard decisions to make. However, I can assure you that we looked deep into our Agency for every creative option we could to minimize the effect on both client services and agency staff. Overall, we tried to maximize federal revenue, streamline some of our processes, and improve both administrative and programmatic efficiencies while maintaining our ability to effectively deliver core services. For example, we have made a concerted effort to not only protect, but improve work supports such as Food Stamps and child support enforcement. This is important assistance that we offer to many low-wage workers determined to avoid the debilitating dependence of cash welfare.

Naturally, HRA's budget is also contingent upon the level of our caseloads which we are closely monitoring. At the end of October, the Cash Assistance caseload was approximately 340,000; a 4.4 percent decrease from the same time last year. There are more than 1.3 million Food Stamp recipients, an increase of 202,000 recipients, or 18 percent since last year. Of these, more than 140,000 are people who receive Food Stamp benefits but not Cash Assistance or Supplemental Security Income (SSI), and who have benefited from streamlining and outreach campaigns. Also, there was a 1.3 percent increase in Medicaid recipients since last year, bringing present public health insurance enrollment to more than 2.6 million New Yorkers. This upward trend is a 52 percent increase since the start of the administration when enrollment was slightly over 1.7 million New Yorkers.

The number of child support cases with an order established continues to increase and last year collections grew by nearly 7 percent. Our calendar year-to-date collections through October are up 10 percent. This is encouraging, as our experience during previous economic downturns showed that one of the first impacts on the social service system is the falling off of the amount of child support collected.

### ***Maximizing Federal Dollars and Resources***

For the November Plan, we first examined new ways to maximize federal dollars to help relieve some of the pressure from both the state and city budgets. To this end, we will be claiming short-term nonrecurring emergency benefits for clients who have exceeded the federal 60 month time-limit, against federal Emergency Assistance funds. In addition, through an increased focus on Medicaid fraud detection, more staff will now be claimed as 100 percent Medicaid reimbursement. Efforts are also underway through a pilot project to assist seniors who were initially denied SSI by the Social Security Administration to appeal the decision, providing a benefit to the seniors and to the City's cash assistance expense.

I am also pleased to report that at our request, the State Office of Temporary and Disability Assistance (OTDA) will allow us to access data from a greater number of banks in order to verify the accuracy of financial resources for Cash Assistance and Medicaid applications. We are now working with OTDA on implementing this change to further ensure that funds are distributed to those who are truly in need.

### ***Streamlining Processes***

Through some re-organization of our job centers we will be able to achieve administrative saving without adverse impact to clients. We are modifying our process for Senior Citizen Cases, those with case heads 60 years old and over. After initiating an application at a local job center, senior cases will now be transferred to a specialized Senior Center. Seniors are exempt from work requirements and only need to come in to the center once every two years for re-certification. Home visits are provided for those clients who physically cannot travel.

Our process for child-only cases is also being modified. After application, they will be consolidated in the Family Services Center and associated specialized satellite offices located in each borough. This will allow for the assignment of specialized workers experienced in coordinating with the other agencies on these issues and in accessing other resources as needed for the child and/or household. It will also help better address immigrant issues, as many of these cases are for children of undocumented immigrants.

HRA will also take steps necessary to meet a state requirement for a six-month review of a client's continued eligibility for Cash Assistance. We will implement a new mailer, one of the State's approved methods for meeting this requirement, which we believe to be the least inconvenience for our clients.

Additionally, I am pleased to advise you that we are taking the lead on what I hope will be a broader city-wide effort to expand the employment opportunities of welfare recipients in city agencies. We will place approximately 75 Cash Assistance recipients into temporary slots within HRA while using the federal and state portion of their cash grant to offset the cost. Participating recipients will have the opportunity to gain valuable work experience and build their resume while in a supportive environment.

### ***Administrative and Programmatic Efficiencies***

In an Agency as large as HRA, there are many ways to achieve savings and I've asked my staff to look creatively at everything we do. Naturally, one way is through improved efficiency; both administratively as well as programmatically. Administratively, we will be reducing maintenance and cleaning contracts, internal consultants, and other general expenditures. We also will consolidate space at several of our buildings and, working across city agencies, will consolidate the Department for the Aging's information technology functions into HRA.

Programmatically, we looked for ways to consolidate administrative functions, reduce under-utilized services, and to identify any over-projected spending in a program or service. We did find such opportunities in two of our program areas: substance abuse services and our employment program.

We are releasing surplus budget funds resulting from reduced demand for residential treatment services and will be working with vendors to implement modest efficiencies to our Specialized Substance Abuse contracts that will not adversely affect client service. We are eliminating the Recovery Incentive Program for Employment (RIPE). This program, that provides incentive payments to substance abuse treatment providers, is underutilized and duplicative of state efforts. With regard to our employment programs, we eliminated excess funding from the budget. Details of the plan are being finalized and may include modest administrative efficiencies in provider contracts.

Our HIV/AIDS Services Administration (HASA) Scattersite II program is being phased out over the next year due to a change in the way OTDA reimburses New York City. The State recently directed that case management services can only be claimed as assistance when they are provided as part of the actual housing rate. This conflicts with the Scattersite II structure where the two functions are separate. Clients hold the leases to their apartments and vendors provide case management services. I would like to be clear that clients will continue to retain their apartments and this transition should be fairly seamless to them since case management services will now be provided primarily by their already assigned HASA case managers. In addition, with a decline in our HASA family caseload, we were able to re-estimate funds needed for homemaker services.

I hope this demonstrates that overall, through a very thoughtful process, we were able to find savings while preserving our core services. I will gladly answer any of your questions.