



**Human Resources  
Administration**  
Department of  
Social Services

## **TESTIMONY**

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

*2010 Executive Budget Hearing*

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

May 26, 2009

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 the Human Resources Administration's (HRA) Budget Office.

As I am sure you are well aware, the significant reductions in city revenue, and the even more troubling revenue picture at the state level, have required a series of spending reduction actions that impact all agencies for the 2010 fiscal year as well as for at least the next two fiscal years.

For HRA, this has meant identifying more than \$628 million in savings for the period from FY 2008 through FY 2012, including a reduction in our budgeted workforce by more than 760 positions. For the current FY 2010 Executive Budget, we have identified an additional \$21.4 million in savings beyond previous savings exercises; bringing the total FY 2010 savings to more than \$151 million. Over the past year I have told you that we were able to find the necessary savings by maximizing state and federal revenues, and implementing administrative and programmatic efficiencies while at the same time protecting our core client services. This continues to be our approach.

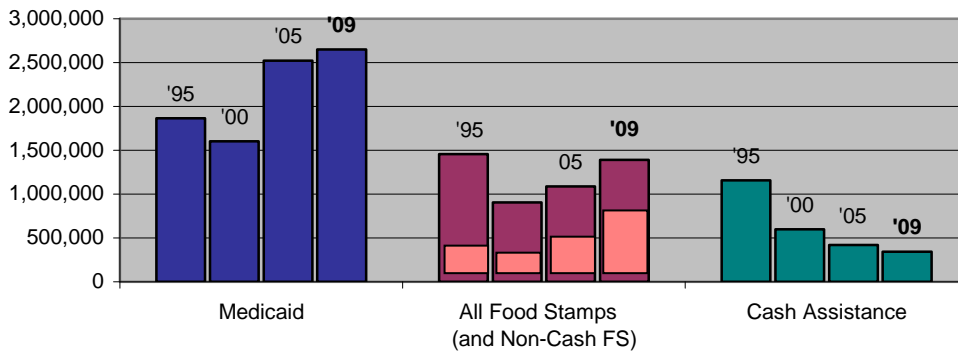
My primary focus during the development of this and earlier budgets has been to protect services to our most vulnerable citizens such as those served by our Adult Protective Services unit as well as to make sure we continue to meet the goals of our core services such as Food Stamps, Cash Assistance, Child Support Enforcement, and Medical Assistance programs. While it is essential to make sure we can maintain our present level of commitment, it is equally important to be ready to meet any increased demand when it occurs.

***Core Service Caseloads (Food Assistance, Cash Assistance, and Medicaid)***

The Food Assistance Program caseload continues to grow significantly each month. Enrollment in the program grew by 28,000 in April and has increased by a total of 96,000 in the first quarter of 2009. With the April increase, those receiving Food Stamp benefits independent of Cash Assistance and Supplemental Security Income (SSI) has increased by over 50 percent in the last two years and by 265 percent since 2002. These increases have been made possible by our successful efforts to streamline the application process so that it is faster, simpler and more convenient for clients and workers while maintaining our commitment to countering waste and fraud through the use of finger imaging technology.

At the same time that we have met increased demand for our services, we have also increased our timeliness rate, processing applications and determining eligibility for 89 percent of the applicants within the required timeframe of thirty days. This is a remarkable achievement. One of the most recent access improvements we have made is allowing people to recertify for Food Stamp benefits using an Integrated Voice Response System (IVRS). This option is available to certain households with elderly or disabled adults and allows the recipient to recertify 24 hours a day, seven days a week from any touch tone phone. Since IVRS was implemented citywide in March, over 1,300 individuals have used it to complete their recertification requirement. Having praised our improvements in access, I also need to let you know that we have seen a small increase in our Food Stamp error rates that I am conscious of and am closely monitoring.

**Historical Caseloads (1995-Present)**



For Cash Assistance (CA), the caseload appears to have stabilized. Prior to 2009, there was a continual downward trend in CA while at the beginning of this year there were slight increases in the caseloads for February and March. However, in April there was a slight decline of approximately 1,000 individuals. Conversely, the Medical Assistance (MA) public health insurance rolls increased by approximately 6,000 enrollees in April and by a total of 44,000 enrollees during the first quarter of 2009. The story of public health insurance enrollment is one of stops and starts. From early 2002 we saw an increase that lasted until the end of 2005. The rolls then stabilized for almost a three year period until August 2008 when the number of New Yorkers covered by public health insurance started up again.

### ***The Final 2009-2010 State Budget***

This budget also takes into consideration recent changes enacted as part of the State 2009-2010 budget passed in April. Of particular concern was a decision proposed by the Governor and agreed upon by the legislature to eliminate the Local Administration Fund (LAF). This decision removes the State's financial support for the Food Stamp and Safety Net programs and created a \$40 million deficit to HRA programs.

The State budget also provided a 30 percent increase to the cash assistance basic allowance that will be phased in over a three year period. For the first three years, the incremental cost will be covered with state and federal dollars at no local cost. The federal share is available through the TANF Contingency Fund that the state was able to qualify for as a result of the efforts of local districts in increasing enrollment in the Food Stamp program. After the initial three year period, the plan is for the local share to be picked up by local districts and will become part of the budget process for forecasting cash assistance costs.

Other notable expenditures in the State's budget include new funding for transitional jobs, of which HRA anticipates receiving some funds once the State Office of Temporary and Disability Assistance (OTDA) determines the distribution with the bulk of the funding to be directly administered by OTDA using a contracting process. We look forward to using our allocation of these funds to build upon our present success with employment programs that has resulted in the placement of more than 25,000 CA recipients into jobs already this year. Also, the second phase of the Child Support pass through increases that began in last year's State budget will continue. This provides that in addition to passing through to custodial parents on cash assistance the first \$100 in collections made on their behalf, parents with two or more children will now receive an additional \$100 in pass through collections made on their behalf.

### ***Overview of 2010 Budget Savings and Maximization Efforts***

As I mentioned earlier, we were able to continue to maximize federal reimbursement, particularly in Medicaid and Food Stamp Employment and Training. Through our increased efforts and attention to Medicaid fraud deterrence and recovery and through reorganizing workloads to focus solely on Medicaid, we are able to claim 100 percent of the costs of an additional 19 staff towards Medicaid. We also adjusted our budget to correctly reflect the actual claiming process under the federal Food Stamp Employment and Training program.

However, in our WeCARE program we have budgeted for a reduction in our vendor contracts by 3.3 percent, but are confident that our vendors will be able to absorb the reduction with minimal adverse affect on our clients. In addition, I've asked our information technology staff to find \$1.2 million in savings in order to minimize cuts to our direct services. Approximately 30 percent of this reduction is in permanent discretionary spending and will therefore result in some slow-downs in purchasing, installations, and maintenance requests. However, by reducing some of our inventory, scaling back on software and hardware purchases, leveraging in-house technology, and expanding our use of web-based applications to maximize the capacity of our servers and personal computers, we will be able to maintain our present service levels and manage anticipated new demands. I want to assure you that I remain committed to utilizing and expanding the use of technology throughout our human service system but I needed to turn towards our more administrative functions for savings.

We also met our target through the elimination of 145 positions in headcount vacancies and are developing the allocation plan with the expectation of taking a majority of the vacancies against our administrative areas. Although we are not laying off staff as part of this budget, we recognize that, unfortunately, the City-wide redeployment of staff cut from other agencies will result in the displacement of HRA staff as laid off employees from other agencies assert their civil service bumping rights.

I also want to take a moment to address reductions we are making within our HIV/AIDS Services Administration (HASA) program. I need to reiterate that we have thoroughly reviewed the potential impact of these changes and are prepared to move forward with them. To review, we are allowing the Scatter Site II service contracts to expire on their natural termination dates due to the loss of state funding. No one will lose their housing and we have spent the last several months ensuring that every client will continue to receive an appropriate level of case management and services in order to maintain their housing stability. We are also altering the structure of our contracted case management program to make the client to case manager ratio more appropriate. No contracts are being eliminated and the two layers of case management provided through HASA and contracted case management will continue.

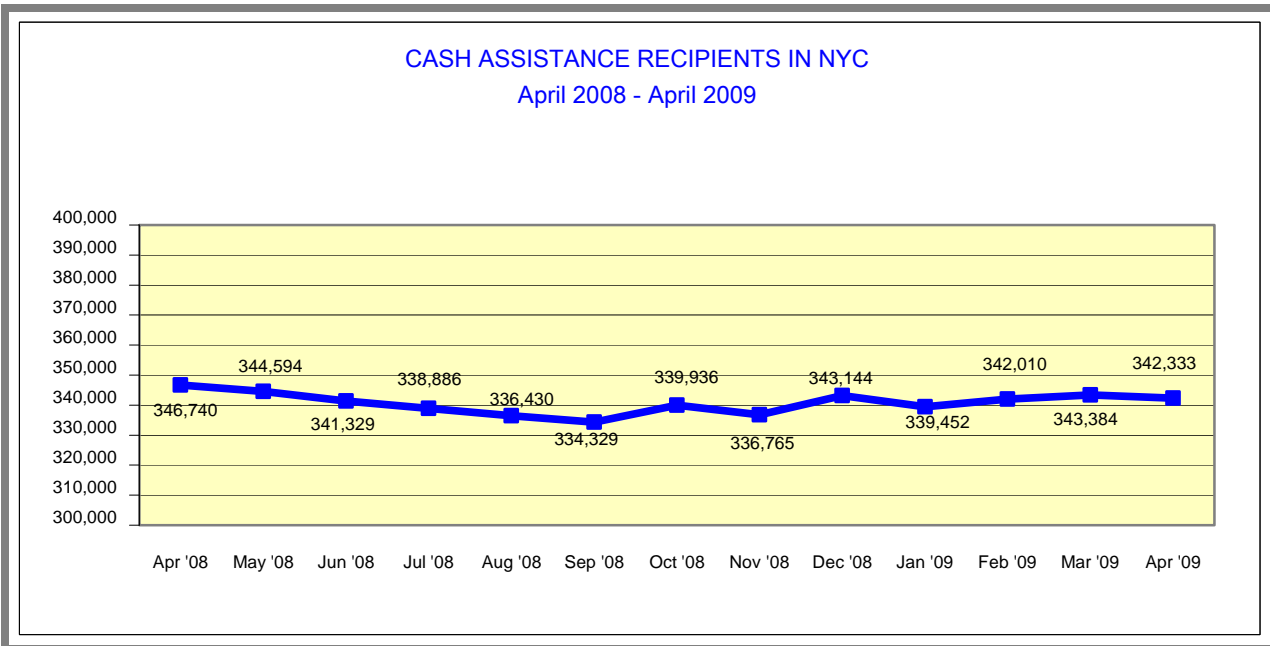
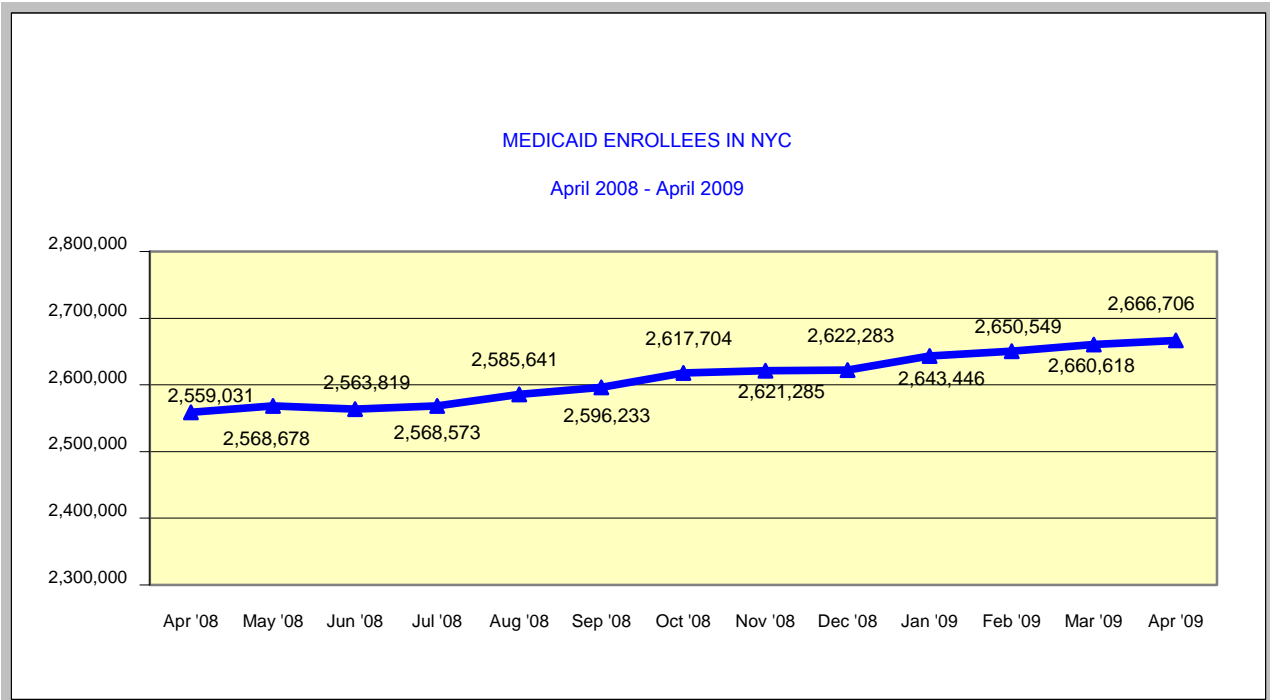
This morning I have highlighted the different budget cuts that we have made due to the unprecedented fall in revenues to the City and State governments. But it is also well to point out

what we have not cut, and what we have maintained and even enhanced in New York City's efforts to help low-income families.

- We have implemented an increase in Food Stamp benefits bringing in more than \$20 million additional dollars to low-income New Yorkers each month;
- We have increased the Child Support pass through of collections made on behalf of families on cash assistance;
- We have continued our commitment to vulnerable and elderly residents through our expansive home care program that allows people to remain in the community;
- We have maintained our commitment to people living with HIV/AIDS through our HASA program;
- We have created and funded an innovative Neighborhood Improvement Program aimed at reducing the effects of the mortgage crisis in fragile neighborhoods while providing valuable employment experience for hard-to-employ CA recipients;
- We are also soon to launch a new employment program for non-custodial parents within our child support program;
- And, along with our partners at the City's Department of Homeless Services, we support what is surely the most enriched housing assistance program in the country.

So, while I acknowledge that we have had to make some difficult reductions to our budget in response to the dramatic and unprecedented fall off in state and city revenues, I believe HRA's 14,000 employees can still be very proud of the array of services and supports we continue to provide to New Yorker City's low-income residents. At this point I look forward to the Committees' questions.

**CASELOAD CHARTS:**



FOOD STAMP RECIPIENTS IN NYC\*  
April 2008 - April 2009

