



TESTIMONY

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

“Oversight: Update on DHS’ Advantage NY and Home-Base Programs”

*Hearing of the New York City Council
General Welfare Committee*

April 15, 2010

Good afternoon Chairwoman Palma, members of the General Welfare Committee and Public Advocate de Blasio. I am pleased to be here today with my colleague Robert Hess. Commissioner Hess and I work very closely together to help the residents of the city's shelter system.

As you know, the Human Resources Administration (HRA) is charged with the administration of key public benefits such as Cash Assistance (CA), food stamps, and Medicaid. We also administer programs that provide needed support to some of our most vulnerable citizens. This includes eviction prevention, specialized emergency housing assistance, and training and employment support. I want to take a moment to briefly explain these services in order to illustrate the depth of knowledge and range of experience our staff and managers bring to bear on the upcoming policy changes to the DHS Shelter System.

Eviction Prevention and Emergency Housing Assistance

Our Homeless Diversion Unit, in operation since 1992, is in every HRA Job Center in the City, in Housing Courts in all five boroughs, at PATH and at the Bellevue Adult Family Shelter to help low-income individuals avoid eviction and/or reconnect them to their former housing. With eviction being a key element in approximately 50 percent of referrals to our Adult Protective Services (APS) program, we have APS staff in Housing Court in all boroughs but Staten Island to assist those courts and, where needed petition for Guardians *ad Litem* on behalf of our clients. To prevent evictions, the APS Financial Management Unit acts as representative payee for approximately 2,300 particularly vulnerable clients, making sure their federal Social Security benefit is used to pay rent and utilities every month. We also oversee the City's Domestic Violence shelter system of 50 shelters that serve more than 3,000 individuals a day.

Employment and Training Support

To support the employment needs of homeless Cash Assistance recipients who face particular barriers to employment, HRA has developed a specialized approach. HRA primarily services residents of DHS shelters from its East River Job Center. This allows for a closer working relationship between HRA Job Center staff and DHS staff to jointly address the needs of the clients. This approach has proven successful and in fact, the East River Job Center has the highest number of job placements of all HRA centers. This calendar year alone the Job Center has documented over 2,000 placements.

DHS and HRA have also developed a specialized outreach to these families by pairing our Back to Work (BTW) vendors directly with shelters. Through resources provided by BTW vendors, shelter candidates are referred to appropriate job openings, prepared for off-site short-term training, and/or provided with follow-up after referral and job placement.

These efforts, combined with our long standing experience in administering public benefits for the City, place HRA in an ideal role to assist DHS by having an expanded role in the implementation of the client income contribution requirement for shelter residents who have earned income.

INCOME CONTRIBUTION REQUIREMENT (ICR)

As Commissioner Hess mentioned, the City intends to institute an income contribution requirement for families with income in the Family Shelter System as mandated in state law and regulations. Initially, we approached the State Office of Temporary and Disability Assistance (OTDA) to hone our approach under state law and to include client contributions to restricted savings account. OTDA informed us our approach was not consistent with state law and that we are required to follow the official state approach, as we do already in the Domestic Violence Shelter System. To assist in the development of a successful contribution program, DHS and HRA have worked together to address the programmatic challenges of implementing the Income Contribution Requirement.

The Family Shelter System

First, I want to take a step back and provide a context to the term “Family Shelter System”. Much credit is due Commissioner Hess for his accomplishments in transforming this system, making sure children and families get the support they need in shelter resulting in record placements back into the community. While in shelter, each family has their own unit and almost all have access to cooking facilities. Many have common areas and recreation space. Through DHS-contracted non-profit entities, they also have access to social services. DHS has calculated that the average length of stay in the Family Shelter System is 8.5 months and the average cost of shelter is \$100 a day; \$3,000 a month; or \$36,000 a year.

Many of the families in this system are often also eligible and receive Cash Assistance, Medicaid, food stamps, Child Care, and other government supports. For a family of three, the monthly average Food Stamp benefit is approximately \$394, transitional Child Care is \$1,200, Cash Assistance is \$321, and the average monthly cost for Medicaid coverage is \$1,356. If they have earned income, they will likely qualify for the federal, state and city Earned Income Tax Credit (EITC), and potentially the federal and Empire state Child Tax Credit and NYC Child Care Credit.

For example, at the minimum, a mother with two children earning \$13,195 per year would receive approximately \$2,796 (or \$233 per month) in Food Stamp benefits and \$6,507 in EITC benefits (*\$4,819 in federal, \$1,446 in state, and \$242 in city*). That is an additional \$9,303 in cash income

Small Percentage of Clients Held to the Requirement

I want to be very clear that this income contribution requirement applies to a very small percentage of the Family Shelter System. Those with no income are not being asked to contribute. Those families with very minimal income are also not being asked to contribute. This requirement is only likely to apply to approximately 15 percent of shelter clients, those who have employment income over a certain level (approximately \$9,000 a year for a family of three).

Under the state formula, a significant percentage of income that falls below the poverty line is not factored into the contribution calculation. As a result, in many cases those with incomes below the poverty line may pay only a modest percentage of income toward shelter costs. As income rises above the poverty line, the contribution as a percentage of income increases. For example, the family I just described who has \$13,195 in annual earnings and \$9,303 in government benefits would pay \$120 per month. They are being asked to contribute a significantly lower percentage of their income toward housing costs than most New Yorkers. In fact, between shelter cost, and adding in just Food Stamp and EITC benefits as described in the above example, this family is receiving at least \$45,303 a year in government benefits while being required to contribute \$1,440 annually towards shelter.

To be clear, the contribution requirement will not interfere with a family's ability to move out of shelter. While the required contribution is a modest amount, the City pays moving expense, broker fees, and rental deposits for shelter clients. As an example, for an apartment with a monthly rent of \$1,070, the City will pay first month's rent, one month security deposit, and one month rent towards broker's fee equaling \$3,210 plus moving costs that average \$800 for a total of approximately \$4,000. As Commissioner Hess has testified, the program will also pay on-going rental costs for eligible families under the Advantage program. Families who go to work are provided with substantial assistance to exit the shelter system and the income contribution is not a barrier to their leaving shelter.

Notification and Payment Invoice Process

All PATH families will be given information that notifies them of the contribution requirement for eligible families with income. Those families with income entering the shelter system will receive material from HRA explaining the contribution. Monthly invoices will be sent directly to clients in the shelter and they will be required to start making monthly contributions at the beginning of the second month after entering shelter. Presently, through this process community providers will be alleviated of the burden of collecting the income contribution and therefore will be held harmless from amounts uncollected.

Appeals and Follow Up

Families subject to the requirement can contest the amount of contribution required through the OTDA fair hearing process. Clients who refuse to contribute will be subject to a sanction on a case-by-case basis in accordance with the DHS Independent Living Plan. However, if they ultimately do not comply with their requirement, HRA is taking our responsibility to hold clients accountable seriously and we will reach out directly to clients to seek the contribution.

Before closing, I do want to reiterate the importance of this requirement on moving families towards self-sufficiency and out of shelter. It is one of the fundamental tenets of public assistance: that those receiving assistance have the same responsibilities to contribute towards their own self-sufficiency whether they are in their communities or in shelter.