



**Human Resources  
Administration**  
Department of  
Social Services

# **TESTIMONY**

**ROBERT DOAR, COMMISSIONER  
HUMAN RESOURCES ADMINISTRATION**

HEARING ON PROPOSED EXECUTIVE EXPENSE, REVENUE, CAPITAL and CONTRACT  
BUDGETS FOR FISCAL YEAR 2011

New York City Council Committees on Finance and General Welfare

May 18, 2010

Good Morning Chairwoman Palma and Chairman Recchia and members of the General Welfare and Finance Committees. For those of you who don't know me, I am Robert Doar, Commissioner of the Human Resources Administration and joining me this morning is Kathleen Tyler, Deputy Commissioner for HRA's Budget Office.

In order to put our budget situation and plans into context, I want to provide you with a very brief overview of our present service caseloads. At this point in time, we provide health insurance coverage to more than 2.8 million New Yorkers. In addition, we provide Food Stamp benefits to more than 1.7 million recipients and the portion of recipients who rely on Food Stamp benefits as a work support and do not receive cash welfare or federal Supplemental Security Income (SSI) has increased by 29 percent to almost 1,040,000. Finally, we saw a decrease last month in the number of cash assistance recipients, although the number of New York City welfare recipients today is slightly more than a year ago but it is still significantly less than its peak in March of 1995.

We also provide child support enforcement services to almost 296,000 families; home care services to over 85,000 elderly and disabled individuals; support approximately 31,000 individuals with HIV/AIDS; shelter close to 3,000 victims of domestic violence a day; and provide critical adult protective services to over 9,400 adults.

### ***The State Budget Situation***

Many of HRA's programs rely on federal funding that flows through the state that is then matched with city tax levy and state funds, as appropriate. As such, we are very concerned about the budget debate in Albany. Last year's budget shifted \$67 million in annual social service costs to local districts with the City bearing over \$40 million share of the cut. It is important to point out that, as a part of this cut, the State removed its share of food stamps, public assistance and employment administration funding to localities.

Many of the proposals being discussed this year also suggest that New York City take on a disproportionate share of balancing the State's \$9.2 billion deficit. In addition to proposals that that would put our Medicaid funds in jeopardy, there is a senate proposal to cut the Flexible Fund for Family Services (FFFS) by \$107 million, the very fund the State advised us last year would serve as funding to cover a portion of the administrative costs when they removed their share of public assistance and employment administrative costs. Unfortunately, this would be a

\$61.7 million reduction for the City to be divided between HRA, Department of Homeless Services and the Administration for Children's Services. Immediate cuts of this magnitude would require very difficult decisions and following recent meetings in Albany I fear the legislature could move forward with them. At HRA, we would be forced to look at significantly reducing our employment services that assist in helping people find jobs and move to self sufficiency, as well as reducing our subsidized jobs program with the Parks Department. It would also mean that I would be forced to institute staff layoffs, something I have worked very hard to successfully avoid in the last eight budget reduction exercises.

### ***HRA's 2011 Executive Budget Plan***

As revenues have not yet bounced back, the City is forced to continue with the eighth in a series of budget reduction exercises. Since 2008, in order to meet the City tax levy cost savings measures, HRA has implemented budget gap closing measures that reduced the City's expense by greater than \$1.1 billion over a five-year period. The annual impact is about \$217 million and we have accomplished this in a manner that maintains resources for our core mission and minimizes adverse client service impact while avoiding staff layoffs. We have done this while delivering benefits to greater and greater numbers of New Yorkers and reducing budgeted headcount by approximately 1,300.

Since I was before you in March presenting the Preliminary Budget proposal, we have gone through a process to finalize those savings proposals and identify approximately \$20 million in additional savings for FY2011 and the out-years. I would like to first briefly go over those proposals we discussed in March and then provide you with an overview of our additional measures.

### ***Teen Relationship Abuse Prevention Program (RAPP)***

We are eliminating the RAPP program which provides relationship violence prevention education to youth in the public school system. This has been a challenging process and, like all city agencies, we've had to make tough decisions, without disrupting our core services. However, please be assured that HRA continues to address domestic violence through our management of the NYC domestic violence shelter system which provides temporary housing to victims of domestic violence and their children, as well as prevention, advocacy and supportive services.

### Adult Protective Services (APS) Staffing

Our budget goals are to eliminate 21 APS caseworker positions through attrition. The current budgeted caseload ratio for APS caseworkers is one caseworker to twenty-five clients. There will be a modest increase in the staff to client ratio -- one caseworker to twenty-eight clients -- and this will not affect our ability to meet State mandates.

### HIV/AIDS Services Administration (HASA) Case Managers

We have reached a point in this difficult economy in which it is no longer tenable to have two case managers assigned to one case when both their salaries are paid for in whole or in part with scarce public resources. We are acknowledging the important role played by the long-standing contracted supportive housing programs and including their case management staff in the HASA staffing ratios. We will include case managers in our long-standing contracted supportive housing program portfolio as part of the HASA case management staffing ratios. Clients in supportive housing will continue to be served by their primary supportive housing case managers; clients in private market housing (including NYCHA and clients in SRO emergency housing actively seeking non-emergency housing), will continue to be served directly by HASA case managers. This budget reduction will also permit HRA to reverse the January 2010 proposal that reduced contractor case managers for FY11 and out-year budgets. Instead, we will reduce 248 HASA case management staff through attrition and redeployment.

### WeCARE and Back to Work (BTW) Employment Contracts

There will be a small reduction to our WeCARE and BTW contracts. We are eliminating a participation milestone that was added to each of the eight BTW contracts. We are also implementing a 10 percent reduction in future WeCARE program contracts. The program has been in existence since February 2005 and over this span of time both the vendors and HRA have developed the experience needed to operate the program more efficiently.

### JTP (Job Training Program)

The Department of Parks and Recreation had limited options for meeting its budget reduction target and found it necessary to restructure its JTP program eliminating 737 out of 2,322 JTP positions. This is offset by increased permanent funding added to our Back to Work (BTW) program. Further, this loss of Parks positions is offset in the short run by 833 new JTP six- to ten-month positions that HRA is adding to Parks through our new Transitional Subsidized Jobs

Program and Green Subsidized Jobs Program. As of May 8, 2010, 727 participants are employed through this new program although our HRA program ends September 2010.

### Reductions to the BEGIN Program

We have re-evaluated several initiatives under our BEGIN program. We will utilize present agency contracts to provide Language Work Study services in order to reduce the average cost per slot from \$5,476 down to \$1,507. In addition, the BEGIN internship program for CA recipients who have attained a high school diploma, GED or some higher education is being reduced by 50 percent. The BEGIN Employment Plus, a post-employment education and career advancement program for clients that have full or part-time jobs will be eliminated. This program served 540 clients, although only 51 were placed in a better paying job. For those clients looking to advance their employment, they will be able to utilize individual training account vouchers or continue to work with our employment vendors.

To meet the current \$22.9 million PEG, there had to be additional savings. We identified those after careful analysis of our fiscal situation. We intend to implement this PEG through two broad categories of efforts: Revenue Maximization and Elimination of Vacant Positions.

### Revenue Maximization

Due to the scope of HRA services, individuals and families are often receiving more than one of our services at the same time. I believe we do a very good job of making sure we seek state and federal reimbursement for these services in a manner that both meets program rules but also maximizes revenues. However, we can always do better and continually work to improve so I challenged our Finance staff to turn over every proverbial rock they could find and they did. For example, although staff intensive we now are reviewing each of the thousands of one-shot grants issued to make sure they are appropriately categorized so that we are not inadvertently using city tax levy when we could be claiming state or federal dollars. We expect, based on our analysis, that this intensive effort will yield \$1.69 million in 2011 and in the out-years.

Another example required follow-up with the State Department of Health and ultimate approval to seek state and federal reimbursement for medical services to incarcerated individuals who had received federal Supplemental Security Income (SSI) prior to their incarceration. Previously disallowed by the State, these services were paid for with city dollars. In an earlier PEG

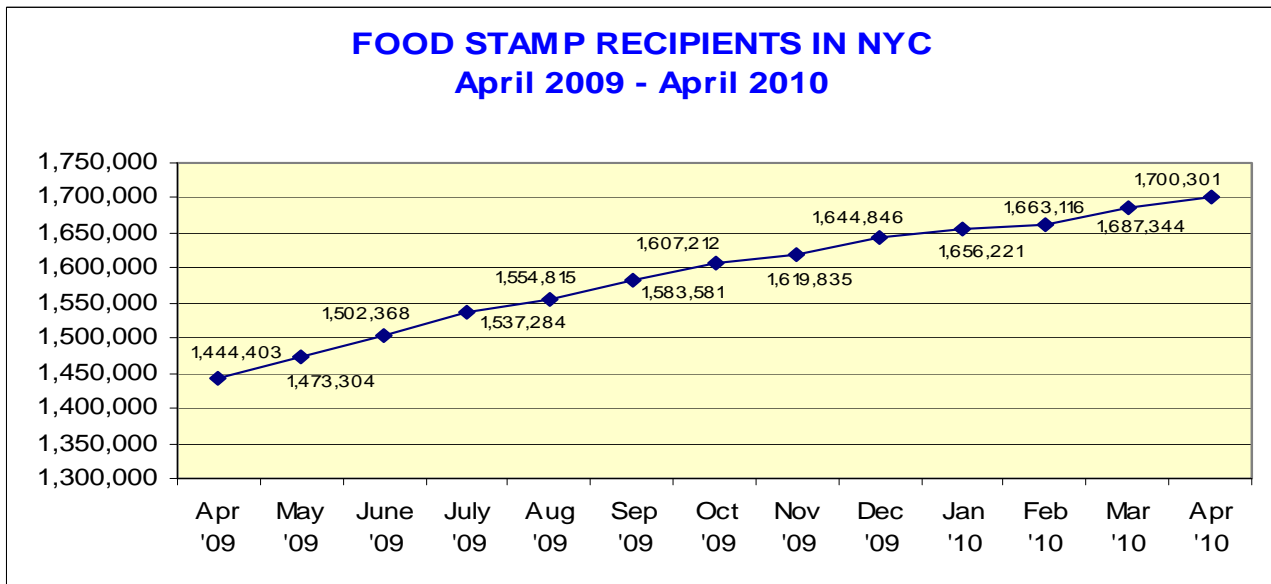
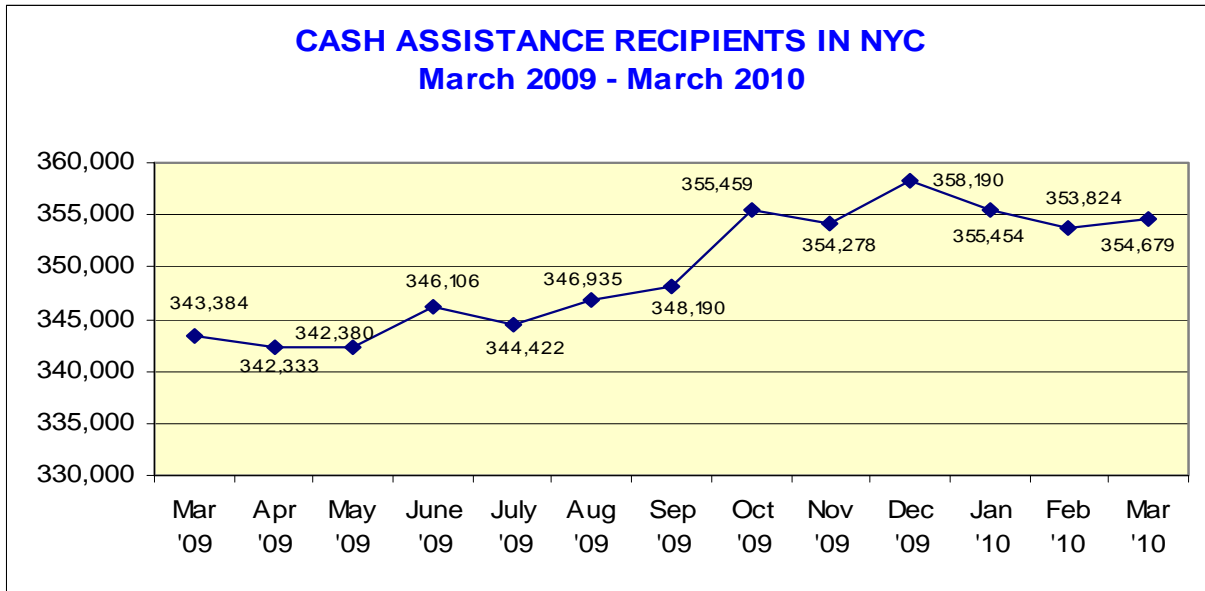
exercise we estimated a \$9.127 million in savings but have found that we under estimated and can recover an additional \$2.76 million annually.

*Elimination of Vacant Positions*

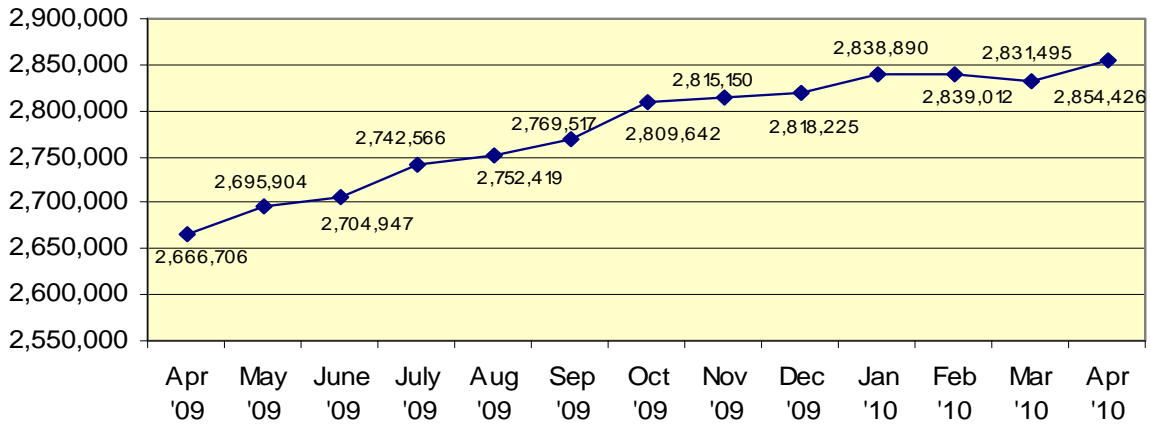
We will be eliminating 100 vacant positions throughout the Agency. This will make it more difficult for our programs to replace staff that have recently left their position. I recognize that this is a difficult challenge for my program directors who are still held to the same federal and state program measures, goals, timeframes, and standards irrespective of the number of staff working to meet them. In order to have as minimal an impact as possible on clients and recipients, a majority of the vacancies will be eliminated from administrative functions. This could mean fewer staff to get contracts reviewed, process paperwork, or address computer problems. The final targets are still being finalized but I think you understand that although we will strive to minimize it, there will be some indirect impact to the delivery of services. I recognize that the timing of these eliminations and reductions are not ideal as we continue to have a steady demand on our services but the state budget scenario leaves me no options.

At this point I would like to conclude as I am sure the Chair and members of the committee have questions.

**CASELOAD CHARTS:**



**MEDICAID ENROLLEES IN NYC  
April 2009 - April 2010**



**CHILD SUPPORT ENFORCEMENT COLLECTION CHART:**

