



**Human Resources
Administration**

Department of
Social Services

TESTIMONY

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

**Oversight:
New York City's Food Stamp & Emergency Food Assistance Programs
and
Intro No. 696**

*New York City Council
General Welfare and Community Development Committees*

November 21, 2011

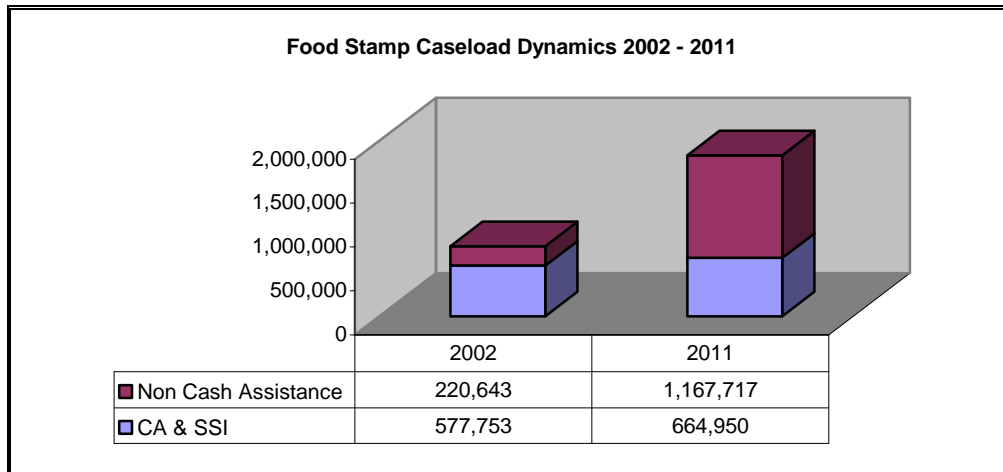
Good afternoon Chairwoman Palma, Chairman Vann and members of the General Welfare and Community Development Committees. I am Robert Doar, Commissioner of the Human Resources Administration (HRA). Joining me today are two key members of my leadership team; Cecile Noel, Executive Deputy Commissioner of the Office of Domestic Violence and Emergency Intervention Services, which administers our Emergency Food Assistance Program (EFAP) and Gary Jenkins, Assistant Deputy Commissioner of our Food Stamp program.

Together Commissioners Noel and Jenkins represent the enormous effort New York City makes to help people in need of food assistance. Whether it is the disabled or the elderly, or low-income working single mothers and their children, the EFAP and the Food Stamp Program administered by HRA are there to provide vital assistance. I am extremely impressed by the results Cecile and Gary have achieved with these programs during the past twelve months.

As we come before you today, we are all aware of two facts: First, New York City has weathered the recent recession better than the rest of the country, and better than the City experience during previous recessions. And second, we are still not back to the employment levels that the City experienced in 2007. While we at HRA are not responsible for making the City's economy strong, we do ensure that the EFAP and Food Stamp Programs are as accessible and efficiently administered as possible. The \$3.5 billion in food stamp benefits issued in 2010 and the 11 million pounds of food distributed by EFAP to over 500 food pantries and soup kitchens were perhaps the most important ingredients in our City's support to struggling families during the recent recession. Although the council may take issue with one or two of our approaches, overall I believe you will agree that the New York City food assistance program serve as a model for the rest of the country. Not only for the volume of recipients it serves and for the broad access to the program, but also for the use of technology that has greatly simplified administration and eased the process for recipients. All while maintaining the public's confidence that their tax dollars are being spent appropriately.

Caseload Dynamics

Due to a fundamental change in approach that moved the program from being only about serving the indigent, to one that also supports low-income workers, the Food Stamp Program has had an unprecedented caseload growth since Mayor Bloomberg took office and we are now providing benefits to more than 1.8 million recipients. The program has dramatically shifted since the beginning of the administration and has grown from primarily serving those recipients on other government supports (welfare and SSI) to supporting low-income families, many who are working but need additional support. In fact, the portion of the caseload of individuals who are not in receipt of Cash Assistance or federal Supplemental Security Income (SSI) benefits has grown an astounding 429 percent.



Note: To conform to State and Federal practice, in January 2008 this report began including Food Stamp issuances for the Residential Treatment Services Center and Food Stamp Single Issuances.

A Shift in Program Design

This shift in philosophy and demand required us to re-examine the way we do business. While the Food Stamp eligibility process for the Cash Assistance and SSI populations involve minimal visits to the Food Stamp Office, those that are part of the new caseload growth required much more direct worker to client interactions. This means more traffic into the office. We needed to find a way to improve the functioning and layout of our centers, simplify the application and recertification process, and move as many functions from in-person to automation as possible. We have already made a series of significant changes over the past several years (see appendix: Chart A) while others are in various stages of implementation.

Administrative Simplifications

As you know Food Stamp applicants in New York, unlike in many other parts of the country, can not only file an application by mail and fax but also on-line and they can have their interviews done by phone so that they can dramatically reduce their time in the office. Some recipients can also recertify using an automated telephone system at anytime of the day or night. Even with these tremendous advances, we are working to address the immediate and long-term demand on the centers. The reality is that the demand for services has outpaced our automation schedule. I am confident that some of the challenges we currently face related to overcrowding that have been experienced at several of our centers will diminish once the additional administrative and technological changes underway are fully implemented. However, I want to assure you that we are taking the crowding issues at our centers, especially in The Bronx, very seriously.

To assist with this immediate demand, we have now received the 102 new Food Stamp eligibility workers identified in last year's budget and these staff have been trained and deployed to the offices with the most demand. We are also re-evaluating our space plan at several of the centers and with minimal adjustments have been able to identify additional waiting room space inside the facilities. In addition, upon examination of the major demands on the center we realized that 1,000 recipients were coming into the centers each day simply to obtain a referral for a replacement Common Benefit Identification Card. We have raised this issue with the State and are working together to identify a creative solution. Presently though, we have implemented a centralized replacement card referral process for Brooklyn and Queens that is in closer proximity to the State's Card center in Brooklyn. This means that recipients will be able

to bypass their assigned center for a referral; this is easier for the client and will lead to less traffic in the centers. We anticipate very shortly piloting a similar process for some of our Bronx centers.

Just underway for a month, recipients now have the ability to call a centralized number to request a budget letter on their case be generated and mailed to their residences rather than having to come into their local center. This measure has the potential to reduce traffic at the centers by an estimated 9,500 clients each month.

Also, the on-line application process through ACCESS NYC that was initiated last year is being fine-tuned so that the underlying telephone interview system can handle increased demand. As part of this effort, we are working closely with the State so that New York City recipients can benefit from both the ACCESS NYC webpage as well as the State's "myBenefits" website. Our goal is that applicants will continue to apply for food stamps through ACCESS NYC, which allows them to also identify other benefits and services in the City for which they may be eligible. They can then turn to the State's "myBenefits" website to create a user account and obtain up-to-date information about their food stamp benefits including finding account activity and balances, and making PIN changes. This will greatly relieve the demand on our centers and I know we have been in conversations with staff of the committee and Speaker Quinn so that we can work together in promoting this change.

Reaching Out to Communities

Another means of reducing the need to come into a center has been through our partnerships with community-based organizations. In 74 locations citywide, applications can be taken and submitted to our office on behalf of applicants. In fact, we recently received a United States Department of Agriculture (USDA) Hunger Champion Award for our partnership with the Food Bank that significantly improved service. Together we instituted a mediation model between our application processing centers and the community groups who take applications. The work of these organizations has not only reduced the traffic into our offices, but also has allowed New Yorkers to apply in food stamps in settings that may be more convenient as well as more familiar to them. Our Food Stamp and Nutrition Outreach Program staff also has a presence at least once a week in five community-based organizations to help families submit applications and participates in numerous community events every month. We also have four community coordinators who meet with an average of 70 community boards, community-based organizations and staffers at elected officials' offices each month and share the different ways to receive food assistance.

Increased Focus on Nutrition

In many ways, New York City's food assistance programs have stepped ahead of the federal government in recognizing the importance of nutrition. For example, through City Council and HRA funds, our EFAP program initiated and has continued a Frozen Food Pilot to further improve the nutritional content of EFAP commodities. EFAP has also made nutritional changes to its \$8.2 million in annual food purchases and now their entire inventory meets all the New York City Food Standards. The program has also incorporated nutrition outreach into many soup kitchens and pantries in their network to better able them to improve the nutritional quality of the meals they provide.

We have also worked with the City's Department of Health to offer Health Bucks. Through Health Bucks, Food Stamp recipients at 65 participating farmers' markets receive coupons worth \$2 to purchase fresh fruits and vegetables, for every \$5 they spent at the market with their EBT card. Those markets that participate in the program have significantly increased EBT sales

and the program has contributed to a significant increase in the number of farmers markets in low income communities over the past several years

Also, during the last reauthorization of the Food Stamp Program, Congress made a strong statement by changing the name of the program to the Supplemental Nutrition Assistance Program to emphasize nutrition. We were hopeful that significant changes would be made to the program to not only incentivize but also to require, like the Women, Infants, and Children (WIC) program, that some nutritional standards be built into the program. However, with nearly 40 percent of New York City public school children being overweight or obese and the billions of dollars that obesity costs the state and localities every year we could no longer wait for the federal administration. As you know, we submitted a request to the USDA to prohibit sugary beverages from purchase in the Food Stamp program for a three year trial. Unfortunately, the USDA showing a remarkable lack of imagination, denied the request. Hopefully, the national debate our proposal generated and the support we received from national nutrition experts from across the country will result in meaningful changes to the program during the next federal reauthorization.

Program Integrity

All of the initiatives I have described have been accompanied by our continued emphasis on payment accuracy, efficient administration, and protecting government funding from fraud and abuse. When I appeared at this hearing last year, I explained that I was concerned about our error rate rising due to the demand placed on our workers. In fact, the White House Office for Management and Budget is also concerned and has identified the Food Stamp Program (known nationally as the Supplemental Nutrition Assistance Program) as a “high-error” program based on improper payment information. Here in the City, we took a series of actions over the course of the year including additional staff training and oversight and greater focus on case reviews on eligibility decisions in order to reduce our error rate. Following this effort, I am pleased to inform you that the most recent food stamp payment accuracy rate (through June 2011) shows that clients receive correct benefits 95.63 percent of the time making the payment error rate 4.37 percent.

Although food stamp benefits are paid for with federal tax dollars, for which New Yorkers contribute a disproportionately higher share, over 62 percent of food stamp administrative costs are paid for with City tax levy dollars. The State may supervise the program but they withdrew all support for local administration in 2009. The City contribution is now \$217 million with the federal government reimbursing us for the remaining amount. This is a significant investment on behalf of the City.

Finally, I want to reiterate that a program of the magnitude of New York City’s must be managed with integrity to preserve the confidence and credibility of the taxpaying public. The practice of requiring applicants for assistance to provide a finger image in order to prevent the issuance of duplicative benefits is a simple and effective way to ensure that government dollars are spent on eligible individuals and families. In fact, this technology is emerging in hospitals across the country as a more effective tool in patient registration. Other identifying information may pull up a dozen patients or Food Stamp applicants with the same name, but simply put, their fingerprints will never be identical.

This past year, using finger imaging technology, the State identified 1,919 duplicate non-cash assistance Food Stamp cases (8/09-7/10) in the City. Some of these duplications may be

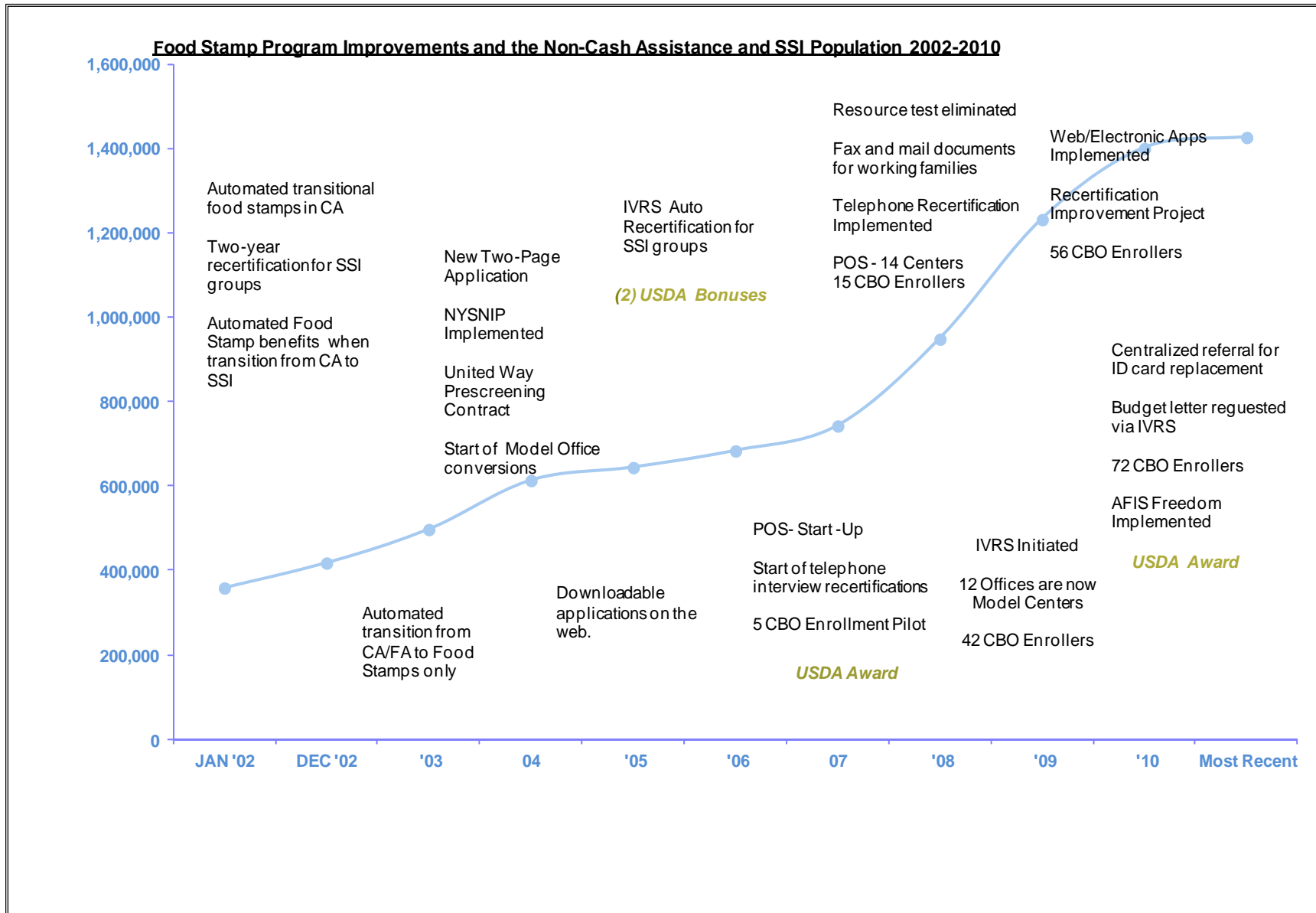
inadvertent or due to human error and some may be an attempt to take advantage of the system. The simple process of finger imaging generated a savings of more than \$5.3 million in actual and/or potential misappropriated benefits through a City investment of approx. \$182,596 annually. Finger imaging in New York City has kept an average of \$3 million a year in federal dollars from being wasted. I would like to be clear, it is not about prosecuting individuals for fraud; it is about preventing and deterring fraud in the first place.

This is why I have serious concerns regarding Intro. No. 696 that suggests the only focus on finger imaging should be to identify and prosecute fraud. Although we could further investigate when a match occurs, generally we are satisfied to stop the process at that point. We think this is a better approach than making automatic referrals to law enforcement agencies. Also, when judging the value of finger imaging, it is necessary to go beyond a narrow focus on the cases of fraud and to also look at the ability to deter multiple applications by the same person, prevent the issuance of duplicate benefits while also not disregarding the State-generated figures on cost savings. Its role as a deterrent will be even more necessary as the system moves toward applying and interviewing remotely. Without it, our ability to verify that an applicant is not stealing someone else's identity and using their social security number and name to obtain benefits for themselves will be greatly diminished. Finally, as we administer the Food Stamp Program on behalf of the State and as such, are required to uphold the integrity of the program.

Focusing on program integrity while continually streamlining and simplifying the eligibility process has been a winning combination. In addition to the series of USDA awards and grants, there has been a steady increase in access and participation in the program as measured by the federal government. Using the USDA's Program Access Index, in 2010 New York State had the highest rate since reporting began of 78.1 percent, almost 30 percentage points higher than the low of 48 percent in 2004. New York City contributed a great deal to this increase as the growth in our Food Stamp caseload outpaced the rest of the State during the same time period. Applying the same methodology, the New York City Program Access Index is 84.9 percent. Even when using the more refined USDA participation rate that factors in program eligibility requirements, New York City's participation rate for 2009 (the most recent available data) was 70.1 percent, also the highest ever calculated.

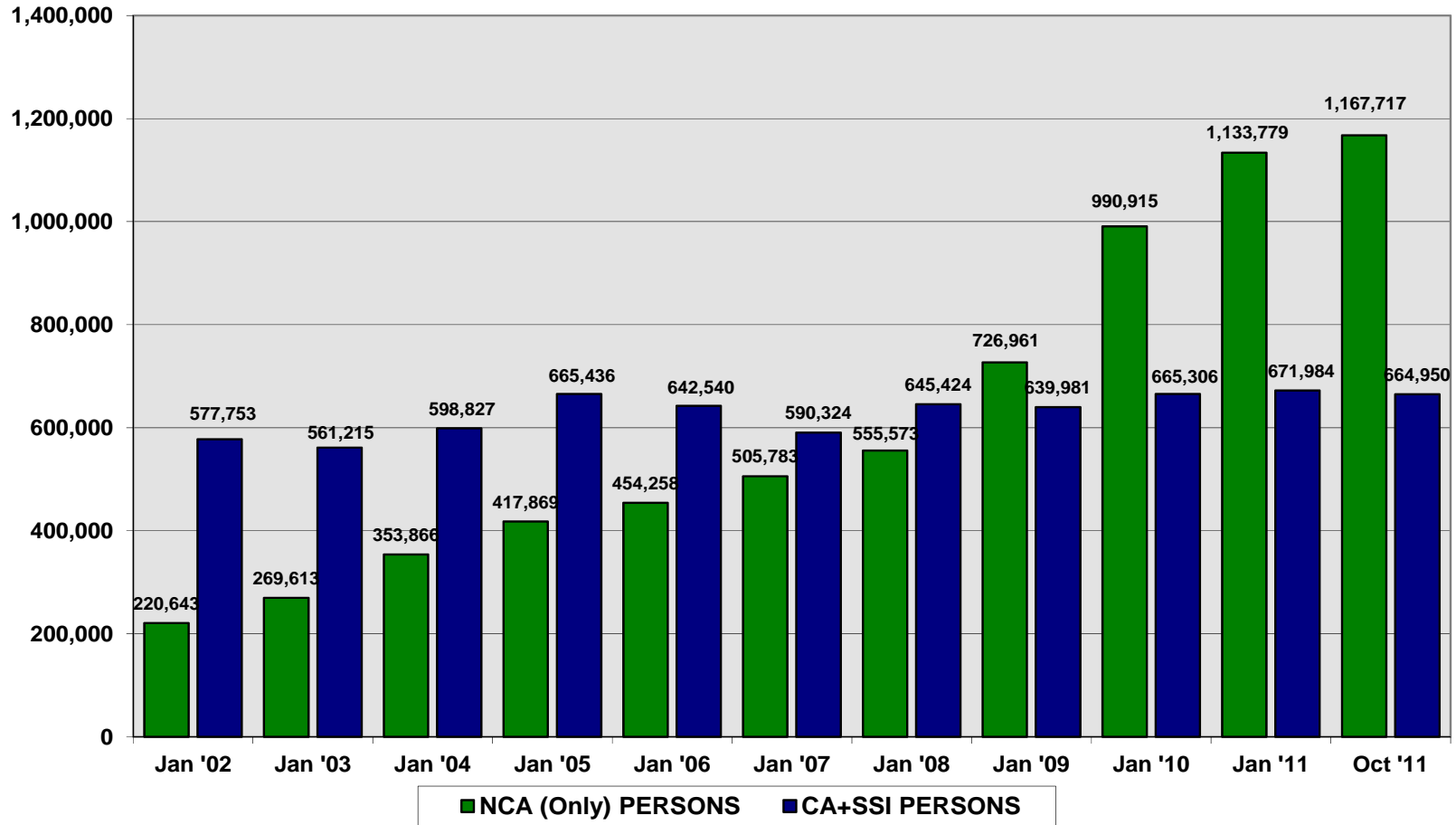
At this time I look forward to the Council's questions.

APPENDIX: CHART A



APPENDIX: CHART B

FOOD STAMP PROGRAM RECIPIENTS IN NYC
2002 - 2011



APPENDIX: CHART C

Food Stamp Program Recipients
2002 - 2011

