



**Testimony of Steven Banks, Commissioner
Department of Social Services**

**Before the New York City Council General Welfare Committee
The DSS Fiscal Year 2020 Executive Budget**

May 22, 2019

Good Morning. Thank you Chairs Dromm and Levin and members of the Finance and General Welfare Committees for the opportunity to testify today about the Department of Social Services' Fiscal Year 2020 Executive Budget and our reforms to improve benefits and services for low-income New Yorkers.

My name is Steven Banks and I am the Commissioner of the New York City Department of Social Services (DSS). In this capacity, I oversee the Human Resources Administration (HRA) and the Department of Homeless Services (DHS). Joining me today are DSS First Deputy Commissioner Molly Murphy, HRA Administrator Grace Bonilla, DHS Administrator Joslyn Carter, DSS Chief Program Planning and Financial Management Officer Ellen Levine, and DSS Chief of Staff Scott French.

My testimony today will outline the major components of the DSS/HRA/DHS FY20 Executive budget, which reflects our continued efforts to improve our policies, programs, and operations to address income inequality, fight poverty and homelessness, and help New Yorkers in need get back on their feet with dignity.

We know we have more work to do, but we have made progress over the past five years, against a background of operating in a housing market with limited affordable options for our clients due to decades of underinvestment. However, our progress is imperiled by funding cuts from the State. When I testified before the Council at the Preliminary Budget hearing in March, we were fighting to prevent a cut to New York City's reimbursement for Family Assistance, funded by Temporary Assistance for Needy Families or TANF. Despite our efforts to eliminate this cut from the New York State budget, we are now facing a very real \$125 million cost shift for annual public assistance and family shelter funding to New York City. The City's Executive Budget accounts for this lack of support from the State along with other reductions in other agencies whose funding is included in the DSS budget. Nevertheless, we remain firmly committed to addressing the underlying structural barriers our clients face and improving the ways in which clients interact with our agency and access the benefits and services they need.

FY20 Executive Budget

HRA/DSS

The FY20 HRA/DSS Executive Budget is \$10.21 billion, consisting of \$7.92 billion in City funds – an increase of \$34 million in total funds and \$192 million in City funds from FY19. This increase is primarily due to one-time revenue adjustments in 2019, funding to address the State budget’s cost shift to the City, an increase in City funds for cash assistance and rental subsidies, and collective bargaining adjustments in FY20.

As part of the Citywide savings plan, DSS/HRA will eliminate 379 vacant positions in FY19; in FY20 and the baseline, the reduction is 107 positions.

The primary new funding that is reflected in the FY20 HRA/DSS Executive budget is as follows:

- **Addressing cuts in the State Budget:** \$31 million in City funds has been added for FY19, and \$62 million in City funds has been added for FY20 and in the baseline to cover the new 10% City share of TANF-funded family assistance – which is a cost shift from the State to the City.
- **Cash Assistance:** \$40 million in City funds was added for FY19, and \$35 million in total funds and \$75 million in City funds were added for FY20. This funding addresses an expected expense increase resulting from the HASA Ending the Epidemic (ETE) program, which provides enhanced HASA benefits for people with asymptomatic HIV; fewer sanctioned cases; and higher costs related to rental assistance, including the additional City share of the State FHEPS program.
- **HRA IT:** \$37 million (\$12.5 million in City Funds) was added for FY19 and \$38 million (\$26 million in City funds) was added for FY20 to support planned DSS/HRA IT projects to enhance client services.
- **IDNYC:** \$2.4 million (all City-funded) was added for FY20 and \$1.6 million for FY21 and the outyears to support enhancements to the IDNYC program.
- **Initiatives included in the Preliminary Budget that are now reflected in the Executive Budget**
 - **Fair Fares:** \$106 million (all City-funded) was added for FY20 for the Fair Fares program. In the first phase of this program that was launched in January in partnership with the Speaker and the Council, over 136,000 New Yorkers have been notified of their eligibility, including extensive follow up outreach. More than 45,000 of these eligible participants have already enrolled in the program. Starting on April 1, 2019, eligible HRA clients can be informed of their eligibility and enroll online through Access HRA, and then receive their Fair Fares NYC MetroCard by mail without the need to come into an office to obtain this benefit. Clients are still able to enroll in person at one of the five enrollment centers or by mail. The Fair Fares program will expand this Fall through partnerships with the New York Housing Authority, the City University of New York, and Department of Veteran’s Services to provide their eligible clients with the opportunity to enroll in Fair Fares. And when the public application launches in January 2020, low-income New York City residents beyond HRA, NYCHA, CUNY and DVS clients will be able to apply online for Fair Fares.
 - **Implicit Bias Training:** \$1 million was added for FY19, \$2.2 million for FY20, and \$1 million for FY21 to implement implicit bias training for all 17,000 DSS, HRA, and DHS

staff. We have already launched de-escalation training and we are implementing anti-bias, trauma informed training this year.

- **Body-worn cameras:** \$330,000 was added for FY19 and \$100,000 for FY20 to provide HRA Peace Officers with body-worn cameras. Last year, we conducted a pilot program in which 40 DHS Peace Officers were trained in and wore body cameras in their daily work serving, supporting, and protecting New Yorkers in need as they get back on their feet. With the success of this DHS pilot program, this FY20 budget allocation will complement the funds previously designated for DHS to provide body-worn cameras to DHS Peace Officers to increase transparency and accountability as we continue to improve policing and safety for New Yorkers experiencing homelessness and seeking services from our agency.

Capital: the HRA/DSS ten-year capital plan for FY20-29 totals \$275 million (\$192 million City-funded), including: \$183 million for technology to streamline operations; \$88 million for facilities, maintenance and equipment; and \$4 million for vehicles.

Savings Initiatives: to support the FY20 budget, HRA/DSS will build on efficiencies that we have already achieved over the past five years, including repurposing 550 central administrative positions to front-line staffing in FY15 and integrating HRA and DHS in 2017 to streamline operations. Savings initiatives include headcount efficiencies, one-time revenues in 2019, transitioning the last City-operated domestic violence shelter to a not-for-profit operation, assisting eligible individuals to enroll in Supplemental Security Income (SSI) benefits instead of Cash Assistance, maximizing revenue from Federal grants, and other streamlining and administrative savings efforts.

DHS

The FY20 DHS Executive Budget totals \$2.12 billion, consisting of \$1.28 billion in City funds.

The FY20 DHS new needs include the following:

- **Addressing cuts in the State Budget:** Similar to HRA/DSS, \$31 million in City funds has been added for FY19 and \$62.6 million in City funds has been added for FY20 and in the baseline to cover the new 10% City share of TANF-funded family assistance – which is a cost shift from the State to the City. Further, \$85 million was added in FY19 only as a federal funding adjustment.
- **DHS IT:** \$12.5 million was added for FY19 and \$11.5 million for FY20 (all City-funded) to support planned DHS IT projects to enhance client services.
- **Security:** \$11.4 million was added in FY20 and \$18 million for FY21 and the outyears to support shelter security reorganization initiatives.
- **Initiatives included in the Preliminary Budget that are now reflected in the Executive Budget**
 - **Street Programming:** \$25 million was added in FY19 and the outyears to fulfill the FY18 funding commitment for outreach services, drop-in centers, and safe haven beds.

Capital: the ten-year DHS capital plan for FY20-29 totals \$649 million (all City-funded), including \$181 million for homeless family facilities, \$424 million for single adult facilities, and \$44 million for technology projects and equipment purchases.

Savings Initiatives: to support the FY20 budget and continuing efforts to achieve savings, elimination of vacant positions in FY19 only, enhancing efforts to secure federal funding, transitioning a shelter that is partially operated by a not-for-profit to full not-for-profit operation, and reorganizing shelter security to enhance de-escalation.

Reforming Social Services Policies and Enhancing Access to Benefits Supported in the Executive Budget

We have worked over the past five years to reform policies and practices to enhance access to benefits and services for clients.

Most recently, we successfully advocated for a change in the State regulations that will eliminate finger imaging requirements for Cash Assistance clients. This change in policy will treat clients with the dignity they deserve, continue our efforts to fight against the stigma that some associate with receipt of our assistance and services, and eliminate an extra barrier for families and individuals to obtain much-needed benefits – many clients were forced to take a day off from work or find child care, just to complete an unnecessary administrative requirement. As we found when the State eliminated the finger imaging requirement for SNAP/food stamps clients several years ago, we already have other effective mechanisms in place to prevent and detect public benefits fraud. This regulatory change will allow clients to more easily access Cash Assistance, and is an important additional step to help us reduce in-center wait times by eliminating as many in-person appointments for Cash Assistance as possible and continuing to move Cash Assistance transactions online as we have already done for SNAP/food stamps.

Some additional examples of these reforms, which are supported in the FY20 Budget, include the following:

- Clients no longer have to “work off” their benefits in the Work Experience Program (WEP) at City and not-for-profit agencies completing tasks that would not prepare them for gainful employment – we eliminated the WEP program and replaced it with new opportunities in subsidized jobs, more diverse internship and community service opportunities, and education and training programs to help clients move forward on a career pathway in jobs and sectors that are in demand.
- We successfully advocated for a change in State law to permit clients to count approved coursework at four-year college programs towards Cash Assistance work requirements and obtain college degrees to greatly enhance their ability to earn a living wage.
- We successfully implemented a pre-conciliation, conciliation and pre-fair hearing case review and conference process to avoid work requirement-related sanctions and advocated for a change in State law to give clients in New York City an opportunity to “cure” a work requirement violation at any time and avert a durational sanction. We also successfully advocated for a reduced State sanction period for SNAP/food stamps. That means clients do not have to lose their housing, go hungry or forego buying clothing for their children because of a sanction that lasts a prescribed period of time regardless of a client’s willingness to meet their work requirements.
- We put in place new protocols to prevent unnecessary case closings, and State fair hearing challenges decreased by more than 47 percent – as a result, clients have access to the benefits they need, and the City is no longer subject to a potential \$10 million annual State financial penalty for unnecessary hearings. To reduce the amount of unnecessary case closings, sanctions and hearings, before an adverse action is taken, we make sure that all required supportive services are in place, reasonable accommodations are honored, mailing addresses are correct,

and notices are sent in the correct language. And now conciliation appointments are scheduled at CareerCompass and YouthPathways employment providers, rather than at Job Centers, so that we can re-engage clients immediately and avoid unnecessary extra appointments.

- We now make it easier for clients to continue their assistance if they submit required documentation within 30 days of a case closing and ensure that missing paperwork doesn't cause someone to lose their benefits.
- We stopped the practice that required all homeless clients to travel to a single HRA Job Center in Queens – now clients can seek assistance at a Job Center in their home borough.
- We changed the practice that required all seniors to travel to a single HRA Job Center in Manhattan – now seniors can receive services at a Job Center in their home borough.
- In 2017, we worked with the Urban Justice Center's Safety Net Project to implement the Universal Receipt. This provides individuals who complete a visit at a Job or SNAP Center with a document that indicates the nature and date of the visit or contact, and a copy of this receipt is also available in Access HRA. This receipt process is now codified into Local Law as a result of legislation sponsored by Speaker Johnson.
- We have transformed the process for Cash Assistance to reduce unnecessary office visits; clients can now submit recertification questionnaires online, and submit documents from a smartphone. Through the ACCESS HRA app, clients can open an account to gain access to over 100 case-specific points of information for Cash Assistance and SNAP in real-time, including application and case statuses, upcoming appointments, account balances, and documents requested for eligibility determinations – and clients can make changes to contact information, view eligibility notices electronically, request a budget letter, and opt into text message and email alerts.
- We improved Access HRA with a client benefits portal so that SNAP applications and recertifications can all be done online without having to go to an HRA SNAP office – now SNAP clients conduct 87 percent of applications online and documents can be submitted via our mobile app on a smartphone – 43,000 documents were submitted via the mobile app in April alone.
- We instituted On Demand, a practice where SNAP eligibility interviews are now conducted at the client's convenience and time preference by phone, instead of a rigid four-hour window, to help clients access the benefits they need to purchase food. The percentage of completed telephone eligibility interviews increased from 29 percent in 2013 to 97 percent as of 2019.
- We created a Provider Portal, which – with client authorization and a memorandum of understanding with HRA – enables community-based organizations to view a client's case record in order to help the client with document submission, various case inquiries, and application and recertification requirements.
- We began accepting a federal waiver, without which clients who are classified as Able-Bodied Adults Without Dependents (ABAWDs) were limited to SNAP/food stamps benefits for only three out of 36 months if they could not find work for at least 80 hours a month in areas of high unemployment – and we are continuing to fight back against the Trump Administration's efforts to make it more difficult for these clients to obtain the food they need to feed themselves and their families.
- We instituted a centralized rent arrears processing unit to ensure that rent arrears payments are issued by the required due date.
- We streamlined the system for making New York City Housing Authority (NYCHA) rent payments electronically, rather than the old practice of paper checks – and we are developing a similar payment system for private landlords. Moreover, using ACCESS HRA, clients can now confirm

that the rent was paid to their landlords pursuant to a reform now codified in State law to provide such confirmation. This makes the process easier for clients and gives them one less thing to worry about as they pay their rent.

- In 2014, 90 clients per year received reasonable accommodations – in settling the 2005 *Lovely H.* class action lawsuit, we began working with expert consultants to develop tools to assess whether clients need reasonable accommodations as the result of physical and/or mental disabilities – there are currently more than 51,000 clients who have one or more reasonable accommodations.
- Working with Speaker Johnson when he was a Council Member and Housing Works, we ended a counterproductive policy that required clients with HIV to wait until they were diagnosed with AIDS to receive HASA assistance. Now, clients have better access to the services and housing assistance they need.

Reforming Homeless Policies and Services Supported in the Executive Budget

As we have reported previously, homelessness increased 115 percent in our city from 1994 to 2014 – while some 150,000 rent-regulated apartments were lost and rents increased nearly 19% and income increased by less than 5% in recent years. Through our comprehensive efforts, we have finally broken the trajectory and we have begun to reverse the trend. We know we have much more work to do, but these are the results that are beginning to take hold:

- Keeping the shelter census flat over two years for the first time in a decade, with the census now starting to come down;
- Doubling down on preventing homelessness — evictions are down 37% since 2013;
- Providing more permanent housing — enabling 115,000 children and adults to move out of shelter or avoid shelter altogether;
- Bringing people off the streets and out of the subways – since HOME-STAT began in April 2016, our street teams have helped more than 2,000 people come off the streets and subways and remain off; and
- Transforming the City’s approach to shelter — closing more than 200 substandard shelter sites and siting 43 new borough-based shelters to offer help as close as possible to the anchors of life like schools, jobs, health care, houses of worship and family and support networks.

Funding in the FY20 Executive Budget will build on the progress we have made in implementing the four key pillars of the Mayor’s *Turning the Tide* plan:

First Pillar – A Prevention First Approach

PROGRESS: EVICTIONS DOWN 37%

- We have provided emergency rent arrears benefits to over 50,000 households each fiscal year since FY15 – over a quarter million grants to households since 2014 – helping rent-burdened New Yorkers at risk of eviction stay in their homes.
- We have expanded free legal assistance for New Yorkers in danger of eviction, increasing funding for legal services for tenants exponentially, from roughly \$6 million in 2013 to \$166 million at full implementation in FY22 – evictions have dropped by 37% and more than 100,000 New Yorkers were able to stay in their homes from 2014 through 2018.

- We are phasing in over five years the funding necessary to provide universal access to legal services for all New York City tenants facing eviction in Housing Court or NYCHA termination of tenancy cases – a first-in-the-nation initiative of the Administration and the Council that will benefit more than 400,000 New Yorkers annually at full implementation in FY22.

Second Pillar – Rehousing to Alleviate Homelessness

PROGRESS: 115,000 NEW YORKERS REHOUSED

- We stepped in to fill the gap after the City and State cancelled the Advantage rental assistance program by creating new rental assistance programs as well as reinstating rehousing programs. Together, these initiatives have helped 115,000 children and adults move out of shelter or avert shelter altogether since 2014, with the majority exiting shelter into housing.

Third Pillar – Transforming the Approach to Providing Shelter

PROGRESS: SHRINKING DHS’S SHELTER FOOTPRINT BY 30%

- Our plan calls for shrinking the DHS shelter footprint by 45 percent by ending the use of 360 “cluster” shelter and commercial hotel locations citywide while opening a smaller number of 90 borough-based shelters across the five boroughs.
- Through these strategies, in just two years we’ve reduced the shelter footprint by 30 percent citywide, getting out of more than 200 shelter sites that did not meet our standards, including already ending use of nearly two-thirds of the units in the Giuliani-era cluster program – and to help us do so, in April we completed the conversion of cluster units to permanent housing at 17 sites (21 buildings overall) that has enabled 1,100 homeless children and adults to be permanently housed with rent-stabilized leases and upgraded apartment conditions in buildings that are now owned by reputable not-for-profit housing groups.
- As we phase out the old haphazard, band-aid approach to providing shelter that built up over the past 40 years, we have sited 43 new high-quality borough-based shelters, 23 of which are already open, offering families and individuals the opportunity to get back on their feet closer to their support networks and the communities they called home.
- At the same time, while we have held the overall DHS census flat for the last two years for the first time in a decade with the census now beginning to come down, we’ve also made progress driving down the number of families with children experiencing homelessness and residing in shelter, with the average number of individuals in those families declining by about 2,500 so far this fiscal year compared to the same period in FY15.

Fourth Pillar – Addressing Street Homelessness

PROGRESS: MORE THAN 2,000 NEW YORKERS OFF THE STREETS

- In 2016, we launched HOME-STAT, the most comprehensive street outreach program in the nation, with outreach teams canvassing all five boroughs 24/7/365, engaging New Yorkers experiencing homelessness and encouraging them to accept services and transition indoors.
- Thanks to a doubling in our funding for and the size of those outreach teams and tripling our Safe Haven and stabilization beds, our HOME-STAT program has helped more than 2,000 individuals come off the streets and subways and into transitional and permanent settings and continue to remain off the streets and subways.

With all of these components of the Executive Budget for DSS/HRA/DHS, we look forward to continuing our important partnership with the Council to overcome the State budget cuts for our agency and to keep improving the essential programs on which many New Yorkers rely.

Thank you for the opportunity to testify today and we welcome any questions you may have.