



**Human Resources
Administration**
Department of
Social Services

TESTIMONY

Steven Banks, Commissioner
Human Resources Administration/Department of Social Services

2015 Executive Budget Hearing

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

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Good Morning Chairpersons Ferreras and Levin and members of the Finance and General Welfare Committees. I am Steven Banks, and since April 1 I have been the Commissioner of the New York City Human Resources Administration (HRA). Thank you for this opportunity to review our proposed fiscal year 2015 budget and to discuss with you our work over the past seven weeks to move forward with reforms of our policies and procedures. Joining me today are HRA's Chief Financial Officer Ellen Levine and Executive Deputy Commissioner for Financial Operations Jill Berry.

I am honored that Mayor de Blasio has given me this opportunity to lead the reform effort at HRA to make sure that the Agency's policies and procedures are aligned with his vision and that of the First Deputy Mayor and the Deputy Mayor for Health and Human Services.

Since I began to serve as Commissioner last month, I have been meeting with front-line staff in all five boroughs as well as client groups and community advocates to seek their input on changes that are needed so that the Agency can more effectively fight poverty and income inequality. We have also reorganized our senior management in order to streamline our operations and provide more effective client services.

In this testimony, I will provide you with an overview of the Agency, information about HRA's workforce, information about HRA's caseload and employment programs, and information about the reform initiatives that we have been working on over the past seven weeks.

Overview: NYC Human Resources Administration (HRA)

With more than 14,000 staff and an operating budget of \$9.7 billion in 2015, HRA serves more than three million low-income New Yorkers annually through a broad range of programs to address poverty and income inequality and prevent homelessness, including:

- Education, training and job placement services to assist low-income New Yorkers in obtaining employment
- Cash Assistance (CA) to meet basic human needs
- Rental assistance to prevent homelessness
- Federal Supplemental Nutrition Assistance Program (SNAP)/Food Stamps benefits and emergency food assistance to food pantries and community kitchens to fight hunger
- Access to public health insurance financed through the Medicaid Program
- Services for survivors of domestic violence
- Services for New Yorkers living with HIV/AIDS
- Services for children, including child care and child support enforcement
- Protective services for adults unable to care for themselves

- Home care for seniors and individuals with disabilities
- Home energy assistance

Overview: NYC HRA Staff

As background for the Committees, here are some key facts about HRA’s workforce:

- 14,250 budgeted headcount, paid for with a combination of City, State and federal funds.
- Two-thirds of HRA staff work in front-line positions in neighborhoods in all five boroughs.
- Staff chose to work at HRA to help New Yorkers in need, many dedicating their entire careers to public service, with an average tenure of almost 14 years.
- HRA’s workforce is diverse: 59% African-American, 18% Hispanic, 15% White, and 8% Asian.
- 70% are women.
- Represented by a number of DC37 Union Locals – Local 1549, SSEU Local 371, Local 2627, Local 1407, and Local 924.
- And many other unions, including CWA Local 1180, Teamsters Local 237, the Civil Services Bar Association of Local 237, the Organization of Staff Analysts, the New York State Nurses Association, the United Brotherhood of Carpenters and Joiners, IBEW Local 3, and Local 30 of the International Union of Operating Engineers.

Key Challenges

Based on input from staff, clients, and community groups, we have identified the following key challenges for our Agency as we move forward with the reform initiatives:

- Ensuring that HRA’s employment programs and employment-related services are effective in connecting or reconnecting New Yorkers to the workforce as a key element of fighting poverty and income inequality.
- Reforming the current “one size fits all” approach to employment programs to address the fact that 25% of New Yorkers who are connected to the workforce by HRA or who leave Cash Assistance for a job receive Cash Assistance again within 12 months of leaving public assistance.
- Ensuring that New Yorkers who qualify for federal, New York State and local assistance and services are able to receive them expeditiously, particularly federal assistance, which provides an economic stimulus in all five boroughs.
- Addressing counterproductive policies and procedures that can lead to punitive actions, including sanctions that are associated with negative outcomes for clients, including homelessness.

Duplicative and unnecessary administrative transactions also adversely affect staff workload and the quality of services provided to children and adults who need HRA assistance.

- Changing policies and procedures that impact staff workload and clients and now subject the City to financial penalties for unnecessary New York State fair hearings. The issues that actually end up being heard at fair hearings involve only 34% of the disputes; of these, HRA withdraws 59% of the issues at the hearing, settles 16% prior to the hearing,* is reversed 15% of the time, and is upheld 10% of the time.
- Providing front-line staff with the support and the tools they need in order to serve clients effectively and to help fight poverty and income inequality.

The Dynamics of Cash Assistance

The following HRA caseload data is information that will help us develop our reforms of Agency policies and procedures:

- In calendar 2013, there were 395,000 duplicated applications for Cash Assistance, an average of 33,000 per month – 51% of these applications were rejected.
- 75% of rejections are related to HRA taking the position that the applicant failed to comply with the employment or eligibility/investigation processes.
- A sample of clients who became eligible and received benefits during the same period showed that 1/3 had the first application rejected and had to apply again, 2/3 had the first application accepted, and 86% became eligible by the second application.
- For those who applied 2 or 3 times, it took nearly twice as long on average for those who were not previously known to HRA to open a case.
- The rejection and reapplication cycle is one reason why the caseload has remained relatively low for some time, notwithstanding the impact of the Great Recession. There are about 17,000-19,000 case closings and a similar number of openings each month. This leads to a caseload number that has been virtually unchanged for the past five years. The monthly average of 356,000 recipients in 2013 was only 3% higher than it was in 2009.
- However, the number of unique individuals who received assistance over the course of the year was almost 1.7 times higher than the number in any given month – or 602,700.
- 500,000 of the 603,000 (83%) received recurring benefits and at least 10% of them also received emergency rental or utility assistance.

*settlements can be in either clients' or HRA's favor

- Policy reforms to address inappropriate denials, case closings, and sanctions may lead to monthly caseload “growth” as a result of fewer interruptions or delays in eligibility among children and adults who previously would have been churned on and off the caseload during the year.
- Over time such monthly “growth” can be addressed by more effective employment programs that lead to stable jobs.

HRA Policies and the Link with Homelessness

HRA data also indicates that adverse actions are associated with homelessness as follows:

- Approximately 12% of the caseload (20,000 out of 170,000 adults receiving on-going benefits in the month of March, 2014) is in sanction or in the sanction process at any point in time. (A sanction is a benefit reduction where HRA believes that there has been noncompliance with an administrative requirement such as attending an employment vendor appointment.)
- An average of nearly 19,000 cases close each month and over 40% of closings are related to HRA taking the position that there has been non-compliance, primarily related to appointments.
- A recent HRA study looked at all of the Cash Assistance recipients who had a case closed for non-compliance and/or who were sanctioned in 2012 and the first 6 months of 2013.
- **9.7%** of the recipients who were sanctioned or had a case closing applied for DHS shelter **AFTER** HRA took the adverse action.
- The study found that there was a connection between the adverse action by HRA and applications for shelter. This means that there is a link between the two and further analysis is being conducted to determine the characteristics of this relationship.

The underlying data for this analysis is as follows:

- While combining all individuals with a case closing for non-compliance or a sanction shows that nearly 1 in 10 applied for shelter after the adverse action, the separate data on closings and sanctions is:
 - **Closings:** Of all the 113,606 HRA Cash Assistance case closings for non-compliance during 2012-2013 (some of whom also had a sanction),¹ **6.7%** included an individual who applied for DHS shelter **AFTER** the adverse action. 73.3% of these cases had children on the shelter application.
 - **Sanctions:** Of the 50,045 individuals who were sanctioned during 2012-2013 (some of whom also had a case closing for non-compliance),¹ **13.8%** of the total sanctioned

¹ 28,672 individuals experienced both a closing for non-compliance and a sanction during the time period.

individuals applied for DHS shelter AFTER the adverse action. 96.3% of these had children on the shelter application.

- While nearly 1 in 10 of all HRA clients experiencing an HRA adverse action apply for shelter, we also analyzed information about all the children and adults in families and all the single individuals applying for DHS shelter during the first six months of 2013 and found that:
 - Of all the children and adults on DHS shelter applications, **23%** had a Cash Assistance case closing or sanction related to non-compliance in the previous 12 months.
 - **43%** of DHS applicants were Cash Assistance recipients without an adverse action in the past 12 months and **34%** had not had an interaction with HRA in the past 12 months.
 - Moreover, of all the children and adults on DHS shelter applications, **66%** had an involvement with HRA in the past 12 months and **39.3%** of them had an adverse action that preceded their shelter application – a regression analysis found a link between an adverse action and applying for shelter.

Employment and Training

Data on HRA's employment programs provides important information about how to make our employment initiatives more effective:

- Pursuant to federal and New York State law, HRA policy requires that all adult Cash Assistance clients with ongoing benefits work or be in a work activity unless they are exempt due to disability, illness or age.
- In accordance with federal and New York State law and past and current HRA policy, approximately 67% of the adult Cash Assistance clients receiving ongoing benefits are exempt from work activity because they are already employed at low-wage work but are still eligible for Cash Assistance (13.4%) or they are not participating due to disability, illness, or age (53%).
- The remaining approximately 33% of adult Cash Assistance clients receiving ongoing benefits are engaged in employment or training programs.
- HRA spends nearly \$200 million annually on employment programs, including contracts for job placement, subsidized employment, the Work Experience Program (WEP), vocational training and rehabilitation, education, and assistance with SSI applications for individuals with disabilities.
- Of the approximately 33% of adults able to be engaged in employment or training programs, at any point in time approximately one third of these adults are subject to HRA's administrative sanction process.

Job Placement Assistance

Job placement assistance data provides further information regarding the need to make HRA's employment program more effective:

- HRA has set annual goals for job placement assistance and has typically met the goal each year, with reported assistance for job placements averaging over 85,000 for the past several years.
- For the most recent year for which placement assistance data is available, 37% were placements reported by HRA's employment vendors or among clients in training and education programs and 5% were placements in City subsidized jobs.
- 29% of the reported placement assistance consisted of self-reporting by clients or data matches that showed clients were employed subsequent to a case closing.
- 13% of the reported placement assistance consisted of New Yorkers whose applications for HRA assistance were rejected and subsequent employment data matches showed that they were employed at the time of the match.
- 16% of the reported placement assistance consisted of New Yorkers who were already employed when they applied for and received a one-time Cash Assistance grant, typically in the form of rental assistance to prevent evictions.

Post-April 1 Reforms That Are Already Underway

Since April 1, HRA has initiated a comprehensive review of all policies and procedures to ensure that they align with the Mayor's vision, that they prevent homelessness rather than cause it, that children and adults have access to the federal, state, and local assistance and services for which they are eligible, that duplication and inefficiency are eliminated, that financial penalties for unnecessary New York State fair hearings are averted, and that HRA's employment programs are effective in fighting poverty and income inequality and enable New Yorkers to remain off of the Cash Assistance caseload.

As part of this review process, office meetings are being held with HRA staff on an ongoing basis, staff focus groups have been convened, and a survey has been distributed to all staff. There has been a reorganization of the senior level of HRA's management team to move the reform process forward.

HRA has also begun a new process of engagement with the client and advocacy communities to seek input, which will include the distribution of a client survey to recipients who have provided an e-mail address.

While much more remains to be done, over the past seven weeks the Agency has already implemented or substantially developed significant reforms of HRA policies and procedures that have harmed clients,

have had an adverse impact on staff workload and morale, and now subject the City to potential financial penalties for unnecessary fair hearings, including:

- Joining every other social services district in New York State and 43 other States by accepting the federal SNAP/Food Stamp waiver for adults without dependents who are unemployed or underemployed – in addition to providing federal assistance to address hunger, this policy change provides an economic benefit when this federal assistance is spent in neighborhoods in all five boroughs and averts unnecessary fair hearings resulting from hard-to-administer rules that have applied in the absence of this waiver.
- Changing HRA's position and supporting the provision in the recently enacted State budget that offers four years of college as an option to HRA clients as part of HRA's training and employment initiatives.
- Disbanding the counterproductive Center 71 program that resulted in unnecessary case sanctions for New Yorkers who were willing to comply with work rules and led to substantial numbers of unnecessary fair hearings.
- Discontinuing the Immigrant Sponsor Recovery Program that harmed sponsors of low-income legal immigrants and implementing a process to return all payments that had been collected.
- Working with the State Office of Temporary and Disability Assistance to resolve substantial numbers of pending fair hearings.
- Phasing out the requirement that all homeless New Yorkers seek services at a single center in Queens.
- Increasing access to services for homeless New Yorkers by working with DHS on a new system for HRA to begin accepting applications for Cash Assistance at DHS intake centers, to process recertifications for assistance directly at DHS shelter locations, and to provide rent arrears assistance directly at DHS HomeBase locations.
- Creating a centralized HRA rent check processing unit to improve the timely processing of rent arrears payments to prevent evictions and homelessness.
- Working with the Mayor's Office, the Office of Management and Budget, and DHS to develop new rental assistance initiatives to prevent and alleviate homelessness, including initiatives targeted for survivors of domestic violence who seek shelter from HRA.
- Developing an expedited implementation plan for the new 30% rent cap for HASA clients living with HIV and AIDS pursuant to the requirements of the recently enacted State budget.
- Developing and implementing a letter for landlords specifying the rental assistance levels for which HASA clients are eligible to maximize access to permanent housing.

- Implementing appointment reminder calls to SNAP/Food Stamps recipients, with a rescheduling option, in order to reduce missed appointments and potential unnecessary fair hearings and maximize the receipt of federal assistance to address hunger.
- Developing a system for appointment reminder calls and text messages for Cash Assistance recipients, with a rescheduling option.
- Developing a system of missed appointment reminder calls for both SNAP/Food Stamps recipients and Cash Assistance recipients in order to reduce missed appointments and potential unnecessary fair hearings and maximize the receipt of federal assistance to address hunger and other subsistence benefits.
- Developing HRA's biennial employment plan for submission to New York State following a required public comment period, which will address the need to streamline HRA's administrative procedures to maximize participation in employment and training services and make sure that these services are effective.
- Developing a new initiative with the Robin Hood Foundation to maximize access to SNAP/Food Stamps for senior citizens who are in receipt of Medicaid but not SNAP/Food Stamps and/or are recipients of home energy assistance but not SNAP/Food Stamps.
- Developing a pilot program to reduce unnecessary case sanctions and resulting fair hearings by providing participants in employment programs with five excused absences for illness or a family emergency prior to the implementation of a sanction, like the standard in the recently enacted Local Law requiring the provision of paid sick days.
- Maximizing access to federal SNAP benefits by seeking a waiver from the USDA to allow applicants to self-attest their housing expenses.
- Seeking additional SNAP waivers to allow SNAP applicants and recipients to schedule telephone interviews at a time of their own choosing.
- Extending the time Cash Assistance applicants have to find appropriate child care arrangements from 5 days to 15 days, with an additional 5 day extension.
- Consolidating civil legal services programs at HRA, including programs operated previously by DHS, DFTA, and DYCD, to enhance the provision of legal assistance to fight poverty and income inequality and prevent homelessness, and evaluating the need for additional legal services initiatives.
- Working with OMB and DHS to make sure that adequate broker's fees are in place to alleviate homelessness.

- Working with HPD on a new initiative to address inadequate housing conditions in buildings where substantial numbers of Cash Assistance recipients reside.
- Working with NYCHA to ensure that HRA makes timely rent payments to avert the eviction of NYCHA tenants.
- Working with the Mayor's Criminal Justice Coordinator to develop a new initiative to outstation HRA staff on Rikers Island to make sure that necessary HRA assistance and services are available upon discharge.
- Expanding HRA's plan for an online portal for applicants and recipients of SNAP/Food Stamps by using the system's existing capacity to include an online portal for Cash Assistance applicants and recipients.
- Developing a new client advocacy unit for clients, community members and elected officials, including an ADA coordinator, a Language Access coordinator, and a LGBTQ Services coordinator, to expedite inquiries about client service needs and the resolution of client concerns about their cases.

Conclusion

During my time at The Legal Aid Society before I became the HRA Commissioner, I have worked with many of you on a range of efforts to provide essential assistance to low-income children and adults in all five boroughs. I now look forward to working with you in this new role to make sure that our policies and procedures are effective in fighting poverty and income inequality and preventing homelessness in New York City. Thank you for this opportunity to update you on our reform initiatives and I am happy to take questions on these efforts and on our proposed fiscal year 2015 budget.