

TESTIMONY

TO THE NEW YORK CITY COUNCIL

GENERAL WELFARE COMMITTEE

HRA PRELIMINARY BUDGET HEARING

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COMMISSIONER

NEW YORK CITY HUMAN RESOURCES ADMINISTRATION

MARCH 17, 2015

I would like to thank the City Council's General Welfare Committee and Chair Stephen Levin for giving us this opportunity to testify today about HRA's budget and our work to move forward with reforms of our policies and procedures.

My name is Steven Banks and I am the Commissioner of the New York City Human Resources Administration. Joining me today are HRA's Chief Program Planning and Financial Management Officer Ellen Levine, Executive Deputy Commissioner for Finance Erin Villari, and HRA's Chief of Staff Jennifer Yeaw.

HRA is proud to be in the forefront of the de Blasio's Administration's efforts to address poverty and income inequality. HRA is committed to reforming its policies and procedures to achieve those goals by:

- Helping working families stay in the workforce when their jobs don't pay enough to live
 on by providing supports such as food aid and cash assistance, public health insurance,
 and emergency cash assistance and eviction prevention services.
- Aiding those struggling to return to or enter the workforce by providing a variety of employment-related services, including access to education and job skills training, help with job search and placement, and temporary cash assistance.
- Providing a safety net for those permanently or temporarily unable to work.

While most of the public focus tends to be on how many people receive cash assistance, it is important to note that a large number of the New Yorkers receiving some assistance from HRA are already working and that HRA's support helps them remain in the workforce. Living in a very expensive city, low-income workers, who are generally struggling to begin with, can be derailed by a variety of emergencies and unexpected expenses. Among other assistance, HRA provides these key work supports:

- There are 2.5 million New Yorkers receiving Medicaid through HRA and tens of thousands more through the new State health insurance exchange;
- 1.7 million New Yorkers receiving SNAP food assistance and millions of meals served through food panties and community kitchens;
- 700,000 New Yorkers receiving home energy assistance every winter; and
- 100,000 receiving one-time cash assistance each year to prevent evictions and utility shutoffs or provide assistance with other emergencies.

For all these New Yorkers, these supports can be critical in maintaining employment. Having health insurance means workers can stay healthy and working and avoid the economic disaster that severe illness can impose on those with no insurance. Food and energy assistance, child support, and the Earned Income Tax Credit strengthen households and help families survive on low-income jobs. Emergency Cash Assistance and services to prevent homelessness can also stabilize families and individuals and keep them from losing employment in the face of sudden emergencies. Clearly, efforts aimed at keeping low-income workers in the workforce are much

less expensive and more efficient than having to help New Yorkers return to the workforce, especially after an extended absence.

Among those who do receive cash assistance, half are children, and nearly half of the adults are not subject to work requirements, as they were in prior Administrations, because they are seniors or people with permanent or temporary disabilities who have a barrier to employment.

HRA also helps thousands of the most vulnerable New Yorkers, providing shelter and supportive services to families recovering from the trauma of domestic violence, support for people living with HIV and AIDS, protective services for adults unable to care for themselves and home care services for seniors and individuals with physical or mental disabilities, and legal services to address the harassment of tenants, avert homelessness and help immigrants.

The breadth of our work explains the size of our budget and our staff.

HRA's Staff:

- 14,333 budgeted headcount in FY'16 paid for with a combination of City, State, and federal funds.
- Public servants who choose to work at HRA and help New Yorkers in need. Many dedicating their entire careers to public service.
- A diverse workforce: 70% women, 59% African-American, 18% Hispanic, 15% White, and 8% Asian.
- A unionized workforce with members of 13 different unions.

HRA's Budget:

- As of the February Plan, HRA's budget in FY'15 is \$9.88 billion, of which \$7.63 billion is City tax levy. In FY'16, it is \$9.7 billion, including \$7.56 billion City tax levy.
- The two biggest items in HRA's 2016 budget are:
 - \$6.4 billion for Medicaid, including \$6.3 billion City tax levy, or 66% of the total HRA budget and 84% of the HRA City funds budget.
 - \$1.4 billion, including \$584 million in City funds, for public assistance grants.
- HRA's five year capital budget of \$211 million includes:
 - \$113 million for facilities and construction.
 - \$78 million for information technology, including development related to Benefits Re-engineering, about which I will talk later.
 - \$20 million for telecommunications and other capital projects.

The two pie charts in the power point we have provided to you each show how the percent spending is currently estimated to change from year to year. But please keep in mind that there are still some issues that will not be resolved until the Executive Budget.

Changes to the February Financial Plan for HRA's budget mainly reflect the Administration's comprehensive effort to reduce homelessness, which I will also be discussing in more detail shortly.

The FY'16 budget increased by \$82 million in total funds and \$76 million in City funds in the November and February Plans combined. This includes five items totaling about \$69 million related to reducing or preventing homelessness through rental assistance or eviction prevention efforts. The other item is restoring staff working on the SNAP/food stamps program, which is part of our effort to ensure everyone who qualifies for federal food assistance receives it, which I will also be expanding on later in this testimony.

Now I would like to describe HRA's main new initiatives.

HOMELESSNESS

As part of the de Blasio Administration's effort to reduce homelessness, there has been a substantial expansion of HRA's homelessness prevention services.

- For the first time, HRA has a Homelessness Prevention Administration, bringing together and coordinating all our existing and new programs. It includes the following:
 - Homelessness Diversion Units (HDUs) located at all HRA Job Centers and at DHS' PATH facility are now utilizing new diversion tools that include short-term financial support.
 - HRA is now deploying on-site staff at DHS Homebase offices around the City and at the NYCHA administrative hearings office in addition to staff at the Housing Courts.
 - There is an Early Intervention Outreach Team (EIOT) for outreach to families and individuals in need of legal assistance or emergency rental assistance based on early warning referrals from the Housing Court.
 - Landlords are essential to fighting homelessness, so we created the Landlord Ombudsman Services Unit (LOSU) to address the needs and concerns of landlords and management companies that provide permanent housing for families and individuals receiving public assistance.
 - The Rental Assistance Program was formed to implement the new LINC initiatives.
 - The Legal Assistance Initiatives Program manages all the legal assistance programs that have been consolidated at HRA.

HRA also recently created the Family Independence Administration's Central Rent Processing Unit to centrally process, issue and deliver emergency rental assistance payments to landlords to prevent evictions.

Together with DHS, we continue to work on improving the LINC rental assistance program to make it more effective and ensure it reaches everyone in need. Since DHS Commissioner Taylor and I last testified about the LINC program in January, we have created three new LINC

programs, so there are now a total of six unique LINC programs for homeless New Yorkers. The new programs are:

- LINC IV Rental Assistance for 1,100 Homeless Seniors and for adults receiving SSI, SSD, or veterans disability benefits.
 - \$2.6 million in City funds in FY'15.
 - \$8.7 million City funds in FY'16.
- LINC V Rental Assistance for 1,000 Working Homeless Adults
 - Time limited rental assistance for working, homeless single adults and adult families without minor children
 - \$2.2 million in City funds in FY'15.
 - \$7.1 million in City funds in FY'16.
 - This program includes aftercare for working individuals and adult families to assist with employment and maintaining permanent housing after placement.
- LINC VI Rental Assistance for families with children already in shelter who exit to live with relatives or friends. Funding will be included as part of the Executive budget process.

The budget also includes other LINC related expenses to make the program more effective. These include:

- Landlord Bonus and Enhanced Security Funds: one-time incentive payments for landlords participating in LINC programs and a program to reimburse landlords for potential costs not covered by security deposits or rent grants.
- Broker's Fee for Shelter and HASA Move-Outs: increased broker's fee to one month's rent for families and individuals leaving shelter with LINC rental assistance and HASA clients moving into private apartments. The broker's fee is 15% of the annual rent for lease agreements of one year or more currently until March 31.
- Enhanced Moving Allowances for Homeless Families: increased furniture allowances and additional funding for moving costs as we project an increase in spending as a result of LINC moves.
- We are also working with HPD to transfer HOME Section 8 funds to HRA to implement a new program to help alleviate homelessness. Subject to approval from HUD, HPD will allocate \$20 million of its Federal HOME grant to HRA for a Tenant Based Rental Assistance (TBRA) program to move more than 1,200 homeless families out of shelters and into housing beginning in FY'16. This rental assistance will be targeted to families in homeless shelters receiving SSI and Social Security benefits. The program will begin operation this summer.

LEGAL SERVICES

As you know, the Administration has consolidated legal services from DHS, HPD, CJC, and DYCD at HRA in order to enhance coordination and effectiveness.

Contracted services include: anti-eviction, anti-harassment tenant protection, immigration, domestic violence, securing federal benefits, and other legal matters. We are also developing a study of the unmet needs in Housing Court to evaluate what programs will be most effective in preventing homelessness.

- Anti-Eviction Legal Services
 - o Baseline increase in FY'15 from \$6.4 million to \$13.5 million.
 - o Former DHS contracts focused on preventing homeless shelter entry.
 - o Housing Help: nine community contracts; one court-based program.
 - o Created new court referral system to ensure high-risk tenants are referred for services.
- Anti-Harassment Tenant Protection Program
 - o Announced in the Mayor's State of the City address; \$36 million program when fully operational.
 - o For residents currently living in six neighborhoods identified for rezoning and 13 zip codes in and around rezoning areas to:
 - prevent tenant harassment and displacement,
 - keep families and individuals in their homes,
 - maintain affordable housing, and
 - stabilize neighborhoods.
 - o HRA received \$5 million in the February Plan to begin the initiative in FY'15; additional funds will be part of the Executive Budget process.
 - o To ensure services began immediately in the remainder of FY'15, initial funding was allocated to two legal service providers, LSNY and Legal Aid, which already have citywide anti-eviction contracts.
 - Working together, the two legal service organizations have already set up a hotline for tenants to call if they are low-income and suffering harassment in the designated 13 zip codes.
 - o HRA is preparing an RFP and will have new contracts in place by the Fall of 2015.
- Immigration Legal Services include:
 - o Immigrant Opportunities Initiative (IOI)
 - Former DYCD program, baselined at \$3.2 million.
 - Outreach, screening, application and legal representation services for immigrants.
 - HRA's RFP will be issued at the end of this month, with new contracts set to begin in FY'16.
 - o Immigrant Services
 - Former DYCD program, funded with federal CSBG grant.

- Four service options: legal services, domestic violence and trafficking, youth, and worker's rights.
- HRA will soon issue an RFP, with new contracts set to begin in FY'16.
- o Unaccompanied Minors Initiative:
 - \$1 million in City Council discretionary funding with an additional \$800,000 from Robin Hood and New York Community Trust.
- o New York Immigrant Family Unification Project:
 - \$4.9 million in City Council discretionary funding.
 - This model program will provide legal representation to 1,000 low-income immigrants facing deportation
- o New HRA Program: Federal Disability Benefits Program
 - Creating a new service to complete home-based federal disability benefit applications for homebound clients.
 - In addition, we are creating a new legal services program for clients to obtain federal disability benefits after denials through an Administrative Council review and in some cases appeals to the Federal Courts.
- There are also the number of important legal services contracts, thanks to the Council's FY' 15 discretionary funding, which provide additional services for veterans, domestic violence survivors and the working poor, to prevent evictions, and to address other needs.

IMPROVING ACCESS TO SNAP/Food Stamps

During 2014, there were about 1.76 million New York City residents receiving federal SNAP benefits, including more than 650,000 children, and they purchased a total of more than \$3 billion in food. The federal government estimates that every \$1 of food stamp spending generates \$1.80 in economic activity. That means SNAP brought about \$5.4 billion to the City economy, much of it to small businesses in all five boroughs of the City.

Recently, the number of people receiving SNAP benefits has been declining nationally and in New York. That is probably because the improving economy means that some people's earnings have improved and they no longer qualify and because the Congress reduced the SNAP benefit, which makes the benefit less valuable for some people.

The official SNAP participation rate is 77% in New York City, which is a relatively high rate. HRA's own analysis shows that the participation rate among children is approximately 95% but it is closer to 70% for seniors and other adults. So we are not satisfied.

- HRA has a major effort to make enrollment for federal benefits easier.
 - As I mentioned, we are restoring headcount cut by the prior Administration to improve service in our centers.
 - At all but one of the HRA SNAP Centers, clients can use PCs to submit applications.

- Client Service Supervisors have also been placed at designated HRA SNAP
 Centers to assist clients with accessing services on-site.
- We are seeking a waiver for on-demand SNAP interviews, allowing clients to call at their convenience rather than have to spend days waiting at home for a worker to call.
- We are improving the AccessNYC website to make possible not only applying online, but also recertifying.
- We have put in place interim systems to submit documents to make sure they are not lost – later this year, clients will be able to use a smart phone to submit documents.
- We also have extensive outreach efforts.
 - HRA's Office of Supplemental Nutrition Assistance Program Outreach Services provided outreach services at more than 1,543 individual community events in FY'14.
 - With the Robin Hood Foundation, Benefits Data Trust and DFTA, we are conducting outreach to 100,000 seniors, 60 and over, who have Medicaid, but not SNAP benefits
 - We are working with NYCHA to identify residents who do not receive SNAP benefits and are likely to qualify for them.
 - In mid-April we will be launching a major outreach campaign and will seek your support in that effort.

HIV/AIDS Services

The HIV/AIDS Services Administration, known as HASA, provides intensive case management services to some of New York City's most vulnerable residents – persons living with AIDS or clinically symptomatic HIV.

• In order to ensure that HASA clients receive the highest level of care possible, Local Law 49 of 1997 requires an overall staffing ratio of 1:34 for social work staff, which means case workers and supervisors. However, for staff assisting families, the ratio must be 1:25. Until recently, HRA was not meeting the requirements of the Local Law.

- Since HRA is committed to meeting these standards, since April 1, 2014, 40 new HASA case workers have been hired. Additional case workers will be hired this month.
- In addition to the case workers, since April 1, 2014 HASA has added 29 new supervisors and 23 eligibility specialists. Eligibility specialists play an important role in making sure that applications for assistance are processed efficiently and approved benefits are issued in a timely manner.
- HRA will continue to monitor staffing levels at HASA closely to make sure that Local Law 49 vacancies are filled as soon as possible.

30% Rent Cap

- After vigorous advocacy from the Mayor, community organizations and other elected officials, the State passed a new rule in April 2014 providing that eligible persons living with HIV/AIDS will pay only 30% of their earned or unearned income towards rent.
- This new law was implemented on July 1, 2014. Shortly thereafter, more than 7,500 HASA clients received "retro back to April 1st.

IDNYC

- HRA was honored to be selected as the "back office" for the IDNYC municipal ID card program. The entire IDNYC infrastructure, including the front-facing enrollment staff as well as the back-end review staff and all equipment, sits within HRA. This is why the whole of the IDNYC budget is in HRA.
- In partnership with MOIA and the Mayor's Office of Operations, HRA issued rules governing the application process and issued Commissioner's Executive Orders on:
 - Security and confidentiality for applicants' personal information.
 - Protocol for outside requests for information.
 - Limits on use of duplicate image search technology.
 - Administrative review of application denials.
- As you know, when the card was launched, the good news was that demand far exceeded our expectations this past weekend, we issued our 50,000th card. Clearly, this is a card that hundreds of thousands of New Yorkers want. The challenging news is that demand far exceeded our expectations. Since then we have substantially increased our capacity.
- Currently operating in 21 locations, including 2 public facing HRA locations.

• HRA support includes: back end application processing, deployment of personnel, procurement and space renovation.

The IDNYC legislation requires quarterly reports to the Council. The first report is due March 31st and will provide you with details about the performance of the program.

ASSISTANCE FOR CLIENTS WITH DISABILITIES

HRA is implementing significant reforms to provide greater accessibility to clients with disabilities as part of a proposed Settlement that would end nine years of litigation. The class action lawsuit, Lovely H. v. Eggleston, filed by The Legal Aid Society in 2005 in the Southern District of New York, alleged that HRA's then-existing programs for clients with disabilities denied them meaningful access to those programs and related services in violation of the Americans with Disabilities Act ("ADA"). In December 2013, shortly before the scheduled trial, the prior Administration agreed to adjourn the case to permit the parties to proceed with a settlement process. On March 11, 2015, the parties submitted the proposed Settlement for the Court's review and approval.

As a result, HRA will develop and implement policies and procedures and modify programs to provide clients with disabilities meaningful access to our programs and services. Examples include:

- HRA, in conjunction with an expert consultant, will develop tools to assess whether
 clients need reasonable accommodations as the result of physical and/or mental health
 limitations or other impairments and then provide the appropriate accommodations,
 including referrals to HRA's Wellness, Comprehensive Assessment, Rehabilitation and
 Employment ("WeCARE") program or other services designed to assess and meet the
 needs of clients with disabilities.
- HRA will provide case management services, based on the needs of the client, in an effort to assist clients with disabilities to maintain their benefits.
- Before taking a negative action for failure to comply with required activities, HRA will
 review the case to ensure that the client's disability was not a factor in the noncompliance and that reasonable accommodations, if needed, were provided to enable the
 client to comply with required activities.
- HRA will assist eligible clients to apply for federal disability benefits.
- HRA will develop new training for its staff, including training on disability awareness and effective communication with people with disabilities.
- A community advisory panel will be formed to advise HRA on its policies and practices that affect clients with disabilities.

Even before the settlement, HRA had created a new ADA office with Jennifer Shaoul as Executive Director of Disability Affairs.

- Projects underway include:
 - Developing guidelines and best practices for web and print access.
 - Developing an agency-wide survey to assess systems, training, data collection and policies related to disability issues and reasonable accommodations, including a staff survey.
 - Establishing and building on relationships with various advocacy agencies and community organizations that assist people with disabilities with enrolling in benefits.
 - Developing trainings on reasonable accommodations and disability etiquette.
 - Working within HRA to ensure and support compliance with legal requirements, including the Lovely H. v. HRA settlement.

New LGBTQI Advocacy Office

Lesbian, Gay, Bisexual, Transgender, Questioning and Intersex people have been identified as an underserved community, who may be disproportionately likely to live in poverty, and to have difficulty accessing public benefits. To address these client needs, HRA has created a new LGBTQI office with Elana Redfield as Director of LGBTQI Affairs.

- The goals of HRA's LGBTQI work are as follows:
 - Increase awareness and visibility of LGBTQI issues across HRA.
 - Identify, assess and implement solutions to specific obstacles to access and participation for LGBTQI clients in HRA's programs and services.
 - Serve as liaison with CBOs to increase collaboration and transparency regarding LGBTQI issues at HRA.
- Projects underway include:
 - Tracking and resolution of LGBTQI-related complaints.
 - Comprehensive needs assessment for LGBTQI clients, including research and stakeholder surveys, and changes to program areas to allow for increased visibility of LGBTQI issues.

- Coordinating a work group with community-based organizations and advocates that focus on LGBTQI concerns.
- Creating and implementing a training curriculum on LGBTQI issues that will provide both a baseline of knowledge and specific guidance for program areas.
- Developing HRA's day-to-day practices for working with LGBTQI community members, including structural changes in program areas, updates to existing policies and the creation of new resources for staff.

Language and Immigrant Access: Office of Refugee and Immigrant Affairs

Ensuring that clients and applicants have access no matter what language they speak is a high priority for HRA. The Office of Refugee and Immigrant Affairs (ORIA) works collaboratively with HRA's programs to advance language and immigrant access to public benefits.

- Anne Montesano, Executive Director, Office of Refugee and Immigrant Affairs
- The goals of HRA's Language and Immigrant Access work are as follows:
 - Provide guidance and expertise to HRA program areas to ensure access to services for immigrant and LEP New Yorkers.
 - Ensure that HRA's programs are in compliance with federal, state and local immigrant and language access laws.
 - Work with and support HRA programs to develop and promote policies and tools to help staff provide excellent service to immigrant and LEP New Yorkers.
 - Strengthen relationships with community groups to respond to inquiries and gather feedback on HRA services/programs.
- Projects underway at ORIA include:
 - Answer inquiries from frontline staff making immediate immigrant eligibility determinations and ensure training helps staff make accurate determinations.
 - Continue to build partnerships with immigrant serving CBOs and advocacy groups
 - Collect and analyze Agency and program data pertaining to immigrant and LEP clients and language service provision to determine that clients receive appropriate services.

- Work in partnership with program areas, to maximize client access to bilingual staff at HRA sites throughout the five boroughs
- Collaborate with the Mayor's Office of Immigrant Affairs to advance the Mayor's priorities around immigrant and LEP access

Mayor's Action Plan for Neighborhood Safety

- As part of the Mayor's Action Plan for Neighborhood Safety, HRA is a member of an interagency effort intended to improve safety and strengthen the community at fifteen (15) targeted NYCHA developments across the City.
- HRA is deploying outreach specialists at each development to meet with residents and provide guidance for benefits enrollment, help in navigating access to emergency services, troubleshoot existing cases with HRA and solicit feedback from the community.
- We currently have a presence in about half of the developments (7 of 15) and we expect to start in the other eight this spring.

Employment Plan

HRA spends approximately \$200 million a year on employment programs. As we have reported previously, every two years, we are required to file with New York State OTDA an employment plan for how we will be using those funds to help our clients. We submitted a new plan last year and it was approved by the State on December 31st. It will take us about two years to replace all of the current contracts and completely implement the new program.

The new Plan reflects a new approach based on these principles:

- **Improving assessments** to address each client's actual strengths and needs will improve outcomes compared to the prior one-size-fits-all approach that led to one out of every four clients who are reported to have received employment assistance returning to the caseload within 12 months.
- Maximizing education, training and employment-related services will open job opportunities and create the basis for building career pathways out of poverty.
- Eliminating unnecessary punitive and duplicative actions that lead to preventable negative actions and fair hearings (that subject New York City to potentially \$10 million in financial penalties) will allow staff to focus on more effective problem solving and allow clients to avoid delays in accessing services, finding jobs and moving into sustainable employment.

In order to understand the data that we report about the size of the cash assistance caseload, it is important to understand that of the approximately 350,000 New Yorkers receiving assistance in any given month, most are not subject to work requirements, according to the same state and federal rules applied by prior Administrations. That is because about half are children and many more are seniors or clients who have barriers to employment because of either permanent or temporary disabilities.

That 350,000 number of New Yorkers receiving cash assistance fluctuates month-to-month, particularly as we increase the payment of rent arrears to prevent evictions and homelessness and we reduce the counter-productive churning of children and adults off and on and off the caseload, which now subjects us to a potential \$10 million New York State penalty for unnecessary fair hearings and is associated with shelter applications. As we testified previously, an analysis of DHS shelter applications during a six-month period in 2013 found that 23% of the applicants had an HRA case closing or case sanction within the prior 12 months.

In contrast to expected fluctuations in the monthly caseload, the annual unduplicated caseload of New Yorkers receiving recurring cash assistance has remained steady at 500,000 during the past year as it has since at least 2008.

Moreover, of the approximately 90,000 who are subject to work requirements, 25,000 actually have jobs; however, they make so little they still qualify for cash assistance. This underscores why the Mayor's call for an increase in the minimum wage is so important for addressing poverty and income inequality – as well as reducing our caseload.

During the phase-in of our OTDA-approved Employment Plan:

- The goal is to ensure HRA's employment and training programs are effective in connecting and/or reconnecting New Yorkers to the workforce.
- We want to maximize education, training, and employment-related services.
 - 60% of employable clients lack a high school diploma or equivalent degree.
 - So we will allow recipients up to age 24 to participate in full-time basic education.
 - As permitted under a new state law we supported, we will allow participation in a four-year college degree program. And we are putting supports in place to help clients successfully complete their education.
 - We will increase access to targeted training for jobs in high-growth industries and utilize available Career Pathway programs.
- As noted, instead of one-size-fits all, we are creating new employment strategies for youth, clients with limited English proficiency, shelter residents, those with work limitations, those with justice system involvement, and older clients.

• We are also working to enhance program participation and the resolution of disputes before a fair hearing is requested.

One specific goal is to phase out WEP and replace it with more effective and sustainable work activities. As we testified in October, our Employment Plan provides for a two-year WEP phase-out period.

- HRA has collaborated with CUNY to implement a paid work study program. In January 2015, we began a program to provide paid work study opportunities for CUNY students who are pursuing an undergraduate degree and need to meet an HRA work requirement.
- As a result of this collaboration, we have phased out approximately 500 CUNY WEP slots, about 10 percent of the total number of WEP slots throughout the City.
- We are developing additional initiatives to replace WEP in accordance with the Employment Plan.

The last few slides in our power point present a number of the reforms that we have implemented since I took office last April, some of which we have already discussed at prior hearings. We have accomplished a great deal over the past year, and we will continue with our reform initiatives during the coming year.

Thank you again for this opportunity to testify and I welcome your questions.