

**Testimony Of Commissioner Steven Banks, New York City Human Resources
Administration**
**Oversight: Review of HRA's Employment Plan Concept Papers before the New York City
Council General Welfare Committee**

September 22, 2015

Good morning Chairman Levin and members of the General Welfare Committee. My name is Steven Banks and I am the Commissioner of the New York City Human Resources Administration (HRA). Joining me today are Chief Program Officer Lisa Fitzpatrick, Deputy Commissioner of Employment Services Lisa Van Brackle, and Jill Berry, Deputy Commissioner of Program Support Services in our Family Independence Administration.

I would like to thank the Committee for giving us this opportunity to testify today in regards to HRA's Employment Plan Concept Papers. The work of HRA and the reforms we have been implementing over the past 18 months are part of the Mayor's approach to reducing income inequality across our city and this plan is a key component of these efforts.

In a city where the cost of living has steadily increased while wages are stagnant, households that depend on the earnings of low-wage workers can quickly be derailed by unforeseen emergencies and expenses. Our services assist low-income New Yorkers in staying on the job and in the workforce, providing food and healthcare for their families and averting homelessness.

For low-income New Yorkers, among other assistance, HRA provides these key work supports:

- 2.5 million New Yorkers receive Medicaid through HRA and tens of thousands more through the new State health insurance exchange;
- 1.7 million New Yorkers receive federal SNAP food assistance and millions of meals served through food pantries and community kitchens;
- 9,044 New Yorkers currently receive eviction prevention legal assistance – including working heads of households;
- 107,000 New Yorkers receive one-shot emergency assistance each year to keep their homes and continue utility services; and
- 190,000 children assisted through child support income.

In addition to work supports for families and individuals, over the past year – as has been the case since 2008 – HRA has provided basic Cash Assistance to a stable annual caseload of 500,000 children and adults. Having access to Cash Assistance allows parents to pay for necessities, including clothing, public transportation, and school and household supplies. And as we have noted previously, our efforts aimed at keeping low-income workers in the workforce are much less expensive and more efficient than providing assistance to New Yorkers following absences from the workforce, especially extended absences.

Additionally, every day, HRA helps thousands of the most vulnerable New Yorkers by providing energy assistance, homelessness prevention and legal aid, support for children and adults recovering from the trauma of domestic violence, services for people with HIV and AIDS, child support enforcement, and access to Earned Income Tax Credit assistance. These services are assisting families to move toward self-sufficiency.

Cash Assistance, Employment Program Reforms And Helping Families Move Out Of Poverty

Low-income families and those who are struggling in poverty can receive help in the form of cash assistance, a safety net for children and adults. Of the approximately 500,000 children and adults receiving Cash Assistance each year, most are not subject to federal and state work requirements due to circumstances such as being over age 65, having a disability, or being a child. Approximately 86,000 of our clients are subject to work requirements as determined by federal and state rules and applied by prior Administrations. And of these 86,000 clients, more than 27,000 are employed fulltime; however, their incomes are so low that they still qualify for cash assistance. For them, this underscores why the Mayor's call for increasing the minimum wage is essential to moving New Yorkers out of poverty and addressing income inequality as well as moving people off the HRA caseload.

HRA spends \$200 million on employment programs annually, but our analysis of the performance of these programs showed that these services could be more effective. Under the prior approach, 25-30% of clients who were reported as receiving employment assistance ended up returning to the caseload again within 12 months. Through a robust reform agenda we are implementing hundreds of changes that will result in positive impacts for both our clients and our staff. As indicated earlier, as we have been implementing our reforms, our annual, unduplicated caseload has remained stable at 500,000, at the level it has been for the last seven years. We have seen some fluctuation in our monthly caseload because we have provided more one-shot emergency assistance to pay rent and utility arrears, which we believe are critical investments in keeping New Yorkers in their homes. And we have put a number of measures in place to stop the churning of clients on and off the caseload, which is associated with both homelessness and unnecessary fair hearings for which state law subjects the City to a potential \$10 million penalty.

Following the December 31, 2014 approval by the State Office of Temporary Assistance and Disability Assistance (OTDA), we are developing and implementing significant employment program reforms with the goal of connecting or reconnecting New Yorkers to the workforce and minimizing the chances that families will need to return to Cash Assistance. HRA's Family Independence Administration (FIA) offers numerous employment programs and services to assist families and individuals improve their economic standing. Through these services – including basic education, training, work experience, job search, placement and retention services – FIA works to not only keep people on the job but improve their employment prospects.

The OTDA-approved Employment Plan reflects a new approach based on the following principles:

- **Improving assessments** to address each client's actual strengths and needs that will improve outcomes compared to the prior one-size-fits-all approach that led to more than one out of every four clients who were reported to have received employment assistance returning to the caseload within 12 months.
- **Maximizing education, training and employment-related services** to expand job opportunities and create the basis for building career pathways out of poverty.
- **Eliminating unnecessary punitive and duplicative actions.** Our goal is to reduce the number of preventable and inappropriate negative outcomes that trigger unnecessary fair hearings that subject us to a potential \$10 million State penalty, thereby allowing staff and service providers to focus on client needs and increase effective problem solving. As a result, we expect clients will avoid delays in accessing services, finding jobs, and moving to sustainable, long-term employment.

By replacing the former one-size-fits-all approach, HRA expects to help more clients maintain and secure gainful employment and prevent families from cycling on and off Cash Assistance. By eliminating unnecessary punitive and duplicative actions, we hope to address adverse outcomes for children and adults. As we testified previously, our analysis of Department of Homeless Services shelter applications during a six-month period in 2013 found that 23% of the shelter applicants had an HRA case closing or case sanction within the prior 12 months. The sanction process of the last 20 years did not promote self-sufficiency. In fact, it is associated with homelessness. Our hands are also tied in many cases when it comes to engaging a client who is sanctioned under state law and this leads to very real consequences for those most in need of our assistance. We want to ensure that clients have the type of meaningful training that leads to sustained, gainful participation in the workforce, which is why we are very pleased the State legislature passed S.3569/A.4250 to amend the sanction and conciliation process and we are urging the Governor to sign the bill.

Improving Assessments

Our client population is not homogenous. Our clients come to HRA with a broad range of experiences and factors that lead them to seek the safety net we provide. Some clients experience long-term joblessness and a complex set of circumstances that keep them disconnected from employment. Others come to HRA job-ready and require less of our job readiness, training and education programs.

By developing a new comprehensive client assessment, we will be able to better target our approach based on an individual's needs. And we remain focused on connecting New Yorkers to employment; all we are doing is throwing away the cookie cutter approach that resulted in 25-30% of the clients who received employment services returning to the caseload and not moving out of poverty. Our improved assessment will allow us to better connect clients with individualized services for target populations such as youth aged 18 to 24, domestic violence survivors, homeless shelter residents, people with disabilities, those with work limitations, those with limited English proficiency, those with justice system involvement, and older clients. The new assessment process will allow us to better address the circumstances that may keep clients from obtaining and maintaining employment.

Maximizing education, training and employment-related services

As we have reported previously, without a high school education, you are lucky to earn \$20,000. With a high school diploma or equivalent, earning capacity increases to \$30,000 or more. With some college, it increases to \$40,000 or more. Since 60% of employable clients on HRA's caseload lack a high school diploma, the importance of providing the opportunity to gain a high school or college level education is clear if we want to enable clients to move off the HRA caseload, remain off, and move out of poverty.

Recognizing this increase in earning potential tied to obtaining educational credentials and working with OTDA to implement the 2014 amendments to the New York State Social Services Law, we have changed our approved work activities to include two-year, four-year, and out of area colleges. As a result of this reform based on the change in state law, as of August 25, 2015 enrollment in four-year college during 2015 was 1,668.

Further, we have increased supports for Cash Assistance recipients enrolled in college by increasing the availability of paid internships and work study activities tailored to the student's field of study. In addition, based on the change in state law, recipients are allowed one hour of unsupervised homework for every class hour; on-line courses are now approved for up to 10 hours; and test preparation time for licensing is now approved up to six weeks after course completion. Recipients up to age 24 with no high school diploma are encouraged to gain a diploma and may participate in full-time basic education. To better connect young people to these opportunities, HRA also holds educational fairs targeted at 16-24 year olds.

Phasing Out WEP

Federal and New York State law require HRA clients who are employable to participate in work activities. Our OTDA-approved Employment Plan continues the federal and state law work activity requirement. However, pursuant to the approved Employment Plan, we are phasing out WEP, which historically failed to provide many clients with a career pathway off Cash Assistance and out of poverty, in large part because the program did not take into account individual client skills, training needs, and interests – as evidenced by the 25-30% rate of return of clients to the caseload after receiving employment services.

As we have testified previously, our OTDA-approved Employment Plan provides for a two-year WEP phase-out period to give us time to reform our employment services and replace WEP with more individualized, effective and sustainable work activities.

During this phasing out period, our accomplishments so far are:

- 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 a federal or state law work requirement. As a result of this collaboration, we have phased out approximately 500 CUNY WEP slots.

- We are developing an internship program for clients who are pursuing educational opportunities that will meet the standards for internships set by the New York State Department of Labor, including:
 1. The training must be similar to training provided in an educational program.
 2. The intern must not displace regular employees, and must work under close supervision.
 3. The training must be for the benefit of the intern and not the employer

As we implement these programs and reform our Vocational Rehabilitation program for clients with disabilities as part of the recent settlement of federal litigation that began many years ago under the prior Administration, we have been able to reduce the number of clients participating in WEP assignments at City agencies to 2,403. We appreciate the ongoing input that we are receiving from Community Voices Heard as we proceed with this WEP phase out.

Upon full implementation of the WEP phase-out, we will have a comprehensive mix of paid and unpaid education and career supporting opportunities and subsidized and unsubsidized employment opportunities, and we will be able to offer clients a choice of options to fulfill the federal and state law work activity requirement.

As part of moving away from the prior one-size-fits-all model, HRA is also developing an RFP for a program within our existing budget to enhance employment services for people with HIV who are either eligible for HRA's assistance through our HASA program or our new Employment Plan. And we are working with survivors of Domestic Violence who despite being exempt from federal and state work requirements are interested in participating in our employment program.

Summary of Concept Paper's for HRA's New Employment Services Approach

HRA is completely revamping our employment programs through a new RFP process, and pre-RFP concept papers were issued recently to obtain input from the public, including potential vendors. The concept papers seeking proposals for new vendor contracts advance the implementation of the Employment Plan, which will enable us to continue our progress on phasing out WEP. The funding for the programs that are described in the concept papers is just a part of the \$200 million committed for HRA's overall employment services and the other funded services will enhance those that are outlined in the concept papers.

HRA's new approach focuses on individualized assessments and supports; career counseling and strengths-based motivational strategies; and coordinated service delivery so that clients can make informed choices, set career goals, develop plans to achieve their goals, and access the services they need to get on a path to long-term economic security.

To achieve this vision, we anticipate:

- Contracting with a larger number of smaller and specialized vendors;
- Providing some on-site services, such as at homeless shelters;
- Emphasizing education and quality jobs with sustainable wages over rapid attachment consistent with the Jobs for New Yorkers Taskforce report; and

- Seeking innovative proposals and partnerships that will expand the breadth and depth of the services available to HRA clients beyond those that can be paid for by available employment funds.

Concept paper 1: YouthPathways

- Understanding the issues facing youth ages 18-24, HRA’s YouthPathways Program will engage select vendors to provide coordinated and integrated CareerCompass and Bridge services and, for vulnerable youth, specialized Employment and Advancement services.
- Vendors will also work with Bridge and Employment and Advancement vendors to enroll clients in appropriate education and training programs.
- Innovative proposals to develop or make available additional services to vulnerable youth, such as to help youth or families overcome generational poverty; target additional services to youth who are “aging” off their parents’ cases and onto their own case; and support youth aging out of foster care, young parents, undocumented immigrants, etc.

Concept paper 2: CareerCompass:

- CareerCompass vendors will provide assessment, counseling and career planning assistance; and service coordination for clients over the age of 24 that ensures continuity of services and progression of clients between providers and programs. Periodic check-ins, reassessments, and revisions to the client’s employment plan will also be provided, as needed.

Concept paper 3: CareerBridge:

- HRA’s career pathways approach places a special emphasis on training and education that enables clients to progress towards their career goals, particularly for those with limited English proficiency and/or lacking a high school education.

Concept paper 4: CareerAdvance: Employment and Advancement (EA)

- Sector-based employment services
- General employment services ; and
- Special populations requiring customized services.

EA vendors will be expected to implement job development strategies that are demand-driven and focus on high-growth sectors.

- They should have well-established relationships with employers that enable them to prepare clients for successful employment.
- Services will include coaching and assisting clients in obtaining and learning from on-the-job skills development opportunities and education or training needed to obtain or advance in their desired career.
- All vendors must provide targeted advancement services for clients. Contractors will continue to provide services for up to one year after a client’s initial job placement toward the goal of successful career advancement.

Following the release of HRA’s four concept papers, HRA held informational sessions with each session focused on a specific concept paper - Youth Pathways, Career Compass, Career Bridge, and Career Advance. These information sessions provided an open forum for members of the

public to voice their opinion and ask questions. The sessions were well-attended, with at least 20 individuals present for each session. The audience was comprised of representatives from a diverse mix of small and large community providers, such as current HRA employment program vendors, nonprofit organizations, and CUNY colleges. I want to thank the many advocates in this room who commented on the concept papers.

The feedback received in these forums and through written submissions included useful and meaningful comments. However given the procurement rules to ensure that no potential bidder has an advantage in responding to the RFP, we cannot respond to the comments pending the development of the RFP. But we are taking note of feedback such as the recommendation to streamline the service delivery processes for clients. I want to assure this Committee and the public that we are committed to continual updates in regards to the implementation of our Employment Plan as needed and on an ongoing basis.

Pending the implementation of new contracts, through the current employment vendors, HRA provides contextualized trainings leading to employment in the following sectors: Healthcare, Security, Retail Sales, Food Service, Customer Service and Maintenance. The employment vendors also offer some TASC, ESL and ABE literacy courses. OTDA programs are available to Cash Assistance offering Wage Subsidy, Career Pathways and Career Bridge programming. And for employed eligible families transitioning off Cash Assistance, available transitional benefits include child care, child support enforcement, SNAP/food stamps, health insurance, HEAP, LINC rental assistance, federal and state EITC, and transportation reimbursement through the employment vendors for up to 90 days after job placement. These transitional benefits are put in place to allow clients to move gradually from Cash Assistance to employment and finally to full independence as their income rises.

We have spent the last 18 months focused on improving our Employment Program with the goal of providing services to clients more effectively to help move them off our caseload and out of poverty. As you can see from the PowerPoint today, we have continued to implement major reforms since our May Executive Budget testimony. Overall, we are attempting to right a system that has been broken for decades – a system that treated clients as a monolithic group, without regard to the individual circumstances affecting clients that brought them to seek assistance from HRA programs and services in order to lift them out of poverty.

In this shift, to a client first approach while complying with all federal and state rules and regulations, we are working with clients to close gaps in both skill and educational attainment with the aim of connecting them to work where they can compete for a livable wage. Additionally, by connecting clients to work supports as they transition into the workforce such as childcare and transportation subsidies we can ensure that clients are supported as part of the workforce. This client-centered approach is aimed at addressing the very real circumstances our clients face as they work their way out of poverty. By equipping our clients with real skills, work experience, education and training, we can promote a greater likelihood of self-sufficiency and address the previous practice of churning of clients on and off the caseload.

Reforming and improving the employment program at HRA will not happen overnight. But by working with our partners in the Council and in the community, we are moving forward. Thank you again for this opportunity to testify and I welcome your questions.