

**Testimony of the Hunger Action Network of New York of the Mayor's FY 2010 Budget
Human Resources Administration / Department of Social Services**

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The Hunger Action Network of New York State is a statewide membership organization of direct food providers, advocates and other individuals whose goal is to end hunger and its root causes, including poverty, in New York State. Our New York City office is at 64 Fulton Ave. in Manhattan

We oppose the city's proposal to eliminate jobs for welfare participants (e.g., the Parks Opportunity Program), especially at the time when the city and state are receiving hundreds of millions of extra federal welfare dollars to support such initiatives. The City should instead go in the opposite direction, making the provision of real jobs the hallmark of its welfare to work effort. The City's and NYS' overreliance on make work programs, which for decades has been documented to be ineffective as a job placement or training program, is perhaps the major reason why the federal government has consistently ranked NY's welfare to work programs about the worst in the country. NYC has repeatedly refused to take advantage of federal laws that allows it to be use its welfare funds to create jobs.

Over the last two years there has been an unprecedented surge in the number of New York City residents using food pantries and soup kitchens, increasing by more than 50%. We have also witnessed a major increase in the number of households receiving food stamps. However, the number of households being assisted during this major recession by HRA has remained relatively stable, an indication that there are significant problems with how the welfare programs (TANF and Safety Net) are designed and implemented.

Increase Funding for Emergency Food

We concur with the testimony submitted by our colleagues at the New York City Coalition Against Hunger. Funding and Federation of Protestant Welfare Agencies that the funding level for the Emergency Food Assistance Program to pantries and soup kitchens needs to be substantially increased to reflect the increased need. Currently the Mayor has requested \$10.2 million for EFAP, We support an increase to \$13.2 million. This funding is used for the direct purchase of food and for capacity expansion efforts for over 500 EFAP food pantries and soup kitchens throughout NYC. In addition, funds are used to assist in the automation of Food Stamp enrollment at food pantries, soup kitchens and other appropriate locations.

Between September 2008-2009, participation in the SNAP/food stamp benefits increased by 22 percent. Participation rose from 1,297,108 in 2008 to 1,619,835 people, or 882,565 households in 2009. In total, federal SNAP/food stamp benefits brought \$2.6 million into New York City's economy last year. (The federal stimulus package gave \$568 million additional dollars to the SNAP program in New York City, on top of the \$2.1 million already given to the program). Yet routinely almost half of the families using emergency food pantries are not receiving SNAP benefits even though almost all qualify.

We also support restoring \$491,000 for an HIV Nutrition Contract. Last year, the Mayor put forth a proposed cut of \$491,000 to a HIV Food and Nutrition contract administered by the Human Resources Administration (HRA), which was later restored by the City Council. Unfortunately, this funding has not been included in the Mayor's Executive Budget for FY 2010-11. The Momentum Project, which receives this contract, provides over 40,000 congregate meals and approximately 29,000 pantry bags each year to more than 2,500 poor, homeless and low-income hardest-to-reach individuals living with HIV/AIDS. In addition to providing meals, The Momentum Project also educates, counsels, and links individuals to primary health care, mental health and substance abuse treatment, housing and other essential services.

Increase Access to SNAP / Food Stamps by Eliminating Fingerimaging

Fingerimaging fails to prevent fraud or save money and discourages people from applying. The rest of the state has already dropped the requirement for food stamp / SNAP cases. Given that 46 states have no fingerprinting requirement at all for food stamp benefits, USDA Under Secretary Kevin Concannon recently stated in a letter to the State of New York: “More cost-effective alternatives to finger imaging should be actively considered both as a cost savings and as a means of program simplification... Most States satisfy the requirement to establish a system to prevent duplicate participation by matching names with social security numbers, which is far less costly than finger imaging yet is equally effective at detecting duplicate participation.”

The City can *save* \$800,000 of tax dollars simply by ending the costly, duplicative, ineffective, and punitive process of gathering finger images from every SNAP/food stamp applicant. If wages/personnel costs were to be included in the total amount spent on enforcing the finger imaging requirement, the NYC Coalition Against Hunger believes the amount spent on this policy would be far higher than \$800,000. Out of the \$800,000 that would be saved, NYCCAH proposes spending \$350,000 to expand the Food Stamps Paperless Office System (POS) that allows people to apply on-line for food stamp benefits at pantries and kitchens; spending \$350,000 to increase funding to increase the amount of – and improve the nutritional quality of – food distributed by the Emergency Food Assistance Program.

While this is not the subject of today's hearing, Hunger Action Network has many revenue options that the city, state and federal government should pursue to deal with the current budget crisis that is especially harm our city and state government. Certainly it is long past time to slash the federal military budget to provide funding for essential local services and domestic programs. We should also reverse the tax and corporate welfare policies of recent decades and make Wall Street bail out Main Street rather than visa versa. As someone who recently watch much of my retirement funds disappears do the greed and crimes of Wall Street and the banking community, the City should insist that the state stop rebating \$16 billion annually to Wall Street speculators and use the funds from the stock transfer tax to resolve our budget deficits. The city has a revenue problem, not a spending problem, and you should reject the efforts of the Mayor to primarily resolve this problem by slashing spending for essential programs.

Increase - not Cut - Funding for Jobs for Welfare Participants

A decade ago many welfare participants were heartened when they were told that welfare was going to focus more on helping them move into a job that would enable them to support their family. That promise has not been kept. Helping many of these individuals become employable would be a difficult challenge under any circumstances. It is of course especially difficult during a major economic recession. But the local districts and the state have failed to provide the basic training, education and jobs needed to make this happen, and both taxpayers and low-income New Yorkers have been hurt by this failure.

Last year Hunger Action Network released a report, [Evaluating a Decade of Welfare Reform in New York State: Putting Jobs into New York's Welfare to Work Program](http://www.hungeractionnys.org), which may be downloaded from www.hungeractionnys.org. The report documented the need for the city and state to substantially increase funding for transitional jobs and other wage subsidies programs from the annual one billion dollar surplus from the federal TANF (Temporary Assistance for Needy Families) program. The report found that while even most welfare officials admit that placing participants into jobs with a paycheck is most effective in helping participants become employable, only a tiny percentage (3.3%) of individuals are placed in such programs. The state instead relies heavily on make work programs (e.g., workfare or WEP); 40.5% of the TANF caseload in NYS is engaged in workfare or community service, compared to 23.7% nationally. The state and local districts

have also failed to make education (10.9%, compared to 21.3% nationally) and job training (under 1%) available to participants.

Over the last year, the federal government has made an additional \$1.2 billion available to New York to pay for jobs programs and one-time payments to TANF eligible households (families with children with incomes below 200% of poverty); the remaining \$638 million unfortunately is still up in the air due to the failure of state lawmakers to adopt a budget. The delay is a concern since at the moment these funds must be spent by September 30, 2010. Approximately 70% of these funds are for NYC due to the size of its caseload.

The lack of jobs has always been the missing ingredient in welfare reform. Finally, the federal government, in order to respond to the unemployment rate that officially exceeds 30% for low-income Americans, agreed to provide a 4 to 1 match to states and local governments if they will provide jobs for low-income workers - and you can even use federal dollars to pay for the state match. Last year's state budget included for the first time \$25 million for transitional jobs which includes paid training and education; and \$7 million each for green and health care jobs, as well as increased spending for wage subsidy programs and career pathways. Studies of similar programs nationwide and in NY show they are more successful in increasing employability and earnings of participants that make work programs (e.g., WEP).

Instead of seizing the opportunity to use these federal dollars to give jobs to people, the Mayor has instead proposed eliminating 1,056 out of the 2,322 Job Training Participant positions in the Parks Opportunity Program in 2010 and 2011. The city anticipates that this budget action will reduce funding by \$1.7 million in FY 2010-11 and \$3.9 million in the out years.

Transitional jobs are much better in promoting career advancement than the Work Experience Program (WEP), which places welfare recipients in unpaid workfare assignments. Rather than receiving a welfare check, transitional job participants receive a real paycheck. JTP participants spend four days a week at an assigned worksite and one day a week at vocational training, education, employment skills counseling, or job search.

The City's official unemployment rate is 10.2%. More than four hundred thousand NYC residents are out of work. And the recession has hit the poor much harder than other segments of our society. According to the Center for Labor Studies, 30.8 percent of households with incomes below \$12,500 tried but failed to find work during the fourth quarter of last year — more than five points higher than the overall unemployment rate at the peak of the Great Depression.

Hunger Action Opposes Cutbacks to Homeless Programs

Hunger Action endorses the positions outlined by the Coalition for the Homeless with respect to the Mayor's proposed cuts to homeless services and programs. (attached below)

At a time of all-time record homelessness and double-digit unemployment in New York City, Mayor Bloomberg has proposed sharp cutbacks to vital services that help homeless and at-risk New Yorkers. Combined with enormous State budget reductions proposed by Governor Paterson, the Mayor's proposed cutbacks are the most severe in New York since modern homelessness began, and would lead to further increases in New York City's homeless population.

Mayor Bloomberg's FY 2011 Executive Budget proposes dramatic reductions in funding for the following vital services:

- Shelter and services for street homeless New Yorkers
- Homelessness prevention

- Mental health and medical services for homeless individuals
- Emergency shelter for homeless and runaway youth
- Support services for homeless people living with HIV/AIDS
- Employment and housing services for homeless families

Governor Paterson has already proposed more than \$100 million in State budget cuts to emergency shelter and other core services. Combined with the Governor's threatened cuts, Mayor Bloomberg's proposed budget reductions would lead to significant increases in homelessness and sharply reduced services for some of the most vulnerable New Yorkers.

1. Shelter and Services for Street Homeless New Yorkers

The Mayor's proposes eliminating \$970,000 in funding for 40 "safe haven" shelter. In addition, the NYC Department of Homeless Services has already closed the Open Door, the city's largest drop-in center serving street homeless New Yorkers, resulting in an additional cutback of \$2.4 million. There are now only five drop-in centers citywide, compared to 11 centers in 2007.

2. Homelessness Prevention

The Mayor proposes dramatic changes to the NYC Department of Homeless Services' Home Base programs, essentially shifting the programs away from prevention services and towards case management and re-housing services for homeless families residing in welfare hotels. This proposed reduction of \$7.6 million relies on Federal stimulus funds to make up for some cutbacks in City tax levy funds.

The Mayor's Executive Budget fails to include \$250,000 in funding for the "Homelessness Prevention Fund," which provides rent arrears grants to help families and individuals at risk of eviction stay in their homes.

The budget also fails to include \$2.25 million in funding for anti-eviction legal services, which assist at-risk tenant households, and an additional \$1.5 million in civil legal services, which partly fund housing court cases.

The Mayor's budget also fails to include \$500,000 in funding for housing court information tables that assist tenants at risk of eviction.

3. Mental Health and Medical Services for Homeless Individuals

The Mayor's Executive Budget proposes cutting \$1.7 million in funding for mental health and medical services for homeless adults in 12 shelters. City officials say this includes eliminating mental health services and staff at so-called "next step" shelters, which have a significant population of people living with mental illness who receive no other treatment. Psychiatric staff at these shelters also assist in the completion of supportive housing applications.

The budget also proposes eliminating \$360,000 for contracted Medical Review Team services which review medical records of homeless adults, including individuals returning to shelter after hospitalization.

4. Emergency Shelter for At-Risk Homeless and Runaway Youth

The Mayor's Executive Budget fails to include \$5.42 million in funding for emergency shelter beds for at-risk homeless and runaway youth. These shelters primarily assist lesbian, gay, bisexual, and transgender youth who have historically been threatened in or badly served by larger homeless youth shelter facilities.

5. Support Services for Homeless People Living with HIV/AIDS

The Mayor's budget proposes \$4.2 million in cutbacks to the NYC Human Resources Administration's HIV/AIDS Services Administration for case management services for homeless and formerly homeless individuals living with HIV/AIDS, representing a reduction of nearly 30 percent of the case management staff. These case managers provide access to housing assistance, health insurance, nutrition assistance, and other public benefits.

The budget also fails to include \$1.9 million in funding for supportive housing case management services for homeless and formerly-homeless people living with HIV/AIDS. This would amount to a cutback of funding nearly twice as large when the State match is included, and would affect more than 4,000 individuals living with HIV/AIDS.

6. Employment and Housing Services for Homeless Families

The Mayor's Executive Budget proposes cutting \$1.1 million from re-housing and employment services for homeless families (some of which will be taken up by Home Base Programs), and \$372,000 for employment specialists in 13 family shelters. The Mayor proposes these cutbacks at a time when he is also proposing restricting rent subsidies only to homeless families with employment income.

The budget also proposes eliminating the "Furnish a Future" program, which provides furniture for families moving from shelter to housing, for a cut of \$859,000.