

**Testimony of the Hunger Action Network of New York State
Before the New York City Council General Welfare Committee
Oversight Hearing: Effects of the Recession on the Public Assistance Caseload and
the Barriers Public Assistance Applicants Face
September 13, 2010**

Hunger Action Network of New York State is a statewide membership organization of emergency food programs, advocates, faith groups and low-income individuals whose goal is to end hunger and its root causes, including poverty, in NYS. We have an office in NYC.

I want to thank the Welfare Committee of the NYC Council for holding this hearing on how well the city's welfare program is helping poor New Yorkers during this recession, and what some of the barriers are to accessing these programs.

The general answer is that welfare is doing a very poor job during this recession. Despite the greatest recession in more than 70 years, the number of individuals receiving welfare has remained relatively flat, with only a modest increase in recent months, compared to the significant increases in enrollment in the food stamp program. The number of NYC residents receiving help from food pantries and soup kitchens has increased by more than 50% over the last two years while the HRA caseload has remained relatively stable. This disconnect between the economic context and social services indicate that either the state's safety net is inadequate or that there are too many barriers to the safety net, or both. In addition, the continued support in New York for a Jobs First approach to welfare to work, despite the state's documented failures and shortfalls in such efforts, creates barriers to individuals receiving the assistance they need, including pressures to divert eligible individuals and households away from public assistance.

At the local level, changes are needed to make it easier for apply for assistance, including reducing wait times and better treatment of clients. There needs to be an improved, standardized intake form to ensure that issues such as disabilities, domestic violence and emergency needs are better met. HRA should reduce its excessive rate of sanctioning, including supporting allowing individuals to restore benefits once they have taken corrective behavior. HRA should modify if not end its Jobs First approach to welfare reform while increasing its support for education and training. HRA should aggressively expand its transitional jobs program. The City Council should also urge Congress to improve TANF as part of its pending reauthorization to better address the realities confronting low-income households. Reducing childhood poverty should be an explicit goal of TANF. More funding at the city, state and federal level must be dedicated to providing living wage jobs for low-income New Yorkers.

Welfare is No Longer An Adequate Safety Net

A September 2010 national study by the Institute for Women's Policy Research found that in 2008, 88 percent of impoverished women with dependent children were going without support from the Temporary Assistance to Needy Family Program; NYS had a slightly better track record at 83.1% and presumably would do better if figures from the state's constitutionally mandated Safety Net Program were added. However, it is very clear that the welfare system no longer helps most people in Need.

Data compiled last year by SCAA found that the percentage of eligible poor children receiving public assistance has dropped in half since welfare reform was enacted, from about 2/3 of eligible children to less than 1/3. What is important to note is this reports the drop in the percentage of eligible children receiving help, rather than the even more draconian drop in the number of children eligible for assistance due to stricter rules. This shows that the administration of the welfare system in NYS has become much of a significant barrier to receiving assistance.

NYS has done a good job in recent years in promoting increased participation in the food stamp program. Unfortunately, NYC is the only place in the state that continues to waste resources on a finger imaging requirement for food stamp applicants. This acts as a barrier to individuals applying for food stamps.

Unlike food stamps, HRA and New York State continues to discourage people from applying for public assistance. Largely this is a reflection of the desire to pressure individuals to find jobs instead. While we have always argued that this philosophy ignores the reality of the job market that many low-income households face, as well as ignoring the many multiple barriers that particular individuals face in becoming employable, this philosophical approach is especially dangerous and counterproductive at a time when unemployment among low-income Americans is the 30% range.

Problems with HRA Performance

Prior studies of HRA performance by groups such as the Federation of Protestant Welfare Agencies have identified problems such as high denial rates due to burdensome application requirements, long wait lines at application centers with little and incorrect information provided, presumptive fraud investigations, agency mishandling of client cases, failed communication systems, and the rampant and arbitrary sanctioning of clients.

A 2009 report by the New York City Public Advocate, Hearing Problem: An Analysis of the Human Resource Administration's Fair Hearing Outcomes in New York City, there were 130,086 Fair Hearing requests related to the Cash Assistance program in 2009, and the agency was affirmed only 3.6%, or found lacking 96% of the time of the time. Fair Hearings are on the rise. Between 2000 and 2008 HRA spent \$58.6 million on Fair Hearings.

Earlier this year Hunger Action Network conducted a survey of the performance of local Social Services districts in assisting needy families with public assistance, food stamps, emergency assistance, domestic violence and disability concerns. NYC and HRA was included in the survey. Individuals who work on a daily basis with low-income households were surveyed about how well local districts were meeting the needs of their clients.

The results were quite disturbing.

The survey results indicate a very significant, even systemic, problem with the provision of emergency assistance statewide. Nearly three-quarters of the respondents (73%) answered that districts do not inform applicants about Emergency Assistance that they might need.

The report finds system-wide problems with local district performance. Such performance acts as a major barrier to households accessing the benefits to which they are entitled. A high number of respondents indicated that local districts do not adequately inform applicants about the entire range of services and programs meant to address the critical needs of New Yorkers in trouble. Local districts were not adequately screening applicants for disabilities or providing accommodations for such disabilities. (NYS OTDA for at least five years has told advocates that they would soon be implementing a screening tool for disabilities for local districts; it has still not been implemented. Many applicants and participants are not treated with the necessary and requisite respect.

HRA and OTDA will undoubtedly dispute the survey findings, citing their own internal data show a better performance. A major problem however is that our survey respondents indicated that applicants were often discouraged from applying in these early stages or were unable to apply at point of first contact, delaying the provision of services while also failing to trigger the timelines as to when services are to be provided. HRA is notorious for its chaotic waiting rooms, making applying for assistance a Kafkaesque endurance test. Hunger Action has long advocated for establishing some form of case record at the moment that an individual

has her or his first contact with the district, enabling the state to better monitor what happens to such individuals, not only after applications have been filed but in the process leading up to the filing of the application, which can be crucial, especially as concerns the timeliness and efficiency of service and the fairness of determining eligibility.

Hunger Action Network is member of the Public Assistance Access Campaign coordinated by the Federation of Protestant Welfare Agencies (FPWA). We agree with the campaigns recommendations.

In the areas of applications:

- Bring the Cash Assistance application process in line with the Food Stamp and Medicaid processes. These programs have made the application process more accessible thereby reaching a higher percentage of income eligible households.
- Implement online benefits screening and application, facilitated enrollment, phone interviews or home appointments.
- Proactive screening and assistance for applicants who need help getting through the application due to disability, low literacy levels, domestic violence
- Ensure that notices are written at the appropriate reading level.
- Adopt adequate screening of applicants for exemption from job search requirements due to food or housing crises, disability, domestic violence, child care needs, etc.
- Increase capacity to meet the need for translation and interpretation services.

With respect to the issue of diversion, we support:

- making the application process more open and transparent. For example, provide clear information to applicants of their rights during the application process (e.g. right to submit an application); develop a "Know your Rights" document to be included in the client orientation materials and to be posted on the walls at HRA centers.
- ensuring that clients get applications as soon as they walk in the door (e.g. provide a bin at the doorway, assign an HRA greeter to hand out the applications and direct applicants to the appropriate place).

Reduce HRA's Excessive Rate of Sanctioning

Sanctioning is when individuals are penalized for failing to comply with some requirement of the welfare system, such as failing to attend an appointment or to do a work assignment.

New York has an excessive rate of sanctioning of welfare participants. From July 2006 to June 2007, on a monthly basis there were 32,714 individuals in sanctions. This was an increase from 26,800 sanctioned recipients in 1998, a 22% increase in the number of sanctions even though the caseload had been cut by more than half. (The caseload declined 61% between July 1997 and July 2008.) In June 2007, there were 226,252 adults receiving public assistance. Thus 14.5% of the caseload had been sanctioned.

If a participant misses a work appointment they often find their benefits reduced or terminated for several months even if there is a valid explanation for the incident – and in many cases the failure was on the part of HRA or the local districts to properly record the appointment in the first place. Advocates complain that districts often fail to work with the participant to correct problems (e.g., if your child gets sick, you need to develop an emergency plan for child care).¹ Such sanctioning policy does nothing to assist the individual in becoming more employable.

¹ NYSOTDA contends that “districts routinely accept good cause reasons for noncompliance and often do not move to sanction even when the client does not have good causes for missing a required assignment.” They state that “each individual is provided several opportunities (conciliation, conference, fair hearing) to provide information regarding the reason for missing a required assignment.” OTDA also says that the high sanctioning rate reflects moving in 2005 to a “transaction-based approach to measuring sanctions, which would capture sanctions of very short duration or those applied retroactively, and may include duplicate sanctions.”

Changes that should be made to HRA's sanctioning practices include:

- HRA needs to implement stronger protections to prevent wrongly applied sanctions. An agency and worker accountability system needs to be put in place.
- HRA should end the use of auto-posting.
- HRA needs to follow basic childcare protections and not assign parents to job search or other work activity without proper assistance to find suitable and safe care.

Several studies have found that the ultimate effect of the sanction process is not to move the most challenged families into the workforce, but to penalize the most challenged TANF families until they are no longer on the welfare caseload. It disproportionately impacts upon households of color and those with multiple barriers. The sanction is often due to administrative error.

In testimony to the Assembly Social Services Committee hearing on welfare reform in 2006, Don Friedman of Community Services Society testified that

“The imposition of sanctions has played a greater role in reshaping welfare recipients' day-to-day experiences than time limits. New York has imposed a punitive sanction-driven system, such that one missed appointment or rule that is not followed (or interpreted as not followed by the caseworker) initiates the sanction process. The notion that sanctions work as a "tool for pushing recipients toward independence" by enforcing compliance is not accurate, since a high percentage of those sanctioned have been identified as having a disability.

“In addition, a disproportionate number of those sanctioned face multiple barriers to self-sufficiency including that they are less likely to have earned a high school diploma or GED, to have worked recently, or to own a working phone or car. They are more likely to have health problems, to have recently sought assistance from a food pantry, to have a substance abuse problem or to live in substandard housing. TANF-receiving adults in sanctioned status are more likely to have dropped out of high school, and to have reported transportation, child care or health difficulties (March 2000 GAO study). Furthermore, sanctioned households are more likely to be African American, younger, and less educated, to have been in an abusive relationship within the past year, to have health problems or to have children with health problems, and to have higher levels of financial strain even before the sanction was imposed.”

At the same hearing, Heidi Siegfried of the Partnership for the Homeless stated:

“Sanctions are often imposed because the local district is not providing necessary supportive services. Sometimes participants are sanctioned because they do not receive notices of required meetings, either because the local district failed to send them or because of problems with mail in the neighborhoods in which low-income people live. Sanctions are likely to be applied arbitrarily and to people whose supportive service needs are not met and punish recipients with the most severe barriers to employment. Cases are often re-budgeted incorrectly once wages are reported. The loss of \$230 (one third of the benefit of \$691) to a family of three in New York City is a significant loss in benefits and is a meaningful sanction for a parent who is not able to comply with work requirements.”

Jillynn Stevens of the Federation of Protestant Welfare Agencies reported:

- **Racial disparities:** 31 percent of whites and 56 percent of other racial groups sanctioned; 75 percent of whites reported that they were informed prior to imposition of sanction, but only 58 percent of Latinos and 53 percent of Blacks reported receiving notice of sanction status.

- Most common reasons for sanction: Missing appointment and failing to submit required paperwork; only 12 percent for work-related reasons. Sanctions were also imposed for failure to provide info about fathers and for behavioral problems.
- Hardships: Infants and toddlers in sanctioned families had 90 percent higher risk of being hospitalized and 50 percent higher risk of food insecurity. Families in sanctioned status were three times more likely to experience material hardship such as homelessness, eviction, hunger, or moving in with others. Forty five percent of sanctioned mothers experienced at least one material hardship, such as utility shutoff, economic hardship, and resorting to desperate measures like searching in trash cans for food or other basic necessities.

Similar to Mr. Friedman, Ms. Stevens noted that “mental health problems, less education, poor health, lower employment rates/earnings, transportation problems, poor housing conditions, greater financial difficulty, and substance abuse issues were all found to be strong predictors of families being in sanctioned status.”

Similar results were reported in "Sanctions and Welfare Reform." Welfare Reform and Beyond, The Brookings Institution. Bloom, D. & Winstead, D. (January 2002).
<http://www.brook.edu/dybdocroot/es/wrb/publications/pb/pb12.pdf>

“While the PRWORA's main emphasis focused on placing public assistance recipients in work, sanctions have actually played a more significant role in the lives of most clients. Their findings are comparable to other data that shows sanctions disproportionately affect the most vulnerable families with the greatest barriers to employment and self-sufficiency.... In many cases, sanctions have been imposed on clients who do not understand the program rules or who have not received proper communication from the social services agency informing them of all requirements they are expected to fulfill. In other instances, clients who have good cause for non-compliance are unable to effectively demonstrate it to prevent the agency from imposing the sanction. Often, sanction notices sent to clients are confusing or inaccurate, assuming that notices are sent to the correct address and received early enough to provide adequate time for compliance.”

Put Jobs into the Welfare to work program

New York State and HRA have also done a poor job with its welfare to work efforts, as has been documented in study after study, including by government agencies. Even the federal government evaluates the overall effectiveness of the state’s welfare to work effort as one of the worst in the country. Like many states, New York’s elected officials have sought to evaluate success primarily by looking at the reduction in welfare caseloads rather than in reduction in poverty. Individuals who have left welfare for work in New York have not escaped poverty due to low wages and limited hours and benefits.

Our report, Evaluating a Decade of Welfare Reform in NYS: Putting Jobs into Welfare to Work Programs, documented that welfare reform has been ineffective in improving the employability and income of most participants.

Welfare participants today are more likely to have multiple barriers to employment than a decade ago. To make such individuals employable require an increased investment in programs to assist such participants in overcoming such barriers. Subsidized employments (e.g., wage subsidies, transitional jobs) are the most effective welfare to work programs in moving participants into jobs, as well as keeping them there. Certainly NYC with its POP program has done better than the rest of the state in this regard. Both HRA and New York State have poor records in providing education and job training to welfare participants, thus failing to help them become more employable.

More so than other states, New York elected to prioritize workfare (e.g., Work Experience Program in NYC) in meeting the expanded work requirements for individuals under TANF. Other states heeded the warnings from numerous academic and government studies about the ineffectiveness of workfare.

The NY Times reported on April 12, 1998 that “an extensive examination...found scant evidence that workfare has accomplished one of its central goals -- moving a significant number of people from welfare to full-time work. Workfare has provided limited job training for many of the poorly skilled, poorly educated New Yorkers on public assistance. Much of the work is so menial that it offers few, if any, skills that employers demand. Participants receive little help looking for a permanent job; half of them get none at all. And there is no indication that many people have been able to use workfare as a springboard to a real job: a recent state survey, the first of its kind, found that after three months off the rolls, fewer than a third of those who left welfare in New York City found full- or part-time jobs on the books.” The Times added “Across the country, where the welfare caseload has dropped by about a third, local officials rethinking welfare have largely shunned workfare as an expensive program that has not been notably successful at getting people into real jobs.”

Academic and government studies since 1998 have all still concluded that workfare is ineffective, especially in helping individuals with multiple barriers to employments, which is now the majority of the HRA caseload.

The NYS Assembly Social Services Committee in its call for a November 2008 hearing on welfare to work stated:

A 2006 report by the federal Department of Health and Human Services (HHS) indicated that New York ranked 45 out of 50 states in work-related measures, including job entry, job retention, earnings gain and success in the workplace.

New York does not take full advantage of the training, education and work experience options allowable under TANF. It relies almost exclusively on unsubsidized employment, work experience, and community service to meet the federal work participation rate. The number of public assistance (PA) recipients participating in many of the activities that relate to education and training for advancement—such as vocational education, on-the-job training, and job skills training—is quite low. While federal law allows 30% of the public assistance caseload to be engaged in vocational education training, statewide, as of September 2007, only 14% of public assistance recipients were engaged in education and/or training activities (i.e. vocational education, job skills training, and educational training).

Moreover, performance data available on the Office of Temporary and Disability Assistance's (OTDA) Web site offers little encouragement that PA recipients are able to secure or retain employment. For example, data on New York State's Bridge program, whose activities include job readiness/job search activities, academic services, and short-term skills training, showed that as of July 29, 2008, of the 4,106 participants enrolled, 1,073 (26%) were placed and only 635 (15%) had a 90-day job retention rate.

At the hearing, the NYS Legal Aid Society stated that based on their representation of thousands of clients in NYC, the most pressing problems are:

First, public assistance application rules interfere with clients' ability to secure jobs and keep them;
Second, clients who make it through the application process suffer an unacceptable number of sanctions which affect their ability to leave welfare by disrupting child care, educational activities and exacerbating housing instability;
Third, clients have difficulty accessing education and training necessary to meet their needs;
Fourth, clients who find work suffer unnecessary case closings which prevent them from making a smooth transition from welfare to work and adversely affect the State's TANF participation rate; and
Fifth, households that do find full time employment are losing out on the opportunity to receive federally-subsidized “transitional benefits.”

New York's Jobs First approach to welfare reform has impeded the effort to make welfare participants economically independent and needs to be formally rejected. State and local officials argue that it is most effective to place participants in any jobs, no matter how dead end or low paying, and then provide them with the education and training needed to help them become more employable. It is true that the most effective programs are those that combine a real job with education and training. Unfortunately Jobs First fails to do so because the state and local districts do not have effective programs to provide participants with needed training and education once they obtain employment.

In addition, New York State has failed to utilize the more than \$1 billion in extra jobs funds provided by the federal government over the last eighteen months to provide jobs and other income support for low-income New Yorkers. This is especially true in the last state budget cycle, as the state became more familiar with how to manipulate the federal rules to divert the funding to fiscal relief instead. Only \$8 million of the \$638 million provided by the federal government ended up in welfare jobs programs in the 2010-11 election cycle, down from around \$70 million in the 2009-2010 cycle. Other states spend far more of these jobs for welfare participants dollars on putting people to work.

Change the National TANF Program to Improve Welfare to Work

It would be helpful if the NYC Council weighed in with Congress on the pending reauthorization of the TANF programs to restore its role as a safety net.

America's safety net often fails to meet basic needs, reward work, or strengthen families and communities. Too many working families earn low wages, leaving them unable to support their households. In addition to the need to create millions of jobs, the jobs that presently exist often pay poverty level wages while offering little opportunity for advancement. We need to improve the skills and incomes of low-income youth and adults, and build pathways to reconnect our more vulnerable individuals. We need to create more equitable labor markets, not only with respect to wages but also with respect to work schedules, leave and sick pay.

As part of TANF program reauthorization, anti-poverty advocates want to revisit some of the basic premises and goals of the program (e.g., poverty reduction, strength of safety net, job creation). Reducing child hood poverty - say by 50% within ten years - should be a stated goal. Changes are needed with respect to work participation quotas; what is defined as work, including what education and training counts; what exemptions should be provided; size of the block grant; provision of services such as child care and other transitional benefits; etc.

A recent paper by the Center for Law and Policy² outlined some recommendations to be addressed as part of TANF reauthorization. Several are included below.

Improve Workforce Education and Training Programs

Congress should align adult education, job training, and higher education policies to create pathways to the postsecondary educational credentials that are increasingly the door to the middle class, and stable employment in jobs that pay family sustaining wages. Workforce development, economic development, and community development should also be aligned. Workforce Investment Act, English as a Second Language (ESL) and GED-oriented adult education programs should be refocused on promoting transitions to postsecondary education and training; and workforce investment programs that currently emphasize rapid labor market attachment should be refocused on developing education and training pathways from low-wage to high-skilled jobs and implementing holistic programs such as transitional jobs programs that help individuals address barriers to employment and get connected to jobs.

² CLASP Federal Policy Recommendations for 2009 and Beyond

Improve TANF and other safety net programs so that all families have necessary works supports and TANF focuses on positive outcomes for families and reducing poverty.

Since TANF started in 1996, the share of single mothers who are employed has increased dramatically, but they have joined a labor market full of low-wage jobs that do not provide enough income to make ends meet, jobs that often force workers to choose between their jobs and their responsibilities as parents. The next TANF reauthorization should give states more flexibility to develop welfare-to-work programs that meet the needs of a diverse group of recipients, engage participants in skill-building activities, and shift the focus from work participation rates to outcomes and poverty reduction.

States should have flexibility to exempt from time limits those who comply with program requirements but still need help to meet family needs. This includes people in education and training programs that require extra time for completion. States should also have increased flexibility to exempt part of their caseloads from time limits on the basis of special needs, such as multiple barriers to work, including care giving responsibilities. Time limits on transitional benefits should also be extended since many workers fail to obtain them from their employer after only the first year of employment.