

**Testimony of the Hunger Action Network of New York State  
To the Joint Hearing of the Assembly Ways and Means  
And Senate Finance Committees  
On the 2006-07 State Budget and Human Resources**

My name is Mark Dunlea and I am the Associate Director of the Hunger Action Network of New York State. HANNYS is a statewide membership organization of direct food providers, advocates and other individuals whose goal is to end hunger in New York State. Each week, more than 900,000 individuals turn to food pantries and soup kitchens to help feed their families.

HEAP – An additional \$170 million on top of \$100 million emergency appropriation

We appreciate the Assembly and Senate making a \$100 million emergency appropriation for HEAP. However, an additional \$160 million is needed merely to keep pace with the increases in heating bills since last year.

One additional funding source that the state should consider for a HEAP supplement is auctioning off the tradable carbon emission permits that will be created under the Governor's proposed Regional Greenhouse Gas Emission initiative with the northeastern states. It is long overdue for the state to take even limited action to mitigate the devastating environmental and economic impacts that we will witness from climate change. Energy taxes and fees most negatively impact upon low-income consumers however and it is critical that such initiatives be accompanied by a low-income offset. The permits will be worth billions of dollars. The state should capture this income through the auctioning process rather than distributing the permits for free to existing air polluters.

Reject the Governor's Proposed Cuts in Welfare Such as the Full Family Sanctions and Reductions in the Earned Income Disregard

The Governor once again proposes the "full family sanction" for families on welfare. Under this proposal, if the head of a household on welfare fails to meet work requirements, the family's entire public assistance grant would be withheld. In addition, he proposes penalties for counties that fail to meet a 50 percent work participation rate.

We continue to oppose full family sanctions as an anti-children, anti-care punitive action.

Sanctioned families are punished enough without cutting of all subsistence. The only objective of this change is to ensure that the children suffer as well. Many sanctions are imposed because of agency errors, or because improper demands are made of people with disabilities or other serious limitations – this proposal severely compounds the harm caused by these errors. Cutting off all benefits to families doesn't increase the rate of compliance, but it does impose severe hardships on families.

At a meeting Hunger Action Network had several years ago with OTADA Commissioners Wing and Doar, we asked them to describe the population that they habitually refer to as the "happily sanctioned" – cases where the parents are denied benefits for noncompliance with various work rules but the children continue to receive benefits. They told us that it was primarily individuals who were providing care for disabled children or for older adults who needed long-term care. We expressed our amazement that they had invested so many years of rhetorical attacks against this population. Thus we are stunned to find this proposal for full family sanctions once again being floated, and trust that the Legislature will not join in this callous attack on children, the disabled and senior citizens.

Make Work Pay – Don't Cut the Earned Income Disregard

The Executive Budget would modify the amount of earnings that are disregarded in determining eligibility for cash assistance. For recipients receiving welfare for less than five years, the disregard would slightly be increased to 50 percent of earnings. However, the disregard would be reduced to 25 percent for families on welfare for more than five years.

It is contrary to the professed goals within welfare reform of valuing work and helping households become economically self-sufficient. A much fairer solution would be to raise the minimum wage so that workers earn enough to escape poverty and welfare.

The reality is that almost all individuals on welfare who find work obtain wages so low that they are unable to escape poverty. Welfare participants want jobs that lift them out of poverty. As usual, the Governor ignores these facts. He should “make work pay” by raising the minimum wage and investing in job creation initiatives to provide living wage jobs for welfare participants, unemployed individuals and other low-income workers.

We once again recommend the Empire State Jobs Bill (A8276) to create 8,000 transitional jobs for welfare participants. These jobs, unlike workfare, replace a welfare check with a paycheck while providing real work experience and job training.

#### Don't Increase the Size of the Flexible Family Fund

Under the Governor's budget, nearly all TANF surplus funds that are not allocated to the Earned Income Tax Credit or State Operations would be allotted to the \$1.025 billion FFFS. The total amount in the FFFS is \$25 million larger than proposed last year. Monies are not limited to a particular program, but can be used for any TANF supported purpose. Certain programs are carved out of the FFFS and funded through separate TANF appropriations: Advantage Schools; Home Visiting; Food Pantries; Pregnancy Prevention; APPS; School-Based Health Centers; WIC; an Alternatives to Incarceration.

All legislative additions to the 2005-06 budget were incorporated into the FFFS and may be continued or eliminated at county option. These legislative additions have been for education, training and supportive services that should be the focal point of the TANF surplus spending.

We were not supporters of the Governor's effort to block grant the TANF surplus to the counties last year. We are concerned that there appears to be a significant decrease in funding support for employment and training programs as a result.

However, it makes no sense to further increase the size of this block grant program without any effort to analyze the impact of the first year. So far this is little accountability for the block grants, with counties not even required to report back to the state as to how the money was actually spent.

In addition, the increased work participation requirements that will be soon mandated by the federal government will require a major increase in child care funding. This is not provided for under the block grant process. Child care funding was inadequate even before the increase in work participation requirements.

We are also concerned about the huge and growing percentage of the TANF that is going to the Earned Income Tax Credit and dependent care tax credit. While we are supportive of this initiative to supplement the income of poor working families, we believe this should be funded out of the general revenue stream like other tax credits. These credits now account for nearly \$2 billion of TANF funds.

A more appropriate use of the TANF funds expended on the EITC would be an increase in the welfare basic grant, which has not been increased since 1990. With welfare now a work first program in NY, it is disgraceful that we continue to force so many children and their caregivers to live in abject poverty without decent housing and often subjected to hunger.

We support an additional \$8 million of TANF funds for the Hunger Prevention and Nutrition Program, which is \$2 million lower than it was four years ago.

### New York Needs to increase ACCESS TO ONGOING EDUCATION AND TRAINING

New York State should increase funding for education and training programs, including for welfare participants.

The promise of welfare reform was that it would help move individuals from welfare to work. This included helping them address barriers to employment, such as a lack of education. When Governor Pataki several years ago vetoed legislation to make it easier for welfare participants to access basic education programs such as GED and ESL, one of his arguments was that he wanted to wait until Congress reauthorized TANF. That is expected to happen shortly as part of the final budget reconciliation.

Education is the surest route to a better future for our families. To compete in today's job market, New Yorker's need a solid education that will provide the skills and background that employers require. Consider, for example, that NYS Department of Labor identifies teaching, nursing and electronic data processing among the top 25 occupations for job openings through 2008. Their statistics make it clear that jobs requiring the least education will experience the slowest growth over the next decade, while the number of jobs requiring at least an associate's degree is expected to grow 31%. The federal Department of Labor estimated that as of the year 2000 the majority of new jobs required post-secondary education; in NYC, they estimate that 75% of the major employers require at least two years of college for entry level positions.

Yet, higher education is becoming unattainable for many families. Soaring tuition costs and constant threats to financial aid put college out of reach for many, despite the fact that college degree recipients earn nearly twice as much as high school graduates over the course of their lifetime.

Welfare recipients in New York face even greater barriers to accessing the education and training that would help them transition to decent work. According to the NYS Education Department, over half of adult welfare recipients in New York State do not have a high school diploma or General Educational Development (GED) degree and an estimated 40 percent read at less than an eighth grade level. Enrollment in adult literacy, English for Speakers of Other Languages (ESOL), high school equivalency classes, college, and vocational training has been drastically reduced due to welfare policies that limit access to education and training. For example, since 1995, the City University of New York (CUNY) has lost over 21,000 students who were on public assistance.

This lack of commitment to education and training contradicts the fact that higher levels of education produce higher earnings return. According to data of full-time workers age 25 and over from the 2002 Bureau of Labor Statistics, college graduates earn a median weekly wage of \$941, while high school graduates without a college degree earn \$536, and those without a high school diploma earn \$388. Research by the Howard Samuels State Management and Policy Center, CUNY Graduate Center, also shows that 88 percent of four-year college graduates on welfare move permanently off welfare.

In addition, public opinion supports access to these services as a way to greater economic security. When asked what would most help people on welfare to get jobs, 77 percent of low income New York City residents and 76 percent of moderate and high income New York City residents said training and education. Only 3 percent of low income residents and 6 percent of moderate income residents said tougher work requirements. A majority (89 percent) of moderate and high income people and low income people (72 percent) identified skills acquisition (training and higher education) as their first or second response for what government benefit would most help poor families get ahead (telephone poll conducted by Lake, Snell, Perry, and Associates for Community Service Society and United Way of New York City, July 14-August 1, 2004).

New Yorkers should have access to ongoing education and training. People on public assistance should be encouraged to engage in education and training activities, and participation in these activities should count as meeting work requirements.

### College and Welfare

New York State create a Parents as Scholars Program (PaS) that would provide support for TANF eligible adults to pursue 2-year and 4-year post-secondary education. Funding should be provided to pilot a PaS program in a number of counties.

Maine Parents as Scholars program sends TANF recipients to college for a two-year or four-year degree program using funds from the federal block grant for the first year because 12 months of education are countable as a work activity for the federal work participation requirement. The following years are funded through money from the Maintenance of Effort Requirement.

Because these are state funds, there is far more flexibility in how it is to be spent. Furthermore, because these are state dollars, the individuals who pursue post-secondary education with these funds do not count toward work participation rates and the years spent in the program do not count against federal time limits.

PaS participants are given the same cash assistance as they would receive under TANF and receive a vast array of supportive services such as childcare assistance, transportation reimbursement, books (where not covered by financial aid grants), etc. Participants are required to maintain above a 2.0 grade point average and after the first two years, part-time work or internship is required in addition to education.

PaS graduates increased their median income to \$11.71 per hour. 82.4% of PaS graduates are already employed. Of that 82.4%, nearly 90% have already left welfare. 92.9% of working graduates reported that they were offered benefits packages. 71.4% of graduates are now insured through their employer.

60.7% of PaS graduates are given paid sick leave, while only 36.9% of non-participants who leave welfare are offered sick leave through their employer.