



FEDERATION OF PROTESTANT WELFARE AGENCIES

TESTIMONY

of

The Federation of Protestant Welfare Agencies

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**

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My name is Liz Accles and I am the Senior Policy Analyst for Income Security and Early Childhood Education at the Federation of Protestant Welfare Agencies (FPWA). I would like to thank Chairwoman Palma and members of the General Welfare Committee for the opportunity to testify today and for your leadership on behalf of low-income New Yorkers.

FPWA is a membership organization with a network of human service organizations and churches that operate over 1,100 programs throughout the New York City metro area. Together we serve over 1.5 million low-income New Yorkers of all ages, ethnicities and denominations each year.

Since 1989, FPWA has led the Economic Justice and Social Welfare Network (EJSWN, formerly called the Welfare Reform Network), which was founded to provide a forum for welfare recipients and advocates to promote and advocate for an adequate and accessible public assistance system. EJSWN is a coalition of over 300 organizations and individuals representing communities across New York City, including social service providers; welfare, hunger, child care and housing advocates; grassroots organizations; legal advocacy groups; and current and former welfare recipients. Earlier this year the EJSWN's Policy Advocacy Committee launched the Access to Assistance Campaign, to work to dismantle barriers and increase access to public assistance benefits for eligible New Yorkers.

I will begin my testimony with an excerpt from a May 20, 2010 Bloomberg Businessweek column entitled *“The Mystery of Welfare and the Recession In many states, aid claims have gone down as the economic climate has worsened. Why?”* that was authored by Bloomberg

News reporter James Warren. Ron Haskins, a primary architect of the 1996 Federal law was quoted stating the following:

"It doesn't make sense," says Ron Haskins, who helped author the fundamental change in social policy as a staff director for the GOP majority on the House Ways & Means Committee. Unemployment is at 9.9% and nearly 40 million people are on food stamps. But between mid-2008 and mid-2009, as the recession took hold, New York, New Jersey, Michigan, and Texas were among states where cash assistance dropped, even as it rose sharply in Nevada, California, Colorado, and elsewhere.

Yet "unemployment and the length of unemployment increases, and welfare rolls are merrily going down!" says Haskins, now the co-director of the Brookings Institution's Center on Children & Families. He can't make sense of it.

Responsiveness to the Recession – Caseload Trend Comparisons

With New York City's unemployment rate reaching 10.5% in December 2009 and currently at 9%, access to the welfare safety net is more critical than ever to meeting the basic needs of low-income and unemployed New Yorkers. Welfare is the income source of last resort. Unfortunately, as documented in a report that the Federation of Protestant Welfare Agencies (FPWA) released last year that examines the outcomes of the first decade of New York's Welfare Reform Act, numerous barriers have prevented low-income New Yorkers from accessing public assistance. These include 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.

Over the past decade, the welfare caseload has declined dramatically despite an increase in applications – there was 35% increase in applications comparing 1997 and 2007. For those same years denials jumped from 26% in 1997 up to 42% in 2007.

The Supplemental Nutrition Assistance Program (SNAP - formerly the Food Stamp program) and Medicaid caseloads trends have gone in the opposite direction and have risen as expected during this deep recession. This is the result of proactive government initiatives that ease the application processes, facilitate enrollment, and produce highly visible advertising campaigns that effectively de-stigmatized the program. By contrast, the welfare caseload remains largely unresponsive to rising poverty and unemployment ensuing from the recession.

From July 2005 to July 2010 the SNAP (formerly Food Stamp) caseload in NYC increased by 64%, and the Medicaid roles increased by 9%. By comparison during that period the public assistance caseload dropped 17%. Since income eligibility standards for Family Assistance/Safety Net Assistance is lower than those for Food Stamps and Medicaid, welfare eligible households are poorer than the general Food Stamp and Medicaid population. This means that the poorest New Yorkers are encountering many unnecessary barriers when trying to access this critical benefit program.

Ensuring that eligible households are able to get and retain needed benefits has economic implications that reach way beyond an individual household. As with Food Stamps, welfare income also has an immediate, stimulative effect on the local economy because poor families spend their benefits in their communities.

New York City's Cash Assistance Caseload Trends and HRA's Philosophy

Difficulty accessing welfare is not new. People have always been treated harshly and grant levels, even at their highest value point, have left people struggling to meet their basic needs. Over the past 15 years however there has been a distinct and concrete difference – a much smaller percentage of income eligible households are able to make it through the process. This is a cruel but lasting legacy of the Giuliani administration. Regardless of broader economic and labor market conditions the welfare roles in New York City have continued on a downward spiral. Programs with higher utilization rates – such as food stamps and Medicaid – use a means tested application, which determines eligibility solely on whether or not the applicant meets specific income guidelines. Welfare policy, on the other hand, is laden with hurdles that often prove insurmountable, processes and attitudes that presume guilt until proven innocent, and barriers that are not found with the Unemployment Insurance Benefits program for the unemployed.

In the midst of the recession during a March 2010 City Council budget hearing, Commissioner Robert Doar boasted that the welfare case load is the lowest since 1963. He juxtaposed this with the jump in Food Stamp caseload and the agency's accomplishment of reaching more Food Stamp eligible households.

Earlier in 2010 in a meeting with then Deputy Commissioner Seth Diamond, the Economic Justice Network coalition made a simple proposal that HRA use the successful strategies implemented to reach and enroll Food Stamp and Medicaid eligible households for Cash Assistance. His response was simply that the agency is "philosophically opposed" to making these successful improvements for the Cash Assistance program.

HRA's steadfast adherence to its goal of keeping the welfare caseload low and its philosophical opposition to assisting with benefits access – explains the large discrepancy between the needs of the jobless during this Great Recession and a welfare caseload that has barely inched up . The results are cruel and antithetical to the primary mission of the agency – to provide access to resources to ease poverty.

Keeping the Cash Assistance Caseload Low

The welfare system is set up to make people fail. First let's consider the sheer number of mandatory eligibility appointments most applicants need to attend before receiving an eligibility determination. There are roughly 26 required appointments for applicants with children (twenty of which require reporting for seven hour days to a vendor to fulfill application stage work requirements) and 36 for households without children (with 30 that require a full seven hour day). Despite an applicant's best efforts there is the very real fear of missing an appointment and having the application rejected. Many applicants are in crisis with no income for food, housing crises, an adult or child with health problems, or in a domestic violence situation compounding the challenge of meeting onerous requirements.

Unlike some other benefit programs, welfare applicants must apply in person at an HRA center where some encounter misinformation; face unlawful diversions from center staff before even submitting an application; or are subjected to extraordinarily long wait times with no guarantee of an appointment with an HRA caseworker on the day that they appear. Numerous follow up appointments are usually required to comply with a variety of additional application requirements, such as mandated fingerprinting; reporting to bureau of eligibility review; and fraud investigations. Additionally, there is inadequate screening for exemptions from mandatory

work requirements and abusive treatment by HRA caseworkers who can be disrespectful, intrusive, insulting, and who hold a great deal of discretion when determining if an applicant is deemed compliant with requirements.

Barriers and Agency Error have Direct and Expensive Results

The New York State administered Fair Hearing system is the primary system of recourse available to households denied access to welfare. HRA has a shameful Fair Hearing record. According to 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.

Preliminary results of a recent survey conducted by the EJSWN to gather information about barriers faced in the welfare application process are stark, but not surprising. Survey respondents indicated that for applicants who could not access assistance: 36.9% faced eviction/homelessness, 73.8% experienced food insecurity – either did not know how they would feed their families presently or in the immediate future, 32% were unable to maintain or pursue employment, and 27% experience health problems or were unable to receive care. By not remedying preventable crisis, the city pays a far greater expense, for example, in the form of costly homeless shelters.

In addition, FPWA member agencies running a range of human service organizations – child welfare programs, domestic violence shelters, and senior service programs – witness their clients suffering and expend tremendous staff resources to resolve case issues. Their clients experience

tragedies as a result of barriers accessing assistance that seem unimaginable to most of us – the threat of a child being taken from home solely because there are no funds to secure food, or having to stay at a homeless shelter though other housing is available because your public assistance case is under sanction (reduction of benefits) that should never had happened if proper screening had happened.

HRA's Employment Assertions

HRA consistently claims that people who either don't make it through the welfare application process or have cases that are closed are working and doing just fine. However, according to United States Department of Health and Human Services data on the employment status of NYS TANF adults with closed cases from October 2005 to September 2008, 79.7% were without employment, which is a 5% higher rate than households with open TANF cases (74.7% are without employment). (US DHHS, "Characteristics and Financial Circumstances of TANF Recipients," <http://www.acf.hhs.gov/programs/ofa/character/index.html>).

The vast majority of households with either active or closed cases are both in the same desperate financial circumstances – just some aren't able to access the assistance they need.

Recommendations

FPWA and the EJSWN Policy and Advocacy committee have developed a series of recommendations for changes that are needed to address the major barriers faced by applicants and recipients.

Problem: Onerous application requirements

Solutions:

- 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.
- Applicants should have developed an individualized employment plan that includes their employment goals/work and educational interests which should include ABE, GED, college courses, and employer-sponsored trainings (such as provided in Delaware and Wisconsin).

Problem: Illegal Diversion – both before and after submission of application

Solutions:

- Make 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.
- Ensure 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).

Problem: Failure to adequately screen for disabilities & barriers

Solutions:

- Develop and implement a proactive screening process to assess physical and mental health disabilities, work limitations, domestic violence issues, low literacy levels, limited English skills and lack of child care. HRA should actively help clients through the application process, provide services and provide exemptions from work requirements where needed.
- NYC does not currently comply with US DHHS guidelines on screening for disability and is not in compliance with the Americans with Disabilities Act (ADA). NYC needs to come into compliance with these federal disability laws.
- HRA should develop an ADA compliance plan that lays out how it will comply with disability laws and provide HRA worker training on the plan.

Problem: System/Staffing/Worker Accountability

Solutions: HRA administrators, managers and line workers need to be held accountable for proper application processing and customer service (e.g. ensuring applicants get all emergency and ongoing benefits for which they are eligible.)

Problem: Communication system problems (computer scheduling of conflicting appointments with no mechanism for rescheduling, and not issuing receipts to verify attendance at key appointments and submission of documents).

Solutions:

- Update capacity and functioning of communications systems – phone, voicemail, fax, email
- Provide receipts for documents
- To improve communications to applicants/recipients with limited reading skills we recommend that workers be required to proactively identify and assist people with limited

reading skills, notices need to be simplified and, increased use of copies of notices be sent to additional person or organization designated by the applicant/recipient.

Problem: Failure to adequately assess and provide for immediate needs and supports

Solution:

- Distribute and post clear and visible notice of clients' rights to be screened for emergency assistance.
- There is a concern that not all applicants are screened for emergency conditions and issued appropriate services such as emergency cash assistance grants,

Problem: Very high sanction rates

Solutions:

- 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.

Thank you again for the opportunity to testify today. FPWA looks forward to working with you to bring about these necessary changes.