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Commentary/Op-Ed - November 2014

A New Day at HRA

Though the Human Resources Administration places more New Yorkers into jobs than any other city agency, providing clients with the support they need to find long-term employment has not been a priority for nearly 20 years. As new Commissioner Steven Banks prepares to take the agency in a new direction, CUF workforce fellow David Fischer outlines three principles for success.

by David Jason Fischer

The Human Resources Administration (HRA) is by far the largest New York City agency to offer employment and training services, requiring approximately 56,000 cash assistance recipients each month to engage in work activities as a condition of assistance. At approximately $168 million per year, HRA's workforce budget easily exceeds the combined workforce expenditures of the Department of Small Business Services (SBS) and the Department of Youth and Community Development (DYCD), the other city agencies primarily responsible for providing workforce services to adults and youth respectively.[1]

But despite the scale of its operations and the enormous amount of money spent, HRA has not really functioned as a workforce development agency for many years. Since the mid-1990s, its focus has been on cutting the public assistance caseload rather than providing recipients with the support they need to find long-term employment. In the words of Jason Turner, a welfare reform pioneer in Wisconsin who served as New York City's HRA Commissioner from 1998 through 2001, the mission of the agency essentially has been to "create a crisis" in the lives of public assistance recipients in order to spur them to work.

The basic idea behind welfare reform—that those receiving support should make a real effort to advance toward self-sufficiency—is in line with the social contract that underlies much of our system of governance. During the Giuliani and Bloomberg administrations, however, HRA went well beyond the idea of mutual obligation, effectively using cash assistance as a reward that recipients could earn only by navigating a series of obstacles and requirements. A large share of recipients—approaching half the caseload at times—fell afoul of complex and inflexible program rules, and saw their benefits reduced or eliminated, with punishment continuing even after they were back in compliance. The Work Experience Program (WEP) compelled recipients to perform menial work that did little or nothing to help them find permanent employment.

Although 60 percent of cash assistance recipients who are required to participate in work activities lack a high school diploma or equivalency, and about one in six has math and reading skills below a ninth-grade level, access to education and training was severely limited.[2]

This adversarial approach was effective in reducing the city's public assistance rolls: from 1.1 million in 1995, the caseload fell to fewer than 350,000 in 2013. But the city's poverty rate has remained stubbornly high, at around 21 percent, and a recent HRA analysis found that approximately one out of every four New Yorkers who moved from cash assistance into employment returned to the rolls within 12 months.

Mayor de Blasio's appointment last spring of Steven Banks as HRA's new commissioner left no doubt that the new administration would scrap the previous strategy. As head of the Legal Aid Society, Banks had repeatedly clashed with the agency over its welfare policies. Banks joked at his first press conference, "I've been at the Legal Aid Society through five mayoral administrations and this is the first one I'm not going to bring a lawsuit against."[3]

Testifying to City Council this past May, Banks offered a withering critique of HRA's previous practices. He explained howthe agency had inflated its gaudy job placement claims by including tens of thousands of New Yorkers who found employment on their own, after HRA had rejected their applications for assistance, and noted the outsized share of clients who became homeless after the agency closed their welfare cases.[4] Banks hinted that his predecessors had manipulated applications—staggering rejections and acceptance of reapplications—to keep the total caseload steady even through the Great Recession.[5] As proof that the agency's approach could not hold up to objective review, he cited HRA's low 10 percent victory rate in disputes with clients that went to a hearing.

Under HRA's new paradigm, the agency views cash assistance and other supports not as a reward for good behavior but a means to help sustain recipients while they take steps to improve their employability and earning power.[6] Earlier this fall, the full dimension of HRA's strategy came into focus when the agency released its biennial Employment Plan, which each of New York State's 58 social service districts must submit to the state Office of Temporary and Disability Assistance. Under the Plan, HRA proposes to:

- Greatly expand access to training and education, particularly for 18 to 24 year olds
- Replace WEP with different models of supported work activity
- Shift from standardized employment programs to customized approaches for serving shelter residents, foster youth, individuals with limited English proficiency, and domestic violence survivors
- Take a collaborative rather than confrontational posture towards clients
- Partner with other city agencies

In the charged context of welfare reform, these changes are certain to prompt criticism. Removing the politics, however, the new approach seems like nothing more than common sense. If policymakers perceive low skills and language barriers as an obstacle to employment, the logical response is to increase access to education and language programs. Thus, recipients up to age 24 now will be allowed to participate in full-time basic education beyond the current 12-month limit—a necessary provision for those with very low basic skills.[7] Further, cash assistance recipients enrolled in a four-year college program can count that as a mandated work activity. And the approximately 4,000 recipients with limited English proficiency can now participate full-time in English as a Second Language classes for up to 12 months, up from the previous two days per week.

In addition to education and skills, relevant and meaningful work experience is another powerful consideration for potential employers. But HRA's WEP program simply didn't deliver value: an internal evaluation found that 45 percent of placements ended in failure within six weeks. HRA will continue to phase out WEP as its existing contracts for employment services wind down, and pledges to replace it with "other more effective and sustainable work programs."

Finally, HRA seems ready to partner with other city agencies to better serve the clients they have in common. The Employment Plan proposes to work with the Administration for Children's Services (ACS) on a strategy for youth in foster care, and with DOE and DYCD on a broader approach to engaging young adults. Banks and others also have noted employment initiatives now in development by the mayor's Jobs for New Yorkers Task Force as a resource for HRA and its clients.

If effective, HRA's new workforce-focused approach to welfare reform will open up opportunities for tens of thousands ofNew Yorkers, strengthening the overall city economy and countless communities across the five boroughs. To this end, the Center for an Urban Future recommends three broad principles as HRA implements its plan:

1. **Quickly flesh out the new rules, and hold to them.** Encouraging as the Employment Plan is, it represents a vision rather than a fully developed strategy ready for implementation. The agency must move rapidly to fill in some of the gaps, such as what constitutes "sufficient progress" toward an educational credential and what models of subsidized or otherwise supported employment might replace WEP. Likewise, while HRA has eased requirements for cash assistance recipients and developed less confrontational procedures for resolving conflicts, the credibility of its reforms will come under question if recipients violate those rules with impunity.
2. **Provide strong and sustained technical assistance for contracted providers that will be doing business in a very different way.** The confrontational pose of front-line case workers for the past twenty years was no accident: from the initial tactic of "diverting" applicants for assistance to the high rates of sanctioning, the tacit idea of welfare reform here was to make the experience as unpleasant as possible. While HRA's policies are changing, for the most part the same workers will be charged with carrying them out. They will require time and support to internalize a new approach.
3. **Normalize welfare recipients within the workforce system.** One concern regarding HRA's role in workforce development has been that employers might be leery of a population stigmatized by receiving public assistance. While HRA's changes could well reduce that stigma, its clients will benefit by being presented to potential employers as no different than other New Yorkers served through employment programs. The de Blasio administration's moves toward creating a coherent and coordinated workforce system, rather than a set of programs siloed by agencies, should help to enable this change—as should HRA's new commitment to partner with other public actors.

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[1] New York City Office of Human Capital Development, "Following the Money: An Analysis of FY2013-FY2014 Funding for NYC Workforce Development and Adult Education," Dec. 5, 2013.

[2] HRA Biennial Employment Plan, Executive Summary: online at http://www.nyc.gov/html/hra/downloads/pdf/news/internet_articles/2014/oct_2014/EmploYPlan2014ExecSummaryAppendixfinal.pdf

[3] Yoav Gonen, "De Blasio picks ex-thorn to run HRA," New York Post, March 1, 2014. http://nypost.com/2014/03/01/blaz-picks-ex-thorn-to-run-hra/

[4] Banks testimony to NY City Council, May 19, 2014.

[5] The monthly average caseload in 2013 was 356,000, just 3 percent higher than the figure in 2009. The total that received assistance over the course of 2013, however, was 602,700. Of this number, 500,000 received recurring benefits.

[6] For instance, HRA will now accept a federal waiver allowing un- or underemployed adults without dependents to access the federal Supplemental Nutrition Assistance Program (SNAP, formerly known as Food Stamps), qualifying about 40,000 additional New Yorkers ages 18 to 49.

[7] The Center for an Urban Future's September 2014 report on workforce programs for youth and young adults, "Bridging the Disconnect," strongly urged such a step.

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