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Good afternoon. Thank you for providing the opportunity to testify here today. With over 160 years of experience, the Community Service Society is New York City's leading antipoverty organization.

Over the last few decades, the local and national economy has shifted at an accelerating pace away from production of goods toward a service orientation. This shift, in conjunction with other factors such as the decline of labor union membership, persistent disparities in educational outcomes between wealthy and impoverished areas, and welfare reform – which pushed millions of individuals into the workforce but did very little to help them move out of poverty – has created an economy that produces many more low-wage jobs with limited benefits and career advancement opportunities, and fewer middle-wage jobs. As a consequence, we have seen an entire class of working poor New Yorkers and Americans emerge.

In New York City, 46 percent of households living in poverty include a working adult – a dramatic rise since 1990, when the figure stood at 29 percent.¹ Our 2007 Unheard Third data also shows that 43 percent of poor (less than 100% of poverty), 31 percent of near poor (100-200% of poverty), and 16 percent of moderate to high income New York City residents (above 200% of poverty) – a large proportion of whom are working – faced 3 or more hardships in the last year, such as rent arrears, going hungry, and inability to get needed medical care.²

At the same time, many populations – including but not limited to “disconnected youth” aged 16-24 who are not working or in school, individuals with a history of court involvement, immigrants, and those remaining on public assistance – are excluded, in large numbers, from employment opportunities and pathways to economic security.

Our FY08-09 budget priorities reflect our belief that those who work should not be poor. We commend the Governor on creating an Economic Security Cabinet, moving forward with a Working Family Food Stamp Initiative, passing the shelter allowance bill, and beginning to assess the feasibility of universal health care coverage for all New Yorkers, among other important initiatives. We have identified a number of additional policy interventions that will ensure more New Yorkers have the education, skills, and employment networks they need to enter the workforce, stay employed, and

¹ Increasing Opportunity and Reducing Poverty in New York City, “The NYC Commission for Economic Opportunity Report to Mayor Michael Bloomberg, 2006.

² Community Service Society, Unheard Third, 2007.

advance in their careers; and that all individuals in New York State who are working can achieve economic security.

I. Services for Disconnected Youth

CSS research shows that there are approximately 200,000 “disconnected” youth in New York City who are not in school and not working.³ Statewide, the numbers are even greater. While we support efforts within the education system to ensure that fewer young people drop out of school without achieving a diploma, there is more that must be done. We cannot afford to give up on the tens of thousands of young people without diplomas or equivalents, or the equal number of young adults with such certification, but who are without a job.

New York is one of the few states in the country that does not provide matches to the federal Workforce Investment Act (WIA) funds to re-engage and prepare out-of-school youth (OSY) for a successful transition to adulthood. We believe that the State should invest \$10 million in funding to expand the number of out-of-school youth the WIA OSY programs can serve. As part of this, the State should expand the eligibility for the programs, now for ages 17 through 21, to age 24, so that more young adults can be prepared to contribute to our economy.

We must, however, realize that such an increase would still leave tens of thousands without any services. Therefore, we also advocate the development of a new initiative to serve young adults, whatever their educational level or work experience. Over half of disconnected young adults are functionally illiterate, meaning the quick “work-first” experiences will not benefit them. A new initiative must engage young people who cannot return to school in comprehensive programs that include remedial education and workforce preparation, from they which they can emerge ready to succeed in the economic and civic life of our State.

II. Services for the Formerly Incarcerated

Individuals with a history of incarceration are also excluded from employment pipelines in unacceptable numbers. There are nearly 63,000 people incarcerated in NYS prisons, 40,000 more in local jails, and another 100,000 under community supervision (on parole or probation). Every year, 27,000 individuals are released from prisons, back into our communities. A dismaying two-thirds of those individuals released are re-incarcerated within three years.⁴ There is little doubt that unemployment contributes to the cycle of incarceration of people released from prison. Recent labor statistics show that in New York State 89 percent of people who violate the terms of their probation or parole are unemployed at the time of violation.⁵

³Levitan, Mark, “Out of School, Out of Work... Out of Luck? New York City’s Disconnected Youth,” January 2005.

⁴The Independent Committee on Reentry and Employment, “Report and Recommendations to New York State on Enhancing Employment Opportunities for Formerly Incarcerated People,” October 2006.

⁵Mukamal, Debbie, “Confronting the Employment Barriers of Criminal Records: Effective Legal and Practical Strategies,” *Journal of Poverty Law and Policy*, January-February 2000.

New York must do more to ensure that the formerly incarcerated have better prospects for finding jobs, staying employed, and remaining in their communities. As the NYS Commission on Sentencing Reform recently recommended, increasing vocational training, GED programs, and post-secondary education during incarceration is key to this approach. The state should also fund more robust transitional services for people leaving prison so that, upon release, they are already enrolled in public benefits, possess necessary identification documents, and have a meaningful path towards housing and employment. Furthermore, increasing access to employment opportunities upon release requires the removal of unnecessary licensing barriers and increased funding for workforce-based education and training.

III. Transitional Jobs

In order to help disconnected youth and individuals with a history of incarceration – as well as long-term public assistance recipients who are also excluded from employment pipelines in large numbers – increase their workplace skills and gain valuable work experience, CSS in collaboration with Community Voices Heard and other partner organizations proposes a Transitional Jobs Initiative. Proven effective for the three target populations, transitional employment is a workforce strategy designed to overcome employment obstacles by using real work in time-limited, wage paying jobs combined with skill development and supportive services to transition participants successfully into the labor market.⁶

We propose creating a 2 year Transitional Jobs initiative to create 8,000 paid positions. Based on the NYC Parks Opportunity Program and other national best practice from around the country, a program of this scale costs \$80 million a year through combined federal, state, and local resources.⁷ We recommend that New York State take the lead in creating such a program, and commit its own resources to the effort.

IV. Career Pathway Programs

CSS also believes that workforce development programming needs to be tied to labor market demand, and that job creation efforts should be targeted towards jobs that offer living wages and opportunity for economic mobility. In collaboration with partners from throughout the state, CSS has proposed a \$50 million Career Pathway Fund to link basic education and integrated support services to occupational training and job placement in targeted industry sectors. The proposal is targeting low-income individuals below 200% of poverty.

⁶ Center for Law and Social Policy. Transitional Jobs: Real Jobs, Real Wages, Real Success (2003).

http://clasp.org/publications/TJ_Basic.pdf

⁷ National League of Cities, Institute for Youth, Education, and Families. Financing Transitional Jobs Programs: A Strategic Guide to Federal Funding Sources (2003).

<http://www.nlc.org/ASSETS/001641B13AA641DC83BC5A38D477F8E2/transitionaljobs.pdf>

The proposed Career Pathway Fund supports current Department of Labor (DOL) and Office of Temporary and Disability Assistance (OTDA) efforts to realign workforce development priorities to help New Yorkers move out of poverty and to help businesses meet their needs for skilled workers statewide. This proposal would also help NYS meet federal TANF participation rates, and would expand education and training opportunities for low-income New Yorkers – two related priorities of the Spitzer administration.

V. Access to Affordable Health Care

CSS believes that all New Yorkers, regardless immigration status, should be eligible for free or discounted public health insurance based upon on a reasonable sliding fee scale. As CSS research shows, access to health insurance will enable more New Yorkers to enter the workforce, remain employed, and advance in their careers.

For the next budget year, CSS strongly endorses those budget measures that will support the administration in its important effort to streamline and simplify eligibility for state health insurance programs. We support efforts to: eliminate the need for a “face-to-face” application; allow biannual administrative renewals; eliminate an assets test; and eliminate finger imaging and drug and alcohol testing. We also strongly urge the Governor to expand free Family Health Plus eligibility to all adults up to 250% of the FPL and to provide state-only funds to support discounted Child Health Plus coverage for those children up between 250%-400% of the FPL. We encourage the administration to seriously and carefully consider the expansion of existing public health programs as part of the administration’s analysis of various options to achieve universal health coverage for all New Yorkers.

VI. NYC Managed Care Consumer Assistance Program

In addition to expanding the pool of New Yorkers eligible for health coverage, we believe that a strong and vibrant statewide consumer assistance program is a vital part of maximizing enrollment in, and appropriate utilization of, the public insurance programs. The NYC Managed Care Consumer Assistance Program (NYC MCCAP) requests \$3 million to expand its current program model, which provides health coverage information and navigation assistance to vulnerable New York City communities through a well-trained network of trusted community-based intermediaries. A \$3 million grant would enable NYC MCCAP to significantly broaden its successful “high-touch” outreach/education efforts and navigation assistance to priority, yet difficult-to-reach populations in conjunction with State efforts to ensure access to health care coverage.

Specifically, the grant would enable NYC MCCAP to provide the following services to targeted immigrant and minority populations:

- Identification and enrollment of those eligible for public insurance programs who are still without coverage;

- Implementation of an outreach campaign to educate consumers of the need and methods for recertification so that they stay insured;
- Provision of targeted outreach, education, and navigation assistance to populations newly enrolled in managed care plans (such as SSI and HIV); and
- Development of a pilot program of community-based case management services targeting the high-cost users of medical services who remain in fee-for-service Medicaid programs.

It is anticipated that these activities would expand NYC MCCAP services to ten new communities in geographic areas that are underrepresented in its current network, reaching an additional 10,000 to 15,000 New Yorkers throughout New York City plus Westchester, Suffolk, and Nassau counties.

VII. Preservation of Affordable Housing

Finally, CSS believes that access to affordable housing is absolutely critical to ensuring low-income New Yorkers can achieve economic security. To help meet this goal, we believe that NYS should baseline \$70 million in annual operating subsidies for state-assisted public housing. New York has 20,000 public housing units statewide—in about 20 localities—that were built with state financing and are not eligible for federal operating subsidies, including 15,000 units in NYC which are administered by the New York City Housing Authority (NYCHA). The funding is needed to cover the gap between what tenants can afford in rent and what it costs an authority for minimal maintenance and operations. Since 1998, the State has withdrawn from provision of operating subsidies for this stock – accounting for approximately one fourth of NYCHA’s \$225 million annual operating deficit.