

## **OTDA FORMAL BUDGET HEARING TESTIMONY**

**November 13, 2012**

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Good morning Director Megna and Members of the Legislature:

Thank you for the opportunity to discuss OTDA's current major activities we have underway that are guided by the Governor's mandate for fiscal responsibility. My name is Beth Berlin, and I am the Executive Deputy Commissioner of New York State's Office of Temporary and Disability Assistance (OTDA).

The Governor has emphasized his commitment to reinventing State government to perform more efficiently but without abandoning his commitment to protecting low-income individuals and families in New York. OTDA's core mission -- to assist needy New Yorkers in achieving financial stability and self-sufficiency -- has become more vital over the past few years. The recent destruction resulting from Hurricane Sandy is a vivid reminder that any of us can fall into crisis at any time.

### **Hurricane Sandy**

OTDA went into action to address the storm's impact on a number of fronts for needy New Yorkers well before Hurricane Sandy hit New York's shores. OTDA has submitted and received waivers from the U.S. Department of Agriculture providing current SNAP recipients in impacted areas with 50 percent of monthly benefits to replace food lost as a result of the storm; allowing hot foods and prepared foods to be considered "eligible foods"; and allowing New York to extend the certification periods for SNAP cases with such periods ending in October and November.

Hurricane Sandy caused devastating housing losses for New Yorkers living in the affected areas. OTDA has provided support to local social services districts and the State Office of Emergency Management in their efforts to address both short-term and long-term housing needs. Governor Cuomo has issued an Executive Order that allows OTDA to temporarily modify emergency shelter regulations in order to better address the immediate shelter needs of those impacted by the disaster. The agency has reached out to all of its Homeless Housing and Assistance Program (HHAP) grantees in order to determine if repairs are needed to their housing units and also to identify any vacant units to which households displaced in the disaster can be sent. In addition, OTDA is participating with other State, local, and federal partners in the State-Led Disaster Housing Task Force, which is in the process of identifying long-term housing resources and developing mechanisms for linking those who need it to these resources.

### **Housing and Homelessness**

In addition to addressing the needs of those who have become homeless due to Hurricane Sandy, OTDA also serves those who experience homelessness or housing instability due to poverty, disability, or loss of employment as the result of the recent economic downturn.

Homelessness continues to be a significant challenge, and local social services districts throughout the State continue to face high demand for emergency shelter.

OTDA administers a broad array of programs to address homelessness and the housing needs of vulnerable New Yorkers. The Governor's Medicaid Redesign Team (MRT) has also recognized the importance of supportive housing services. Under Governor Cuomo's leadership, a recurring annual \$75 million has been set aside to expand access to supportive housing initiatives for high need and high cost Medicaid recipients. This multi-agency effort will utilize the funding to address supportive housing needs, including related services and supports, of the highest cost Medicaid users with the aim of generating immediate Medicaid savings. Several agencies will leverage additional public and private investment in the development of supportive housing. Approximately \$23.1 million in MRT funding will be used by OTDA to expand our Homeless Housing and Assistance Program (\$14.3 million), supportive housing through our New York State Supportive Housing Program (NYSSHP, \$6 million), \$2.6 million for a housing subsidy program in New York City for elderly and/or disabled persons who are at imminent risk of eviction, and operating funds for the West Side Federation for Senior and Supportive Housing's Claremont Project, which will provide services consistent with NYSSHP in 115 supportive, assisted living units for high Medicaid users in the Bronx (\$276,000).

In addition to its appropriation of \$14.3 million through Medicaid Redesign Team (MRT) funding, OTDA's Homeless Housing and Assistance Program (HHAP) received an appropriation of \$30 million in SFY 12-13. The purpose of HHAP is to provide funding for capital development of emergency, transitional, and permanent supportive housing programs for homeless and formerly homeless individuals and families. HHAP uses a so-called "Open" Request for Proposal (RFP) process, which allows the program to accept funding proposals on a continuous basis until funding for the fiscal year has been exhausted. As of its December Board meeting, HHAP will have expended all of the funding that it has allocated to it this fiscal year, which is evidence that the program is in great demand. Among those HHAP projects funded this year have been NY/NY III supportive housing projects in New York City for homeless persons with mental illness and/or chemical dependency, emergency and transitional housing for persons with mental illness, permanent supportive housing for homeless persons with physical disabilities, a domestic violence shelter, and permanent supportive housing for homeless families.

While absolutely necessary for those in crisis, emergency shelter is a costly solution to homelessness. It is much better to prevent homelessness from occurring in the first place, and to move households who do become homeless into permanent housing that has the appropriate supports required to prevent homelessness from reoccurring. To this end, the State Budget included \$15.8 million for OTDA's Solutions to End Homelessness Program (STEHP). The Budget also included \$20 million for the New York State Supportive Housing Program (NYSSHP), which provides operating supports for programs which serve homeless youth, single adults and families, providing the services needed to keep residents stably housed so that they do not cycle back into homelessness. Coupled with an additional \$6 million in funding from the Governor's Medicaid Redesign process, OTDA will be able to accommodate newly built projects.

### **Supplemental Security Income (SSI) Takeover**

The drive toward fiscal efficiency also led OTDA to assume responsibility for the administration of New York's SSI State Supplement Program.

The Supplemental Security Income (SSI) program is a national program administered by the Social Security Administration (SSA). It provides cash assistance to needy elderly, blind or disabled persons whose income and assets fall below statutorily established standards. New York State has chosen to provide additional State money – SSI State Supplementation – to SSI recipients in NYS, and since 1974 has contracted with SSA to administer the SSI State Supplementation Program (SSP) on its behalf. Due to the high cost of Federal administration of the SSI State Supplementation program, with the anticipated costs of approximately \$98 million during the next State Fiscal Year (SFY 2013-14), legislation was passed in 2012 budget to take over administrative responsibility for the SSP on October 1, 2014.

We are grateful to the Governor and the Legislature for their support in helping to move this forward. This takeover will result in significant savings to the State on an ongoing basis. Because assuming administrative responsibility will provide New York State with control over the timing of payment issuance, we will be able to recapture a “13<sup>th</sup> payment” that was made to SSA in SFY 2001-02 resulting in a one-time savings of approximately \$65 million. This, when combined with savings associated with the reduced payments to SSA, will result in a cost savings to NYS of approximately \$93 million in SFY 2014-15. By SFY 2015-16 when the project is fully implemented we will achieve an annual level of savings of approximately \$90 million.

We have made good progress so far towards implementation. Currently, plans are underway to locate these staff at 40 North Pearl Street. Staff will be directly responsible for the monthly processing of State Supplement Payments to the almost 680,000 eligible SSI recipients. They will respond to information received from various sources (i.e., SDX, client calls, congregate care facilities, financial institutions) by updating client records and initiating the case actions required to ensure correct eligibility and payment amounts. The majority of the staff will be brought on-board starting in the second half of calendar year 2013, and we continue to examine workflows and the organizational structures that can best respond to the needs of the SSI/SSP population.

Staff from OTDA’s Division of Information and Technology and Center for Employment and Economic Support continues to work in documenting the business process workflows, creating use cases and requirements, and validating and defining each of the system interactions.

New York has been fortunate to have gained the cooperation of Massachusetts, which completed its takeover of SSI State Supplement Program in April of 2012. Administered for Massachusetts by the University of Massachusetts Medical School (UMASS), CEES and IT staff travelled to their Customer Call Center in Worcester and their Operations Center in Charlestown. These visits and ongoing discussions with UMASS representatives have proven to be extremely valuable as we begin to make decisions on project organization and workflows here in New York.

As we prepare for the State takeover, OTDA is in dialogue with the federal Social Security Administration (SSA) to address those program responsibilities that New York will assume in October 2014. Massachusetts stressed the importance of outreach to SSI/SSP recipients prior to transition, and SSA has agreed to our suggested language changes their client notices to avoid any misunderstanding by this vulnerable low-income population. OTDA plans to mirror many of the aspects of the current SSI/SSP operated by SSA, and staff visited their regional office in July to review their SSI application and eligibility system. OTDA has also gained SSA’s agreement in moving forward with the development of an MOU to reimburse SSA for the disability determinations conducted by DDD for State-only SSP applicants beginning October 1,

2014. As required in the MOU, program and budget staffs are now developing a business plan to outline the proposed workflow and cost allocation methodology for the State-only medical evaluations.

Additionally, OTDA is coordinating with other relevant state agencies to ensure a smooth transition. A number of SSI recipients reside in Congregate Care facilities licensed or certified by other State agencies, OTDA are meeting with representatives from DOH, OMH, OASAS, OPWDD and OCFS to gain their participation in supporting a successful transition for those SSI recipients served by our agencies.

OTDA is confident that an effective and efficient SSP project will be in place on October 1, 2014, and that the vulnerable individuals served by this program will not be negatively impacted by this change.

### **Supplemental Nutritional Assistance Program (SNAP) Efficiencies**

OTDA is engaged in several initiatives that increase the efficiency of State government and reduce the impact of legislative mandates on county governments. One of these initiatives that I would like to talk about today is the SNAP Processing Center Pilot.

The SNAP Processing Center Pilot will test the feasibility of replacing local processing of SNAP (formerly Food Stamp) cases with more centralized processing performed by OTDA employees here in Albany. Right now, each of New York's 58 local social services districts must periodically recertify SNAP households in order for those households to continue to receive SNAP assistance. On average, SNAP households are recertified twice each year. Federal rules require an extensive review of documentation like pay stubs and rent receipts that are supplied by household members. In most cases, SNAP household members must also be interviewed by phone or in person to confirm that information that they have submitted.

For front line case workers in our local social services districts, SNAP recertifications are burdensome but important because they keep SNAP benefits flowing to needy families. OTDA hopes to reduce the burden and also increase the availability of SNAP benefits to needy families. The SNAP Processing Center is the first step. Starting in the current budget year and continuing into next, OTDA will process a portion of SNAP recertifications instead of local, front-line workers. OTDA plans to be processing SNAP recertification in four social services districts by Fall 2013. Our goal is to replace four different recertification processes in four different districts with one highly optimized process that takes advantage of technology and scale economies to produce administrative savings.

The SNAP Processing Center Pilot will have immediate benefits for local social services districts in the form of relief from federal administrative mandates. Every recertification done by OTDA staff is one less recertification that must be done by a local district worker.

There are also benefits for OTDA. The SNAP Processing Center Pilot will provide a test bed for a variety of new labor-saving practices. It will give us the opportunity to test a variety of case processing alternatives without affecting local operations. Our goal is to perform one single function, SNAP recertifications, as efficiently as possible. If we succeed, we will be able to provide a benefit to local social services districts, in the form of federal mandate relief, and we will be able to provide this local benefit for less than it is costing now to process recertifications.

The SNAP processing center will help local social services districts and OTDA and we anticipate benefits for SNAP household members as well. Particular emphasis will be placed on making it easier for SNAP households to recertify. In fact, two of the main goals for the SNAP Processing Center Pilot are to find ways to increase the rate at which households recertify and to increase overall SNAP participation in the State.

The SNAP processing center will begin operations in the first pilot district early in 2013. During SFY 2013-14, three more pilot districts will be added and the number of cases performed by processing center staff will be gradually increased. Several months before the end of SFY 2013-14, data gathered during the pilot will be analyzed to quantify the benefits and costs of expanding operations to more SSD's. OTDA plans to complete its analysis of Processing Center impacts in time to prepare our SFY 2014-15 budget requests.

Hurricane Sandy illustrates the critical need to be able to perform basic case transactions in Albany at OTDA. The SNAP processing center pilot will provide a flexible mechanism for local mandate relief. If centralized processing proves to be more efficient than local processing, the SNAP processing center will put OTDA and the State in the enviable position of being able to provide local relief that is worth more to county governments than the dollar cost of doing the work. This would be welcomed by local districts at any time, but the SNAP processing center may have additional benefits that are especially relevant when disaster strikes. By building case management capabilities and maintaining a cadre of State staff trained in local processes, OTDA would have a ready resource that could be used in difficult times to temporarily relieve front line staff of nonessential tasks and allow them to focus on emerging needs in their community.

## **Employment**

We take very seriously our responsibility to provide assistance to the needy, including food assistance, cash assistance and housing. These are basic needs for each New Yorker. In addition to this responsibility, we also see a responsibility to help those who are able to work to find and keep employment. Our budget seeks to maintain funding to help social services districts meet a range of mandated activities through the Flexible Fund for Family Services. In addition to a range of other services, these funds are critical to district efforts to adults on public assistance obtain work. We, along with the social services districts, have structured public assistance programs to include an upfront and ongoing emphasis on employment because we know it is through employment that parents are best able to provide for their children and to provide the opportunity to escape poverty and improve our communities.

## **Utilizing Technology to Increase Efficiency**

We are enhancing the functionality of the health and human services portal, [www.myBenefits.ny.gov](http://www.myBenefits.ny.gov), to expand the opportunities for New Yorkers to learn about and access benefits and services on-line. The vision behind *myBenefits* is to provide a single internet portal for NYS families and community partners to connect with benefits, services and work supports; an e-government hub for health and human services.

The first two components of *myBenefits* were launched in May 2008 at the site [www.myBenefits.ny.gov](http://www.myBenefits.ny.gov). These included an internet self-screening tool to determine potential eligibility for a number of work support programs, based on entry of minimal, anonymous

household information. The pre-screening component also provides a self-sufficiency calculator to illustrate the value of work and work supports.

Beginning in July 2009, the SNAP e-app became available as a public-facing internet application, and SSD workers were provided with a modern browser-based tool for determining eligibility, authorizing benefits and generating client notices through a “point-and-click” interface with the mainframe system of record.

By June 2011, clients were able to check benefits on-line and they have the ability to review their PA and SNAP budgets, where they can validate that the information used to calculate their benefits is accurate. The on-line option offers program access outside of SSD business hours and reaches families who meet the SNAP Working Families criteria. Recipients of SNAP benefits can view information about their case through myBenefits, and use printouts of that information to prove their eligibility for programs including free school meals, the Women, Infants and Children Nutrition Program (WIC) and subsidized housing.

Beginning in August 2012, OTDA provided myBenefits users in selected pilot SSDs with the ability to report household changes on-line, upload images of required documents, and recertify for SNAP and PA benefits on-line. After reviewing feedback from the selected pilot districts and addressing any application defects, OTDA will begin systematically rolling out these enhancements to additional SSDs.

In addition, OTDA will make available an electronic Home Energy Assistance Program (HEAP) application in three pilot counties, Madison, Jefferson, and Rensselaer, through myBenefits beginning with the opening of the 2012-13 HEAP season. SSDs currently participating in e-HEAP processing will continue with system support for the 2012-13 HEAP season, with a full rollout of the myBenefits HEAP on-line application expected for the 2013-14 HEAP season. OTDA is also working to make non-pilot public facing aspects of myBenefits accessible in Spanish, Chinese, Russian, Haitian Creole, Korean, and Italian, pursuant to Executive Order Number 26. Although not required by Executive Order No. 26, OTDA also will make myBenefits available in Arabic.

Since May 2008, more than 646,000 users (a 90% completion rate) have completed pre-screenings for SNAP benefits, earned income tax credits, HEAP, WIC, free and reduced price school meals, PA) public health insurance, and other programs with over 80% of users determined to be eligible for at least one program. Since June 2009, more than 151,000 public internet e-applications have been submitted; in many districts, over 30% of all SNAP applications come through this method.

In coming months, SNAP and PA recipients will have the ability to recertify their eligibility on-line, as well as report changes in household circumstances. These enhancements to the myBenefits portal, along with the on-line applications and the corresponding SSD worker tool, myWorkspace, provide SSD workers with tools that allow them to better manage their growing caseloads in a timely and accurate fashion.

In February 2012, OTDA released a new enhanced statewide clearance available through myWorkspace, used to assist in the determination of SNAP eligibility by using applicant demographic information to return known system information, which allows case workers to resolve discrepancies and prevent duplicate participation. This new enhanced clearance complies with the Federal requirement to prevent duplication of SNAP benefits, and similar programs have been credited as being less costly than finger imaging and potentially more

effective at detecting duplicate participation. The enhanced clearance has remained active since its release in SSDs outside of New York City (NYC), and was released in the NYC Paperless Office System (POS) on November 1, 2012.

### **Finger Imaging Requirement**

The Governor is committed to increasing access to SNAP benefits for all, especially children and the elderly. To that end, OTDA has taken steps to eliminate the finger imaging requirement for the receipt of SNAP. Finger imaging has been a known deterrent to participation in the SNAP due to the negative connotations, including the perceived implication of criminality. Finger imaging can also be an impediment to employment and child care because parents may have to take time off from work and obtain additional child care coverage in order to complete the requirement. Removing barriers to SNAP enrollment – including reducing the use of finger imaging – can have a positive economic impact on New York. According to a 2010 study by the U.S. Department of Agriculture, \$5 in new SNAP benefits can generate \$9 in total community spending, and every additional dollar's worth of SNAP benefits generates 17 to 47 cents of new spending on food.

### **Child Support Performance and Efficiencies**

The federal benchmark for review of state child support performance is the annual Data Reliability Audit (DRA). For Federal Fiscal Year 2011, federal auditors determined that the child support performance reporting for New York State is complete and reliable. Based on the results of the DRA, there will be no negative impact to incentive funding.

Child support collections totaled nearly \$1.86 billion for SFY 2011-12 continuing the annual increase in collections over prior years.

New York State's child support families benefit from child support's centralized processes, including a statewide call center, website and voice response system that provide varied access for families and employers to obtain information and immediate assistance regarding child support matters. With central collection and disbursement of child support payments, now 80% of payments are made by electronic benefits transfer. This quickens payments to families and eliminates costly paper check processing. This has enabled payments to continue unabated to families impacted by the storm.

Child support has also taken advantage of automated noticing including converting monthly paper client notices to website access to the information. The program has also modernized forms and notices including the child support application/referral form—consolidating information and eliminating other forms that were mandated that SSDs use. The application/referral is now available in the program's automated system and may be signed electronically.

The child support/court partnership is essential to the continued success of the program. The continued development of the child support/family court interface expedites support petition and order information between the courts and SSDs expediting court proceedings and child support payments to families.

## **Conclusion**

It is at times like this, when New Yorkers are trying to recover from a disaster such as Hurricane Sandy that truly crystallizes the need for OTDA's services. The Governor has demonstrated his commitment to ensuring that OTDA is well positioned to serve our constituents through investing in initiatives that have a proven track record and strong outcomes; operating more efficiently and maintaining a focus on customer service so that we address the needs of our constituents.

I want to take a moment to thank OTDA's staff for working around the clock to address the array of needs facing low-income New Yorkers in the aftermath of the storm.