

LEGACY OF NEGLECT

The Impact of Welfare Reform on New York's Homeless

A Survey and Report Prepared by

Coalition for the Homeless

August 1999

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COALITION FOR THE HOMELESS

The Coalition for the Homeless is the nation's oldest and most progressive advocacy and direct service organization serving homeless men, women, and children. The Coalition is dedicated to the principle that decent food, affordable housing, and the chance to work for a living wage are fundamental rights in a civilized society. Since its incorporation in 1981 as a non-profit, tax-exempt organization, the Coalition has worked through litigation, public education, and direct services to ensure that these goals are realized.

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EXECUTIVE SUMMARY

Since the implementation of welfare reform in New York State, the plight of the state's neediest people has worsened. Faced with less public support, increasing numbers of homeless people have turned to homeless service providers for help. The promise that welfare reform would bring jobs and economic stability to those previously receiving public benefits has proven elusive for the most vulnerable New Yorkers.

The number of people receiving welfare in New York State fell by 41 percent between January 1995 and April 1999, from a reported 1,643,832 recipients to 972,292. State and local elected officials often cite this statistic as evidence that unprecedented numbers of people are moving from public assistance to employment. They say that the welfare reform initiatives enacted over the last four years are an unqualified success.

Homeless service providers across New York State paint an entirely different picture of what welfare reform has meant for the state's poorest families and individuals. In the first comprehensive study of the impact of welfare reform on homelessness in New York State, the Coalition for the Homeless surveyed hundreds of organizations providing services to homeless New Yorkers, including churches, shelters, soup kitchens, hospitals, and social services agencies. The results of the survey raise serious concerns about how welfare reform has affected the most vulnerable families and individuals in New York.

Homeless service providers statewide overwhelmingly report:

- ◆ ***Rising demand for help among homeless New Yorkers.***
- ◆ ***Homeless people require their help for longer periods of time.***
- ◆ ***Increasing demand for help among the most vulnerable groups, including mentally ill people, immigrants, and families with children.***
- ◆ ***Dramatic losses in public benefits among their homeless clients.***

SURVEY HIGHLIGHTS

Throughout the state, the Coalition for the Homeless survey documented widespread negative impacts of welfare reform on homelessness and homeless New Yorkers.

1. Rising Demand for Homeless Services

- ◆ *Eighty-eight percent (88%) of service providers reported an increase in one or more of their homeless client groups since 1995, including mentally ill people and families with children.*
- ◆ *Seventy-seven percent (77%) of the respondents said that their homeless clients need their help for longer periods of time compared to 1995.*

2. Dramatic Losses in Benefits

- ◆ *Eighty-six percent (86%) of homeless service providers observed “dramatic losses” in public assistance benefits for one or more groups of homeless people (including mentally ill people, immigrants, and families with children).*
- ◆ *On average, homeless service providers documented reduced participation in public benefits among their clients during the last five years for the following vital benefits:*
 - ◆ *Emergency Assistance: 55 percent fewer recipients.*
 - ◆ *SSI/SSD: 42 percent fewer recipients.*
 - ◆ *Public Assistance: 35 percent fewer recipients.*
 - ◆ *Food Stamps: 28 percent fewer recipients.*
 - ◆ *Medicaid: 27 percent fewer recipients.*

3. Increasing Problems with Public Benefits

- ◆ *Three out of four homeless service providers reported that their clients are currently experiencing problems (denials, sanctions, reductions, and terminations) with their benefits. They reported that between 19 and 32 percent of their clients are experiencing at least one of these problems with benefits.*
- ◆ *Eighty-seven percent (87%) reported that their clients are facing these problems with their public assistance benefits “more often” or “much more often” now than in 1994.*
- ◆ *Difficulty complying with mandatory work requirements is the most common reason that clients have lost benefits, according to homeless service providers.*

SUMMARY OF SURVEY FINDINGS

According to homeless service providers, the plight of New York State's neediest and most vulnerable populations has worsened since the implementation of welfare reform. Providers reported that the overhaul of the welfare system has caused more people to require their help, and for longer periods of time. Furthermore, they reported that a growing number of their clients experience problems accessing and maintaining various public benefits.

These problems have hit specific vulnerable groups the hardest, according to homeless service providers. *Families with children and people with mental illness, developmental disabilities, or addictions, as well as victims of domestic violence, immigrants, teen parents, the elderly, and formerly incarcerated people, are staying in homeless shelters in greater numbers and for longer periods of time.*

1. INCREASING DEMAND FOR HOMELESS SERVICES

Rising Demand for Emergency Shelter

Increases in demand for homeless services were observed by *emergency shelter providers*, with **88 percent reporting increasing demand** for their services. Increases among specific homeless client groups were particularly striking:

People with Mental Illness

- ◆ Of the shelter providers reporting about the number of *homeless people with mental illness* served by their programs, **84 percent reported an increase in that population.**

THE SURVEY

- *The Coalition for the Homeless mailed over 5,000 surveys to providers serving homeless populations in New York State. Of these, 398 were returned undeliverable.*
- *The response rate for surveys that were delivered was 12.7 percent with 558 surveys completed and returned in the autumn of 1998. Of these, 394 were completed by groups reporting that they serve homeless people.*
- *Geographically, 209 of these service providers (53%) were from New York City.*
- *Some 249 respondents provided data concerning the number of different homeless clients they serve daily and/or annually. In the aggregate, these homeless service providers reported serving 12,170 different homeless people per day and more than 185,000 different homeless people per year.*

Formerly Incarcerated People

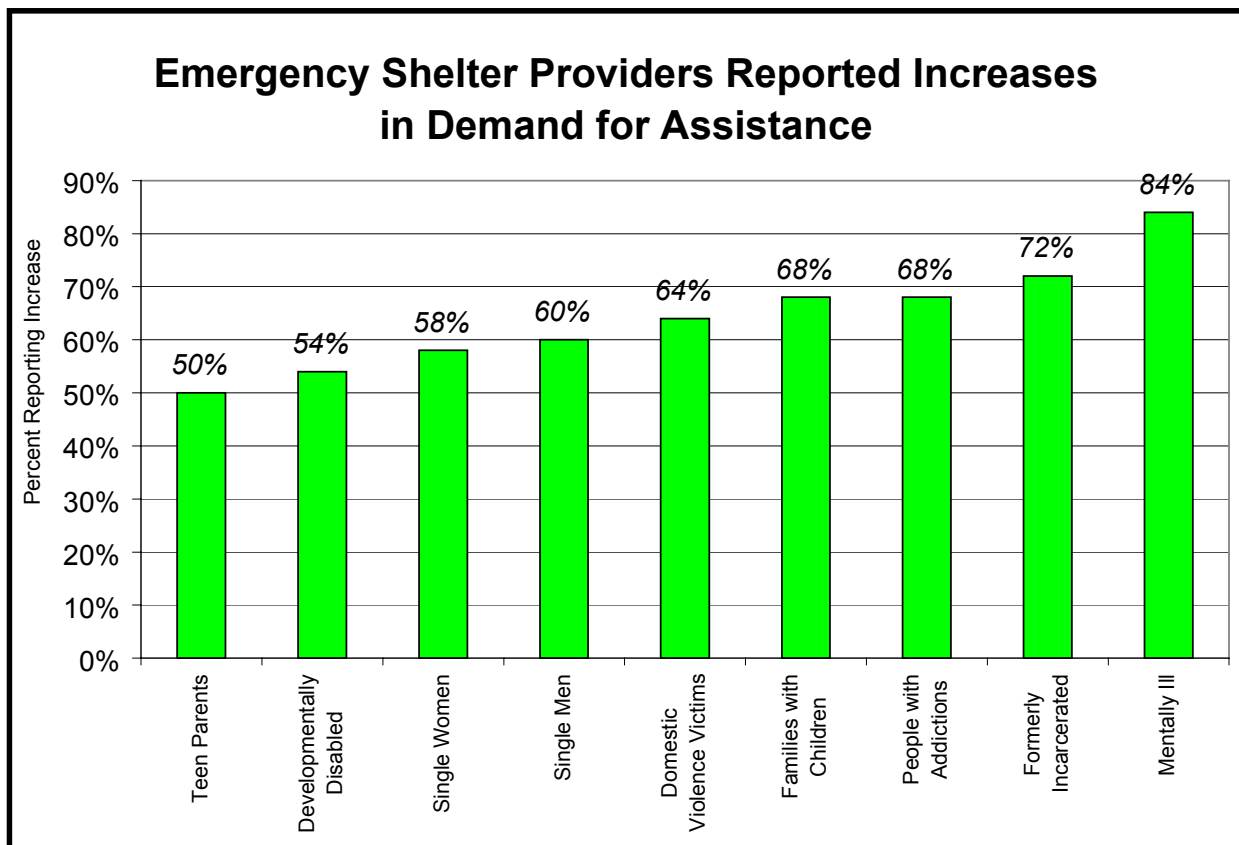
- ◆ Likewise, among the shelter providers reporting about the number of *homeless formerly incarcerated people* in their programs, **72 percent noted an increase**.

Families with Children

- ◆ Similarly, **68 percent** of shelter providers recorded an increase in the number of *homeless families with children* they are serving.

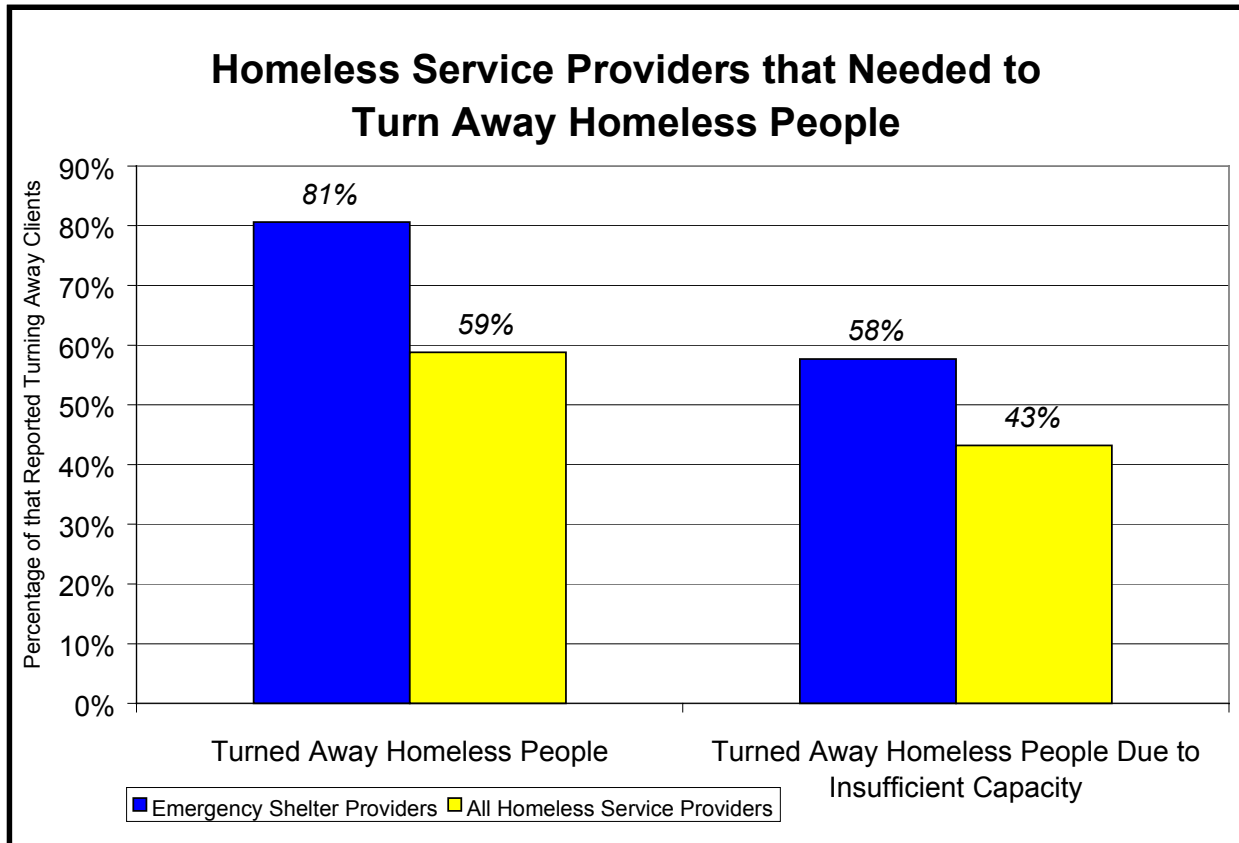
Other Homeless Groups

- ◆ Homeless victims of domestic violence (64%); homeless people with addictions (68%); homeless immigrants (55%); homeless people with developmental disabilities (54%) and homeless teen parents (50%) are also seeking help in greater numbers.



Unmet Needs

- ◆ Among all providers answering the question “Does your agency ever need to turn a homeless applicant away?”, **59 percent reported that they do turn applicants away**.
- ◆ In addition, **81 percent of shelter providers reported turning homeless people away**.
- ◆ Homeless service providers were asked why they turn the homeless away: **43 percent answered “insufficient capacity,” as did 58 percent of emergency shelter providers**.



Increasing Lengths of Stay in Emergency Shelters

The vast majority of emergency shelter providers (77%) reported that their clients are staying in shelters for longer periods of time. Increases in length of stay were particularly noted for the most vulnerable groups of homeless people.

People with Mental Illness

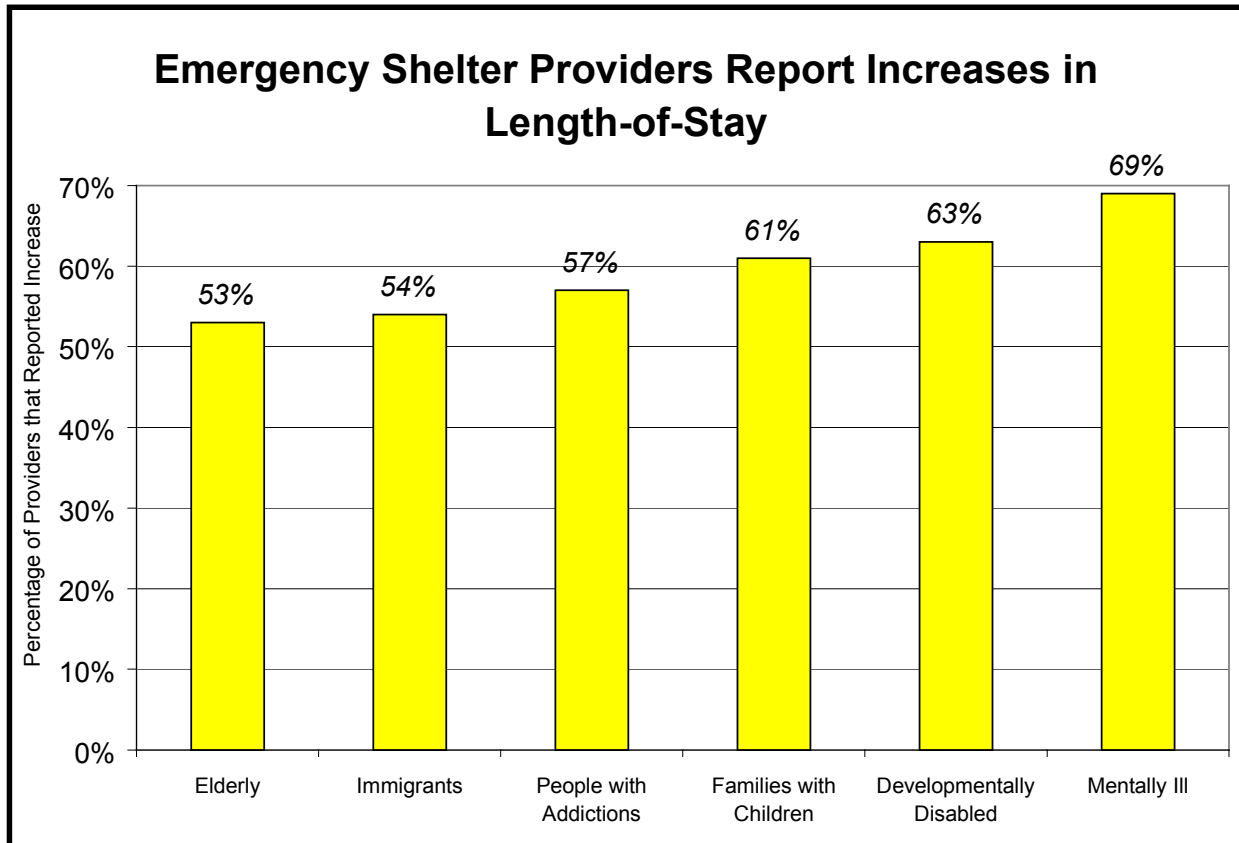
- ◆ Among **emergency shelter** providers reporting on length of stay for **people with mental illness**, **69 percent noted an increase.**

People with Developmental Disabilities

- ◆ Of shelter providers reporting on length of stay for **people with developmental disabilities**, **63 percent reported an increase.**

Other Populations

- ◆ Other groups for whom a majority of shelter providers documented increased lengths of stay included: **Families with children (61%); people with addictions (57%); immigrants (54%) and the elderly (53%).**



2. PROBLEMS WITH PUBLIC BENEFITS

More Frequent Problems with Benefits

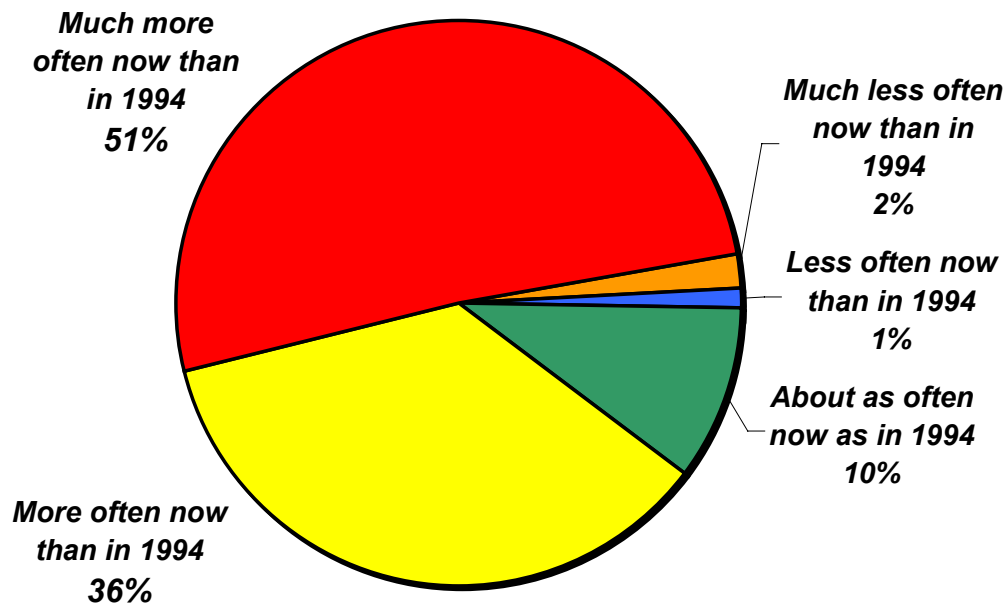
Homeless service providers indicated that their clients encounter problems with their welfare benefits much more frequently since welfare reform began. Survey participants were asked the question “Generally, how would you gauge the frequency with which your clients encounter the [following] problems...(benefits denied, sanctioned, reduced or terminated), as compared to the frequency in 1994?” The vast majority reported that these problems occur more often:

- ◆ **87 percent reported that their clients are facing these problems with their Public Assistance benefits more often or much more often now than in 1994.**

Dramatic Losses in Benefits

Homeless service providers were also able to pinpoint which groups and which public benefits have been most affected by these problems. They were asked “which groups...have been the

More People Facing Problems with Public Assistance Benefits Since 1994



most significantly affected by the temporary or permanent loss of benefits? Identify...only the population groups that are **DRAMATICALLY** affected." The results show:

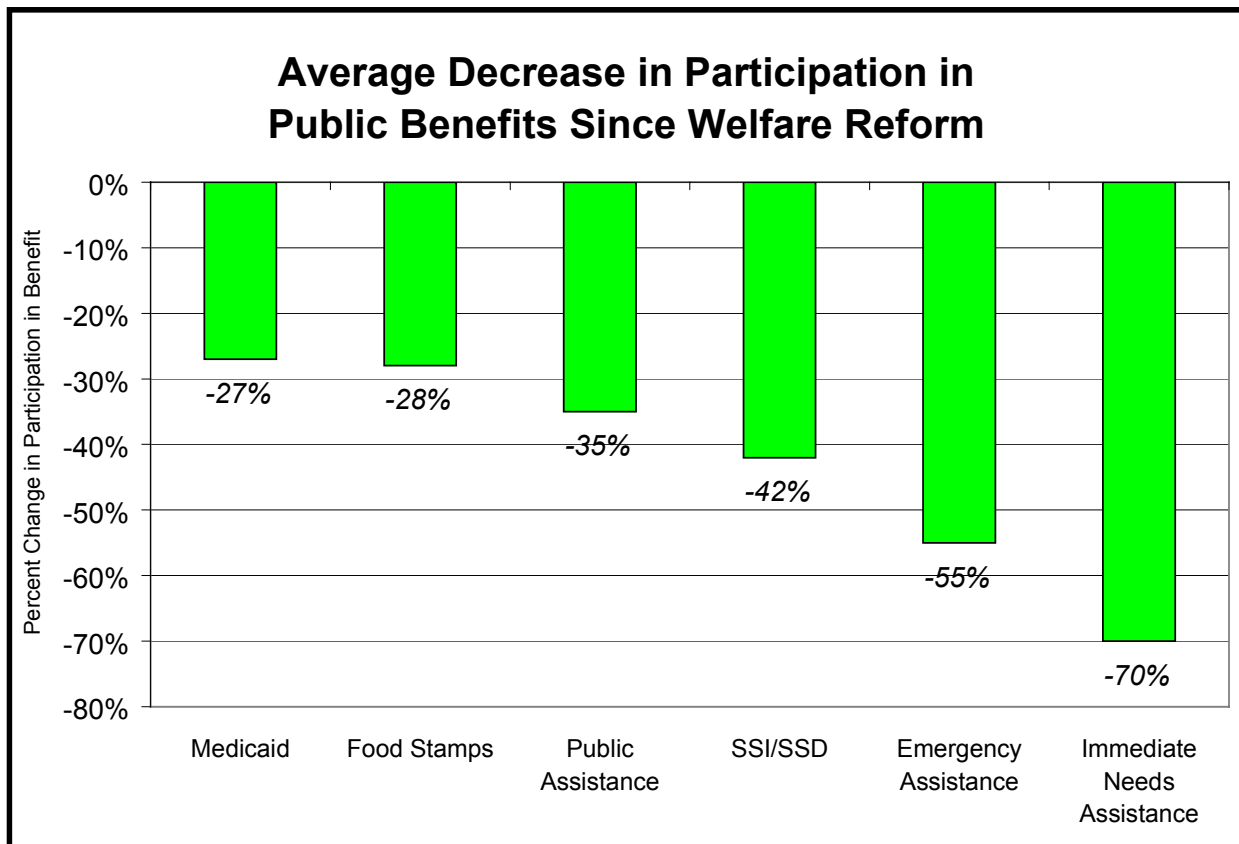
- ◆ **86 percent observed "dramatic" losses in Public Assistance benefits for one or more homeless groups**, including people with mental illness, families with children, and immigrants.
- ◆ **One or more homeless groups have also suffered significant temporary or permanent losses of Food Stamps (according to 70 percent of those reporting), Medicaid (62%), SSI/SSD (51%), and Emergency Assistance (44%).**

2. QUANTIFYING THE LOSSES IN BENEFITS

Decline in Participation

Homeless service providers estimated the portion of their clients receiving various benefits at the time of the survey and the same percentages for one year prior, three years prior and/or five years prior. On average, these providers reported **decreased participation in public benefits among their clients** as follows:

- ◆ **27 percent fewer receiving Medicaid.**
- ◆ **28 percent fewer receiving Food Stamps.**
- ◆ **35 percent fewer receiving Public Assistance.**
- ◆ **42 percent fewer receiving SSI/SSD.**
- ◆ **55 percent fewer receiving Emergency Assistance.**
- ◆ **70 percent fewer receiving Immediate Needs Assistance.**



Dramatic Losses Among Vulnerable Groups

When asked to gauge which populations have been affected **"dramatically"** by a temporary or permanent loss of eight specified benefits, homeless service providers offered alarming responses. For each specified benefit type, **40 percent or more of the respondents reported that at least one population group has been dramatically affected by a temporary or permanent loss of benefits.** The results show how various groups of homeless people have been affected and the impact upon participation in certain benefit programs. Among the more alarming results are the following:

A. Single Men and Women

- ◆ *41 percent to 53 percent of homeless service providers gauged the impact upon single men and women to be a dramatic loss in all types of benefits except SSI.*

B. Families with Children

- ◆ *An equally grave impact exists for families with children with respect to Public Assistance (with 46 percent of respondents assessing the impact as a "dramatic" loss in benefits); Food Stamps (49%); and Personal Needs Allowances (46%).*

C. Immigrants

- ◆ *31 to 39 percent of providers gauge the impact for immigrants as profound with respect to SSI/SSD, Medicaid, and Food Stamps.*

D. The Elderly

- ◆ *The elderly have been significantly affected by the temporary or permanent loss of benefits according to one in four respondents reporting about Food Stamps (26%), Medicaid (25%), SSI/SSD (25%) and Personal Needs Allowances (24%).*

E. People with Mental Illness

- ◆ *32 percent of providers reported loss of SSI/SSD for people with mental illness, and 30 percent noted the loss of Medicaid for the same group.*

F. People with Addictions

- ◆ *40 percent of providers reported the dramatic loss of SSI/SSD, and 31 percent reported loss of Medicaid for people with addictions.*

3. MANDATORY WORK REQUIREMENTS AND OTHER WELFARE RULES

The survey asked providers *"If people that your program serves are being found ineligible, sanctioned, or having their benefits reduced or terminated, please CIRCLE ALL of the reasons affecting your clients in the list below."* The respondents reported that ***difficulty complying with mandatory work requirements is the most common reason their clients have lost access to benefits.*** The survey found:

Work Rules/Workfare

- ◆ *74 percent of providers reported that their clients are having trouble complying with work rules or workfare.*

Job Search Requirements

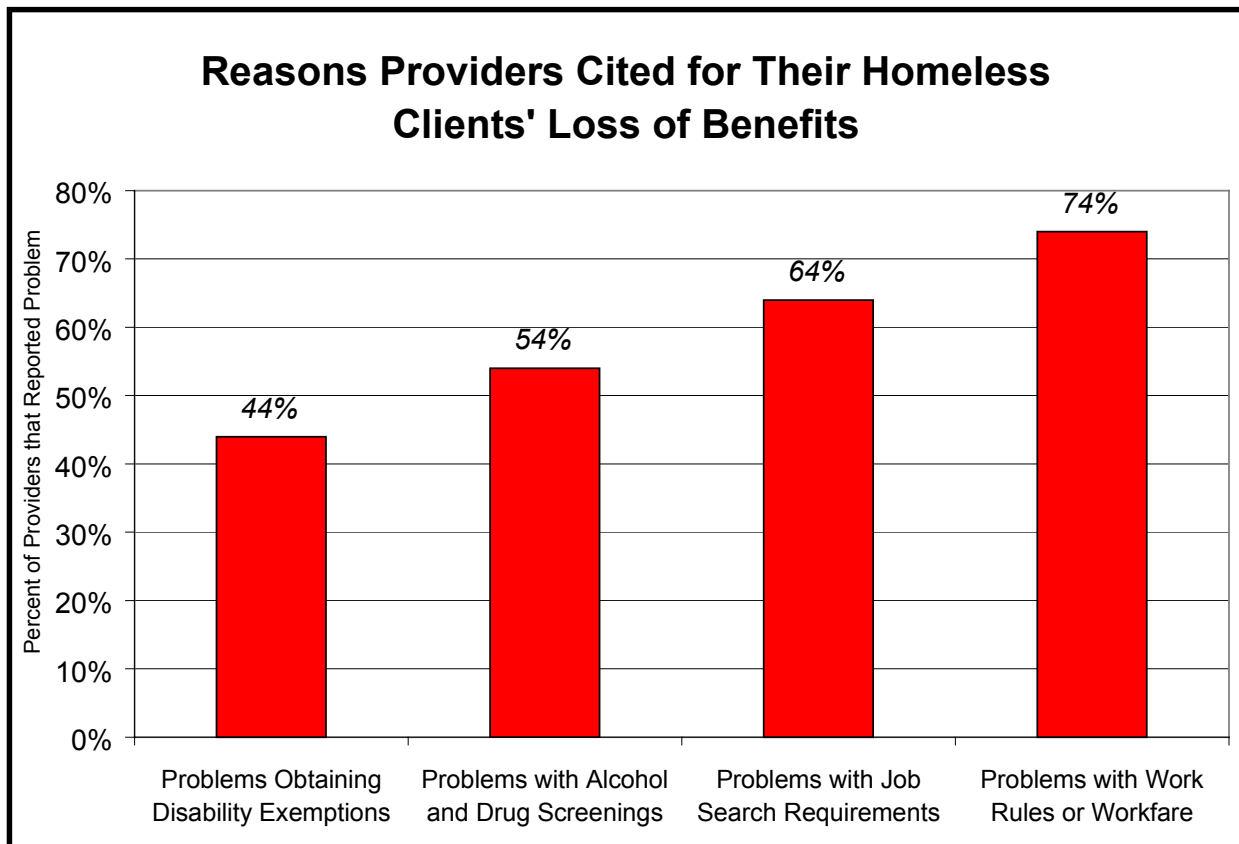
- ◆ *64 percent reported that their clients encounter problems with job search requirements.*

Alcohol and Drug Screening

- ◆ *54 percent observed that their clients have trouble with alcohol and drug screening or treatment requirements.*

Disability Exemptions

- ◆ *44 percent noted that their clients are having difficulty obtaining disability exemptions.*



We also asked respondents to record their best estimates of the proportion of their clients affected by each of seventeen specified problems. Our survey results show that each of these problems is taking its toll. On average, homeless service providers report that **15 to 30 percent** of their clients have been **affected by at least one problem with public benefits**.

INTERPRETING THE SURVEY RESULTS

No study of this type can fully explain all of the complex and dynamic consequences of welfare reform. Nor can statistics about homelessness be reviewed in isolation from the many forces that cause people to lose their homes. Nevertheless, this survey would not be complete without

some exploration of how demand for shelter and other services for the homeless has changed in recent years, and why people are staying in shelters for longer periods of time.

The rising demand for homeless services and increasing lengths of stay recorded in this survey should be interpreted with care. We think it is fair to say that, to the extent that homeless people have far less access to public benefits than they had prior to the implementation of various welfare reform measures, increases in demand for shelter and lengths of stay can be explained, in part, by these trends.

There are, however, other policies and economic forces at work as well. For example, there are fewer people with mental illness being placed in supportive housing, and more people being discharged or paroled to homeless shelters from State and local correctional facilities than there were a few years ago.

New York State's homeless population is, as researchers and experts in the field acknowledge, extremely difficult to quantify. To date, there has never been a reliable estimate of the total number of homeless people (including those living on the streets and other locations outdoors) in New York State. Recently, the Coalition for the Homeless estimated that 163,000 different men, women and children used homeless shelters over the course of a year (1997) in New York State. This is, however, an extremely conservative estimate that does not include such services as soup kitchens, drop-in centers, or street outreach programs, and thereby omits a large portion of the state's streetbound homeless population.

Remarkably, however, among the 222 survey participants providing an estimate of the number of ***literally homeless people*** (*not* formerly homeless or at-risk) they serve annually, ***the responses totaled more than 185,000 different men, women and children.*** This figure should be interpreted with caution. It undoubtedly contains some significant duplication and includes more service types than simply shelters. However, it is significant because it was reported by fewer than five percent of the estimated 5,000 organizations serving homeless people throughout the state. Thus, it is an indication that homelessness may well be increasing in New York State.

SUMMARY OF RECOMMENDATIONS

Although welfare reform has caused its own set of problems for homeless New Yorkers and those at risk of becoming homeless, New York State is certainly not without the financial resources to implement proven solutions to these problems.

New York State currently has \$769.2 million in surplus Federal welfare funds due to the dramatic decline in the number of people receiving public assistance. That amount is expected to grow to \$1.4 billion in the 1999-2000 fiscal year. While these funds could be used to assist the thousands who are transitioning from welfare to work, they remain virtually untouched.

A strategic investment of these funds should be made to support programs and services with two goals in mind:

- ◆ ***First, provide a stronger and more complete support system for those moving from welfare to employment.***
- ◆ ***Second, maintain vital benefits and assistance for those who are unable to work.***

Specifically, New York State should implement the following measures to ease the problems caused by welfare reform:

1. Protections for Disabled New Yorkers

- ◆ ***Redundant and cursory medical examinations for disabled applicants and recipients must be eliminated. Any person whose health care provider places limitations on his/her ability to work should be exempt from work requirements.***
- ◆ ***Recipients should be given sufficient time to produce medical records documenting disabilities, serious illnesses or other health-related work limitations, and to challenge workfare assignments that may endanger their health.***

2. Rental Assistance for Homeless Families and Individuals

- ◆ ***Rental assistance provides a temporary rent subsidy along with support services to help employed or employable homeless families and individuals obtain private-market apartments. It is a cost-effective and proven alternative to expensive shelters.***

- ◆ *New York State, in cooperation with local governments, should implement a statewide rental assistance program for 5,000 homeless families and 4,000 homeless individuals.*

3. Replace Workfare with Education, Training, and Subsidized Jobs

- ◆ *Both the Federal and State welfare reform laws allow the State to count some educational and training activities toward work participation requirements.*
- ◆ *The State and local districts should allow participants the option of substituting legitimate job training and educational programs for dead-end workfare placements.*
- ◆ *In addition, State law should be strengthened to place a primary emphasis upon training and subsidized employment, allowing assignments to workfare for no more than 6 months per year.*
- ◆ *Surplus Federal welfare funds should be used to offer on-the-job training programs and subsidized employment opportunities to help recipients cultivate job skills.*

4. Health Care for Low-Income Workers

- ◆ *In order to address the large increase in the number of low-income uninsured people occurring with the implementation of welfare reform, programs such as Child Health Plus should be expanded to include family coverage.*

5. Restoration of Public Benefits for Low-Income Immigrants

- ◆ *The Federal government should restore full eligibility for public benefits for legal immigrants. Public benefits should be available to all income-eligible people regardless of immigration status.*

6. Expand Resources for Homeless Service Providers

- ◆ *State and local governments must provide sufficient funding for homeless shelter providers to meet rising demand, and ensure that homeless people receive emergency shelter regardless of their welfare status.*
- ◆ *Increased resources must be made available to emergency food programs, which have experienced large increases in demand in the wake of welfare reform.*

CONCLUSION

The State's rapidly declining welfare caseload is often lauded as a positive accomplishment of aggressive government policies, but few are asking what has become of the hundreds of thousands of people who have left the welfare rolls. Simply put, welfare reform has saved New York State hundreds of millions of dollars at the expense of poor New Yorkers. It is the most vulnerable groups -- such as people with developmental disabilities, people with mental illnesses, and people with addictions -- that have been hurt the most. As this survey has documented, many of these same people find themselves homeless because of the impact of welfare reform.

The reality of welfare reform is that needy people are denied benefits by a welfare system that prizes caseload declines over helping poor people secure and keep good jobs. In addition, unfair provisions of welfare reform force people to comply with work rules that show little regard for an individual's circumstances, such as a documented disability or a lack of transportation or child care. Furthermore, welfare recipients can expect to obtain only entry-level employment with no benefits, if they find employment at all.

The lack of meaningful job training and educational programs for welfare recipients dooms most to a cyclical future of low-wage work, unemployment, and periodic reliance upon an increasingly demeaning welfare system. Leaving low-wage workers with too little income to afford even basic housing and health care severely taints any success accorded welfare reform. Increasing numbers of people, including those who work, are turning to homeless service providers for shelter, food, and emergency assistance.

The emerging, if invisible, legacy of welfare reform is not self-reliance and economic security, but a lifetime of poverty for many of the state's most vulnerable populations. For far too many of them, the only place to turn for help is a homeless shelter or soup kitchen. That need not be the case. Proven, workable solutions exist to help people leaving welfare achieve the promise of a better life. All that is lacking is action.

WELFARE REFORM IN NEW YORK STATE:

A BRIEF HISTORY

Today most people associate the term "welfare reform" with the historic Federal welfare legislation of 1996, and with an overblown 1992 campaign-trail pledge to "*end welfare as we know it.*" In New York State, however, many of the changes associated with welfare reform -- including mandatory work requirements -- actually pre-date the Federal welfare reform law. In addition, some of the reforms with the most dramatic impact on poor New Yorkers (for example, workfare programs) involve political decisions by the State and local governments more than legislative changes. This chapter provides a brief history of welfare reform in New York State and highlights some of the major issues, including work requirements, workfare, the transition to employment, and the impact welfare reform has had upon disabled New Yorkers.

Legislative Changes

Welfare reform legislation, enacted by the Federal Government in 1996 and by New York State in 1997, represents the most drastic modification of the social contract between the government and poor people since public assistance programs were first established at the start of the century.

While various welfare system changes have been made from time to time, the fundamental individual entitlement to Federally-funded cash assistance for poor families with children remained intact until 1996. The State of New York also maintained a similar obligation to provide cash aid to needy childless adults and others ineligible for Aid to Families with Dependent Children until 1997. With the exception of certain limits on Federal aid for two-parent households, these entitlements existed irrespective of the duration of a person's need.

Nevertheless, some provisions that were later expanded in the Federal and State welfare reform laws -- including requirements that some welfare recipients be engaged in work or educational activities -- were part of New York State's social services laws since the 1970s. The first major welfare reform legislation of this decade occurred in 1995, and affected recipients of Home

Relief, the State-funded general assistance program for single adults and childless couples. The 1995 reforms mandated that Home Relief recipients participate in workfare programs, instead of educational or other activities. Second, it increased dramatically the participation rates for local districts, requiring that by 1997 up to 95 percent of a county's Home Relief caseload be enrolled in workfare (previously, the maximum participation rate for Home Relief recipients had been 40 percent).

The subsequent Federal and State legislative changes, made in 1996 and 1997 respectively, were even more sweeping. They abolished the concept of a Federally-funded entitlement and fundamentally changed both the financing structure for welfare programs and the ground rules for securing and maintaining access to public aid.

The 1996 Federal welfare reform law, known as the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), made four major changes: (1) It provided block grants to States and gave them vastly expanded authority to fashion their benefits systems; (2) it eliminated many immigrants from eligibility for a wide array of benefits (some immigrants had their eligibility restored in legislation passed in 1998); (3) it created five-year lifetime time limits on Federally-funded cash assistance for families; and (4) it created new work requirements as a condition for receiving Food Stamps and cash assistance.

The consequences of the landmark changes ushered in by PRWORA are enormous, but, for New York State, two in particular deserve special mention. First, the most radical change in eligibility for public benefits involved so-called "qualified," or legal, immigrants. The Federal law immediately made hundreds of thousands of legal immigrants in New York State categorically *ineligible* for a wide range of public benefits, including Food Stamps, cash assistance, and SSI. Although eligibility for some benefits was partially restored through subsequent Federal and State legislation (e.g., for many elderly immigrants), states with large immigrant populations like New York were profoundly affected by the Federal law.

Second, the way that the PRWORA calculates work participation rates creates enormous incentives for states to reduce welfare caseloads by any means available. Put simply, states can count a reduction in total caseload towards the percentage of recipients required to be engaged in work activities. Thus, for the purposes of qualifying for the Federal welfare block

grant, an application denial, a case termination, or a temporary suspension called a "sanction" has the same value as a recipient who is working.

The 1997 State Welfare Reform Act made some important modifications to the Federal law. In place of lifetime time limits on aid, the State law created time limits on cash-only benefits (five years for families, two years for single adults and childless couples). It also defined in much greater detail than the Federal law the new work requirements demanded of recipients, and significantly narrowed provisions for disabled individuals to obtain exemptions from work requirements.

Administrative Changes and Local Welfare Policy

As important as the sweeping legislative changes that ushered in welfare reform have been administrative changes made by local governments. Local welfare policy has been particularly important in two areas: (1) implementing the new work requirements contained in State law, and (2) determining access to benefits for new applicants.

Following the 1995 changes in work requirements for Home Relief recipients, many counties created or dramatically expanded workfare programs. The most notable example of this was NYC WAY, a local welfare reform initiative introduced by New York City's welfare agency in 1995. Under NYC WAY, the Work Experience Program (WEP), New York City's workfare program, grew to include 35,000 participants, far and away the largest workfare program in any American city. Following New York City's example, many other counties also created large-scale workfare programs.

In the area of *denying* access to benefits, New York City was again the pacesetter. In 1998 the City began converting welfare centers into so-called "job centers," which had radically new policies and procedures for applicants. Under the "job center" model, the City's official policy towards those seeking Food Stamps, Medicaid, cash assistance, and emergency assistance became one of diversion and denial. In many cases, "job center" staff refused to provide eligible individuals with an application, or told them to go to food pantries or local churches for help. In early 1999 a Federal court judge ruled that "job centers" violated Federal laws governing Food Stamps, Medicaid, and cash assistance. The court issued an injunction prohibiting New York City from opening any additional "job centers" and demanded changes in

application procedures. In June of 1999 the court permitted expansion to only three new centers. In addition, investigations by the U.S. Department of Agriculture and Health Care Financing Administration found that City employees routinely and illegally denied benefits to eligible applicants.¹

One important regulatory change has dramatically changed rules for the provision of emergency shelter to homeless families and individuals. State regulations introduced by the Pataki Administration in 1995 create new requirements for the receipt of emergency shelter, and require shelters to eject families and individuals who do not comply with the new rules for a *minimum* of thirty days. In several counties, individuals and families have been ejected from shelters pursuant to the new regulations, and children of sanctioned families have been placed into foster care.²

Work Rules

The primary reason that public assistance applicants and recipients are losing benefits is that they are having trouble complying with the new and much tougher mandatory work requirements. Under current law, 95 percent of single adult and two-parent family households and 35 percent of single-parent families receiving public assistance must be enrolled in so-called work activities. By the year 2002, 50 percent of the single-parent families receiving public assistance must participate in these activities.

The Federal welfare reform law and, to a lesser extent, the State Welfare Reform Act offer flexible definitions of work activities, encompassing educational and training activities. Nevertheless, in New York State, work requirements are fulfilled primarily through assignment to the nation's largest workfare system. The assignments given to most adult recipients involve work at menial, low-skill tasks in order to secure and retain welfare benefits. Both New York City and New York State have embraced this approach to welfare reform despite overwhelming evidence showing that workfare is a singularly ineffective strategy for moving recipients from public assistance to employment.

Disabled New Yorkers and Welfare Reform

¹ Swarns, Rachel, "U.S. Audit is Said to Criticize Giuliani's Strict Welfare Plan," *The New York Times*, January 20, 1999.

² To date, the regulations (NYCRR 352.35) have not been implemented in New York City because of legal challenges brought by the Coalition for the Homeless and the Legal Aid Society under "right to shelter" litigation.

The impact of new mandatory work requirements has been especially devastating for disabled New Yorkers. In enacting welfare reform policies for New York, elected officials and policymakers abandoned long-standing policies and practices which accorded most people with disabilities or serious illnesses exemptions from various work requirements. The State Welfare Reform Act instead made it enormously difficult for disabled individuals to obtain exemptions from work requirements, and localities have erected additional barriers for those seeking exemptions.

The procedures for obtaining disability exemptions are now so onerous that many disabled welfare recipients are funneled into the workfare system or, worse yet, dropped from the welfare rolls when they fail to comply. Localities are now permitted to assign a sick or disabled welfare recipient to workfare even when his or her own personal physician advises against such a placement. The only way for a recipient to avoid a loss of benefits is to meet impossibly short deadlines (ten days, according to the State law) to produce documentation and challenge the placement. The recipient must also file a doctor's treatment plan which specifically directs that the sick or disabled person not work.

Even then, most are improperly assigned to workfare. Typically, disabled recipients lose their benefits (Public Assistance, Food Stamps, and often Medicaid) and require expert legal advocacy in order to restore them. In a few well-publicized incidents, workfare participants with medical problems have died while attempting to comply with workfare assignments that endangered their health.³

Sanctions and Savings: "Churning" the Welfare Rolls

Even for non-disabled welfare recipients, the principal effect of workfare is to "churn" the welfare caseload, by imposing a temporary loss of benefits ("sanctions") for non-compliance with work requirements. Indeed, this temporary elimination of benefits as a form of punishment is one of the primary forces behind the state's dramatically declining welfare caseload.

New York State saves enormous sums of money by sanctioning welfare recipients for violating the complex rules in the new welfare system. Mandatory work requirements and other aspects

³ MacFarquhar, Neil, "Worker's Death Prompts Calls for Workfare Review," *The New York Times*, July 31, 1999.

of welfare reform, such as drug and alcohol screening provisions and education requirements, have dramatically reduced the number of people receiving public assistance and other benefits.

From 1994 to 1996, the latest years for which accurate numbers are available, there was a 71 percent increase in the number of recipients penalized for noncompliance with work rules in New York State. From 1994 to 1996, 263,003 people were temporarily “sanctioned” or dropped from the welfare rolls, generating \$390 million in cost-savings for the State.⁴

Sanction Policy and Welfare Caseload Reductions in Other States, January 1997-June 1998

IDAHO

- Immediate full sanction for non-compliance
- *78 percent caseload reduction*

WISCONSIN

- Immediate full sanction for non-compliance
- *74 percent caseload reduction*

TEXAS

- Withholds portion of benefit or full benefit after repeated instances of non-compliance
- *42 percent caseload reduction*

MARYLAND

- Withholds portion of benefit or full benefit after repeated instances of non-compliance
- *26 percent caseload reduction*

WASHINGTON, DC

- Recipients retain most benefits even after instances of non-compliance
- *17 percent caseload reduction*

Source: The Heritage Center for Data Analysis, 1999

Nationwide there is growing evidence that declining caseloads are not proof that welfare recipients are achieving economic self-sufficiency, but that they are instead victims of policies designed to deflate caseloads by cycling recipients in and out of the welfare system through the use of sanctions. While New York State’s welfare caseload has declined by 41 percent, due in large part to the use of sanctions, states with harsher provisions have seen an even steeper decline in their public assistance caseloads.⁵

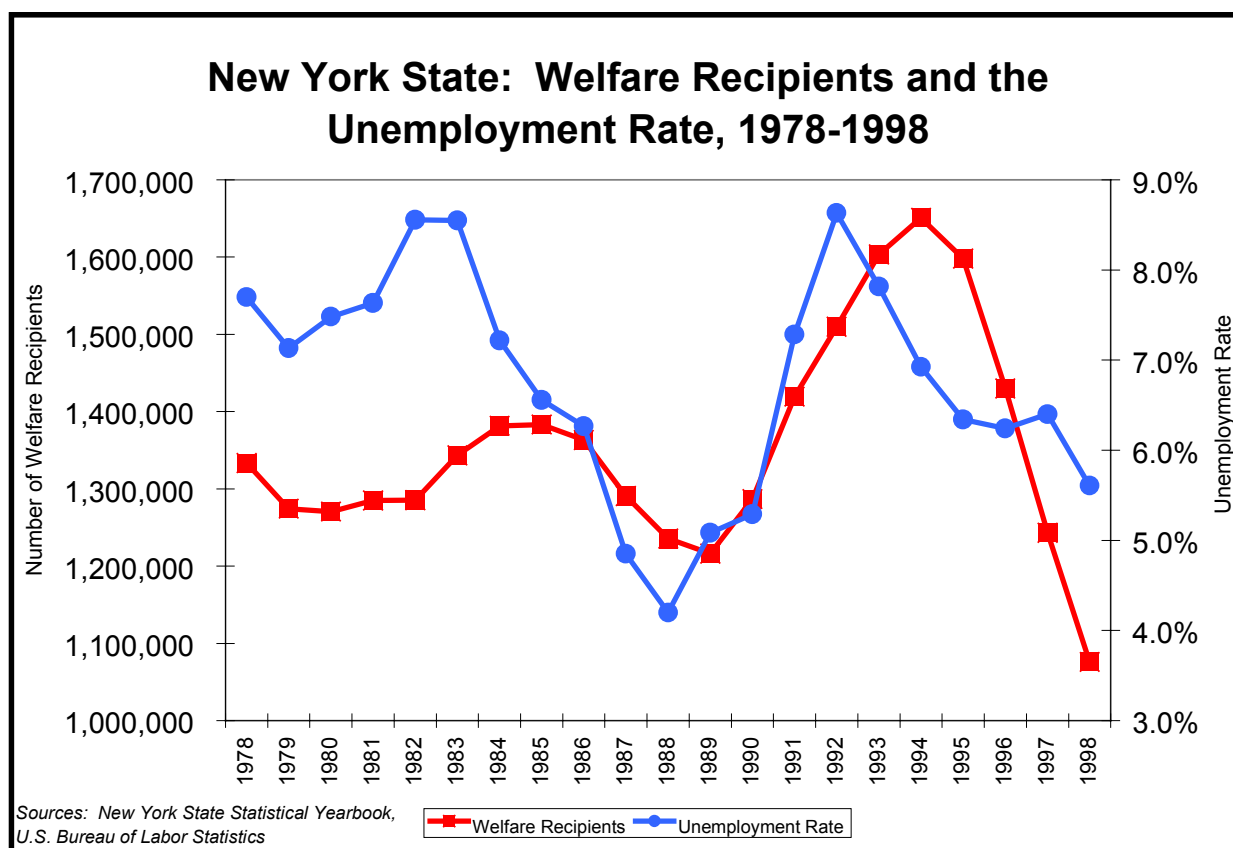
Workfare and the Transition to Employment

⁴ New York State Department of Labor, unpublished JOBS data, 1997.

⁵ Heritage Center for Data Analysis, "The Determinants of Welfare Caseload Decline," May 11, 1999.

Far from smoothing the transition from welfare to employment, new mandatory work requirements have instead served as a highly effective vehicle for *temporarily* removing needy households from the public assistance rolls without achieving the putative goals of welfare reform.

In a sense, the grand social experiment of welfare reform has benefited from fortuitous circumstances. The first significant welfare reform measures coincided with the beginning of an unprecedented period of economic growth in the United States, and with historically low levels of unemployment. Thus, as was the case during previous low-unemployment periods of the business cycle, most welfare households have left the rolls for employment mainly because of job growth and economic prosperity. Indeed, a comparison of the State's welfare caseload and unemployment rate demonstrates that the number of welfare recipients is strongly correlated with changes in unemployment.



Nevertheless, the hardest-to-employ individuals continue to require on-going support. Among those facing the greatest difficulties in the wake of welfare reform are those with mental illness,

developmental disabilities, limited education, limited work experience and, according to disturbing recent reports, Latinos and African-Americans.⁶

New York State's workfare system has been consistently expanded in the 1990's despite evidence that only a small minority of workfare participants move on to employment. For example, in 1996, one year after the Pataki Administration began to dramatically increase the number of Home Relief recipients required to participate in workfare, only 13,831 of the 166,000 recipients (8 percent) enrolled in the State's workfare programs moved into regular employment.⁷

Various studies have concluded that workfare programs do little to improve employability. Mainly this is because they engage participants in "make-work" activities like sweeping sidewalks or raking leaves, instead of job training opportunities, subsidized employment, or educational programs.⁸ In fact, recent research tells us that fewer than 10 percent of those leaving New York City's Work Experience Program obtain legitimate employment.⁹

Among the recipients that do become employed, restrictions on access to training and education opportunities limit employment options to low-wage or minimum-wage jobs with compensation too meager to lift a family out of poverty. If an adult works 40 hours per week earning the Federal minimum wage of \$5.15 per hour, he or she would gross only \$10,712 per year, well below the current Federal poverty level of \$13,880 per year for a family of three.

Evaluating access to employment opportunities after workfare is pointless for the thousands of recipients facing practical barriers that prevent them from getting to their workfare assignment in the first place. Many welfare recipients have trouble reporting to workfare assignments because of a lack of child care or because they cannot find transportation to a work site. Missing one day of a work assignment usually results in the loss of public assistance for at least thirty days,

⁶ DeParle, Jason, "Shrinking Welfare Rolls Leave Record High Share of Minorities," *The New York Times*, July 27, 1998. According to this report, the number of African-Americans and Latinos receiving welfare in New York City has fallen by 30 percent and 7 percent, respectively, since 1995. On the other hand, the number of whites receiving public assistance in New York City declined by 57 percent. See also: Meckler, Laura, "Despite Welfare Overhaul, Racial Imbalance Exists," *Associated Press*, March 30, 1999.

⁷ New York State Department of Labor, unpublished JOBS data, 1997.

⁸ DeParle, Jason, "What Welfare-to-Work Really Means," *The New York Times Magazine*, December 20, 1998. This report included New York City's data on its job search program, revealing that only 256 of the first 3,500 participants were placed in jobs.

⁹ Stettner, Andrew, "Welfare to Work: Is It Working? The Failure of Current Welfare-to-Work Strategies to Move the Hardest to Employ Into Jobs," Georgetown University Graduate Public Policy Institute, January, 1999.

and additional violations can lead to the loss of benefits for even longer periods of up to one year.

Workfare not only translates into a massive financial windfall for the State, but it also places public assistance recipients into a system that offers little job training, few educational opportunities and inadequate supportive services such as child-care and transportation.

The Labor Market and the Transition from Welfare to Work

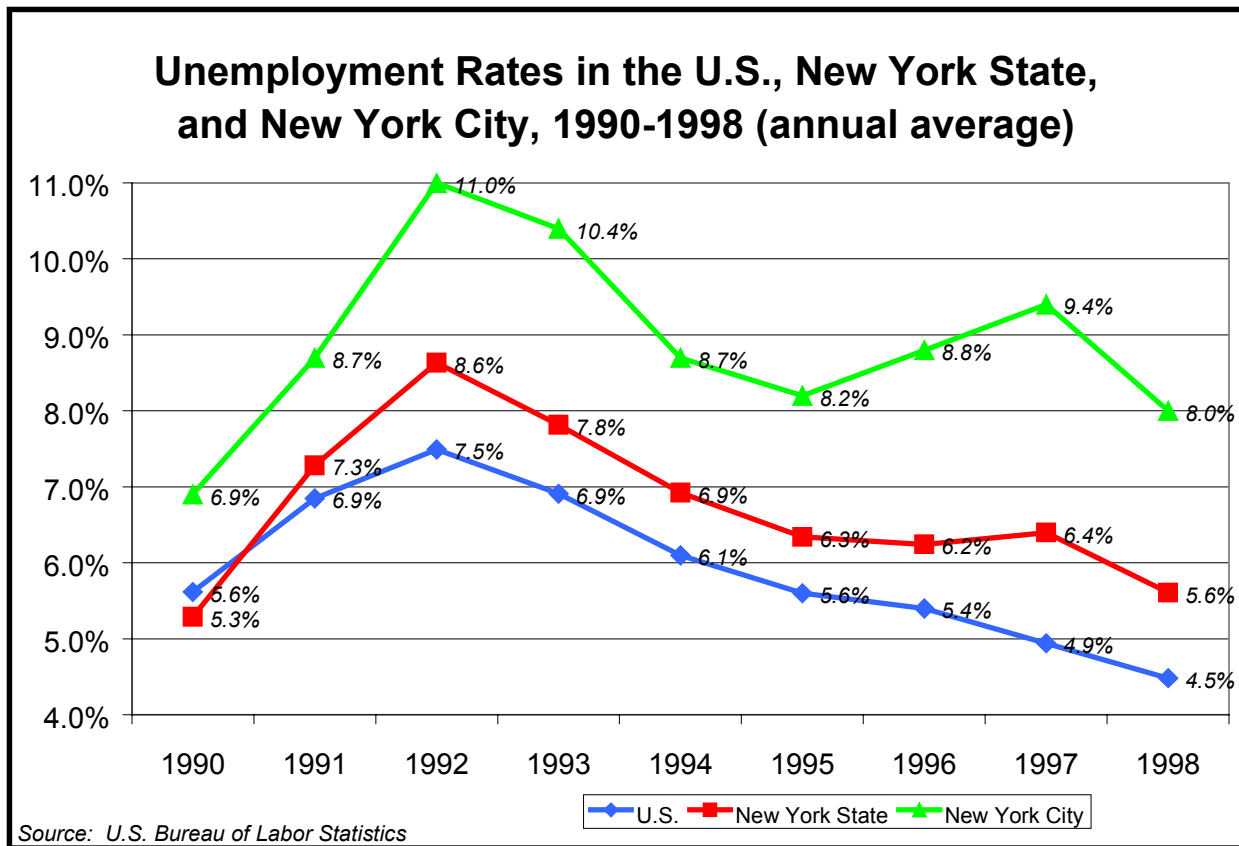
The theory used to promote welfare reform, that recipients should move *from "welfare checks to paychecks,"* is one that is long on promises but short on substance. There is scant evidence that most New Yorkers dropped from the welfare rolls are supporting themselves and their families through employment.

According to New York State's own statistics, 29.1 percent of the parents removed from the welfare rolls in New York State in 1997 obtained employment, and in New York City the share was only 22.1 percent. For Home Relief recipients the results were even more startling -- only 18.1 percent found jobs statewide and just 14.6 percent found employment in New York City.¹⁰

These poor welfare-to-work outcomes are, in fact, the result of fundamental structural factors. Most welfare recipients in this state are unlikely to find adequate employment for three reasons. First, unemployment here occurs at a relatively high rate compared with the rest of the United States. In 1998 the national unemployment rate, 4.5 percent, was lower than New York State's rate, 5.6 percent, and substantially lower than the 8.0 percent unemployment rate in New York City. Moreover, among blacks and Latinos in the poorest New York City neighborhoods, unemployment rates exceed 15 percent. Second, New York depends heavily on the nation's largest workfare system, which provides only limited opportunities for recipients to find jobs. Third, most of the available jobs in New York State provide below-poverty wages and few, if any, benefits.

¹⁰ Hernandez, Ray, "Most Dropped From Welfare Don't Get Jobs: Critics of Work Rules Cite New York Study," *The New York Times*, March 23, 1998. See also: New York State Department of Labor, unpublished JOBS data, 1997.

Due to the current economic climate and because of a limited availability of jobs and training programs for long-term welfare recipients, the bulk of those now transitioning from welfare to work in New York State must turn to low-wage or temporary employment. In many cases, these jobs do not include benefits, and do not pay enough to lift a family out of poverty. The current national poverty rate for a family of four is \$16,700 per year, and this figure does not account for the relatively higher cost-of-living and the higher housing costs in New York State.¹¹



A recent study found that 70 percent of the jobs with the highest growth rate in New York State pay less than a “livable wage,” and that half pay less than 50 percent of what is considered a “livable wage.” In the study, the livable wage for New York was determined to be \$36,583.31 per year for a family of four. That figure was determined by estimating annual expenditures for basic needs such as housing, transportation, food, child care, health care, clothing, and taxes.¹²

According to the U.S. Bureau of Labor Statistics, the occupations currently experiencing the most rapid growth in New York State are retail salespersons, who earn an average annual

¹¹ U.S. Department of Health and Human Services, 1999 poverty guidelines.

income of \$14,248; home health aides, who earn \$15,142 on average per year; and cashiers, who earn an average of \$11,586 per year.¹³

Jobs with the Highest Growth Rates in New York State in the 1990s	
<i>Job Description</i>	<i>Average Annual Salary</i>
Retail Sales	\$14,248
Home Health Aide	\$15,142
Cashier	\$11,586
Waiter/Waitress	\$11,336
Security Guard	\$16,473

Source: National Priorities Project, Jobs with Justice, 1998

The State's reliance on workfare has created a population of former welfare recipients who lack the training and education to compete for adequate employment in today's job market. For welfare recipients trying to transition into the workforce, the available employment options promise continued poverty in the years to come. In many cases, these workers will not earn enough to pay for such basics as rent and food. Those with the fewest skills and most fragile support systems will turn to homeless service providers for assistance in increasing numbers.

Transitional Benefits: An Empty Promise

For many people making the transition from welfare to low-wage employment, the loss of health care and food assistance is devastating. In addition to inadequate pay, low-wage jobs often do not offer health insurance. A study released in 1998 found that 333,000 of the 960,000 working adults in New York State with incomes below 200 percent of the Federal poverty level (\$27,300 per year for a family of three) had no health insurance.¹⁴

Although many low-wage jobs do not provide health benefits, the meager earnings they produce are still usually sufficient to disqualify low-wage workers in New York from publicly funded health care such as Medicaid. For

Income Eligibility for Medical Assistance in New York and Other States

Twenty-one states use higher income levels than New York State to determine eligibility for medical assistance. A family of three qualifies for Federally-subsidized health coverage if its annual earnings are less than:

- \$7,992 in New York State
- \$14,724 in Maine
- \$18,156 in Massachusetts
- \$21,564 in Vermont
- \$26,333 in Rhode Island
- \$27,300 in Washington, DC
- \$37,538 in Minnesota

Source: Center on Budget and Policy Priorities, 1999

¹² National Priorities Project, Jobs with Justice, December, 1998.

¹³ Ibid.

¹⁴ Guyer, Jocelyn, and Mann, Cindy, "Economic Hardship: Income Working Parents Who Lack Health Insurance," Center on Budget and Policy Priorities, February 9, 1999.

example, a working parent supporting a family of three in New York State loses access to Medicaid benefits if his or her gross income exceeds \$666 per month. If a single adult earns more than \$442 per month, he or she becomes ineligible for Medicaid.¹⁵ In contrast, coverage for low-income children is significantly more generous under special programs such as Child Health Plus.

Homeless Service Providers: The Last Safety Net

As documented in recent news reports, many of those who operate soup kitchens and food pantries are seeing a dramatic increase in demand for their services. Requests for emergency food assistance in New York City grew by 24 percent from January 1997 to January 1998.¹⁶ Many observers believe that the lines at emergency feeding programs are longer because fewer people are receiving Food Stamps.

Nationwide, the number of people receiving Food Stamps has fallen dramatically in the last four years, from 28 million to fewer than 19 million.¹⁷ In New York State, the number of people receiving Food Stamps fell by 517,361 from 1995 to 1998, almost identical to the decline in welfare recipients (522,135) over the same period.¹⁸ Part of the explanation for this sharp decline lies in the structure of the Federal welfare reform law, which encourages state and local governments to deter people from applying for cash benefits by offering financial incentives that reward declining caseloads.

At the same time, however, states cannot legally prevent the needy from applying for Food Stamps and Medicaid. This distinction has resulted in problems with access to these vital benefits because, in most states (as in New York State), applications for welfare, Food Stamps, and Medicaid are linked. Too often, if welfare is denied or lost, the other benefits are denied or suspended as well. Indeed, most observers believe that the vast majority of households denied access to welfare still qualify for Food Stamps and Medicaid. Because of aggressive efforts by both local welfare offices and State officials to stigmatize all forms of assistance, and in some cases to bar needy people from applying, too many of those who qualify have not been informed of their rights to obtain access to these benefits. As noted above, the Federal inquiries

¹⁵ Ibid.

¹⁶ New York City Coalition Against Hunger, "Rationing Charity, New York City Struggles to Keep up With Hunger," October, 1998.

¹⁷ Revkin, Andrew, "Welfare Policies Alter the Face of Food Lines," *The New York Times*, February 8, 1999.

¹⁸ Nelson A. Rockefeller Institute of Government, *New York State Statistical Yearbook*, 1998 edition (Albany: SUNY Press, 1998).

and court rulings regarding New York City's "job centers" documented precisely this phenomenon.

Welfare Reform and Homelessness

Application barriers, case terminations, and "churning" are factors contributing to a rising homeless shelter population. Between 1994 and 1998, the single adult homeless shelter population in New York City increased by 12 percent, with nearly 800 more men and women residing in the shelter system each night. In addition, the number of homeless families staying in shelters every night has risen by over 11 percent between the summer of 1998 and the summer of 1999.¹⁹

In New York's other 57 counties, shelters have been forced to turn people away who are not receiving public assistance, and because of funding shortages, others have had to close their doors. In Monroe County alone, according to a recent report, homelessness increased by 17 percent from 1998 to 1999, and all of the county's shelters were filled to capacity for several months.²⁰ Throughout New York State, homeless service providers report increased demand for shelter among individuals who have no income or benefits.²¹

While many observers have noticed the recent increase in demand for such services as soup kitchens and emergency shelters, little has been done by government agencies to investigate the possibility that welfare reform could be responsible for the trend. The State has merely published statistical reports that fulfill the minimum reporting requirements mandated by law.

In fact, few statistics offer insight into the fate of those whose benefits have been terminated, reduced, or denied. To date, no State or local research has asked homeless service providers or other social services agencies to assess the impact that welfare reform has had upon their clients and organizations.

The Coalition for the Homeless undertook this study, in part, because so little has been done in New York to determine how former welfare recipients are faring. We especially wanted to

¹⁹ New York City Department of Homeless Services, shelter census reports, 1994-1999.

²⁰ Jackel, Donna, "Homeless Straining Monroe Shelters," Rochester Democrat and Chronicle, July 30, 1999.

²¹ Hernandez, Raymond, "Welfare Shift Causes Crisis for Shelters: Outside NYC Aid Drops for Homeless," *The New York Times*, May 14, 1998. See also: Coalition for the Homeless, Testimony before the New York State Assembly Committees on Health and Social Services, December 21, 1998.

investigate something that we see every day in the waiting room of our Lower Manhattan offices: That homeless families and individuals churned from the welfare rolls are suffering in extreme poverty, and that many of those who have lost benefits are among the most vulnerable and disabled New Yorkers. Too many are living with the constant threat or reality of homelessness. Too often, the only place for people losing their welfare benefits to turn for survival is a homeless shelter, a drop-in center, or a soup kitchen.

METHODOLOGY AND PROVIDER PROFILES

THE SURVEY

For the purpose of discovering how welfare reform has affected the problem of homelessness in New York State, the Coalition for Homeless mailed over 5,000 surveys to every organization in New York State believed to serve the homeless. The survey was designed to give providers an opportunity to record their observations about the impact that welfare reform has had upon their clients. A copy of the survey instrument is included in Appendix A.

The surveys, complete with an enclosed self-addressed stamped envelope, were mailed in September and early October of 1998. The vast majority of the surveys were completed and returned by October 30, 1998. A second mailing was initiated in November to reach those with new addresses and other homeless service providers that came to our attention as a result of the first mailing. The return date for these surveys was November 30, 1998.

The names and addresses of New York State homeless service providers were obtained from the following sources: The U.S. Bureau of the Census; various State agency records including lists of Homeless Housing Assistance Program sponsors and Department of Health funded emergency feeding programs; a list of Community Action Programs; a selective list of Neighborhood Preservation and Rural Preservation organizations; a list of Federal Emergency Management Agency (FEMA) emergency food and shelter programs; the United Way of New York State and its affiliates; and the Coalition for the Homeless *Reference Manual* and other Coalition sources.

In order to confine the focus of this survey to only those serving homeless populations, we started with the following question: *“Does your agency serve homeless people, formerly homeless people, or those at risk of becoming homeless?”* Those who replied “No” to this question were excluded from the survey analysis. A few surveys were completed by agencies such as shelters and detoxification programs that stated, implausibly, that they do not serve the homeless (or those formerly homeless or at-risk). These and other survey responses in which this threshold question was left blank were grouped with the submissions from those making the

more credible statement that, for whatever reason, they do not serve, or no longer serve, homeless people. All of these submissions were excluded from our detailed analysis.

The response rate for surveys which were delivered was 12.7 percent. Of the 558 surveys returned to us, 394 were completed by groups reporting that they serve homeless populations. Those 394 surveys were used for all further data analysis. Responses to each question were analyzed and calculated according to the number of providers that completed that specific portion of the survey, since, in many cases, the questions apply only to a particular sub-set of the respondents. For example, some questions apply only to those providing emergency shelter or only to emergency feeding programs. Also, some questions requested data not kept by all providers.

Answers to survey questions were recorded in a database in order to analyze the responses. Next, reports were constructed to tabulate the statewide results for each of the 31 survey questions. In addition, reports were generated to compare New York City and Long Island responses with those from the rest of the state. For some of the more complex survey questions, additional reports were prepared to sort responses by specific provider type and population group. The tabulated statewide results (less summaries of anecdotal responses) are included in Appendix B. The complete technical report for this survey exceeds 600 pages.

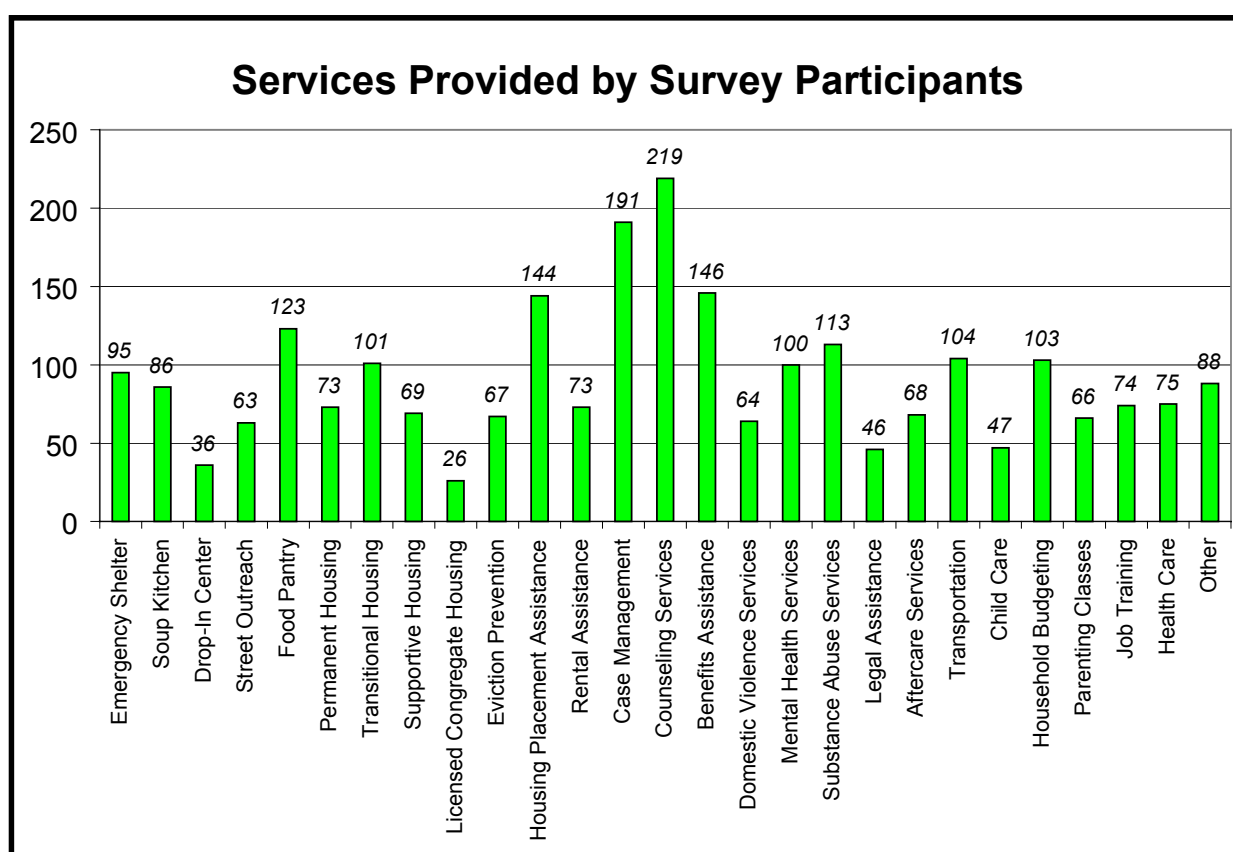
PROVIDER PROFILES

A Variety of Service Providers

Because we sent this survey to thousands of organizations, we received responses from a variety of providers. A total of 376 survey participants (95%) answered the question *“What services do you provide to homeless people, formerly homeless people, or those at risk of becoming homeless?”* The survey respondents represented all 26 choices offered as possible answers. The services best represented in our sample were counseling (58%), case management (51%) and benefits assistance (39%). These are services typically provided by shelters, outreach programs, drop-in centers, and housing programs. Those services with the lowest representation were licensed congregate housing (7%) and drop-in centers (10%).

Importantly, 56 percent listed emergency shelter or feeding programs among their responses. Specifically, 25 percent of the respondents provide emergency shelter, 23 percent operate soup kitchens, and 33 percent operate food pantries, all of which are core homeless services.

Other survey choices included substance abuse services (30%), transportation (28%), mental health services (27%), household budgeting (27%), transitional housing (27%), job training (20%), health care (20%), permanent housing (19%), rental assistance (19%), aftercare services (18%), eviction prevention (18%), parenting classes (18%), domestic violence services (17%), legal assistance (12%), and child care (13%).²²



Geographic Diversity of Homeless Service Providers

Our sample of homeless service providers represented most regions of the state. Fifty-three percent (209) were from New York City and 47 percent (186) were from New York State's other 57 counties.

²² Percentages do not add up to 100 percent because respondents were permitted to select more than one service type.

Respondents from New York City represented all five boroughs:

- ◆ **Manhattan, 52 percent of New York City respondents.**
- ◆ **Brooklyn, 22 percent.**
- ◆ **Bronx, 16 percent.**
- ◆ **Queens, 7 percent.**
- ◆ **Staten Island, 3 percent.**

The New York State counties best represented by the survey respondents outside New York City included: Suffolk (21%), Westchester (12%), Nassau (9%), Monroe (8%), Albany (6%), Onondaga (6%), and Rockland (6%).²³

Furthermore, we received survey responses from at least one provider in the counties of Broome, Cattaraugus, Chautauqua, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Fulton, Herkimer, Jefferson, Madison, Montgomery, Oneida, Ontario, Orange, Oswego, Putnam, Rensselaer, Schenectady, Schuyler, St. Lawrence, Steuben, Sullivan, Tioga, Tompkins, Ulster and Wyoming. No surveys were returned from thirteen counties, including Niagara, Saratoga and Chemung, each of which has a sizeable population of homeless people.²⁴

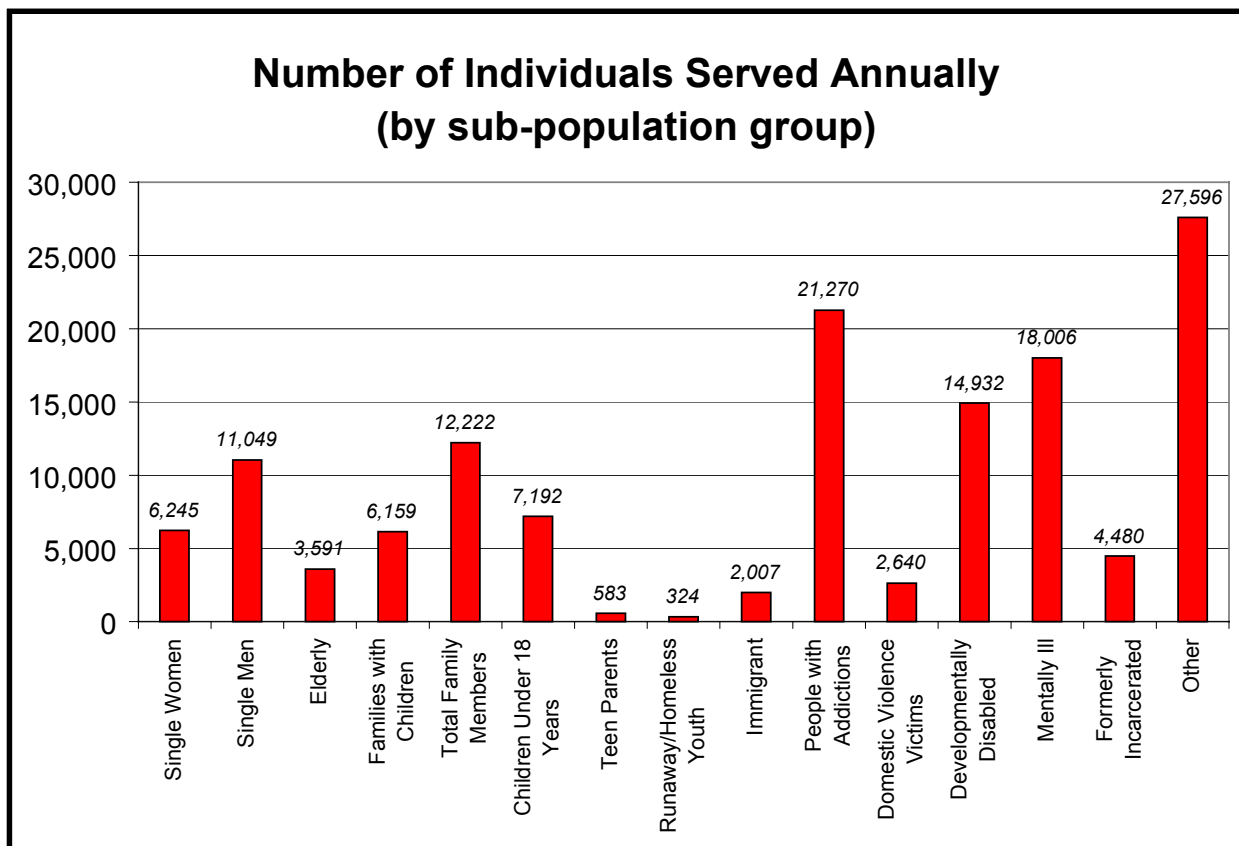
Albany	11	Onondaga	11
Bronx	33	Ontario	1
Brooklyn	46	Orange	2
Broome	4	Oswego	1
Cattaraugus	3	Putnam	1
Chautauqua	1	Queens	15
Clinton	2	Rensselaer	2
Columbia	1	Rockland	11
Cortland	2	Schenectady	1
Delaware	1	Schuyler	1
Dutchess	4	St. Lawrence	3
Erie	8	Staten Island	6
Fulton	2	Steuben	1
Herkimer	2	Suffolk	39
Jefferson	1	Sullivan	2
Madison	1	Tioga	1
Manhattan	109	Tompkins	2
Monroe	15	Ulster	2
Montgomery	1	Westchester	24
Nassau	16	Wyoming	1
Oneida	4		

²³ Note that these figures refer to the percentage of non-New York City respondents.

²⁴ The counties of Allegheny, Cayuga, Chemung, Chenago, Franklin, Genesee, Greene, Hamilton, Lewis, Livingston, Orleans, Otsego, and Saratoga are not represented by providers in this survey, but surveys were sent to homeless service providers in each of these counties.

Capacity of Programs Administered by Survey Respondents

Many of the feeding programs responding to this survey are serving a large number of people who are homeless, formerly homeless, or at risk of becoming homeless. Of the 132 survey respondents answering the question "For feeding programs, what is your maximum daily emergency serving capacity?", over 60 percent said they had a capacity of at least 50 people per night. One-third of those answering this question reported serving an average of 202 people per night. On the other hand, those providing emergency shelter reported operating with relatively small daily capacities. Of the 88 respondents answering the question "What is your maximum nightly emergency bed capacity?", 53 percent reported serving up to 19 people per night. Similarly, among the 44 shelter providers answering the question "How many different family households can you accommodate at one time?", the majority, 60 percent, reported having a maximum capacity of fewer than 19 households.²⁵

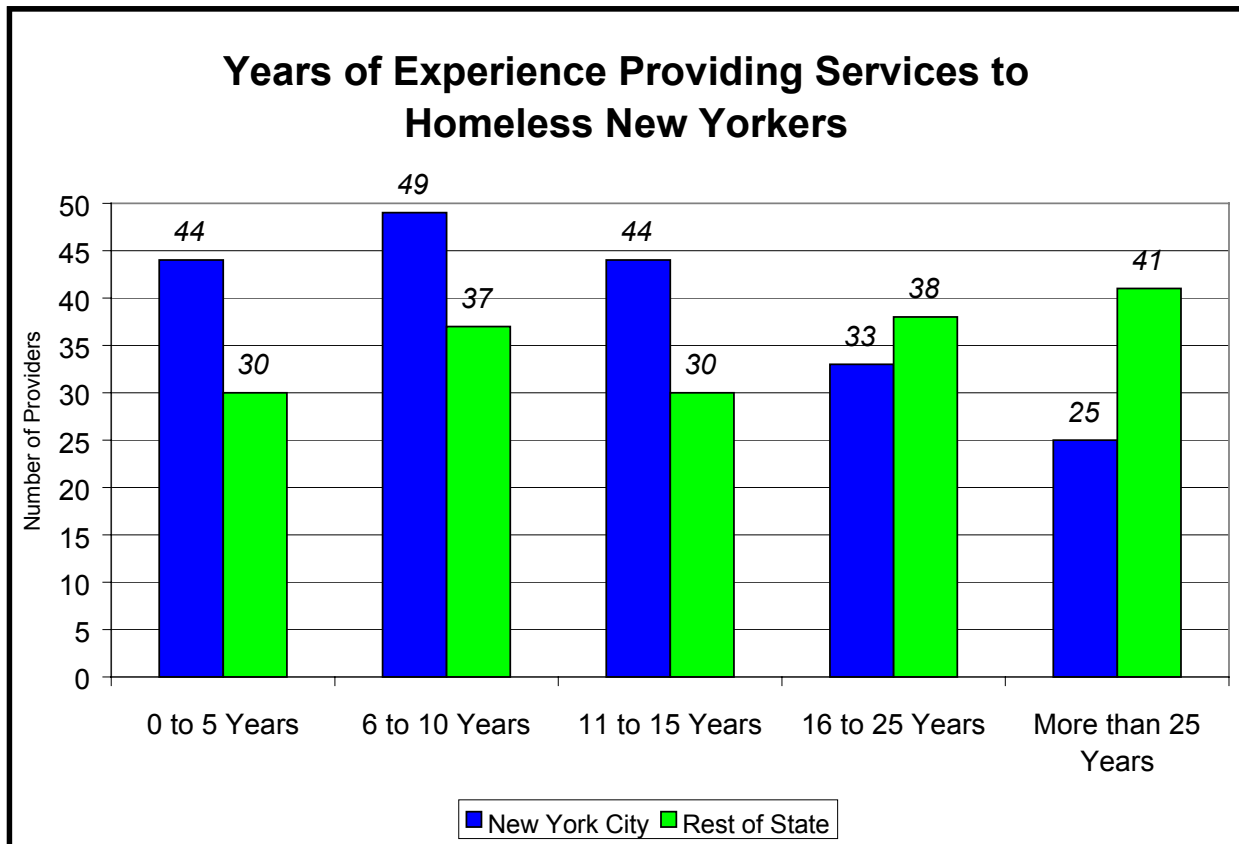


²⁵ This analysis under-reports data for New York City shelters which tend to be very large (i.e., 100 beds or more). The New York City Department of Homeless Services, the City agency which directly operates most of the largest shelters, did not respond to this survey.

Population Groups Served by Homeless Service Providers

Homeless service providers responding to our survey indicated that they serve a variety of population groups that are homeless, formerly homeless or at risk of becoming homeless. Heavily represented among their clientele are people with various disabilities. Survey respondents were asked the question “Please indicate your BEST ESTIMATE of the average number of individuals you serve [daily or per night] among [the following] population groups.” The results show:

- ◆ 124 reported serving a total of **14,932 people with developmental disabilities.**
- ◆ 205 survey respondents reported serving a total of **18,006 people with mental illness.**
- ◆ 214 respondents reported serving a total of **21,270 people with addictions.**
- ◆ 129 respondents reported serving a total of **12,222 members of families with children.**
- ◆ 244 respondents reported serving a total of **6,245 single women.**
- ◆ 241 respondents reported serving a total of **11,049 single men.**
- ◆ 152 providers reported serving a total of **3,591 elderly people.**



Experience with Homeless Services

The vast majority of our survey participants were serving the homeless long before the Federal and State welfare reform statutes were enacted in 1996 and 1997, respectively. Of the 371 respondents answering the question *“How long has your program served homeless people, formerly homeless people, or those at risk of becoming homeless?”*, 57 percent reported having provided services to the homeless for more than 10 years. Sixty-six of the providers answering this question indicated that their agencies have served the homeless for more than 26 years, at an average of 39 years. Less than 20 percent of providers responded that they had been providing services to homeless people for less than five years.

Those responding to this survey comprise a broad array of homeless service providers, who are representative of the universe of social services organizations, religious groups, and other agencies providing service for homeless people in New York State. Moreover, their collective and individual experience in the field, as well as their contact with a diverse group of homeless people statewide, contribute a rich and informed perspective on the problem of homelessness and its relationship to welfare reform.

FINDINGS

The observations recorded by homeless service providers in their responses to this survey contradict the proposition that changes brought about by welfare reform have successfully helped hundreds of thousands of New Yorkers move from welfare dependency to economic independence. If anything, the results indicate that welfare reform has served to sink thousands of the state's most vulnerable men, women and children deeper into poverty. ***As a result, homeless shelters and soup kitchens have become an inadequate and overburdened social services system of last resort.***

The homeless service providers responding to this survey indicated that State and Federal welfare reforms are directly responsible for an increased demand for their services. They reported that since the beginning of 1995, the year Governor Pataki began reforming New York's welfare system, both the number of homeless people and the lengths of stay in shelters have increased. The vast majority also reported that their clients are experiencing increasing problems in securing and maintaining public benefits.

Homeless service providers reported that they are working beyond their capacities to serve a growing number of clients in desperate need. In other words, those suffering the most from the harmful provisions of welfare reform are increasingly turning to a system of financially strapped homeless service providers which has too little capacity and too few resources to meet their needs.

THE SURVEY

- ***The Coalition for the Homeless mailed over 5,000 surveys to providers serving homeless populations in New York State. Of these, 398 were returned undeliverable.***
- ***The response rate for surveys that were delivered was 12.7 percent with 558 surveys completed and returned in the autumn of 1998. Of these, 394 were completed by groups reporting that they serve homeless people.***
- ***Geographically, 209 of these service providers (53%) were from New York City.***
- ***Some 249 respondents provided data concerning the number of different homeless clients they serve daily and/or annually. In the aggregate, these homeless service providers reported serving 12,170 different homeless people per day and more than 185,000 different homeless people per year.***

KEY FINDINGS

1. Diminished Access to Benefits

- ◆ *Eighty-seven percent of homeless service providers said that their clients' benefits have been either terminated or reduced, or that their clients' applications for benefits have been denied, more often or much more often now than in 1994.*
- ◆ *Overall, 86 percent of those reporting observed "dramatic" losses in Public Assistance benefits for one or more population groups.*
- ◆ Similarly, one or more groups have suffered significant temporary or permanent losses of **Food Stamps** (according to 70 percent of those reporting); **Medicaid** (62%); **SSI/SSD** (51%); and **Emergency Assistance** (44%).

2. Reduced Participation in Public Benefits

Homeless service providers reported significant decreases in the number of their clients receiving various public benefits. On average, they documented reduced participation in public benefits in the last five years as follows:

- ◆ *Medicaid: 27 percent fewer recipients*
- ◆ *Food Stamps: 28 percent fewer recipients*
- ◆ *Public Assistance: 35 percent fewer recipients*
- ◆ *SSI/SSD: 42 percent fewer recipients*
- ◆ *Emergency Assistance: 55 percent fewer recipients*

3. Problems with Workfare

- ◆ *Three out of four homeless service providers (74%) said that **problems complying with work rules/workfare** have resulted in their clients being found ineligible, sanctioned, or having their benefits reduced or terminated.*
- ◆ *Sixty-four percent (64%) reported that their clients encounter problems with **job search requirements**.*
- ◆ Similarly, *54 percent* observed that their clients have trouble with **drug and alcohol screening or treatment requirements**.
- ◆ Moreover, *44 percent* reported that their clients have trouble with **disability exemptions**.

4. Rising Homeless Population

- ◆ *Eighty-eight percent (88%) of homeless service providers reported an increase in their homeless client populations since 1995.*
- ◆ *Seventy-seven percent (77%) also observed that their homeless clients need help for longer periods of time since 1995.*

5. Rising Homeless Shelter Demand

- ◆ *Eighty-eight percent (88%) of emergency shelter providers reported an increase in their homeless client populations since 1995.*
- ◆ *Emergency shelter providers also reported substantial increases in certain population sub-groups since 1995.* Among emergency shelter providers reporting about the number of *homeless people with mental illness* served by their programs, **84 percent** observed an increase. Of the shelter providers reporting about *homeless families with children* served by their programs, **68 percent** reported that those numbers have increased as well.

6. Rising Lengths of Stay in Shelters

- ◆ *The vast majority of shelter providers (77%) reported that their homeless clients need their help for longer periods of time.*
- ◆ *Emergency shelter providers also reported that many of their most vulnerable clients need their help for longer periods of time since 1995.* Among the shelter providers observing length of stay for *homeless people with mental illness*, **69 percent** reported an increase. Likewise, of the shelter providers reporting about lengths of stay for *homeless people with developmental disabilities*, **63 percent** reported increases.

7. Quantifying Homelessness

- ◆ For the homeless service providers reporting the number of *different homeless men, women and children* they serve per year, the *aggregate responses equaled 185,412*. This is a much larger number than our previous homeless population estimates. Nevertheless, it accounts for the homeless clients served by *a mere five percent of the organizations believed to serve the homeless in New York State*.

PROBLEMS WITH PUBLIC BENEFITS

Most homeless service providers said that clients are experiencing increasing trouble obtaining and keeping public benefits.

1. Fewer Clients Have Benefits

Of the 231 homeless service providers answering the question “*Are the people your program serves currently experiencing any of the following problems with their benefits (benefits denied, sanctioned, reduced, or terminated)?*”, three out of four reported that their clients are currently experiencing serious problems in accessing public assistance.

- ◆ **77 percent (178 of 231) reported that their clients’ benefits have been terminated.**
- ◆ **77 percent (178 of 231) reported that their clients’ applications for benefits have been denied.**
- ◆ **74 percent (170 of 231) reported that their clients’ benefits have been sanctioned.**
- ◆ **70 percent (162 of 231) reported that their clients’ benefits have been reduced.²⁶**

When asked to quantify the proportions of their clients experiencing each of these problems, the survey respondents reported that, on average, **nearly one-third of their clients had seen their benefits reduced (32%)**. In addition, they reported the proportions affected by benefit denials (23%), sanctions (23%) and termination of assistance (19%).

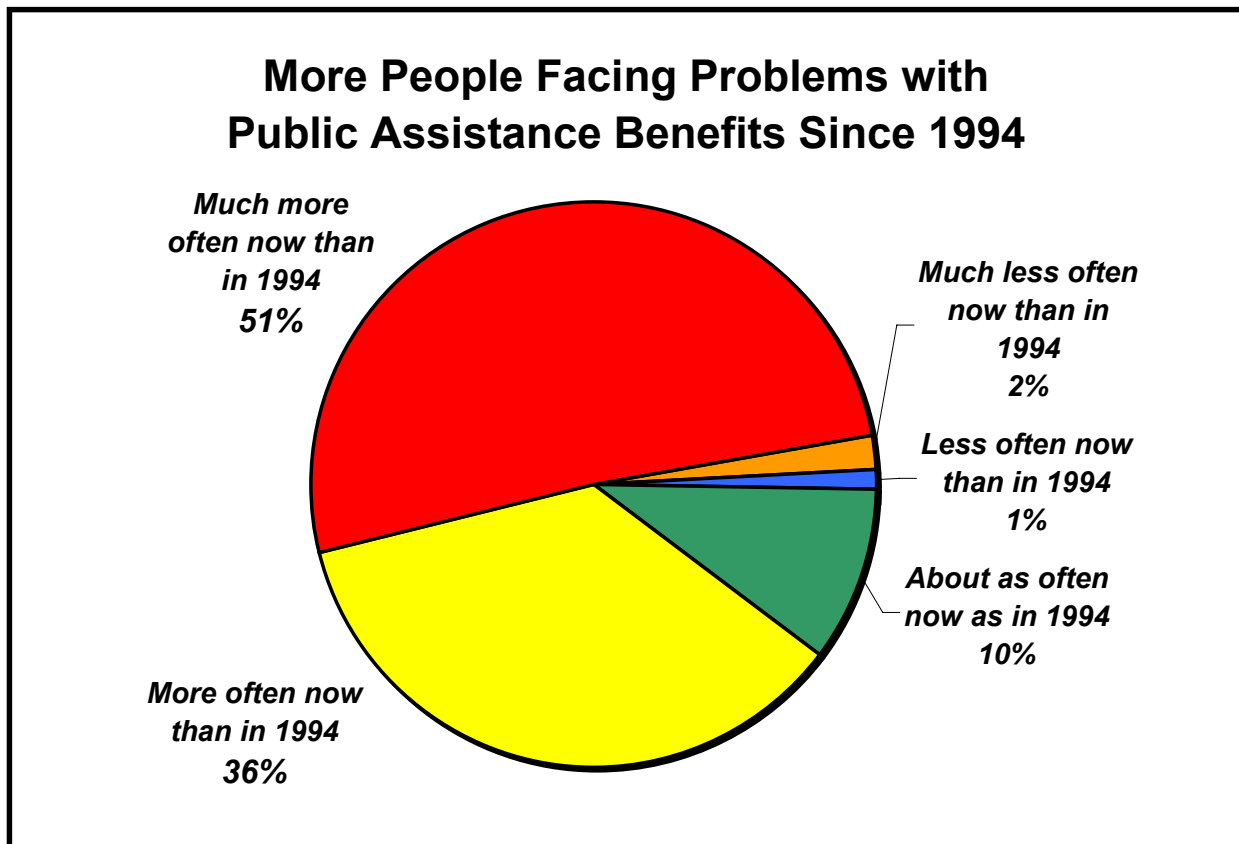
2. Clients Lose Benefits More Often

We also asked our survey respondents to gauge the regularity with which these problems occur. **Eighty-seven percent of the providers reported that their clients are experiencing these problems (denied, sanctioned, reduced or terminated) more often or much more often now than in 1994.**

- ◆ Of the 218 respondents answering the question “*How would you gauge the frequency with which your clients encounter [these] problems?*”, approximately 36 percent (78 of 218) reported that the frequency is, “*more often now than in 1994.*”

²⁶ Percentages do not add up to 100 percent because respondents were permitted to select more than one benefit problem.

- ◆ Another 51 percent (112 of 218) observed that their clients are experiencing problems with public assistance, “*much more often now than in 1994.*”

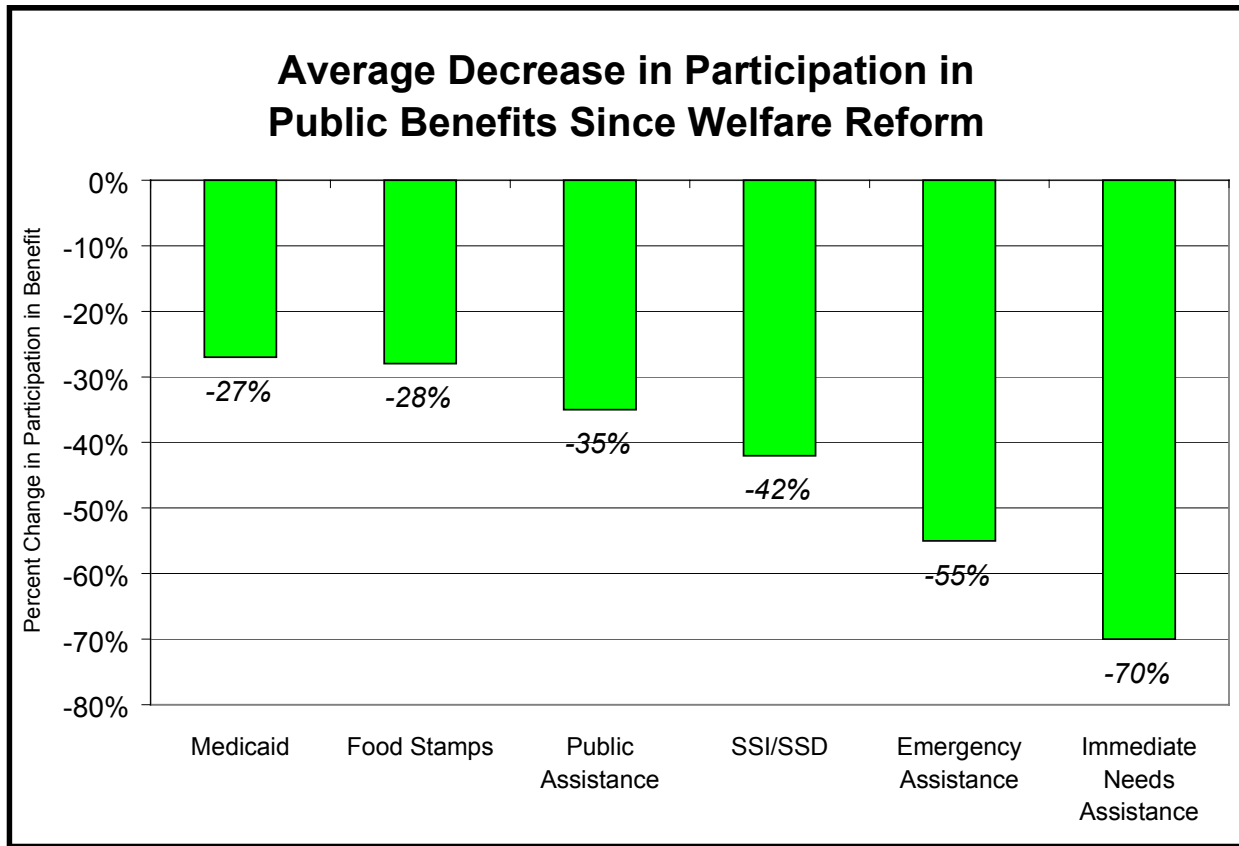


3. Quantifying the Losses in Benefits

Homeless service providers were asked to estimate the proportions of their clients currently receiving benefits compared to the proportions receiving those same benefits in the past. The respondents reported that their clients’ participation in public benefits has decreased substantially for each benefit type. More than half of the homeless service providers answering this question reported a decline in the proportions of clients receiving the following benefits:

- ◆ **Public Assistance (59%, or 132 of 222)**
- ◆ **SSI/SSD (55%, or 122 of 222)**
- ◆ **Food Stamps (55%, or 121 of 222)**
- ◆ **Medicaid (54%, or 119 of 222)**

Below is a chart showing the average percentage decrease in participation in the last five years for each benefit as reported by homeless service providers responding to this question. ***In summary, homeless service providers reported that 27 percent to 70 percent fewer of their clients are receiving these public benefits in the wake of welfare reform.***



4. Dramatic Losses in Benefits

When asked to gauge which populations have been affected ***"dramatically"*** by a temporary or permanent loss of eight specified benefits, homeless service providers offered alarming responses. For each benefit type, 40 percent or more of the providers reported that at least one population group has been dramatically affected by a temporary or permanent loss of benefits. The results show how various groups have been affected and the impact upon participation in certain benefit programs

- ◆ ***Overall, 86 percent of homeless service providers (167 of 195 reporting) observed "dramatic" losses in Public Assistance benefits for one or more client groups.***

- ◆ Similarly, one or more groups have suffered significant temporary or permanent losses of Food Stamps (according to 70 percent of those reporting); Medicaid (62%); SSI/SSD (51%); and Emergency Assistance (44%).

A. Single Men and Women

- ◆ 41 percent to 53 percent of homeless service providers gauged the impact upon single men and women to be a dramatic loss in all types of benefits except SSI.

B. Families with Children

- ◆ An equally grave impact exists for families with children with respect to Public Assistance (with 46 percent of respondents assessing the impact as a "dramatic" loss in benefits); Food Stamps (49%); and Personal Needs Allowances (46%).

C. Immigrants

- ◆ 31 to 39 percent of providers gauge the impact for immigrants as profound with respect to SSI/SSD, Medicaid, and Food Stamps.

D. The Elderly

- ◆ The elderly have been significantly affected by the temporary or permanent loss of benefits according to one in four respondents reporting about Food Stamps (26%), Medicaid (25%), SSI/SSD (25%) and Personal Needs Allowances (24%).

Homeless Sub-Populations "Dramatically" Impacted by Temporary or Permanent Loss of Benefits								
<i>Number Reporting Dramatic Loss of Benefit</i>	Public Assistance	Per Diem Shelter Reimburse.	Food Stamps	Personal Needs Allowance	Emergency Assistance	Medicaid	Immediate Needs Assistance	SSI/SSD
195	167	54	137	71	85	121	61	100
<i>Percent Reporting Dramatic Loss of Benefit</i>	86%	28%	70%	36%	44%	62%	31%	51%
Single Women	49%	46%	44%	48%	47%	42%	41%	22%
Single Men	53%	50%	45%	41%	45%	45%	41%	22%
Families with Children	46%	28%	49%	46%	39%	29%	33%	23%
People with Addictions	33%	20%	29%	28%	26%	31%	23%	40%
Mentally Ill	22%	19%	25%	21%	24%	30%	25%	32%
Immigrants	26%	15%	39%	21%	26%	31%	28%	32%
Elderly	17%	20%	26%	24%	18%	25%	20%	25%
Formerly Incarcerated	12%	9%	25%	15%	24%	9%	13%	7%
Domestic Violence Victims	13%	15%	15%	11%	20%	12%	25%	9%
Runaway/Homeless Youth	8%	11%	11%	13%	18%	9%	16%	6%
Developmentally Disabled	5%	7%	11%	11%	12%	12%	13%	13%
Teen Parents	12%	6%	12%	15%	13%	14%	8%	2%

E. People with Mental Illness

- ◆ *32 percent of providers reported loss of SSI/SSD for people with mental illness, and 30 percent noted the loss of Medicaid for the same group.*

F. People with Addictions

- ◆ *40 percent of providers reported the dramatic loss of SSI/SSD, and 31 percent reported loss of Medicaid for people with addictions.*

G. Other Sub-Populations

- ◆ *Dramatic impacts in smaller proportions were also reported for every other population group including victims of domestic violence, teens, and those with developmental disabilities.*

MANDATORY WORK REQUIREMENTS AND OTHER WELFARE RULES

“Once placed at a WEP site, there was no one who spoke Spanish, so [our] client was unable to communicate with staff. After one week, she was told not to return, then she was sanctioned for non-compliance.”

Yesenia Carrillo, Assistant Director, Nazareth Housing, New York

1. New Rules Have Widespread Impact

More than any other welfare reform initiative, problems with **mandatory work requirements** have caused the clients of our survey respondents to find their public assistance benefits reduced, sanctioned, terminated, or denied.

In all, 242 providers answered the question *“If people that your program serves are being found ineligible, sanctioned, or having their benefits reduced or terminated, please CIRCLE ALL of the reasons affecting your clients in the list below.”* The results show that:

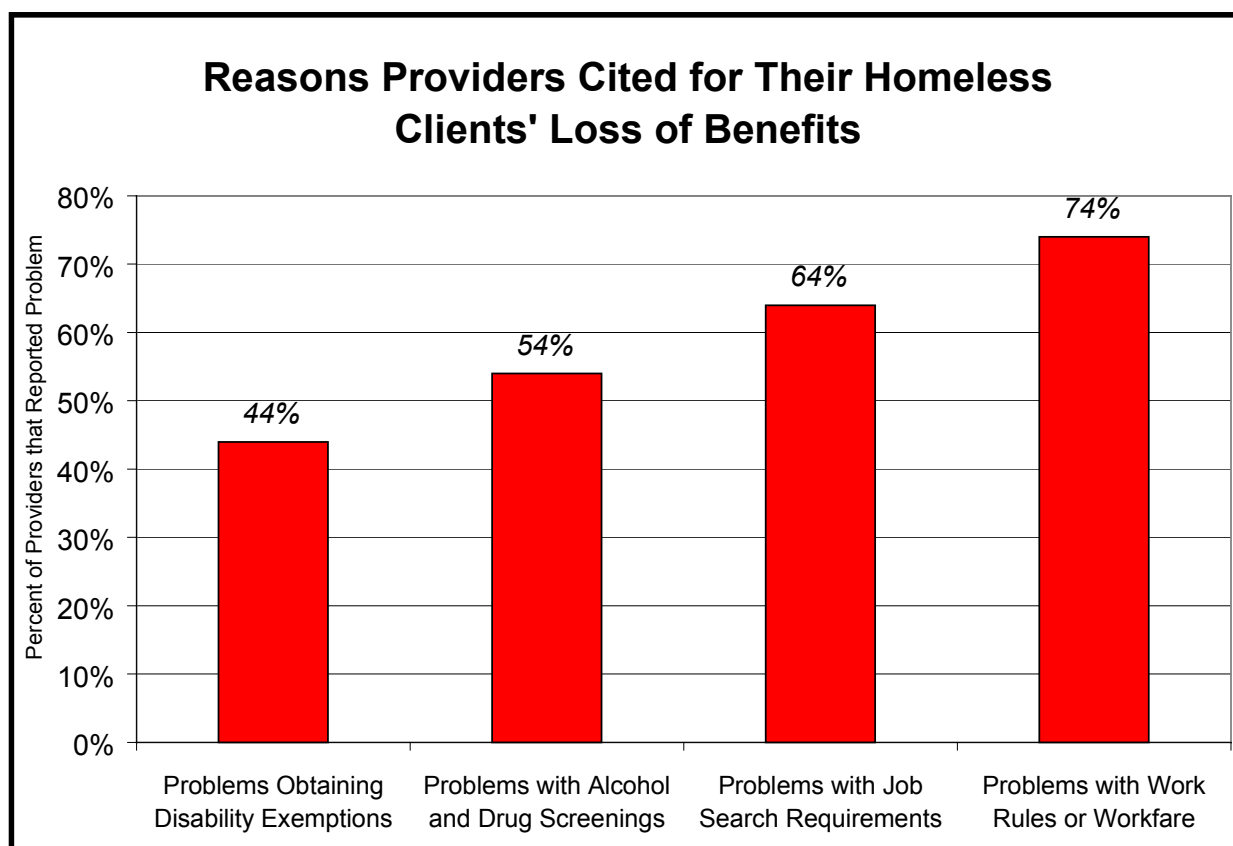
- ◆ **74 percent** (178 of 242) reported that problems complying with **work rules/workfare** are causing their clients to lose their benefits.

“To comply [with employment programs] means immediate response. If there are good reasons for delay, for example, hospitalization, illness, etc., they are still sanctioned. Often, this precipitates eviction.”

Director of an eviction prevention program, Manhattan

In addition to workfare requirements, other aspects of welfare reform have also caused clients to lose benefits.

- ◆ Another **64 percent** of homeless service providers (156 of 242) reported that their clients encounter problems with **job search requirements**.
- ◆ Similarly, **54 percent** (130 of 242) observed that their clients have trouble with **drug and alcohol screening or treatment requirements**.
- ◆ In addition, **44 percent** (107 of 242) report that their clients are experiencing complications with **disability exemptions**.²⁷



2. New Rules Impact Many Clients

For each of the reasons that clients might have problems with their welfare benefits (being found ineligible, sanctioned or having benefits reduced or terminated), we asked homeless service providers to estimate the proportions of their clients affected. **On average, 14 to 32 percent of respondents' clients have been affected by at least one problem with public benefits.** The table below shows that, on average, about a quarter of clients served by survey

respondents have experienced a loss or reduction in public assistance benefits due to problems complying with new or tougher welfare rules such as:

- ◆ **Job search requirements** (28%).
- ◆ Problems complying with **workfare** (25%).
- ◆ Complications with **disability exemptions** (23%).

In addition, **nearly a third (32%)** of these clients had problems with **education requirements**. Finally, about one in five clients encounter problems with **domestic violence exemptions (20%)**, according to homeless service providers.

Problems with Specific Welfare Reform Rules			
	Number of Providers Reporting Problem	Percentage of Providers Reporting Problem	Percentage of Clients with Problem (Average)
Workfare	178	74%	25%
Job Search Requirements	156	65%	26%
Drug/Alcohol Requirements	130	54%	27%
Disability Exemptions	107	44%	23%
Immigrant Status Exclusions	87	36%	17%
Education Requirements	76	32%	32%
Literacy Problems	74	31%	25%
"Front-End" Application Barriers	66	27%	26%
Language Barriers	64	27%	24%
Paternity/Support Cooperation	57	24%	18%
Homeless Shelter Rules (18 NYCRR 352.35)	57	24%	19%
Voluntary Quit Sanctions	53	22%	14%
Residency Requirements	50	21%	23%
Probation/Parole Status Exclusions	45	19%	18%
Domestic Violence Exemptions	32	13%	20%
Absent Minor Exclusions	21	9%	17%
Learnfare	17	7%	19%

Obviously, the proportion of clients affected by one or more of these problems is probably quite large since few would be likely to be plagued by all of them. The reduced participation in public benefits mentioned above underscores the real impact for clients facing these problems.

²⁷ Percentages do not add up to 100 percent because respondents were permitted to select more than one requirement.

POPULATION

1. More Homeless People Seeking Help

Homeless service providers noted that in recent years more people are requiring their assistance. *In fact, 88 percent of homeless service providers reported an increase in one or more of their homeless client sub-populations since 1995.*

2. Homeless Population Growth by Group

Homeless service providers noticed the most dramatic increase in the use of their services among certain homeless population groups.

A. People with Mental Illness

- ◆ Among service providers reporting about the number of people seeking their services over the last four years, **66 percent** (123 of 187) noted an increase in the number of **homeless people with mental illness**.

B. Families with Children

- ◆ **Sixty-five percent** (93 of 142) reported an increase in the number of **homeless families with children**.

C. Single Women

- ◆ **Sixty-two percent** (121 of 195) observed an increase in the number of **homeless single women** requiring services.

D. Single Men

- ◆ **Sixty-one percent** (116 of 191) said they have seen an increase in **homeless single men**.

E. Formerly Incarcerated People

- ◆ **Sixty-eight percent** (115 of 170) noticed an increase in the number of **homeless formerly incarcerated people**.

F. People with Addictions

- ◆ **Sixty-six percent** (111 of 168) observed an increase in the number of **homeless people with addictions**.

G. Victims of Domestic Violence

- ◆ **Sixty percent** (87 of 144) reported an increase in the number of **homeless victims of domestic violence**.

H. Immigrants

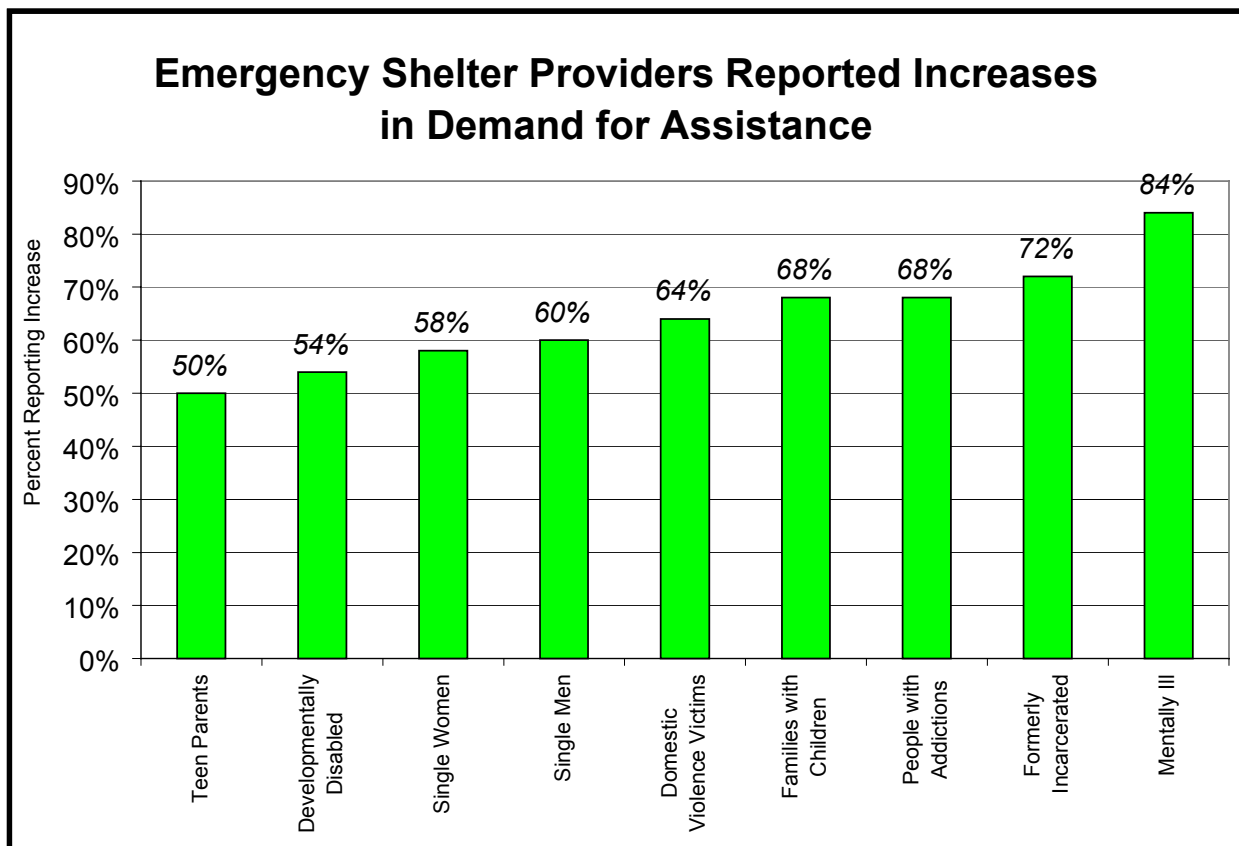
- ◆ **Fifty-five percent** (81 of 146) noted an increase in the number of **homeless immigrants**.

I. Teen Parents

- ◆ **Fifty-one percent** (59 of 115) observed an increase in the number of **homeless teen parents**.

3. Population Increase by Provider Type

For a deeper understanding of what services homeless people are using, we analyzed responses to this question by provider type. The results indicated that **providers of emergency shelter, eviction prevention programs, domestic violence services, mental health services, food pantries and soup kitchens** noted substantial increases in certain homeless sub-populations during the last few years.



A. Shelters

- ◆ Overall, **88 percent of emergency shelter providers reported increases** in their homeless client populations.

- ◆ Of the 57 **emergency shelter providers** reporting about the number of **homeless people with mental illness** served by their programs, **84 percent** (48 of 57) observed an increase in this population.
- ◆ Of the 57 shelter providers responding about the number of their **homeless formerly incarcerated clients**, **72 percent** (41 of 57) reported an increase.
- ◆ Of the 50 shelter providers making observations about the number of **homeless families with children** served by their programs, **68 percent** (25 of 37) reported that these numbers have increased as well.
- ◆ Many shelter providers also noted population increases for **homeless victims of domestic violence** (**64 percent**, or 28 of the 44 reporting about this population sub-group); **homeless people with addictions**, (**68 percent**, or 34 of the 50 shelter providers reporting); **homeless people with developmental disabilities** (**54 percent**, or 20 of the 37 that provided statistics for this group); and **homeless teen parents**, (**50 percent**, or 13 of the 26 shelter providers reporting).

Additional providers observed population increases among specific sub-populations of the homeless as well:

B. Eviction Prevention Providers

- ◆ **Eviction prevention providers** reported increases in the number **homeless families with children** that they are serving; **65 percent** (24 of 37) reported an increase.

C. Domestic Violence Service Providers

- ◆ Among **domestic violence service providers** reporting about **homeless people with mental illness**, **82 percent** (37 of 45) reported an increase. In addition, of the **domestic violence service providers** noting the number of **homeless immigrants** they serve, **68 percent** (27 of 40) reported increases.

D. Mental Health Service Providers

- ◆ **Mental health providers** provided statistics for **homeless people with mental illness**, with **83 percent** (20 of 24) reporting increases.

E. Food Pantries

- ◆ Three out of four **food pantry service providers** reported increases in the number of **homeless single women** (**76%**, or 53 of 70); **homeless single men** (**73%**, or 51 of 70); and **homeless families with children** (**82%**, or 50 of 61). Population increases were also

noticed by the majority of food pantry providers for **homeless people with mental illness** (68%, or 40 of 59) and **homeless immigrants** (63%, or 30 of 48).

F. Soup Kitchens

- ◆ Of the 37 soup kitchen providers reporting about **homeless people with addictions**, **73 percent** (27 of 37) reported an increase.
- ◆ Soup kitchen providers also recorded population increases for **homeless formerly incarcerated people** (63%); **homeless immigrants** (60%); **homeless people with mental illness** (57%); and **homeless people with developmental disabilities** (42%).

4. Unmet Needs: Homeless People Turned Away

"It [welfare reform] has literally doubled our clients for advocacy and food."

Little Sisters of the Assumption, Manhattan

"We are only reimbursed by DSS if a client is eligible[,] so as more clients are sanctioned we lose our funding source. Our agency is about 75% funded by per diem [reimbursements for shelter]."

The Grace Smith House, Poughkeepsie, Dutchess County

"We are processing an almost unimaginable load of Jiggetts rent relief applications for families facing eviction due to inability to pay rent because of reduced benefits."

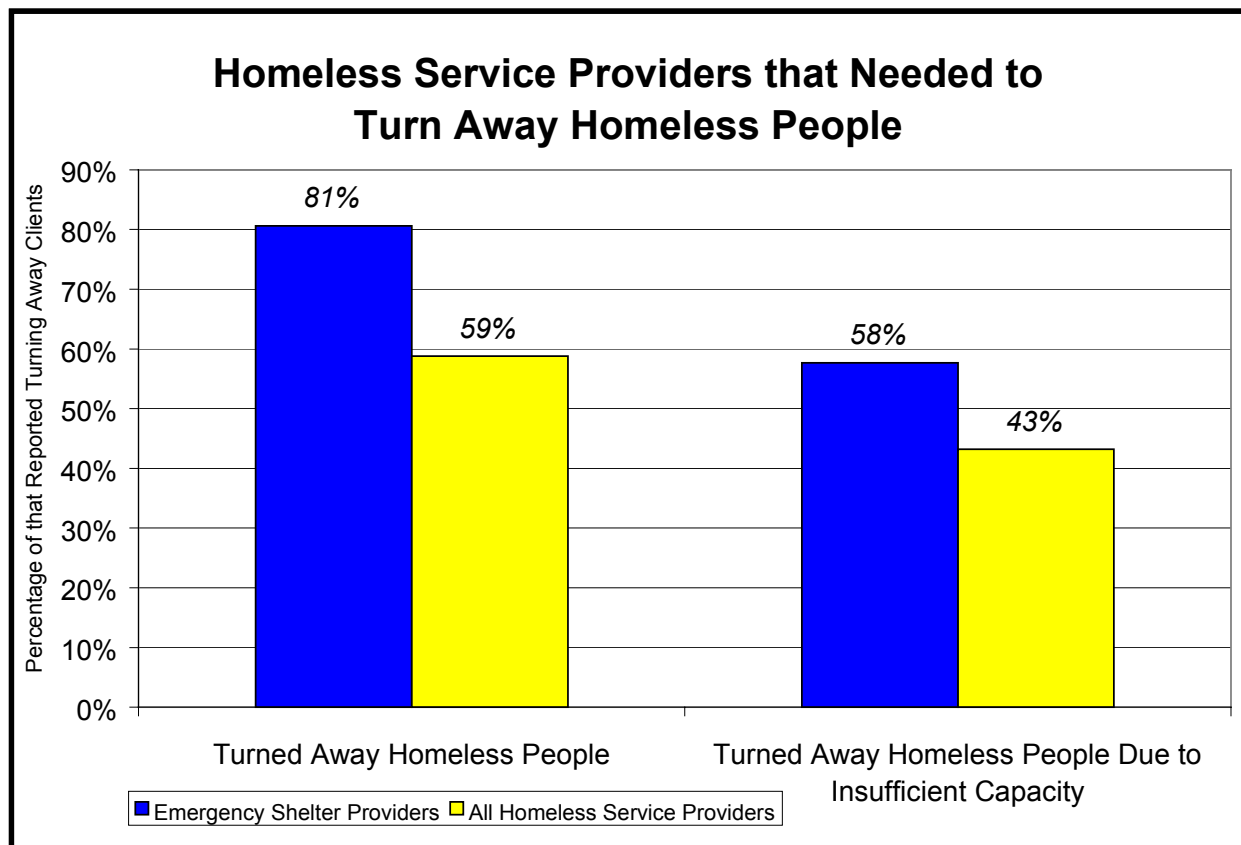
Carol Finegan, Brooklyn Tenants' Council, Inc.

With a reported increase in population and an increase in length of stay for clients of all types, homeless service providers said that they are struggling to handle the influx of people needing services. As a result, many of those who participated in our survey said they are operating at maximum capacity and in many cases have been forced to turn people away.

Of the 321 survey participants answering the survey question *"Does your agency ever need to turn a homeless person away?"*, **59 percent** (189 of 321) reported that they do turn homeless people away. Among those reporting that they need to turn the homeless away were **71 shelter providers (of 88), or 81 percent of the respondents** providing shelter to the homeless.

Among the homeless service providers who explained *why* they turn homeless people away, **43 percent** (80 of 185) answered **insufficient capacity**, as did **58 percent of emergency shelter providers** (41 of 71). As more clients of homeless service providers suffer the temporary or

permanent loss of benefits, providers lose a portion of their public funding. Most shelters, housing and mental health service providers rely financially upon reimbursements determined by their clients' welfare eligibility.²⁸



4. Funding Losses for Homeless Shelters

The survey illustrates and quantifies this consequence of welfare reform. As previously mentioned, the number of clients receiving *per diem shelter reimbursements* during the last few years has **dropped by 41 percent**, on average. (See "Quantifying the Loss of Benefits" above.) Homeless service providers also reported that **the number of clients receiving Immediate Needs Grants fell by 70 percent**, and **the number receiving Emergency Assistance dropped by 55 percent**. These benefits are frequently tapped to pay for emergency food, shelter, and eviction prevention.

²⁸ Hernandez, Raymond, "Welfare Shift Causes Crisis for Shelters: Outside New York City, Aid Drops for Homeless," *The New York Times*, June 14, 1998.

While many homeless shelter providers reported the demise of their main sources of funding (reimbursements received through their clients' welfare cases) providers of various services also reported being overwhelmed by the number of people seeking their services who no longer receive public assistance, but have no where else to turn.

Percentage of Homeless Service Providers Reporting Increases in Homeless Sub-Populations									
	TOTAL	Shelters	Outreach	Drop-In Centers	Eviction Prev.	DV Services	Mental Health	Soup Kitchen	Food Pantry
	273	80	52	31	51	58	58	63	91
Single Women	62%	58%	61%	60%	70%	67%	73%	60%	76%
Single Men	61%	60%	80%	71%	61%	61%	67%	67%	73%
Elderly	40%	41%	33%	37%	38%	45%	58%	41%	44%
Families with Children	65%	68%	68%	56%	65%	64%	70%	64%	82%
Teen Parents	51%	50%	52%	46%	43%	48%	47%	56%	60%
Runaway/Homeless Youth	43%	36%	57%	50%	30%	30%	17%	48%	35%
Immigrants	55%	55%	59%	67%	68%	68%	70%	60%	63%
People with Addictions	66%	68%	79%	57%	55%	74%	79%	73%	69%
Domestic Violence Victims	60%	64%	56%	64%	73%	77%	77%	53%	63%
Developmentally Disabled	42%	54%	52%	41%	35%	59%	57%	42%	46%
Mentally Ill	66%	84%	71%	50%	70%	82%	83%	57%	68%
Formerly Incarcerated	68%	72%	66%	68%	67%	67%	83%	63%	69%

CHANGES IN LENGTH OF STAY

Homeless service providers reported that in recent years more clients need assistance for longer periods of time. In fact, **seventy-seven percent (77%)** of the respondents said that their homeless clients need their help for **longer periods of time** since 1995. Increasing lengths of stay are an indication that homeless people are having more trouble resolving problems with their benefits and securing housing.

1. Changes in Length of Stay Among Vulnerable Groups

More than half of the survey respondents providing us with information about their homeless clients' length of stay or service use reported increases for **people with addictions, people with mental illness, formerly incarcerated people, families with children, and immigrants.**

A. People with Addictions

- ◆ Of the 165 homeless service providers reporting about length of stay for **homeless people with addictions**, **59 percent** reported an increase.

B. People with Mental Illness

- ◆ Of the 154 respondents who noted lengths of stay for **homeless people with mental illness**, **58 percent** observed increases.

C. Formerly Incarcerated People

- ◆ Similarly, **55 percent** of the 148 providers reporting about length of stay for **homeless formerly incarcerated people** observed an increase.

D. Families with Children

- ◆ Of the 142 providers observing lengths of stay for **homeless families with children**, **56 percent** reported increases.

E. Immigrants

- ◆ Of the 111 respondents reporting about this measure for **homeless immigrants**, **51 percent** noted an increase.

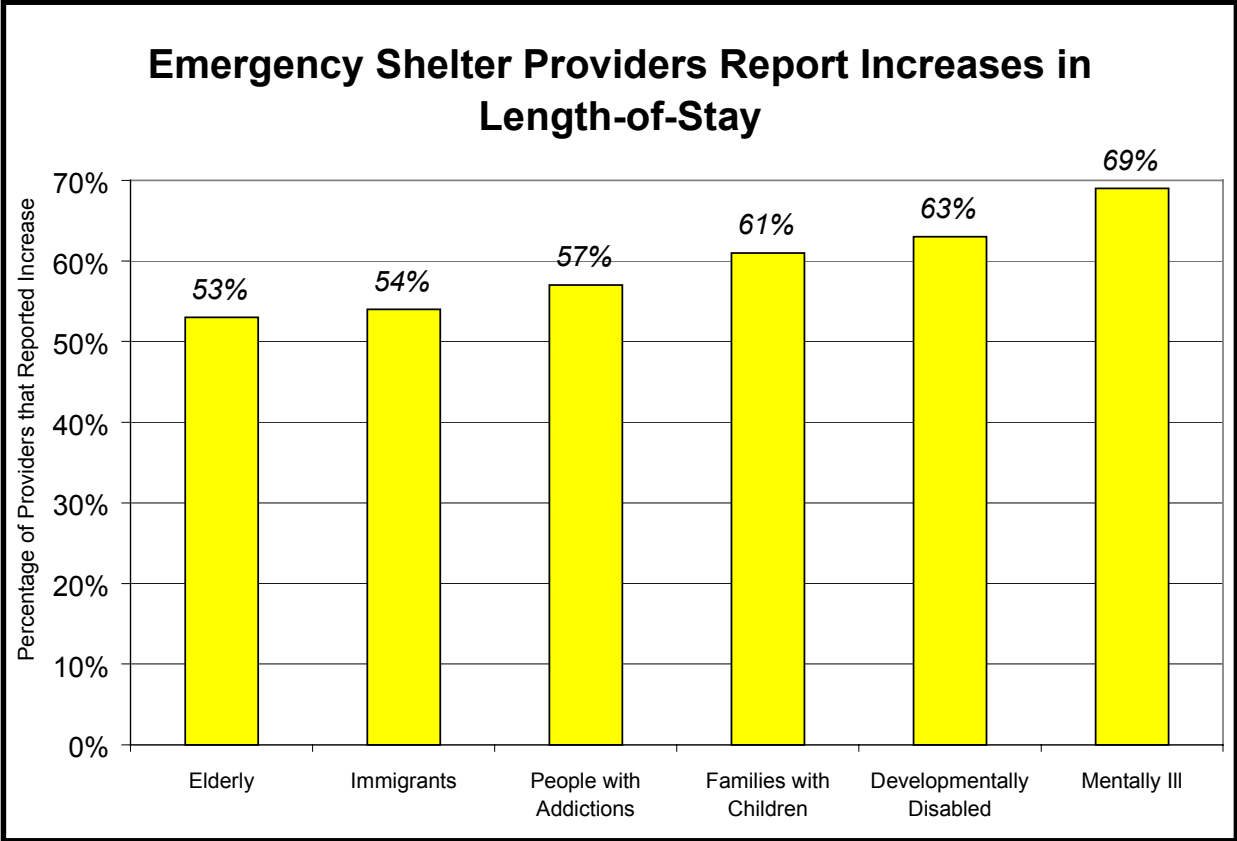
2. Changes in Length of Stay by Provider Type

For the purposes of determining which services homeless clients are requiring for longer periods of time, we analyzed responses to this question by specific provider types as well. A look at these data reveals that **emergency shelter providers** and those who operate **soup kitchens, street outreach programs, drop-in centers, eviction prevention programs, domestic violence programs, mental health services and food pantries** are serving certain homeless clients for longer periods of time.

A. Shelters

- ◆ **The vast majority of shelter providers (77%)** reported that their homeless clients need their services for longer periods of time.
- ◆ Among the emergency shelter providers reporting about length of stay for certain population groups, **69 percent** (36 of 52) noticed an increase in the length of stay for **homeless people with mental illness**.
- ◆ Likewise, among the emergency shelter providers who noted lengths of stay for **homeless people with developmental disabilities**, **63 percent** (20 of 32) reported increases.

- ◆ More than half of the emergency shelter providers reporting about length of stay for certain population sub-groups also reported increases for **homeless families with children** (61%, 25 of 41); **homeless single men** (58%, 23 of 40); **homeless people with addictions** (57%, 31 of 54); **homeless immigrants** (54%, 19 of 35); **homeless formerly incarcerated people** (54%, 26 of 48); and **elderly homeless people** (53%, 17 of 32).



B. Emergency Feeding Programs

- ◆ Of the 39 **soup kitchen providers** observing lengths of stay for **homeless families with children**, 67 percent (26 of 39) reported increases.
- ◆ Similar increases in length of stay were also reported by soup kitchen providers for **homeless people with addictions** (68%, 27 of 40) and **homeless people with mental illness** (67%, 22 of 33).
- ◆ Among **food pantry providers**, 72 percent (44 of 61) reported an increased length of service use for **homeless families with children** and 68 percent (36 of 53) recorded an increased length of stay for **homeless people with addictions**. The same trends were observed by food pantry providers for **homeless people with mental illness** (67%, 30 of 45) and **homeless immigrants** (65%, 26 of 40).

C. Outreach/Drop-In Programs

- ◆ At least half to as many as three-quarters of **street outreach service providers** reported increased lengths of stay for **homeless families with children** (73%, 19 of 26); **homeless people with addictions** (70%, 26 of 37); **homeless single men** (64%, 27 of 42); **homeless immigrants** (63%, 15 of 24); **homeless formerly incarcerated people** (58%, 19 of 33); **homeless people with mental illness** (57%, 20 of 35); and **homeless teen parents** (50%, 10 of 20).
- ◆ Notable increased lengths of stay were reported among many of the same population groups, according to the survey responses of **drop-in center operators**. The majority of these providers reported increased lengths of stay for **homeless people with addictions** (65%, 17 of 26); **homeless victims of domestic violence** (64%, 9 of 14); **homeless families with children** (63%, 12 of 19); **homeless immigrants** (60%, 9 of 15); **homeless formerly incarcerated people** (59%, 13 of 22); and **homeless people with mental illness**, (58%, 14 of 24).

D. Other Providers

- ◆ Among **eviction prevention providers** reporting on lengths of service for **homeless people with mental illness**, 67 percent (20 of 30) reported an increase.
- ◆ Increased lengths of stay were reported by most **domestic violence service providers** for **homeless people with mental illness** (65%, 23 of 34); **homeless people with addictions** (65%, 24 of 37); **homeless people with developmental disabilities** (59%, 13 of 22); and **homeless immigrants** (54%, 13 of 24).

Percentage of Homeless Service Providers Reporting Increases in Length of Stay for Homeless Groups									
	TOTAL	Shelters	Outreach	Drop-In	Eviction	DV	Mental	Soup	Food
	249	81	50	Centers	Prev.	Services	Health	Kitchen	Pantry
				32	44	52	79	56	80
Single Women	48%	42%	48%	52%	53%	41%	40%	57%	65%
Single Men	50%	58%	64%	63%	55%	37%	41%	58%	62%
Elderly	43%	53%	37%	43%	36%	36%	38%	53%	60%
Families with Children	56%	61%	73%	63%	51%	58%	41%	67%	72%
Teen Parents	44%	48%	50%	50%	36%	38%	32%	56%	59%
Runaway/Homeless Youth	30%	29%	38%	33%	14%	22%	17%	41%	29%
Immigrants	51%	54%	63%	60%	43%	54%	50%	57%	65%
People with Addictions	59%	57%	70%	65%	55%	65%	56%	68%	68%
Domestic Violence Victims	46%	46%	48%	64%	48%	53%	41%	46%	53%
Developmentally Disabled	38%	63%	43%	50%	41%	59%	47%	48%	50%
Mentally Ill	58%	69%	57%	58%	67%	68%	63%	67%	67%
Formerly Incarcerated	55%	54%	58%	59%	55%	53%	62%	58%	59%

- ◆ More than half of **mental health service providers** reported an increase in length of stay for **homeless people with mental illness** (63%, 39 of 62), **homeless formerly incarcerated people** (62%, 34 of 55) and **homeless people with addictions** (56%, 33 of 59).

INTERPRETING THE SURVEY RESULTS

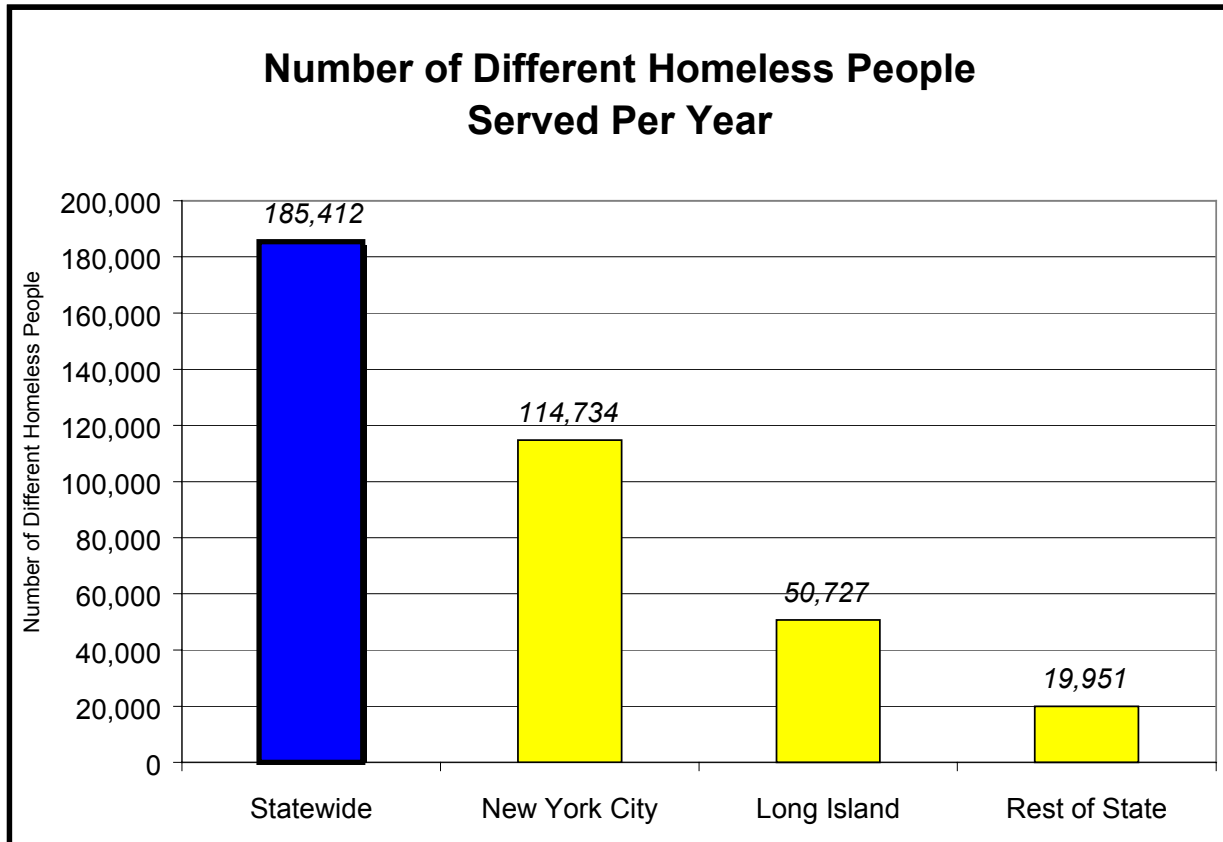
No study of this type can fully explain all of the complex and dynamic results of welfare reform. Neither can statistics about homelessness be reviewed in isolation from the many forces that cause people to lose their homes. Nevertheless, this survey would not be complete without some effort to explore how demand for shelter and other homeless services has changed in recent years, and whether people may be staying in shelters for longer periods of time.

The increasing demand for homeless services and increasing lengths of stay reported in this survey should be interpreted with care. We think it is fair to say that, to the extent that homeless people have far less access to public benefits than they had prior to the implementation of various welfare reform measures, increases in demand for shelter and lengths of stay can be explained, in part, by these trends. There are, however, other policies and economies at work as well. For example, there are fewer people with mental illness being placed in supportive housing and more people being paroled to homeless shelters from state and local correctional facilities than there were a few years ago. Conversely, providers forced to cut back on services are unlikely to report increases in demand for services.

No one knows exactly how many homeless people there are in New York State. It is a number impossible to pin down for a population that moves between shelters, the streets and makeshift housing. The homeless are often invisible and rarely stationary. We do, however, have an idea of how many people use homeless shelters: The Coalition for the Homeless' most recent (yet conservative) estimate is that, according to the most reliable local data sources, about 163,000 different men, women, and children used shelters during the course of 1997. That figure does not include recipients of such services as soup kitchens, drop-in centers and outreach programs, and thereby omits much of the state's street-bound homeless population.²⁹

²⁹ A recently published analysis of New York City public shelter data revealed that, during the nine-year period from 1987 through 1995, 333,482 *different* men, women, and children stayed in the municipal shelter system. Culhane, Dennis P. *et al*, "Homelessness and Public Shelter Provision in New York City," from Schill, Michael,

Remarkably, among the 222 homeless service providers answering the question “Please identify the total number of homeless (not formerly homeless or at risk of becoming homeless) people served by your program, each year”, **responses totaled over 185,000 different homeless people annually.**



Of these, **115,000 (or 62%)** were identified as clients of **New York City** homeless service providers.³⁰ The remaining homeless people were identified by providers representing 34 counties. In other words, there are no data in this set of survey responses to represent the homeless people served in 13 New York counties including Niagara, Saratoga and Chemung, communities with sizable homeless populations.

Although this number undoubtedly contains some significant duplication, and applies to many other services in addition to shelters, it is a figure provided by fewer than five percent of the

editor, *Housing and Community Development in New York City: Facing the Future* (Albany: SUNY Press, 1999).

³⁰ This is roughly the same proportion as we have previously estimated using local data for the New York City population of sheltered homeless people.

state's estimated 5,000 homeless service providers. The responses to this question suggest that the number of homeless people may be increasing ■ New York State.

SUMMARY

Our survey results indicate that the number of people who are homeless or at risk of becoming homeless is on the rise, especially among particularly vulnerable population groups. ***We note an apparent correlation between an increase in homelessness and a dramatic reduction in participation in all types of welfare benefits among homeless New Yorkers.*** At a time when elected officials mention often that revolutionary reforms have successfully removed hundreds of thousands of people from the welfare rolls, the results of our survey indicate that welfare reform is far from a universal success.

In fact, for many of the most needy populations, such as homeless people with mental illness or developmental disabilities, homeless families with children, victims of domestic violence and even the elderly, these reforms have gone too far: they have translated into a life of even deeper poverty and despair.

RECOMMENDATIONS

The Coalition for the Homeless survey illustrates in dramatic terms the failures of welfare reform in New York State. Homeless service providers -- who have become, in effect, the last safety net in New York -- are witnessing first-hand the effects of five years of poorly conceived and implemented social welfare policy. According to the survey, service providers see four major phenomena: (1) Rising need for help among low-income people, who need assistance for longer periods of time; (2) homeless New Yorkers losing vital benefits because of new welfare rules; (3) workfare and other work requirements pushing people off the welfare rolls; and (4) the most vulnerable groups, including mentally ill people, seeking help in greater numbers.

SIX STEPS FOR REPAIRING THE DAMAGE

Real welfare reform has yet to occur. What currently exists is a punitive system designed to deny, reduce, or eliminate the assistance that needy families and individuals depend upon to survive. In addition, it is more difficult than ever to access help from the system for the first time. Application barriers, sanctions, and the elimination of assistance have greatly contributed to the temporary or permanent removal and diversion of tens of thousands of people from New York State's welfare system. In the meantime, according to State data, less than 30 percent of former welfare recipients have obtained legitimate employment.³¹

New York's drastic reduction in welfare caseloads has resulted in a \$769 million windfall in surplus Federal welfare funds, an amount expected to grow to \$1.4 billion in State fiscal year 1999-2000.³² That money, which could be used to fund programs that assist families in their transition from welfare to economic independence, sits largely unused. There are, therefore, substantial resources available to fund both adequate support for needy New Yorkers and new services to help welfare recipients secure and maintain good jobs.

³¹ Hernandez, Raymond, "Those Coming from Welfare Don't Get Jobs," *The New York Times*, March 23, 1998.

³² Hernandez, Raymond, "New York Gets Big Windfall from Welfare: Battle is Seen on Using Surplus Funds," *The New York Times*, February 9, 1999. See also: Center on Budget and Policy Priorities, "Welfare Balances in the States: Unspent TANF Funds in the Middle of the Federal Fiscal Year 1999," July 19, 1999.

In addition, recent public opinion surveys have found that New Yorkers also support the use of tax dollars for programs that support individuals transitioning from welfare to work. One independent research poll of New York State households found that 92 percent support the use of their tax dollars for job-training programs in order to secure well-paying, long-term employment for those coming off the welfare rolls.³³

Another recent independent research survey of registered voters in New York City found that respondents overwhelmingly support spending tax dollars on effective long-term housing assistance to assist families and individuals who are homeless or at risk of becoming homeless. The large majority of respondents (70%) expressed support for permanent low-income housing for homeless families and individuals, and 77 percent said they support rental assistance programs to help low-income households pay for rent and heat.³⁴

These surveys point toward some immediate steps that the State and local governments can take to help public assistance recipients make a genuine transition to employment while maintaining protections for those unable to work. These six steps include:

- ◆ ***Protections for Disabled New Yorkers***
- ◆ ***Rental Assistance for Homeless Families and Individuals***
- ◆ ***Replacing Workfare with Education, Training and Subsidized Jobs***
- ◆ ***Health Coverage for Low-Income Workers***
- ◆ ***Restoration of Public Benefits to Low-Income Immigrants***
- ◆ ***Expanded Resources for Homeless Service Providers***

1. Protections for Disabled New Yorkers

For New Yorkers living with disabilities, the new welfare system has the singular effect of denying access to vital benefits and services. People with disabilities encounter a host of new requirements under welfare reform, including work rules with which they are often unable to comply. The result is an enormous increase in sanctions and termination of benefits, contributing to the artificial reduction in the welfare caseload at the cost of the state's neediest individuals.³⁵

³³ W.K. Kellogg Foundation, "The National Poll on Welfare Reform and Health Care Reform," January 13, 1999.

³⁴ Global Strategy Group, report on survey commissioned by the Coalition for the Homeless, February, 1999.

Homeless service providers report that, since welfare reform began in the mid-1990s, individuals with developmental disabilities and with mental illness are seeking help more than any other sub-populations. In order to address this disturbing trend, immediate changes are needed.

One of the most misguided provisions of the State welfare reform law is that disabled recipients who present evidence of their disability, including medical documentation from their own doctors, are still required to submit to a medical evaluation administered by a physician contracted by the local district. These evaluations often ignore the evidence presented by the recipient's primary-care physician. An inaccurate evaluation -- and many government evaluations involve cursory examinations, often lasting less than a half-hour -- results in the loss of welfare benefits or an assignment to an inappropriate workfare position. Moreover, disabled New Yorkers are given only *ten days* to produce medical documentation or challenge a local district's work assignment. Frequently, disabled individuals are unable to complete a work assignment due to their disability, resulting in a sanction, during which the client receives no Food Stamps or cash assistance.

- ◆ ***Redundant and cursory medical examinations for disabled applicants and recipients must be eliminated. Any person whose health care provider places limitations on his/her ability to work should be exempt from work requirements.***
- ◆ ***Recipients should be given sufficient time to produce medical records documenting disabilities, serious illnesses or other health-related work limitations, and to challenge workfare assignments that may endanger their health.***

2. Rental Assistance for Homeless Families and Individuals

The current shortage of affordable housing still makes it difficult for welfare recipients who are struggling to transition from welfare to employment to achieve economic self sufficiency. A recent study found that New York State ranks among the five states with the least affordable housing. The study found that, in 1998, a head of household needed to earn three times the minimum wage to afford the Federally-determined fair market rent for a two-bedroom apartment in New York State, and that 44 percent of New York renters were unable to afford such rents.³⁶

³⁵ Transcript, public hearing before the New York State Assembly Committees on Mental Health, Mental Retardation and Developmental Disabilities; Social Services; and Alcoholism and Substance Abuse, November 6, 1998.

³⁶ National Low-Income Housing Coalition, "Out of Reach: Rental Housing at What Cost?" October 1998.

Moreover, cutbacks in Federal housing assistance have made it enormously difficult to obtain rental assistance. In 1998 there were 206,000 households on waiting lists for tenant-based Section 8 assistance in New York City, and for three years the list has been closed to all but homeless households and victims of domestic violence.³⁷ A recent Federal report found that the average waiting period for Section 8 assistance and for public housing in New York City -- a remarkable *eight years* -- is the longest in the country.³⁸

Although many former welfare recipients can find low-wage employment in today's booming economy, increasing rents have made it harder for these workers to cover the costs of housing. Some have been forced to look to emergency shelters to survive.³⁹ While New York State and New York City do not keep track of such statistics, the Coalition for the Homeless estimates that nearly 20 percent of New York City homeless shelter residents are employed full-time or part-time.

New York City shelter beds come with a hefty price tag: \$2,000 per month for a single adult and \$3,000 per month for a family. Considering that the average length of stay in shelters averages eight months for families, each episode of homelessness costs \$25,000 (on average) for each homeless family. Shelter costs vary throughout the state and are even more exorbitant in counties such as Westchester, where the average length of stay in shelters is over two years.

However, a cost-effective and proven alternative to expensive shelter stays for employed or employable households exists: Rental assistance. Rental assistance programs provide two years of rent subsidies to allow homeless families and individuals to rent private-market apartments. At the same time, the programs provide support services, including case management and job-development assistance. In contrast to emergency shelters, rental assistance programs are extremely cost-effective: Approximately \$750 per month for a family, and \$650 per month for an individual. In addition to the savings associated with shelter costs, program participants move from welfare to employment, thus generating additional savings in public assistance expenses.

³⁷ City of New York, *Mayor's Management Report*, FY 1998.

³⁸ U.S. Department of Housing and Urban Development, "Waiting in Vain: An Update on America's Housing Crisis," Report Number 99-48, March 8, 1999.

³⁹ Bernstein, Nina, "Without a Job, Without a Home: Low-Wage Workers Turn to Shelters to Bridge the Gap," *New York Times*, March 4, 1999.

Currently there are two small-scale rental assistance programs in New York City, and the City's FY 2000 budget includes \$2 million for a new pilot "Temporary Rent Subsidies for the Homeless Program." A similar program for homeless families with children is set to receive funding for the first time in the 1999-2000 State budget. The Coalition for the Homeless has operated a Rental Assistance Program (RAP) for employed or employable homeless people since 1989. In April of 1998 the Coalition monitored 257 former RAP participants and found that a remarkable 98 percent had not returned to the shelter system. In addition, of the 167 public assistance recipients who had participated in the program, 85 percent moved successfully to employment during the course of the program.

Rental assistance not only saves current shelter costs, but also generates long-term savings by reducing "recidivism" rates for homeless households. A recent five-year study of homeless households conducted by New York University found that 97 percent of homeless families receiving housing assistance remained in their apartments. In contrast, among the households that did not receive any housing assistance, only 38 percent remained in their own residences for the entire five years, while the remainder returned to the municipal shelter system.⁴⁰

- ◆ ***Rental assistance provides a temporary rent subsidy along with support services to help employed or employable homeless families and individuals obtain private-market apartments. It is a cost-effective and proven alternative to expensive shelters.***
- ◆ ***New York State, in cooperation with local governments, should implement a statewide rental assistance program for 5,000 homeless families and 4,000 homeless individuals.***

3. Replace Workfare with Education, Training, and Subsidized Jobs

Welfare reform has failed many recipients in New York State mainly because of the over-reliance upon a dead-end workfare strategy. Workfare offers little in terms of work experience, education, or training, but has assumed a central role in New York State's welfare system since the mid-1990s. Most alarming, all evidence to date indicates that workfare does not lead to real

⁴⁰ Shinn, Marybeth *et al.*, "Predictors of Homeless Among Families in New York City: From Shelter to Request for Housing Stability," *American Journal of Public Health*, November 1998.

employment. Indeed, a recent study documented that fewer than 10 percent of those participating in workfare programs find employment.⁴¹

In contrast, numerous studies have shown that the most valuable welfare-to-work programs offer a variety of educational, training, and other services to support a clear employment goal. They allow local flexibility in determining which services are most appropriate for which people. Programs that have helped recipients find better jobs place a strong emphasis on building job skills, and on matching participants to employment opportunities available in local job markets.⁴² In addition, they provide adequate child care and transportation assistance for program participants.

- ◆ ***Both the Federal and State welfare reform laws allow the State to count some educational and training activities toward work participation requirements.***
- ◆ ***The State and local districts should allow participants the option of substituting legitimate job training and educational programs for dead-end workfare placements.***
- ◆ ***In addition, State law should be strengthened to place a primary emphasis upon training and subsidized employment, allowing assignments to workfare for no more than 6 months per year.***
- ◆ ***Surplus Federal welfare funds should be used to offer on-the-job training programs and subsidized employment opportunities to help recipients cultivate job skills.***

4. Health Care for Low-Income Workers

One of the consequences of welfare reform is that many former welfare recipients who have found employment lose Medicaid coverage and become uninsured. A recent study determined that, as of 1997, approximately 1.25 million low-income people nationwide lost Medicaid coverage and consequently have become uninsured due to welfare reform.⁴³ This has occurred because those transitioning from welfare to work have no choice but to accept entry-level employment that often pays meager wages and does not offer health insurance. Indeed,

⁴¹ Stettner, Andrew, "Welfare to Work: Is It Working? The failure of Current Welfare-To-Work Strategies to Move the Hardest to Employ into Jobs, A Case for Public Job Creation," Georgetown University Graduate Public Policy Institute/Community Voices Heard, January 1999. Additionally, statistics released by the New York State Office of Temporary and Disability Assistance in January of 1998 determined that 71 percent of former welfare recipients who last received benefits in March of 1997, two years after the state greatly expanded its workfare system, did not have any form of employer-reported earnings.

⁴² Strawn, Julie, "Beyond Job Search or Basic Education: Rethinking the Role of Skills in Welfare Reform," Center for Law and Social Policy, April 1998.

according to a recent study, nearly one-third of New York's low-income working parents are currently uninsured.⁴⁴

Although Child Health Plus, New York's child health insurance program, helps to provide medical coverage for children in low-income households, working parents in these families are still at high risk of losing health coverage. This is despite the fact that New York State has the option to expand Medicaid to cover more low-income parents, with the Federal government picking up half of the cost.

- ◆ ***In order to address the large increase in the number of low-income uninsured people occurring with the implementation of welfare reform, programs such as Child Health Plus should be expanded to include family coverage.***

5. Restoration of Public Benefits for Low-Income Immigrants

One of the most devastating changes wrought by the 1996 Federal welfare reform law was the wholesale elimination of most legal immigrants from eligibility for a wide array of public benefits, including Food Stamps, SSI, and cash assistance. In New York State, hundreds of thousands of immigrants lost vital benefits, including tens of thousands of elderly and disabled persons.

Although some legal immigrants were restored (or partially restored) to eligibility for some benefits through subsequent Federal and State legislation, the loss of income and assistance among low-income immigrant households has been devastating. Homeless service providers report increasing numbers of immigrants seeking assistance, particularly from shelters and emergency feeding programs. And while New York State has attempted to finance partial restoration of some benefits through State funds (for example, Food Stamps for elderly immigrants), nothing short of full Federal restoration of eligibility will address the problem.

- ◆ ***The Federal government should restore full eligibility for public benefits for legal immigrants. Public benefits should be available to all income-eligible people regardless of immigration status.***

⁴³ Families USA, "Losing Health Insurance: Unintended Consequences of Welfare Reform," May 1999.

⁴⁴ Center on Budget and Policy Priorities, "Employed but Not Insured," February 1999.

6. Expand Resources for Homeless Service Providers

The threat of homelessness as a result of welfare reform is very real in all corners of New York State. Nearly 100,000 people per year experienced homelessness in New York City in the 1990s, while more than 60,000 per year people resided in shelters in New York's other 57 counties. As the number of people receiving public assistance declines, those who provide services to homeless populations have experienced critical financial losses because many providers' funding depends upon their clients welfare eligibility.⁴⁵ As more people have sought assistance in the wake of welfare reform, homeless service providers have been forced either to turn people away, to absorb the costs of providing for people who have lost benefits, or to close their doors altogether because the people who seek their services are no longer receiving welfare.

In New York City, where court orders and consent decrees mandate that City officials provide shelter to all homeless people, irrespective of their public assistance status, the problem is less one of resources than of increased demand for an already crowded shelter system where single adults and families alike wait for days or even weeks to secure a stable shelter bed.

- ◆ ***State and local governments must provide sufficient funding for homeless shelter providers to meet rising demand, and ensure that homeless people receive emergency shelter regardless of their welfare status.***
- ◆ ***Increased resources must be made available to emergency food programs, which have experienced large increases in demand in the wake of welfare reform.***

⁴⁵ Hernandez, Raymond, "Welfare Shift Causes Crisis for Shelters: Outside of New York City, Aid Drops for Homeless," *The New York Times*, June 14, 1998.

CONCLUSION: A TIME FOR CHANGE

Far too many low-income New Yorkers encounter a welfare system that does nothing to address the problem of poverty. Instead, the system is designed to either deny access to benefits, reduce or terminate benefits, or deny participants the skills and training necessary to make the transition from welfare out of poverty. Moreover, as the Coalition for the Homeless survey demonstrates, the most vulnerable New Yorkers – those with mental illness, developmental disabilities and addictions – are losing or being denied vital benefits and assistance as a result of new welfare reform rules. In short, as the State and local governments have abandoned their responsibility to assist the poorest and most vulnerable New Yorkers, homeless service providers have become the last safety net.

However, New York State has ample resources to reverse this record of failure. According to U.S. Department of Health and Human Services reports, New York State has \$769.2 million in unspent welfare funds as of March 31, 1999. In other words, since 1997 -- during much of the period that homeless service providers reported increased requests for help -- New York State did not spend 14 percent of its Federal welfare block grant funds.⁴⁶

These and other resources should be dedicated to expanding proven welfare-to-work programs -- including education and training, and rental assistance for homeless households -- and to providing ongoing assistance to disabled New Yorkers. Welfare reform to date has meant rising homelessness and rising misery for vulnerable New Yorkers. The time to change course is now.

⁴⁶ Center on Budget and Policy Priorities, "Welfare Balances in the States: Unspent TANF Funds in the Middle of the Federal Fiscal Year 1999," July 19, 1999.