

Public Policy Choices: 3 Issues and the 5 Bills that could make a difference this year

Addressing, and Failing to Address, the Needs
of Poor and Low Income New Yorkers

Public Policies are Choices

- From our state budget, which outlines our collective investments, to the policies we choose to implement or ignore, our choices and those of our policy makers define us as a state
- The Governor and Legislature have an opportunity to act on three bills currently before them for consideration:
 - Change welfare budgeting rules to make them more fair;
 - Adopt a primary prevention strategy to protect children at risk of lead poisoning; and
 - Enact changes to the foreclosure process to protect primarily low and moderate income neighborhoods that were targeted for high risk, sub-prime mortgages

What We Have: Poverty

- Over 2.6 million people in this state are living in poverty
- That's over 14% of our entire population
- Among the poor are over 888,000 children under the age of 18
- That's 20% of all the children in this state living in poverty

What We Have:

Individuals and Families in Need

- To be considered “poor,” a family of three has to be living on an income on about \$17,600 a year.
- The poverty rate – the number of individuals and families living at or below the federal poverty guidelines – tops 30% in Albany, Buffalo, Rochester and Syracuse

What We Have:

Individuals and Families in Need

- Almost 23% of African Americans in New York live in poverty
- 25% of Hispanics in New York live in poverty
- 10% of all residents in Buffalo, Rochester, Syracuse and Albany live in extreme poverty, struggling to survive on incomes at or below 50% of the poverty level

What We Don't Have: An Adequate Safety Net

- Our state's economic safety net – Temporary Assistance to Needy Families, including Family Assistance and Safety Net Assistance – fails to reach and adequately support those in need

What We Don't Have: An Adequate Safety Net

- With over 2.6 million people living in poverty, our income supports – our safety net – is supporting just over 500,000 people.
- We're providing cash assistance to less than 20% of those in poverty
- **We're failing to meet the income support needs of 80% of those living in poverty in this state**

What We Don't Have: An Adequate Safety Net

- In 1993, 69% of children in poverty received public assistance
- By 2005 less than 40% of poor children were receiving assistance
- As of March 2008, just over 292,000 children were receiving cash assistance – about 33% of those in poverty.

What We Don't Have: An Adequate Safety Net

- Even for those who do receive assistance, the support we provide is nothing less than stingy.
- Current grant levels bear no relationship to the cost of living in New York.
- The basic allowance has not been increased in 18 years – it is still \$291 per month for a family of 3
- The shelter component of the grant is equally inadequate.

What We Don't Have: An Adequate Safety Net

- The basic allowance should enable a household to cover its basic, recurring needs other than rent and fuel for heating
- The total grant should allow a family to live in modest decency, not abject poverty

What We Don't Have: An Adequate Safety Net

- In 1975, the typical welfare grant for a family of three brought the family to roughly 110% of the Federal Poverty Level
- In 1990, the last time the basic allowance was increased, the grant brought the family to 66% of the FPL.
- Nearly eighteen years later, in 2008, the grant leaves that family at 51% of the FPL.

Who Are We Actually Helping

- **A population that struggles with a range of barriers to employment**, including physical and mental disabilities, severely limited levels education, limited English proficiency and work-related skills, domestic violence, and/or those caring for a disabled person in the household.
 - A series of studies suggest that between 35% and 44% of TANF families across the nation include one or more members with disabilities or other health-related limitations.

Who Are We Actually Helping

- **Children** -- 35% of all public assistance households in the state are children in “child-only” cases, with no adult on the case.
- Among the most common types of child-only cases are
 - those in which the parent is receiving SSI or is otherwise ineligible for welfare, and
 - cases in which a non-parent caretaker relative is receiving welfare on behalf of the children.

Who Are We Actually Helping

- **Low wage workers**
- More than 10% of all public assistance households in New York report earnings from employment.
- These are households in which at least one family member is employed but their earnings are low enough that the family is still eligible for public assistance.

Who We Are Not Helping Enough

- The failure to increase the grant falls heavily on
 - Households with barriers to employment
 - Households with disabled family members
 - Children in child-only cases, and
 - Households with employment earnings so low that they are eligible for assistance.

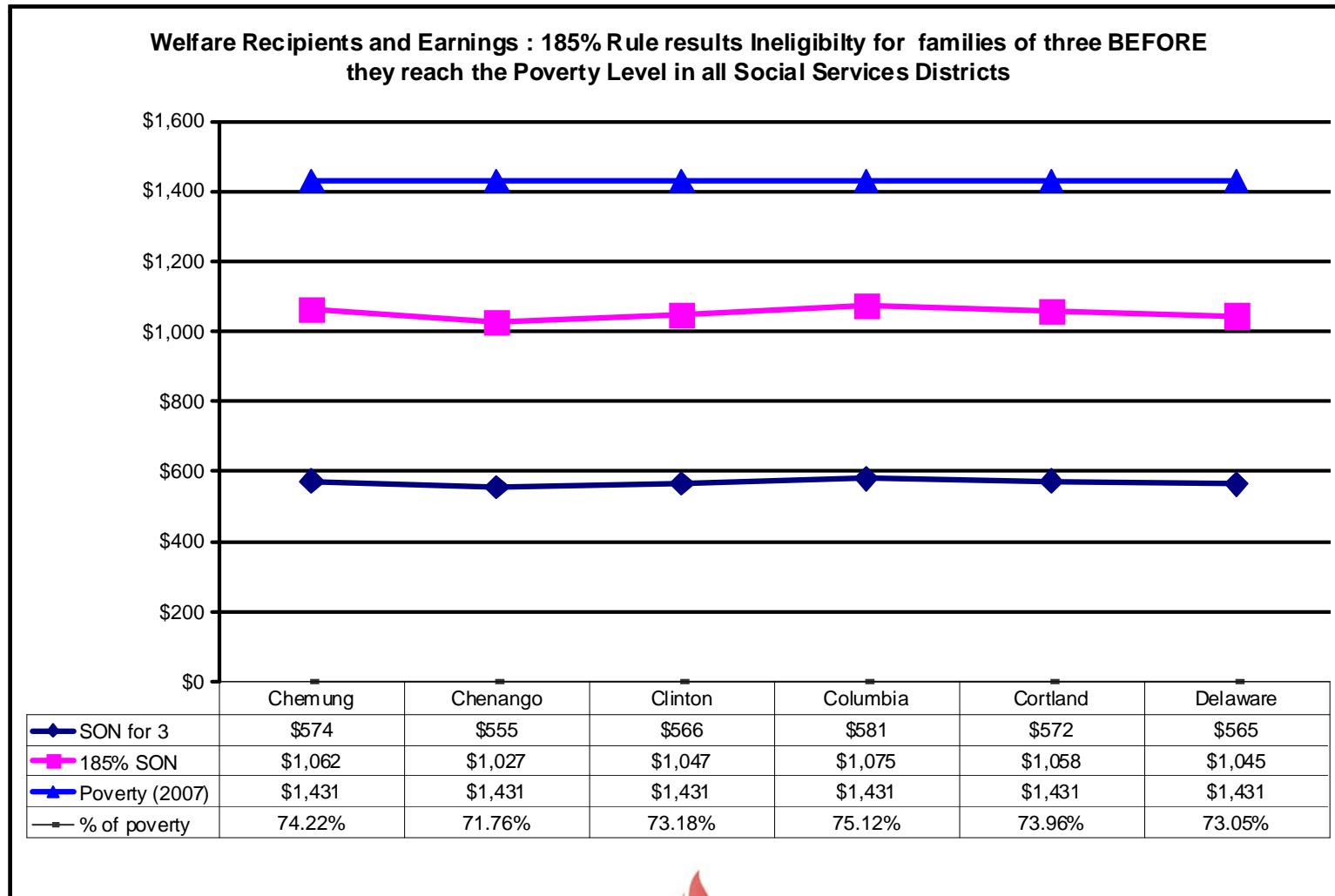
What More Is Needed

- The state should work to provide assistance to all those in need, not just 20% of those in poverty, but all those in poverty
- The state should increase the public assistance grant to restore its ability to provide the basic necessities for those most in need
- This needs to be major policy choice for the 2009-10 state budget

What More Is Needed

- There are **three bills currently pending** that could make a real difference in the lives of those who rely on public assistance:
 - The state should fulfill its promise to let working families on PA **earn up to poverty** before losing all cash assistance
 - The state should require local social services districts to **credit a minimum wage value to workfare** before trying to recover assistance payments
 - The state should **establish a realistic automobile resource rule**

Failing to Keep the Promise



Let Families Earn up to Poverty

- These archaic and restrictive budgeting rules also impact the state's failure to reach all those in poverty –
- Budgeting rules and eligibility levels keep many needy households from qualifying for assistance in the first instance
- **Passage of A. 10467 (Wright) would repeal the cap on earnings to allow public assistance recipients to have earnings up to the poverty level before losing all cash assistance**

The Value of Work-fare or fair?

- New York still considers public assistance to be a loan which moves forward as a debt
- If a welfare recipient or former recipient comes into certain “windfalls” – inheritances, lottery winnings, the sale of the home they lived in while receiving assistance – the local district can move to recover the assistance
- **Passage of A. 11125 (Wright) would require the districts to calculate the number of hours of workfare at the minimum wage and to reduce the “debt” by that amount**

Being Realistic about the Automobile Resource Test

- Under current law, if a household has a car worth more than \$4,650 – they are ineligible for assistance regardless of whether they have any income
- For those who need the car for work or to look for work, the auto resource test is set at \$9,300
- **Passage of A.1125 (Wright) would provide a uniform \$9,300 auto test**

Get the Lead Out (of our children!)

- Despite clear recognition of the dangers and long term neurological damage caused by lead, New York continues a
 - Poison First Policy – there is no intervention until a child is tested with elevated lead levels in their blood
 - There is no requirement to inspect homes and buildings for lead hazards unless a child has already been poisoned
 - Tragically, even low levels of exposure can cause permanent brain damage, but intervention is only triggered after the damage is done

A Household Poison That Lingers

The primary cause of lead poisoning in children continues to be lead paint in homes. The fact is, right through the 1940s and 1950s, pure lead was sold in tins for painting. Much of this paint, even if painted over, remains in our older homes in older neighborhoods.



Banned, but still with us....

- As a result, much of the housing in our older city neighborhoods was originally painted with pure lead between 1900 and the 1950s
- In 1978 federal law banned using lead in paint, but decades later, that original lead paint is still a hazard to children
- According to the US Department of Housing and Urban Renewal (HUD), 40% of the nation's housing stock still contain lead-based paints – the problem HUD says is particularly acute in older urban areas
- Research has found that 80% of lead exposure comes from homes built before 1978 – paint in these homes can contain as much as 50% lead

Targeted Prevention is in Order

- We can be strategic with our resources:
 - Out of 1621 zip codes in all of New York
 - **36 Zip Codes accounted for over 41% of all of the new incidents of lead poisoning of children outside of New York City**
 - Out of the 36 high risk zip codes
 - 9 were in Buffalo;
 - 6 were in Rochester;
 - 5 were in Syracuse; and
 - 5 were in Albany

It's not just health, it's racial justice

- These 36 high-risk zip codes are home to:
 - over **91%** of the **African American children** under age 5 living in the city of **Buffalo**;
 - over **87%** of those in **Albany**;
 - nearly **80%** of those in **Rochester**, and
 - over **65 %** of those in **Syracuse**.

It's not just health, it's racial justice

- For **Latino children**, these 36 high-risk zip codes are home to:
 - **64 %** of the Latino children under age 5 living in the city of **Buffalo**;
 - **85 %** of those in **Albany**;
 - **78 %** of those in **Rochester**, and
 - **80 %** of those in **Syracuse**.

We Must Embrace Prevention

- Ask our leaders to choose primary prevention when it comes to lead poisoning
- **Passage of A.6399-c/S.6350 (Gantt/Robach) would create a primary *prevention* strategy**
 - It would require DOH to identify 30 municipalities of highest risk/greatest concern
 - These communities working with the local health officials would develop primary prevention plans
 - Financial assistance would help homeowners and landlords with lead abatement and/or removal
- This critical bill has passed the Assembly – the Senate must act now

Another Economic Crisis: Home Mortgage Foreclosures

- Low and Moderate income communities were aggressively targeted for predatory lending, subprime loans and “exotic” mortgage products
- Not only will individual homeowners see their home equity and most significant asset disappear,
- Entire low and moderate income communities will be devastated

Statewide Foreclosure Data

- There were **141,934** subprime loans captured in a recent Federal Reserve dataset
- By October 2007, **42,013** (30%) were in already in jeopardy:
 - **28,248** (20%) were **30 or more days late**
 - **13,765** (9.6%) were **already in foreclosure**
- In addition, **31,908** subprime mortgages (22%) have *interest rates* that will **RESET** by October 2009.

Impact Outside New York City

- **70%** (98,853) of the subprime loans captured in the Federal Reserve dataset were made outside of NYC
- **69%** of the statewide loans in jeopardy are outside of NYC including
 - **72%** of all the loans that are 30 or more days late
 - **62%** of all the loans in foreclosure
- **64%** of all the loans that are scheduled to reset in NY before October 2009

Top 20 Counties – Subprime Foreclosures Captured in the Federal Reserve Dataset

(out of the state total of 13,765)

1. Suffolk	(2,878)	11. Erie	(272)
2. Queens	(2,108)	12. Albany	(231)
3. Kings	(1,984)	13. Rockland	(209)
4. Nassau	(1,649)	14. Onondaga	(126)
5. Bronx	(591)	15. Ulster	(119)
6. Westchester	(561)	16. Rensselaer	(110)
7. Richmond	(496)	17. Saratoga	(90)
8. Orange	(470)	18. Niagara	(84)
9. Monroe	(288)	19. Broome	(74)
10. Dutchess	(276)	20. Putnam	(68)

*New York City boroughs are indicated in **Blue***

The State Must Act

- If we rely on voluntary lender efforts alone, *more borrowers* will lose their homes and *more neighborhoods* will be impacted.
- The impact on minority neighborhoods, where subprime loans are concentrated, will destroy “**asset-building**” opportunities for many families, and jeopardize the stability of communities.
- The impact on upstate cities will be devastating. Communities with stagnant populations and depressed economies will suffer even greater *vacancy problems*.
- Continued increases in foreclosures will perpetuate the *cycle of disinvestment* and undermine state and local efforts to revive our struggling cities and towns.

Help Blunt the Foreclosure Crisis

- The state must step up now to avoid a complete mortgage meltdown
- Passage of Governor Paterson's Program Bill, introduced by the chairs of the Banking Committees (Farely/Towns) would:
 - Target sub-prime and high risk homeowner loans
 - Provide earlier notice to homeowners at risk of foreclosure and
 - Create mandatory settlement conferences aimed at restructuring the underlying loan or helping the homeowner out of the loan if it is simply unaffordable.

It is late in session, but there's still time for choices

- Pass A.10467, A.11216 and A.11125 to create some fair and rationale welfare policies
- Pass A.6399-c/S.6350 to create a primary prevention strategy in addressing childhood lead poisoning
- Pass S.8143/A.10817 to help curb the mortgage meltdown
- And commit now to an increase in the welfare grant as they begin to develop next year's budget

Sources and Resources

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