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Testimony
of
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before the
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Human Services
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I greatly appreciate the opportunity to appear before you today. This testimony will consist of five major parts.

- The first part presents an analysis of the ways in which the 2003-2004 Executive Budget proposes to utilize New York State's federal Temporary Assistance for Needy Families (TANF) block grant. This year the budget proposes to spend more than the annual block grant but would spend only a tiny fraction of these funds on education, training and other supportive services for low-income families and provides no resources to increase the shelter allowance for public assistance recipients. This testimony will outline the disadvantages of such an approach and suggests that federal fiscal relief in the form of restoration of tax revenues lost due to the direct impact of the World Trade Center attacks and an increase in the federal Medicaid assistance percentage (FMAP) would be a better way to close this year's budget gap. It also describes how state and local reporting on TANF and related Maintenance of Effort spending could be greatly improved by piggybacking on the quarterly reports that the state is currently required to file with the federal government
- Second, I will analyze the Governor's proposal to not pass through the January 2003 federal cost of living increase to SSI recipients.
- Third , I will summarize the results of an FPI analysis of the relationship between the minimum wage and government safety net expenditures. This analysis indicates that increasing the federal and/or state minimum wage is an effective and responsible way to decrease TANF expenditures for cash assistance and the cost of other safety net programs (like the EITC and Food Stamps) while enhancing living standards for many low-income families.
- Fourth, I will discuss some ways in which the Unemployment Insurance system could be reformed to better serve the needs of former welfare recipients and other low-income workers.
- Finally , I will discuss how public assistance programs provide economic stimulus to state economies during recessionary periods and summarize our analysis of what would have happened to federal support for the food stamp program had that program been converted to a block grant. A thorough understanding of these issues is critical as state policymakers craft responses to Bush Administration proposals to convert Medicaid and/or food stamps to block grants.

I. TANF SPENDING IN NEW YORK

Over the last seven years, the interaction of two major developments – dramatic reductions in the number of needy families receiving governmental cash assistance and major changes in the way that the federal government shares in the costs incurred by the states in providing such assistance and related services – have given the states an unprecedented level of resources that can be used with an unprecedented degree of flexibility in meeting the needs of families that continue to receive cash assistance and families that need additional supports to successfully remain working.[1]

In New York State, the number of people receiving public assistance has declined by more than one million, from 1,643,832 recipients in January 1995 to 607,932 in November 2002. Despite this precipitous decline in the welfare rolls, since December 1996 New York has received a fixed amount of money from the federal government ($2.44 billion per year) for "temporary assistance to needy families (TANF)." This combination of fixed funding and falling caseloads has resulted in the so-called "TANF surplus." In its simplest formulation, this surplus is the difference between (a) the $2.44 billion in federal aid that New York receives in a particular federal fiscal year under the TANF Block Grant and (b) the amount that it needs to cover the federal portion of cash assistance to needy families.

New York can then use these "additional" resources to (1) invest in programs and services that assist needy families in becoming and remaining self sufficient and/or, (2) subject to some restrictions imposed by federal guidelines, fund certain existing programs of assistance to needy families, thus providing fiscal relief to the state by allowing it to reduce the amount of General Fund resources necessary to continue those programs and/or (3) to build up reserve (or "rainy day") funds for use during economic downturns when caseloads (and therefore, cash assistance expenditures) are likely to increase.

As cash assistance caseloads have declined, New York has divided its growing TANF surpluses among each of these three categories of allowable expenditures.

- Some TANF funds have been used to initiative a broad array of programs and services to assist needy families in becoming and remaining self sufficient, including child care, transportation, wage subsidy programs and literacy and English as a Second Language programs. A descriptive list of the numerous programs and services that have been funded over the past few fiscal years is available on our web site — www.fiscalpolicy.org.
- TANF funds have also been used to provide fiscal relief to state and local governments and the portion of the state's TANF Block Grant going to fiscal relief has been increasing steadily.
- For the first five years of the block grant, a significant portion of the TANF block grant was allocated to reserve or contingency funds or otherwise left unspent. Last year, the state spent almost all those reserve or contingency funds that had been accumulated in the first five years.

Please see the tables in the appendix to this testimony which provide a detailed accounting of how New York has spent its TANF funds in the past as well as the Executive Budget proposals for SFY

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[1]Last year the Temporary Assistance for Needy Families (TANF) program which replaced the Aid to Families with Dependent Children (AFDC) program was up for reauthorization in Congress but Congress adjourned without passing reauthorizing legislation. The program was funded with a continuing resolution and new reauthorizing legislation has been introduced in the House of Representatives.

2003-2004.

Last year, TANF resources were used to provide fiscal relief by funding existing programs of assistance to needy families to an unprecedented degree. The state's enacted budget used TANF funding for the Tuition Assistance Program ($380 million), pre-K programs ($50 million), Advantage Schools[2] ($10 million) and Extended Day Programs ($11.3 million). In addition, the state used $351 million for the refundable portion of the state Earned Income Tax Credit(EITC) and $87 million for the state Child and Dependent Care Credit (CDCC) while transferring the maximum allowable $241 million to Title XX.

Given the extent to which the state used "TANF surplus" to balance the state budget last year, the funds left to support new and innovative approaches to helping low-income families were extremely limited. Despite the restoration of so-called "legislative initiatives" in the enacted budget, New York still spent only $177 million for TANF-funded employment and transitional services initiatives, $33 million less than spending in the prior year.

The SFY 2002-2003 budget allocated $3.4 billion in TANF spending, $1 billion more than the annual block grant, thereby depleting the $662 million which had been specifically allocated for reserves as well as spending unallocated and unliquidated prior year TANF funds. Although in the latest federal report on TANF spending available to us, for the quarter ending September 30, 2002, the state reported a balance of $510 million of unobligated funds and $552 million in obligated but not yet liquidated funds, the administration is expected to obligate and liquidate almost the entire balance of these funds prior to the end of the state's fiscal year on March 31.

The Executive Budget for SFY 2003-2004 proposes approximately $2.9 billion in total TANF spending, almost $500 million more than the annual TANF block grant. According to the Division of the Budget, $120 million of this is the result of funding reallocation, taking unspent money that had been obligated in prior years and reallocating it for use during this fiscal year. According to the Division of the Budget the balance of the "deficit" will be funded by postponing transfers to the Child Care Block Grant until after the start of the next federal fiscal year.

Summary of TANF Funding Sources and Uses SFY 2003-2004 (in billions)

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[2] For the past several years, Advantage Schools have received $10 million from the TANF block grant with another $10 million provided by the General Fund. Last year's Executive Budget increased the overall appropriation for Advantage Schools to $25 million and took all the money from the TANF block grant. The legislature reduced this appropriation to $20.2 million. This analysis includes the new $200,000 as a program expansion but classifies the $10 million in incremental TANF funding which is merely supplanting General Fund resources as fiscal relief. As seen from this example, it is somewhat difficult to determine when funding is for a new program and when funding constitutes fiscal relief for an existing effort. This analysis classifies several of the programs that the Division of Budget lists as "Services and Health Initiatives" as Child Welfare Fiscal Relief (Home Visiting, APPS, YEETP) based on the prior year characterizations of these funding commitments as "fiscal relief." For example, the Senate Finance Committee Minority's Comparison of the Executive, Senate, Assembly and Enacted Budget Provisions for 2000-01 classified all three of these programs, plus the Child Care Credit Expansion as "fiscal relief." I do not include the $140 million commitment for Child Welfare Emergency Assistance to Families as fiscal relief since these expenditures have historically been funded by AFDC/TANF.

Federal TANF Block Grant	$2.440
Unspent Funds from PriorYear Federal TANF Block Grants	$0.120
Total Available Funding	**$2.560**
USES	Proposed
Estimated 2002-2003 Spending on Assistance and Closely Related Programs (Base Expenditures)	$1.194
Fiscal relief, cost containment and federal maximization	$1.170
Child Care	$0.408
Other expenditures	$0.105
Total TANF Spending: SFY 2002-2003	**$2.877**

Once again, the Executive Budget proposes to use a large portion of the TANF resources to fund existing programs and initiatives. Funding for child welfare programs would increase from $405.6 million in SFY 2002-2003 to $409.0 million in SFY 2003-2004, due to an expansion in the program providing preventive services to the PINS population and a new Office of Children and Family Services Community Based Juvenile Delinquency program. Funding for the Earned Income Tax Credit and the Child and Dependent Care Credit would increase by more than 10 percent, from $438 million to almost $490 million. The Governor proposes to continue to use TANF funds for education-related fiscal relief, recommending $225 million towards the cost of the Tuition Assistance Program, $3.5 million for school-based health centers and $20.2 million for Advantage Schools.

This leaves a balance of $513 million for all other TANF programs. With the proposed, and necessary, increase in child care assistance from $340 million to $408 million, a scant $105 million is left for <u>all</u> other education, training and service initiatives. As recently as SFY 2000-2001, this category of programs and services received an allocation in excess of $980 million, more than eight times the current proposal. Even last year, these program were allocated $177 million.

Even with this reduced allocation of funds for education, training, transportation and all other supportive services, the Governor's proposed level of overall TANF surplus spending --- $1.8 billion --- is not sustainable. The proposed $1.8 billion in TANF surplus expenditures on ongoing programs is about $400 million more than can be sustained in future fiscal years, without taking into account the need to rebuild New York's contingency reserve funds. This means that if the Governor's budget is approved, next year the state will be faced with the need to either cut TANF spending by $400 million or use General Fund resources to fill this gap.

Fiscal relief from the federal government would reduce the need to deplete TANF funds which are critically need for education, training and other supportive services.

Clearly, the Governor is proposing to use the TANF block grant and the accumulated TANF reserves to help fill the budget gap created by the revenue losses associated with the September 11 attack and the subsequent economic recession. While some states have been hit harder than New York by the national recession, New York has been hit particularly hard by the bursting of the Wall Street bubble and no state has suffered as much from the September 11th attacks. State tax revenues are down by billions because of (a) the direct impact of the disaster (the loss of thousands of lives and the destruction of 26 million square feet of prime office space) and (b) the indirect impact on numerous industries from hotels to apparel manufacturing.

It is difficult to determine the magnitude of the NYS and NYC revenue losses that are directly attributable to September 11th but they are clearly substantial. The U. S. General Accounting Office (GAO) has carefully reviewed and validated the Pataki Administration's estimate that $1.4 billion in revenue losses during 2001-02 were directly attributable to those attacks. The GAO has said that it does not yet have enough information to reach a conclusion as to the reasonableness of the Pataki Administration's estimate ($4.2 billion) of state tax revenue losses during 2002-03.

New York's public and private sector leaders should work with New York's congressional delegation, the Bush Administration and public and private sector leaders from other states to secure amendments to the Stafford Act (the Federal Emergency Management Act) that would allow New York State and New York City to receive federal aid for tax revenue losses directly attributable to the WTC attacks and which would allow other states and cities to receive such aid in the event of future attacks. Governor Pataki initially raised this issue in his October 2001 request for federal help, but since then the state's emphasis has shifted to seeking federal money for other purposes. HR 5523/S 3055, as introduced in the last Congress by Congresswoman Carolyn Maloney et al. and Senators Schumer and Clinton, would allow states and localities to receive federal reimbursement for a substantial portion of revenue losses directly attributable to terrorist attacks.

Additionally, New York's public and private sector leaders should work with New York's congressional delegation, the Bush Administration and public and private sector leaders from other states to ensure that the federal government provide "state fiscal relief" as part of its efforts to deal with the effects of the current recession. In late July, the U.S. Senate adopted an 18-month "state fiscal relief" measure which would have provided the states with $7 billion of fiscal relief over 18 months by temporarily increasing the federal Medicaid match rate and increasing Title XX Social Service Block Grant payments. New York would have received about $1.1 billion of that assistance. This proposal by Jay Rockefeller (R- WV) and Susan Collins (R-ME) was added as an amendment to the Schumer-McCain prescription drug bill (S. 812) by an overwhelming bi-partisan majority (75-24). While the Schumer-McCain bill passed the Senate, it was never considered by the House of Representatives. Representatives Peter King (R-NY) and Sherrod Brown (D-OH) have obtained broad bi-partisan co-sponsorship for a 12-month State Fiscal Relief Act that they will be reintroducing in the near future. This bill would provide a 2% increase, retroactive to October 1, 2002, in the federal medicaid match rate for all states that maintain their current Medicaid eligibility levels. Under this bill, states that have high unemployment (defined as having a state unemployment rate higher than the national average for three consecutive months) would be eligible for an additional 2.5 percentage point increase in their FMAP provided that they maintain current eligibility levels."

Abuse of TANF funding flexibility might jeopardize the reauthorization process.

Being forced to use our TANF resources this way is also disturbing from another perspective. In the process of reauthorization of the TANF block grant, this year Congress can be expected to closely scrutinize how states have used their TANF block grants over the past six years. While using welfare money as a substitute for state spending is not prohibited under the federal law, Congressional leaders, including U.S. Representative Nancy Johnson, an influential Republican member of the House Ways and Means Committee and the subcommittee that deals with TANF and related issues, have urged states to be careful about using TANF funds to replace state spending. In a March 15, 2000 letter to all fifty governors, Representative Johnson wrote:

> In reviewing these and similar investments for your own state, I hope you will be careful to avoid supplanting TANF funds. By supplantation, I mean replacing state dollars with TANF dollars on activities that are legal uses of TANF funding. Supplantation, of course, is perfectly legal under the TANF statute. However, if the savings from supplanted federal funds are used for purposes other than those specified in the TANF legislation, Congress will react by assuming that we have provided states with too much money. As the reauthorization of the TANF legislation in 2002 approaches, it would be a shame if a few states followed the suggestions of their budget officials and replaced state dollars with TANF dollars in order to provide tax cuts, build roads or bridges, or in general use funds for non-TANF purposes. It has become increasingly clear that the media, child advocates, Congressional committees, and at my request the General Accounting Office, are watching to see if states supplant TANF funds. Thus, it is likely that jurisdictions that do so will become widely known and criticized. Equally important, these jurisdictions could provoke Congress to take actions that would hold serious consequences for every states.

New York State should adjust the public assistance shelter allowance to reflect increases in rental housing costs since 1988.

New York Social Services law requires local social services districts to provide adequately for persons unable to maintain themselves. Persons who are deemed eligible for public assistance in accordance with the established eligibility requirements are provided a monthly grant, a portion of which includes an allowance for shelter. The shelter allowance that an individual or household receives is determined by a schedule established by the Office of Temporary and Disability Assistance (OTDA) through the regulatory process. The current schedule has been in effect since January 1, 1988. In April of 1997, the New York Supreme Court found the shelter allowance schedule in New York City illegal and this ruling was unanimously affirmed by a New York appellate court. There have been similar court decisions in neighboring communities. In the August 7, 2002 NYS Register, OTDA proposed amendments to the current regulations that would authorize a new shelter allowance schedule and would provide for payment of an additional monthly rent supplement offered at local discretion with prior State approval.

The Executive Budget claims $59.4 million in savings in this fiscal year ($71.3 million full annual cost basis) by rescinding the proposed increases to the shelter allowance. As described in Volume I of the Executive Budget, "To control costs, foster individual self sufficiency and preserve basic income support for eligible children and adults, 2003-2004 budget recommendations would:

> Enact the existing regulatory schedule of public assistance shelter allowances into statute, thus avoiding potential increases that could result from pending litigation and preventing inappropriate judicial involvement in setting the amount of the welfare grant."

The single best way to measure local housing affordability in a particular county is by comparing the fair market rents (FMRs) promulgated by the United States Department of Housing and Urban Development (HUD) for each county in the nation to the income available to pay for shelter costs. Fair market rents are gross rent estimates, they include shelter rent and the cost of utilities, except telephone. HUD sets FMRs to assure that a sufficient supply of rental housing is available to HUD housing assistance program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many families as possible. FMRs are currently set at the 40th percentile of the rent distribution of standard quality rental housing units. In other words, 40 percent of the standard quality rental housing units rent for less than the fair market rent, while 60 percent have higher rents. The 40th percentile rent is drawn from the distribution of rents of units which are occupied by recent movers (renter households who moved into their unit within the past 15 months). Newly built units less than two years old are excluded, and adjustments have been made to correct for the below market rents of public housing units included in the data base.

HUD uses the most accurate and current data available to develop the FMR estimates. The sources of survey data used for the base-year estimates are (1) the 1990 Census, (2) The Bureau of the Census American Housing Surveys (AHS) which are used to develop between-Census revisions for the largest metropolitan areas and (3) Random Digit Dialing (RDD) telephone surveys of individual FMR areas. FMRs are the preferred measure of housing costs because

! they take into account the quality of available housing and the safety of neighborhoods. Substandard housing is not included in the rent distribution used to calculate the FMRs.

! they are regularly updated by the federal government. In fact, HUD first publishes proposed FMRs for each jurisdiction each year. There is subsequently a comment period during which local landlords or housing authorities can question the level of the FMR for their jurisdiction. These comments are reviewed before final FMRs are published each year.

! they provide an estimate of the cost of recently rented housing. Low cost units in the housing stock which have long standing occupants are not available for families searching for adequate housing and therefore should not be allowed to pull down estimates of rental costs.

Appendix Table V lists the current county specific shelter allowances for a three-person family renting a unit for which heat is included in the rent and compares them to both the 1988 and the 2003 FMRs for each county. It is evident that rental housing costs have increased significantly since the current shelter allowances were established in 1988. Increases in Fair Market Rents have ranged from 25% in several upstate rural counties to 93% in the New York City metropolitan area. In 2003, the shelter allowance is less than one half the HUD FMR for New York City and all but 11 other social services districts in the state. If the Governor wants to avoid judicial interference in the establishment of public assistance grant levels, he should increase shelter allowances to levels which meet the statutory requirement to provide a shelter allowance that reflects the cost of acceptable quality housing and reduce the incidence of housing problems, including homelessness.

It is not clear that the proposed movement of the shelter allowance schedules from the regulations to the statute will actually result in any cost savings for New York. The aforementioned lawsuits have clearly linked the inadequacy of the shelter allowances to growing homelessness and housing insecurity. The costs to the state for homeless shelters and services far exceeds the cost increasing the shelter allowance.

New York should improve TANF and MOE expenditure reporting.

The New York State Division of the Budget does a good job of making information available on the uses of the TANF Block Grant proposed by the Governor in his Executive Budget. These lists then serve as the basis for Senate and Assembly review and revision, and for the discussions of the allocation of the TANF surplus by the Budget Conference Subcommittee on Human Resources. To fully inform the policymaking process and the public, however, the state agencies responsible for the implementation of welfare reform in New York State should report quarterly on the obligations and disbursements that have been made against the programmatic allocations of the TANF Block Grant and of MOE funds that were included in the adopted budget.

The unliquidated balances in New York's federal TANF account imply that New York has been slow to spend appropriated funds but the lack of expenditure reporting makes it impossible to identify which programs are responsible for the unspent funds. The Executive Budget reprograms $120 million in previously allocated but unspent funds for a variety of programs. Knowing that there were large unspent balances in these programs would have enabled advocates to suggest changes in program design and implementation which might have made it more likely that these funds would be spent for the intended purposes.

Reporting could be improved by building upon the reporting requirements established by the federal government. The goal of this reporting should be to provide state legislators and the public with useful and timely information on the utilization of the federal, state and local resources allocated to meet the requirements of the federal welfare reform law.

1. At the same time that the state makes quarterly reports to the federal government on its TANF and MOE expenditures, this same information, broken down into the program categories used in the state budget process, should be reported to the legislature and made public.

2. The states provide quarterly reports on their MOE expenditures to the federal government. Since New York State's MOE expenditures are made partially by the state and partially by the local social services districts, a supplementary report should be made available to state legislators and the public showing the state-local breakdown of New York's MOE expenditures.

3. The relevant state agencies should also produce a supplementary report for state legislators and the public that presents a breakdown, by spending category, of the state's unliquidated obligations.

4. The new federal TANF regulations require all quarterly financial reports to be filed electronically. These electronic reports should be promptly posted by the relevant New York agencies on their Internet sites. *See* the attached copies of the New York's ACF form for the fourth quarter of federal fiscal year 2001 and the table of contents summarizing the data provided on the web site of the Department of Health and Humans Services's Administration for Children and Families.

5. Since many of the single purpose TANF programs have been folded into block grants provided to local social service districts, expenditure reports for each social service district should also be required. These reports should be sufficiently detailed to enable state legislators and the public to determine how much is being spent on each specific purpose (e.g. transportation, domestic violence screening.)

II. SUPPLEMENTAL SECURITY INCOME

New York should pass through the January 2004 federal cost of living adjustment to Supplemental Security Income recipients.

People in financial need who are 65 or older or people of any age who are blind or have a disability may be eligible for monthly cash payments from the federal government through the Supplemental Security Income (SSI). New York is one of the nine states that provides a federally administered state supplement for participants in the Supplemental Security Income program. While the federal benefit in 2003 for an individual living alone is as much as $552 per month, an individual living alone in New York can receive an additional $87 per month. For an eligible couple, the maximum federal benefit is $829 per month while the state supplement is $104 per month.

Each year the federal government provides a cost of living adjustment to maximum benefits to reflect inflation. New York State has the option of using these federal funds to offset State costs for the program and the proposed budget exercises this option. Under the Governor's proposal, SSI recipients would not receive a cost of living adjustment in January 2004. The Executive Budget estimates that this will result in $25.7 million in savings in the upcoming fiscal year and ongoing annual savings of $103 million per year thereafter.

This proposal will take money out of the pockets of some of the neediest families and individuals in the state of New York. As of November 2002, there were 628,000 SSI program recipients in New York. These elderly and disabled citizens struggle to make ends meet with the current benefit package. Denying them a cost of living increase in January 2004 will make it even more difficult for them to provide for basic needs.

Appendix Table VI compares the maximum SSI grant for a single individual and a married couple living independently in each county to an estimate of minimal cost of food and housing in each jurisdiction. In 18 of New York's 61 counties, the SSI grant for an individual living alone is not enough to cover even these basic necessities. In the other counties, SSI recipients have on average only $1.04 per day to cover all other expenses. For recipients who are married couples, the maximum SSI benefit does not meet the cost of shelter and food in eleven counties. In the other 50 counties, beneficiaries have, on average, less than $3.00 per day per person to spend on all other necessities. A 3.0% federal cost of living adjustment in January 2004 would provide single individuals with an additional $16 per month, while married couples would see benefits increase by $25. While taking away these increases seems like a small sacrifice, it would reduce by one third the disposable income of low income individuals and reduce by one sixth the disposable income of married couples.

III. MINIMUM WAGE

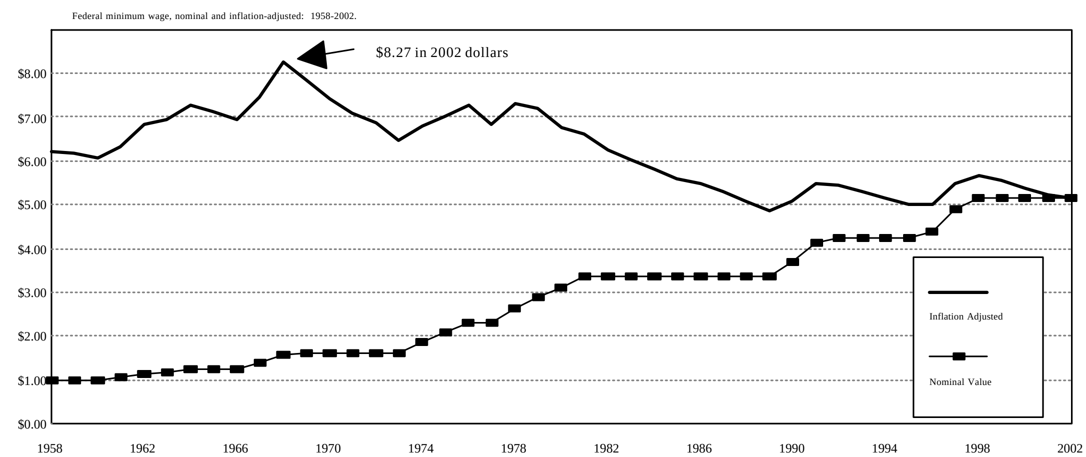
<u>An increase in the federal and/or state minimum wage would result in a small, but symbolically important, reduction in future TANF spending requirements.</u>

Many current TANF recipients are working but earning so little that they continue to be eligible for cash assistance. One reason that these families continue to have incomes below the county-specific standards of need, despite considerable hours of work, is that the purchasing power of the minimum wage had deteriorated significantly over the past 30+ years. Appendix Table VII provides estimates of the number of workers in each county who would benefit from a minimum wage increase from the current $5.15 an hour to $6.90 per hour. Some of these workers in each county are currently receiving TANF or Safety Net cash assistance. If the minimum wage were to be increased, their incomes would go up but spending on cash assistance (and in most cases food stamps and the EITC) would go down.

The federal minimum wage reached its high point in terms of purchasing power on February 1, 1968 when it and the state minimum wage were both increased to $1.60 per hour. In January 2003 dollars, this would be the equivalent of more than $8.00 per hour. A job at those wage levels made it possible for a worker to get his or her feet on the ground, to support a family

The purchasing power of the current $5.15 per hour minimum wage is well below that of the 1960s and 1970s.

From its peak in 1968, the purchasing power of the minimium wage has declined over 37%.



and to lay the foundation for a better future. In the 1960s and 1970s, the earnings of a full-time, year-round worker receiving the minimum wage were enough to lift a family of three above the poverty line. That is no longer true. Despite the increase of the federal minimum wage to $5.15 per hour on September 1, 1997, a person working full-time, year-round at that level will earn less than 75 percent of the poverty line for a family of three, and have less than two-thirds of the purchasing power of a similar worker in 1968. With the current minimum wage of $5.15 per hour and the existing rules for earned income disregards, a family of three with an adult working full time at the minimum wage may still be eligible for cash assistance in most jurisdictions in New York.

Facing the current budget gap, New York should increase its minimum wage in order to boost the incomes of low-income families while reducing state and local expenditures for cash assistance. At $5.15 per hour, the state minimum wage is equal to the federal minimum wage. New York should join the eleven other states that have acted to increase their minimum wages above the federal $5.15 an hour. In 2002, Washington State led the nation with a minimum wage of $6.90. This year, Connecticut and Oregon also raised their minimum wages to $6.90 and Alaska raised its minimum wage to $7.15. On January 1, 2003, Washington State increased its minimum wage to $7.01. Oregon and Alaska followed the example of Washington State in another important way—by enacting automatic annual increases in their minimum wages. Low-wage workers in these three states no longer have to rely on state legislatures to act in order to keep pace with the rising cost of living. Other states with a minimum wage above the federal minimum include: Massachusetts ($6.75), California ($6.75), Maine ($6.25), Delaware ($6.15), Vermont ($6.25), Hawaii ($6.25), and Rhode Island ($6.15). Connecticut's minimum wage is scheduled to increase to $7.10 on January 1, 2004.

It would not be unprecedented for New York to have a state minimum wage higher than the federal minimum. During two periods in the late 1960s and early 1970s (the first lasting 13 months and the second almost four years), New York maintained a minimum wage above that of the federal government.

IV. UNEMPLOYMENT INSURANCE

Many former welfare recipients may be forced to return to the TANF caseloads because Unemployment Insurance (UI) eligibility requirements make it difficult for them to qualify for benefits when they lose their jobs.

Although the unemployment insurance system was created to provide income support to those who involuntarily lose these jobs by replacing a portion of an unemployed family's earnings while the unemployed person is looking for a new job, many workers do not receive unemployment benefits when they lose their jobs and some of these are forced to rely on TANF and other public assistance programs to sustain their families. A survey conducted by the Community Services Society of New York in August and September of 2002 found that while 22% of lower-income New Yorkers reported losing their jobs in the past twelve months, only 29% of these received unemployment insurance benefits.[3] Like the unemployment insurance programs in other states, New York's program was designed to meet the needs of male household heads with full-time, full-year employment and therefore workers who do not match this profile, particularly former welfare recipients with low wages, part-time and/or part-year work, and family responsibilities, are much less likely to receive benefits when they are unemployed and if they do receive benefits, may receive weekly benefits too small to support their families.

There are a number of ways in which New York's current UI system fails to provide an adequate safety net for former welfare recipients and other low-income workers. Former welfare recipients often are forced to leave a job for compelling personal reasons and since the New York law is vague about the definition of "good cause" for separation from employment, these workers may be unfairly denied benefits. Second, New York's UI system requires that a worker have earned $1600 in a single quarter which disadvantages low-wage and part-time workers. Third, former welfare recipients may have a more difficult time maintaining eligibility for benefits because they are more likely to have family circumstances which restrict their job searches beyond what is allowed by the law. Finally, UI benefits are set at one half of average weekly earnings (up to a maximum) so benefits for low-wage workers are often so low that even workers who are eligible for UI benefits must turn to the public assistance system for supplemental assistance.

The following are a number of ways in which New York's unemployment insurance program could be reformed to better serve the needs of former welfare recipients and therefore

[3] "The Unheard Third: What Low-Income New Yorkers Have to Say to Our Newly Elected Officials," Community Service Society, December 2002.

decrease the likelihood that they will return to the welfare rolls.[4]

- Eligibility rules for unemployment insurance should be revised to increase the percentage of the unemployed who actually receive benefits. Many low wage workers do not qualify for benefits because they have not earned $1600 in a single quarter. In order to ensure equitable treatment of low wage workers, eligibility rules should be revised to require a minimum number of hours per quarter rather than an earnings threshold.
- Although New York's unemployment insurance law is better than the law of most other states in that it permits benefits for those who find themselves without work due to personal circumstances, the statute does not explicitly discuss these "compelling individual circumstances" and many low wage workers, particularly women, may be denied benefits due to unduly narrow and inconsistent interpretations of the law by program administrators. New York should explicitly recognize that compelling domestic circumstances, health-related reasons, marital obligations and domestic violence constitute "good cause" justifying a voluntary separation from work.
- For those workers who do receive benefits, the weekly benefit, one half of the average weekly wage, is often not sufficient to keep their families' incomes above the poverty line. Many minimum wage workers receive weekly UI benefits so low they are eligible for public assistance. Consideration should be given to setting the benefit level at more than 50% of the average weekly wage for those who have worked full-time at the minimum wage for six months or more.

V. AUTOMATIC STABILIZERS

Public assistance programs can provide critical stimulus to state and local economies during an economic recession and therefore state policymakers should resist efforts to convert the food stamp program and Medicaid program to block grants.

There are several federal programs that automatically increase expenditures when the economy slows down, thereby providing economic stimulus. As shown in the following chart, federal grants to the state of New York have grown faster when employment growth was slow and more slowly when employment growth accelerated. For example, the federal food stamp program is one of the most powerful automatic stabilizers. When job growth slows and unemployment goes up, more individuals apply for and receive food stamps which are funded entirely by the federal government, thereby increasing the flow of federal funds into the state. Likewise, as job growth accelerates and unemployment falls, the growth of food stamp expenditures has fallen. Medicaid, unemployment insurance, Supplemental Security Income(SSI) and Aid to Families with Dependent Children (AFDC) have also historically served as automatic stabilizers. While both Medicaid and SSI expenditures have been growing steadily, they have grown faster in times of economic distress and experienced slightly lower growth rates when the economy was doing well.

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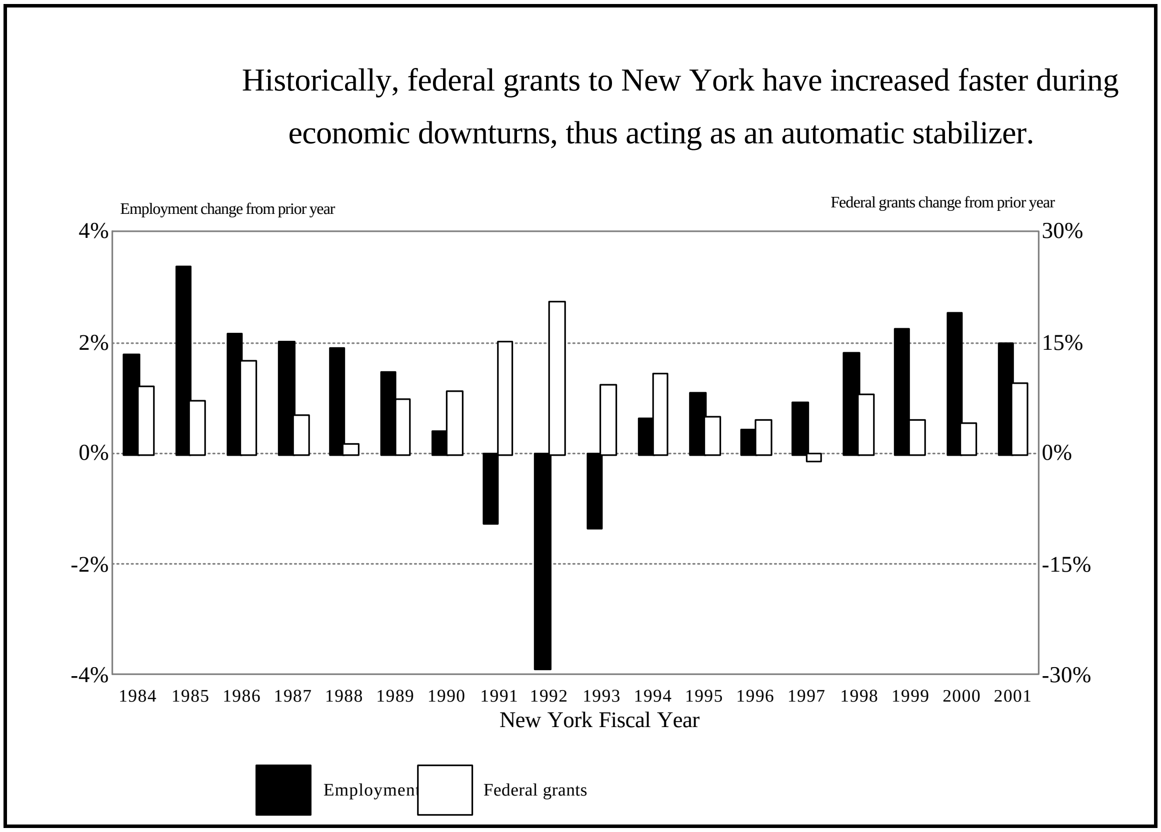
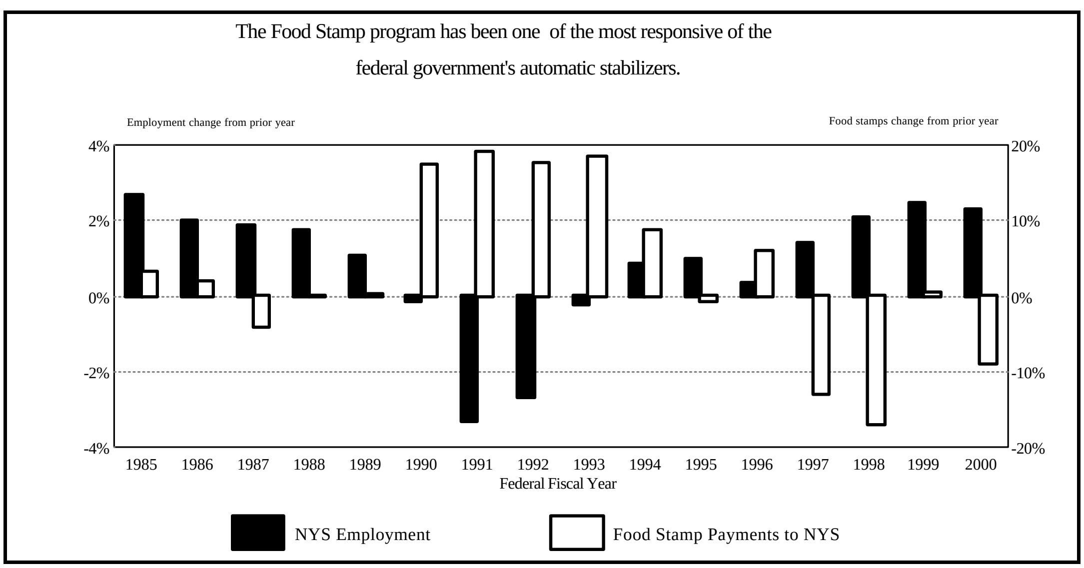
[4]For a more complete discussion of these issues, *see* FPI's June 2000 report, *Modernizing New York's Unemployment Insurance System*, available on our web site: www.fiscalpolicy.org.


Historically, federal grants to New York have increased faster during economic downturns, thus acting as an automatic stabilizer.
Employment change from prior year
Federal grants change from prior year
4%
2%
0%
-2%
-4%
30%
15%
0%
-15%
-30%
1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001
New York Fiscal Year
Employment
Federal grants


The Food Stamp program has been one of the most responsive of the federal government's automatic stabilizers.
Employment change from prior year
Food stamps change from prior year
4%
2%
0%
-2%
-4%
20%
10%
0%
-10%
-20%
1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000
Federal Fiscal Year
NYS Employment
Food Stamp Payments to NYS

Proposals to convert the food stamp program and the Medicaid program to block grants are being discussed in Washington. Last year FPI did an analysis of what conversion of the food stamp program to a block grant would have meant for New York, depending on the base year chosen to establish the size of the block grant. As can be seen from the following tables, if the food stamp program has been converted to a block grant at 1991 expenditure levels, New York would have lost over $3 billion in federal support. If the conversion had take place in 1986, the cumulative loss would have been $8 billion. These examples illustrate how much the state could potentially lose from these block grant proposals.

	Actual Food Stamp Expenditures	**Annual Shortfall/Surplus If Program Had Been Converted to a Block Grant at 1991 Levels**
1991	$1,364,224,660	
1992	$1,644,582,792	-$280,358,132
1993	$1,830,999,935	-$466,775,275
1994	$1,987,288,062	-$623,063,402
1995	$2,039,481,833	-$675,257,173
1996	$2,024,668,114	-$660,443,454
1997	$1,703,232,408	-$339,007,748
1998	$1,527,384,693	-$163,160,033
1999	$1,444,479,765	-$80,255,105
2000	$1,353,025,694	$11,198,966
2001	$1,403,829,557	-$39,604,897
Cumulative Shortfall/Surplus		**-$3,316,726,253**

	Actual Food Stamp Expenditures	**Annual Shortfall/Surplus If Program Had Been Converted to a Block Grant at 1986 Levels**
1986	$926,490,390	$0
1987	$901,754,059	$24,736,331
1988	$909,090,209	$17,400,181
1989	$964,744,630	-$38,254,240
1990	$1,128,738,078	-$202,247,688
1991	$1,364,224,660	-$437,734,270
1992	$1,644,582,792	-$718,092,402
1993	$1,830,999,935	-$904,509,545
1994	$1,987,288,062	-$1,060,797,672
1995	$2,039,481,833	-$1,112,991,443
1996	$2,024,668,114	-$1,098,177,724
1997	$1,703,232,408	-$776,742,018
1998	$1,527,384,693	-$600,894,303
1999	$1,444,479,765	-$517,989,375
2000	$1,353,025,694	-$426,535,304
2001	$1,403,829,557	-$477,339,167
Cumulative Shortfall/Surplus		**-$8,330,168,639**

Thank you.

Table I

TANF Spending

Summary

(in thousands)

	SFY 1997-1998	SFY 1998-1999	SFY 1999-2000	SFY 2000-2001	SFY 2001-2002	SFY 2002-2003	Proposed SFY 2003-2004
Federal TANF Block Grant	**$2,442,930**	**$2,442,930**	**$2,442,930**	**$2,442,930**	**$2,442,930**	**$2,442,930**	**$2,442,930**
TANF Base Expenditures							
Administration		$350,551	$258,796	$261,089	$285,260	$330,750	$348,650
Family Assistance and Closely Related Programs		$1,200,544	$760,453	$760,453	$693,906	$661,570	$845,303
Total Base Expenditures		**$1,551,095**	**$1,019,249**	**$1,021,542**	**$979,166**	**$992,320**	**$1,193,953**
TANF SURPLUS (Block Grant Minus Base Expenditures)		**$891,835**	**$1,423,681**	**$1,421,388**	**$1,463,764**	**$1,450,610**	**$1,248,977**
Fiscal Relief, Cost Containment and Federal Maximization							
MOE Refinancing and Other Nonrecurring Adju	$248,400	$18,000	$0	$0	$0	$598,400	$5,200
Child Welfare Fiscal Relief	$168,000	$215,000	$354,000	$402,000	$369,000	$405,600	$409,000
Education Related Fiscal Relief	$0	$0	$0	$0	$0	$454,800	$238,500
Tax Credit Cost Containment	$0	$0	$49,000	$174,000	$384,000	$438,000	$489,700
Other Fiscal Relief						$28,000	$28,000
Total Fiscal Relief	**$416,400**	**$233,000**	**$403,000**	**$576,000**	**$753,000**	**$1,924,800**	**$1,170,400**
Child Care	**$66,600**	**$76,600**	**$430,000**	**$291,000**	**$304,000**	**$340,400**	**$408,000**
Employment/Transitional Services/Health	**$310,550**	**$180,300**	**$641,700**	**$980,400**	**$210,400**	**$176,650**	**$105,010**
Total TANF Block Grant Allocations	**$793,550**	**$2,040,995**	**$2,493,949**	**$2,868,942**	**$2,246,566**	**$3,434,170**	**$2,877,363**
Maintenace of Effort Expenditures		**$1,736,642**	**$1,719,050**	**$1,494,066**	**$1,719,000**	**$1,719,000**	**$1,719,000**
TOTAL		**$3,777,637**	**$4,212,999**	**$4,363,008**	**$3,965,566**	**$5,153,170**	**$4,596,363**

Table II

Fiscal Relief, Cost Containment and Federal Maximization

(in thousands)

	SFY 1997-1998	SFY 1998-1999	SFY 1999-2000	SFY 2000-2001	SFY 2001-2002	SFY 2002-2003	Proposed SFY 2003-2004
State MOE Refinancing	$248,400	$18,000	$0	$0	$0	$186,400	$0
			$0	$0	$0	$0	$0
Other One-time Fiscal Relief			$0	$0	$0	**$412,000**	**$5,200**
Prior year EITC and CDCC			$0	$0	$0	$282,000	$5,200
Audit Recoveries			0	0	0	$30,000	$0
WTC MOE Relief						$100,000	
Child Welfare Fiscal Relief	**$168,000**	**$215,000**	**$354,000**	**$402,000**	**$369,000**	**$405,600**	**$409,000**
Transfers	$168,000	$215,000	$241,000	$241,000	$241,000	$241,000	$241,000
Transfer to Title XX	$160,000	$207,000	$233,000	$233,000	$233,000	$233,000	$241,000
Transfer to Title XX - Foster Care Rates Increase	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	
Other Child Welfare Fiscal Relief	$0	$0	$113,000	$161,000	$128,000	$164,600	$168,000
OCFS Juvenile Delinquents Program	$0	$0	$10,000	$15,000	$12,000	$12,000	$12,000
Local Juvenile Delinquents/Persons in Need of Supervis	$0	$0	$60,000	$80,000	$80,000	$105,000	$105,000
New York City Foster Care Tuition	$0	$0	$43,000	$36,000	$36,000	$41,000	$41,000
Preventive Services	$0	$0	$0	$30,000	$0	$0	
PINS Preventive Services	$0	$0	$0	$0	$0	$4,600	$7,000
Child Welfare Quality Improvement	$0	$0	$0	$0	$0	$2,000	$2,000
OCFS Community Based JD Services							$1,000
Education-Related Fiscal Relief Initiatives	**$0**	**$0**	**$0**	**$0**	**$0**	**$454,800**	**$238,500**
Tuition Assistance Program	$0	$0	$0	$0	$0	$380,000	$225,000
Pre-K	$0	$0	$0	$0	$0	$50,000	$0
Extended Day	$0	$0	$0	$0	$0	$11,300	$0
School-based health centers	$0	$0	$0	$0	$0	$3,500	$3,500
Advantage Schools (partial)	$0	$0	$0	$0	$0	$10,000	$10,000
Other Fiscal Relief Initiatives	**$0**	**$0**	**$0**	**$15,100**	**$17,600**	**$28,000**	**$28,000**
Home Visiting	$0	$0	$0	$5,600	$5,600	$16,000	$16,000
Pregnancy Prevention/APPS	$0	$0	$0	$7,700	$7,700	$7,700	$7,700
Youth Education and Employment Training Program	$0	$0	$0	$1,800	$4,300	$4,300	$4,300
Tax Credit Cost Containment	**$0**	**$0**	**$49,000**	**$174,000**	**$384,000**	**$438,000**	**$489,700**
Earned Income Tax Credit			**$49,000**	**$174,000**	**$323,000**	**$351,000**	**$382,000**
Child and Dependent Care Credit					**$61,000**	**$87,000**	**$107,700**
TOTAL	**$416,400**	**$233,000**	**$403,000**	**$591,100**	**$770,600**	**$1,924,800**	**$1,170,400**

Table III

TANF Surplus Spending Allocations

Programmatic Initiatives

(in thousands)

	SFY 1997-1998	SFY 1998-1999	SFY 1999-2000	SFY 2000-2001	SFY 2001-2002	SFY 2002-2003	Proposed SFY 2003-2004
Child Care							
Child Care Assistance	$66,600	$76,600	$230,000	$230,000	$304,000	$330,000	$408,000
Child Care Enforcement/Oversight	$0	$0	$0	$18,500	$0	$0	$0
Child Care for Migrant Workers	$0	$0	$0	$2,500	$0	$0	$0
Child Care Reserve Fund	$0	$0	$200,000	$0	$0	$0	$0
Child Care Recruitment/Retention				$40,000	$0	$0	$0
Child Care Demos						$5,000	
Child Care SUNY/CUNY						$3,400	
Satellite Child Care						$2,000	
Subtotal - Child Care	**$66,600**	**$76,600**	**$430,000**	**$291,000**	**$304,000**	**$340,400**	**$408,000**
Employment/Transitional Services/Health							
Academic Intervention	$0	$0	$0	$5,000	$0	$0	$0
ACCESS – Welfare to Careers	$0	$0	$0	$0	$1,000	$1,140	$0
Advantage Schools	$0	$0	$0	$10,000	$10,000	$10,200	$10,200
Automotive Skills Training	$1,000	$0	$0	$0	$0	$0	$0
Basic Education						$5,000	$0
Blueprint	$0	$0	$0	$0	$0	$1,500	$0
BRIDGE Child Care	$3,000	$0	$0	$0	$0	$0	$0
Bridge College to Work	$3,500	$0	$0	$0	$0	$0	$0
Building Independence for the Long Term	$1,800	$0	$18,100	Block Grant	$0	$0	$0
Built-on-Pride Apprenticeships	$400	$0	$5,000	$6,000	$0	$0	$0
Caretaker Relative Assistance	$0	$0		$1,000	$500	$0	$0
Case Management for Homeless Families/Rent Subsidy Program	$0	$0	$1,500	$0	$3,000	$4,000	$0
Alternative to Incarceration Pilot	$0	$0	$1,000	$4,000	$4,000	$4,000	$4,000
Child Assistance Program Expansion	$1,500	$1,000	$1,000	Block Grant	$0	$0	$0
Child Support Disregard Toward MOE	$0	$0	$0	$17,000	$0	$0	$0
Compliance with Federal Reporting Requirements	$0	$0	$1,000	$1,000	$0	$0	$0
CUNY Work Experience	$500	$0	$1,000	$0	$0	$0	$0
DAP						$500	$0
Displaced Homemakers Program	$600	$0	$600	$1,200	$1,200	$1,200	$2,800
Domestic Violence Screening	$5,000	$5,000	$8,000	$8,000	$8,000	$7,000	$0
Drug Abuse Screening/Treatment	$18,000	$12,000	$18,000	$18,000	$15,000	$5,000	$0
EDGE "Plus": English as a Second Language	$5,000	$0	$3,000	$5,000	$1,000	$1,050	$0
EDGE "Plus": Literacy and Work Preparedness	$8,000	$0	$0	$4,000	$2,000	$1,000	$0
EDGE "Plus": Local Interagency /VESID Employment Services (I	$2,500	$0	$6,000	$3,000	$2,000	$1,000	$0
EDGE Enhancement	$0	$6,000	$0	$0	$0	$0	$0
Emergency Homeless						$500	$0
Empire State Development Agency Job Specific Training	$2,000	$0	$2,000	$3,000	$0	$500	$0
Employment Agency Initiative	$3,000	$0	$2,000	$3,000	$0	$0	$0
Employment/Transitional Block Grant	$0	$0	$0	$0	$60,000	$34,500	$50,000
Employment Set-Aside	$0	$0	$3,700	$2,000	$0	$0	$0

Table III

TANF Surplus Spending Allocations

Programmatic Initiatives

(in thousands)

	SFY 1997-1998	SFY 1998-1999	SFY 1999-2000	SFY 2000-2001	SFY 2001-2002	SFY 2002-2003	Proposed SFY 2003-2004
Family Loan Program	$0	$0	$500	$500	$0	$0	$0
Federal Compliance Staff	$0	$0	$1,000	$1,000	$0	$0	$0
Food Pantries/Nutrition Assistance	$0	$0	$12,000	$12,000	$12,000	$13,600	$12,000
Green Teams	$0	$0	$0	$0	$0	$860	$1,010
Health Care Recruitment/Retention	$0	$0	$0	$80,000	$20,000	$0	$0
High Performance Bonus Spending***	$0	$0	$0	$4,000	$0	$0	$0
Home Visiting Expansion	$0	$0	$0	$14,800	$0	$0	$0
Hospital Wage Subsidy	$0	$0	$2,000	$0	$0	$0	$0
InVEST	$3,250	$0	$25,000	$25,000	$0	$0	$0
Kinship Foster Care Workgroup	$0	$0	$0	$150	$0	$1,000	$0
Learnfare	$1,000	$1,000	$4,000	$4,000	$0	$0	$0
Medical Exams	$3,000	$3,000	$3,000	Block Grant	$0	$0	$0
Medical Society	$0	$0	$0	$1,200	$0	$0	$0
Mental Health/Foster Care Recruitment/Retention	$0	$0	$0	$13,000	$0	$0	$0
Merit Scholars/Incentives	$500	$0	$1,000	Block Grant	$0	$0	$0
New York Works (Work Now)	$29,000	$13,000	$100,000	$103,600	$0	$0	$0
Parents Count Demo	$0	$0	$0	$2,000	$500	$1,000	$0
Performance Awards	$11,000	$0	$0	$0	$0	$0	$0
PINS Workgroup	$0	$0	$0	$150	$0	$0	$0
Preventive Services Initiative	$0	$0	$10,000	$23,000	$6,700	$18,000	$0
Rape and Pregnancy Prevention	$7,000	$7,000	$10,000	$10,000	$10,000	$11,600	$10,000
Department of Labor Job Placement Staff	$0	$0	$2,300	TANF Base	$0	$0	$0
Summer Youth Employment	$0	$0	$0	$35,000	$25,000	$25,000	$0
Supportive Housing for Families						$2,000	$0
TANF Services Block Grant	$0	$0	$0	$100,000	$0	$0	$0
Technology Training	$0	$0	$0	$5,800	$7,000	$7,000	$0
Teen Works	$0	$0	$0	$7,000	$0	$0	$0
Transitional Activities	$10,000	$0	$0	$0	$0	$0	$0
Transition/Performance	$22,000	$0	$0	$0	$0	$0	$0
Transitional Opportunities Program	$0	$0	$0	$3,000	$0	$0	$0
Transportation	$8,000	$5,000	$20,000	$20,000	$10,000	$7,500	$0
Wage Subsidy Demonstration Program	$0	$0	$12,000	$45,000	$5,000	$5,000	$0
Welfare Management Systems Update	$50,000	$10,000	$30,000	$50,000	$0	$0	$10,000
Welfare Reform Contingency Reserve Fund	$104,000	$114,000	$330,000	$318,000	$0	$0	$0
Welfare Reform Evaluation	$0	$300	$0	$500	$0	$0	$0
Women, Infants and Children Program	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000
Women, Infants and Children Program Expansion	$0	$0	$2,000	$2,000	$2,000	$2,000	$2,000
Work Programs in Educational Institutions	$0	$0	$1,000	$1,500	$500	$0	$0
Workplace Accommodations**	$3,000	$0	$1,000	$2,000	$0	$0	$0
YEETP						$0	$0
Youth Enterprise Program	$0	$0	$0	$1,000	$1,000	$1,000	$0
Youth Post Discharge Program	$0	$0	$0	$1,000	$0	$0	$0
Subtotal - Other Services	**$310,550**	**$180,300**	**$641,700**	**$980,400**	**$210,400**	**$176,650**	**$105,010**
Total	**$377,150**	**$256,900**	**$1,071,700**	**$1,271,400**	**$514,400**	**$517,050**	**$513,010**

Table IV

TANF Surplus Commitments

	SFY 2002-03	SFY 2003-04	Change
Child Welfare Investments	**$545,600**	**$549,000**	**$3,400**
Title XX	$241,000	$241,000	$0
Local JD/PINS	$105,000	$105,000	$0
NYC Foster Care Tuition	$41,000	$41,000	$0
Child Welfare EAF	$140,000	$140,000	$0
OCFS JDs	$12,000	$12,000	$0
OCFS Community Based JD Services	$0	$1,000	$1,000
PINS/Preventive Services	$4,600	$7,000	$2,400
Child Welfare Quality	$2,000	$2,000	$0
Support for Low Income Working Families	**$438,000**	**$489,700**	**$51,700**
EITC	$351,000	$382,000	$31,000
CDCC	$87,000	$107,700	$20,700
Supports to Foster Stable Families	**$430,000**	**$225,000**	**-$205,000**
TAP	$380,000	$225,000	-$155,000
Pre-K	$50,000	$0	-$50,000
Child Care Investments	**$340,400**	**$408,000**	**$67,600**
Child Care	$330,000	$408,000	$78,000
Child Care Demos	$5,000	$0	-$5,000
Child Care SUNY/CUNY	$3,400	$0	-$3,400
Satellite Child Care	$2,000	$0	-$2,000
Employment and Transitional Initiatives	**$55,000**	**$50,000**	**-$5,000**
Employment/Transitional Block Grant	$34,500	$50,000	$15,500
Transportation	$7,500	$0	-$7,500
Drug Screening/Treatment	$5,000	$0	-$5,000
DV Screening	$7,000	$0	-$7,000
Youth Enterprise Program	$1,000	$0	-$1,000
Services and Health Initiatives	**$125,760**	**$86,510**	**-$39,250**
Summer Youth Employment	$25,000	$0	-$25,000
YEETP	$4,300	$4,300	$0
Displaced Homemakers	$1,200	$2,800	$1,600
Green Teams	$860	$1,010	$150
Advantage Schools	$20,200	$20,200	$0
Extended Day	$11,300	$0	-$11,300
Home Visiting	$16,000	$16,000	$0
Food Pantries	$13,600	$12,000	-$1,600
Pregnancy Prevention	$11,600	$10,000	-$1,600
APPS	$7,700	$7,700	$0
School Based Health Centers	$3,500	$3,500	$0
Title XX WIC	$3,000	$3,000	$0
Blueprint	$1,500	$0	-$1,500
WIC	$2,000	$2,000	$0
Alternatives to Incarceration	$4,000	$4,000	$0
Systems	**$0**	**$10,000**	**$10,000**
Legislative Initiatives	**$48,690**	**$0**	**-$48,690**
Wage Subsidy Program	$5,000	$0	-$5,000
Preventive Services Initiative	$18,000	$0	-$18,000
Technology Training	$7,000	$0	-$7,000
Language Immersion/ESL	$1,050	$0	-$1,050
Adult and Family Literacy	$1,000	$0	-$1,000
VESID/LIVES	$1,000	$0	-$1,000
Homeless Assistance	$4,000	$0	-$4,000
Parents Count Demo	$1,000	$0	-$1,000
ACCESS - Welfare to Careers	$1,140	$0	-$1,140
Emergency Homeless	$500	$0	-$500
Skills Development	$500	$0	-$500
DAP	$500	$0	-$500
Supportive Housing for Families	$2,000	$0	-$2,000
Basic Education	$5,000	$0	-$5,000
Kinship/Guardians/PINS/Caretaker	$1,000	$0	-$1,000
	$1,983,450	**$1,818,210**	**-$165,240**
One Time Adjustments	**$598,400**	**$5,200**	**-$593,200**
Prior Year EITC	$220,000	-$2,100	-$222,100
Prior Year CDCC	$62,000	$7,300	-$54,700
Other one time commitments	$316,400	$0	-$316,400
	$2,581,850	**$1,823,410**	**-$758,440**

Table V

Public Assistance shelter allowances have not been increased since 1988 while rents have increased on average by 50%.

	Current Shelter Allowance*	1988 USHUD Fair Market Rent	Current Shelter Allowance as a Percentage of 1988 Fair Market Rent	2003 USHUD Fair Market Rent	Current Shelter Allowance as a Percentage of 2003 Fair Market Rent	Percentage Change in USHUD Fair Market Rent: 1988 to 2003
New York City	**$286**	**$535**	**53.5%**	**$1,031**	**28%**	**93%**
Rest of the State	**$266**	**$436**	**61.4%**	**$639**	**42%**	**45%**
Albany	$245	$438	55.9%	$633	39%	45%
Allegany	$253	$349	72.5%	$507	50%	45%
Broome	$290	$396	73.2%	$526	55%	33%
Cattaraugus	$239	$349	68.5%	$507	47%	45%
Cayuga	$239	$409	58.4%	$599	40%	46%
Chautauqua	$223	$374	59.6%	$507	44%	36%
Chemung	$262	$403	65.0%	$517	51%	28%
Chenango	$252	$411	61.3%	$507	50%	23%
Clinton	$208	$389	53.5%	$546	38%	40%
Columbia	$254	$392	64.8%	$633	40%	61%
Cortland	$265	$427	62.1%	$561	47%	31%
Delaware	$267	$383	69.7%	$507	53%	32%
Dutchess	$288	$604	47.7%	$1,014	28%	68%
Erie	$215	$403	53.3%	$623	35%	55%
Essex	$265	$377	70.3%	$536	49%	42%
Franklin	$212	$377	56.2%	$507	42%	34%
Fulton	$212	$339	62.5%	$507	42%	50%
Genesee	$269	$477	56.4%	$638	42%	34%
Greene	$263	$438	60.0%	$584	45%	33%
Hamilton	$212	$377	56.2%	$519	41%	38%
Herkimer	$230	$363	63.4%	$507	45%	40%
Jefferson	$267	$425	62.8%	$560	48%	32%
Lewis	$203	$406	50.0%	$507	40%	25%
Livingston	$249	$477	52.2%	$638	39%	34%
Madison	$265	$409	64.8%	$599	44%	46%
Monroe	$343	$477	71.9%	$638	54%	34%
Montgomery	$211	$438	48.2%	$633	33%	45%
Nassau	$384	$712	53.9%	$1,275	30%	79%
Niagara	$232	$403	57.6%	$623	37%	55%
Oneida	$238	$363	65.6%	$507	47%	40%
Onondaga	$270	$409	66.0%	$599	45%	46%
Ontario	$276	$477	57.9%	$638	43%	34%
Orange	$305	$531	57.4%	$823	37%	55%
Orleans	$269	$477	56.4%	$638	42%	34%
Oswego	$244	$409	59.7%	$599	41%	46%
Otsego	$267	$383	69.7%	$511	52%	33%
Putnam	$316	$535	59.1%	$1,031	31%	93%
Rensselaer	$193	$438	44.1%	$633	30%	45%
Rockland	$402	$535	75.1%	$1,031	39%	93%

Table V

Public Assistance shelter allowances have not been increased since 1988 while rents have increased on average by 50%.

	Current Shelter Allowance*	1988 USHUD Fair Market Rent	Current Shelter Allowance as a Percentage of 1988 Fair Market Rent	2003 USHUD Fair Market Rent	Current Shelter Allowance as a Percentage of 2003 Fair Market Rent	Percentage Change in USHUD Fair Market Rent: 1988 to 2003
Saint Lawrence	$242	$387	62.5%	$507	48%	31%
Saratoga	$247	$438	56.4%	$633	39%	45%
Schenectady	$260	$438	59.4%	$633	41%	45%
Schoharie	$265	$438	60.5%	$633	42%	45%
Schuyler	$258	$392	65.8%	$514	50%	31%
Seneca	$272	$416	65.4%	$520	52%	25%
Steuben	$212	$392	54.1%	$507	42%	29%
Suffolk	$412	$712	57.9%	$1,275	32%	79%
Sullivan	$281	$414	67.9%	$665	42%	61%
Tioga	$268	$396	67.7%	$526	51%	33%
Tompkins	$289	$427	67.7%	$677	43%	59%
Ulster	$350	$488	71.7%	$770	45%	58%
Warren	$287	$416	69.0%	$595	48%	43%
Washington	$265	$416	63.7%	$595	45%	43%
Wayne	$276	$477	57.9%	$638	43%	34%
Westchester	$361	$642	56.2%	$1,242	29%	93%
Wyoming	$265	$387	68.5%	$507	52%	31%
Yates	$241	$389	62.0%	$507	48%	30%

* Current shelter allowance for a three-person family renting a unit in which heating costs are included in rent.

Table VI

Supplemental Security Income Maximum Benefits Compared to the Cost of Basic Necessities

	Single Individuals			Married Couples		
County	Maximum SSI Benefit	Cost of Food and Housing	Disposable Income per Day	Maximum SSI Benefit	Cost of Food and Housing	Disposable Income per Person per Day
New York State Average	$639	$696	$1.02	$933	$813	$2.76
Albany	$639	$654	$0.00	$933	$771	$2.70
Allegany	$639	$560	$2.63	$933	$677	$4.27
Bronx	$639	$1,046	$0.00	$933	$1,163	$0.00
Broome	$639	$560	$2.63	$933	$677	$4.27
Cattaraugus	$639	$560	$2.63	$933	$677	$4.27
Cayuga	$639	$623	$0.53	$933	$740	$3.22
Chautauqua	$639	$560	$2.63	$933	$677	$4.27
Chemung	$639	$560	$2.63	$933	$677	$4.27
Chenango	$639	$560	$2.63	$933	$677	$4.27
Clinton	$639	$560	$2.63	$933	$677	$4.27
Columbia	$639	$632	$0.23	$933	$749	$3.07
Cortland	$639	$587	$1.73	$933	$704	$3.82
Delaware	$639	$560	$2.63	$933	$677	$4.27
Dutchess	$639	$958	$0.00	$933	$1,075	$0.00
Erie	$639	$655	$0.00	$933	$772	$2.68
Essex	$639	$566	$2.43	$933	$683	$4.17
Franklin	$639	$560	$2.63	$933	$677	$4.27
Fulton	$639	$560	$2.63	$933	$677	$4.27
Genesee	$639	$665	$0.00	$933	$782	$2.52
Greene	$639	$626	$0.43	$933	$743	$3.17
Hamilton	$639	$590	$1.63	$933	$707	$3.77
Herkimer	$639	$560	$2.63	$933	$677	$4.27
Jefferson	$639	$615	$0.80	$933	$732	$3.35
Kings	$639	$1,046	$0.00	$933	$1,163	$0.00
Lewis	$639	$560	$2.63	$933	$677	$4.27
Livingston	$639	$665	$0.00	$933	$782	$2.52
Madison	$639	$623	$0.53	$933	$740	$3.22
Monroe	$639	$665	$0.00	$933	$782	$2.52
Montgomery	$639	$654	$0.00	$933	$771	$2.70
Nassau	$639	$1,184	$0.00	$933	$1,301	$0.00
New York	$639	$1,046	$0.00	$933	$1,163	$0.00
Niagara	$639	$655	$0.00	$933	$772	$2.68
Oneida	$639	$560	$2.63	$933	$677	$4.27
Onondaga	$639	$623	$0.53	$933	$740	$3.22
Ontario	$639	$665	$0.00	$933	$782	$2.52

Table VI

Supplemental Security Income Maximum Benefits Compared to the Cost of Basic Necessities

	Single Individuals			Married Couples		
County	Maximum SSI Benefit	Cost of Food and Housing	Disposable Income per Day	Maximum SSI Benefit	Cost of Food and Housing	Disposable Income per Person per Day
New York State Average	$639	$696	$1.02	$933	$813	$2.76
Orange	$639	$810	$0.00	$933	$927	$0.10
Orleans	$639	$665	$0.00	$933	$782	$2.52
Oswego	$639	$623	$0.53	$933	$740	$3.22
Otsego	$639	$583	$1.87	$933	$700	$3.88
Putnam	$639	$1,046	$0.00	$933	$1,163	$0.00
Queens	$639	$1,046	$0.00	$933	$1,163	$0.00
Rensselaer	$639	$654	$0.00	$933	$771	$2.70
Richmond	$639	$1,046	$0.00	$933	$1,163	$0.00
Rockland	$639	$1,046	$0.00	$933	$1,163	$0.00
Saratoga	$639	$654	$0.00	$933	$771	$2.70
Schenectady	$639	$654	$0.00	$933	$771	$2.70
Schoharie	$639	$654	$0.00	$933	$771	$2.70
Schuyler	$639	$572	$2.23	$933	$689	$4.07
Seneca	$639	$570	$2.30	$933	$687	$4.10
St. Lawrence	$639	$560	$2.63	$933	$677	$4.27
Steuben	$639	$581	$1.93	$933	$698	$3.92
Suffolk	$639	$1,184	$0.00	$933	$1,301	$0.00
Sullivan	$639	$685	$0.00	$933	$802	$2.18
Tioga	$639	$560	$2.63	$933	$677	$4.27
Tompkins	$639	$666	$0.00	$933	$783	$2.50
Ulster	$639	$780	$0.00	$933	$897	$0.60
Warren	$639	$627	$0.40	$933	$744	$3.15
Washington	$639	$627	$0.40	$933	$744	$3.15
Wayne	$639	$665	$0.00	$933	$782	$2.52
Westchester	$639	$1,159	$0.00	$933	$1,276	$0.00
Wyoming	$639	$560	$2.63	$933	$677	$4.27
Yates	$639	$560	$2.63	$933	$677	$4.27

Note: Housing costs based on the United States Department of Housing and Urban Development Fair Market Rent for a one-bedroom apartment. Food costs based on the cost of the United States Department of Agriculture Thrifty Food Plan.

Table VII

New York Workers Who Would Benefit from a $1.75 Increase in the Minimum Wage by County of Residence

	Average Annual Resident Employment: 2002*	Workers with Wages between $5.15 and $6.89 Who Would Benefit Directly**		Workers with Wages between $6.90 and $7.90 Who Would Benefit Indirectly***		Workers Who Would Benefit Directly or Indirectly	
		Number	Percent	Number	Percent	Number	Percent
STATEWIDE****	**8,449,658**	**559,988**	**6.6%**	**483,508**	**5.7%**	**1,043,495**	12.3%
Albany	152,633	9,560	6.3%	7,660	5.0%	17,219	11.3%
Allegany	21,442	1,456	6.8%	1,222	5.7%	2,678	12.5%
Bronx	432,108	34,427	8.0%	34,225	7.9%	68,652	15.9%
Broome	90,725	7,065	7.8%	5,994	6.6%	13,060	14.4%
Cattaraugus	37,667	2,774	7.4%	2,372	6.3%	5,145	13.7%
Cayuga	35,417	2,554	7.2%	2,198	6.2%	4,753	13.4%
Chautauqua	61,158	4,803	7.9%	3,936	6.4%	8,739	14.3%
Chemung	39,625	3,042	7.7%	2,469	6.2%	5,511	13.9%
Chenango	22,692	1,730	7.6%	1,560	6.9%	3,289	14.5%
Clinton	37,892	2,452	6.5%	2,175	5.7%	4,627	12.2%
Columbia	32,708	2,001	6.1%	1,766	5.4%	3,767	11.5%
Cortland	21,042	1,496	7.1%	1,380	6.6%	2,876	13.7%
Delaware	19,683	1,711	8.7%	1,422	7.2%	3,133	15.9%
Dutchess	118,200	7,663	6.5%	5,914	5.0%	13,577	11.5%
Erie	425,208	32,284	7.6%	25,717	6.0%	58,001	13.6%
Essex	17,442	1,352	7.8%	1,145	6.6%	2,498	14.3%
Franklin	20,475	1,543	7.5%	1,380	6.7%	2,923	14.3%
Fulton	25,258	1,895	7.5%	1,827	7.2%	3,722	14.7%
Genesee	29,200	2,066	7.1%	1,750	6.0%	3,816	13.1%
Greene	21,317	1,529	7.2%	1,264	5.9%	2,794	13.1%
Hamilton	2,317	235	10.2%	183	7.9%	419	18.1%
Herkimer	28,817	2,282	7.9%	2,044	7.1%	4,326	15.0%
Jefferson	39,417	3,166	8.0%	2,715	6.9%	5,880	14.9%
Kings	903,083	68,902	7.6%	66,940	7.4%	135,842	15.0%
Lewis	11,083	844	7.6%	697	6.3%	1,541	13.9%
Livingston	31,742	1,935	6.1%	1,571	5.0%	3,507	11.0%
Madison	33,408	2,108	6.3%	1,816	5.4%	3,924	11.7%
Monroe	354,608	23,524	6.6%	18,928	5.3%	42,453	12.0%
Montgomery	22,017	1,861	8.5%	1,657	7.5%	3,518	16.0%
Nassau	673,225	40,714	6.0%	29,836	4.4%	70,549	10.5%
New York	791,817	44,269	5.6%	41,285	5.2%	85,554	10.8%
Niagara	99,075	7,742	7.8%	6,123	6.2%	13,865	14.0%
Oneida	105,625	8,143	7.7%	6,856	6.5%	14,999	14.2%
Onondaga	221,000	14,481	6.6%	12,030	5.4%	26,511	12.0%
Ontario	49,767	3,216	6.5%	2,624	5.3%	5,839	11.7%
Orange	154,225	8,990	5.8%	7,147	4.6%	16,137	10.5%
Orleans	19,308	1,328	6.9%	1,216	6.3%	2,544	13.2%
Oswego	52,550	3,740	7.1%	3,213	6.1%	6,953	13.2%
Otsego	30,383	2,079	6.8%	1,808	6.0%	3,887	12.8%

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New York Workers Who Would Benefit from a $1.75 Increase in the Minimum Wage by County of Residence

	Average Annual Resident Employment: 2002*	Workers with Wages between $5.15 and $6.89 Who Would Benefit Directly**		Workers with Wages between $6.90 and $7.90 Who Would Benefit Indirectly***		Workers Who Would Benefit Directly or Indirectly	
		Number	Percent	Number	Percent	Number	Percent
STATEWIDE****	**8,449,658**	**559,988**	**6.6%**	**483,508**	**5.7%**	**1,043,495**	12.3%
Putnam	54,842	2,398	4.4%	1,561	2.8%	3,959	7.2%
Queens	948,758	63,718	6.7%	61,746	6.5%	125,464	13.2%
Rensselaer	76,433	4,835	6.3%	4,090	5.4%	8,925	11.7%
Richmond	190,542	10,870	5.7%	8,109	4.3%	18,979	10.0%
Rockland	141,242	7,991	5.7%	5,786	4.1%	13,776	9.8%
Saint Lawrence	46,467	3,368	7.2%	2,810	6.0%	6,178	13.3%
Saratoga	101,983	5,967	5.9%	4,704	4.6%	10,671	10.5%
Schenectady	69,550	5,046	7.3%	4,123	5.9%	9,168	13.2%
Schoharie	14,375	999	6.9%	874	6.1%	1,873	13.0%
Schuyler	8,133	616	7.6%	531	6.5%	1,147	14.1%
Seneca	14,475	1,170	8.1%	948	6.5%	2,118	14.6%
Steuben	44,225	3,310	7.5%	2,674	6.0%	5,984	13.5%
Suffolk	699,200	39,469	5.6%	31,885	4.6%	71,354	10.2%
Sullivan	29,475	2,456	8.3%	2,019	6.8%	4,475	15.2%
Tioga	24,533	1,602	6.5%	1,460	6.0%	3,063	12.5%
Tompkins	50,717	2,451	4.8%	2,190	4.3%	4,641	9.2%
Ulster	79,183	5,667	7.2%	4,666	5.9%	10,333	13.0%
Warren	29,175	2,353	8.1%	1,881	6.4%	4,234	14.5%
Washington	26,542	1,948	7.3%	1,746	6.6%	3,695	13.9%
Wayne	45,933	2,875	6.3%	2,486	5.4%	5,362	11.7%
Westchester	435,767	25,772	5.9%	19,300	4.4%	45,072	10.3%
Wyoming	19,300	1,339	6.9%	1,142	5.9%	2,481	12.9%
Yates	13,450	808	6.0%	712	5.3%	1,520	11.3%

* Excludes self-employed.

** Assumes a $1.75 increase in the federal or state minimum wage from $5.15 to $6.90.