



Reducing Poverty in Broome County Policy Recommendations April 2019

Introduction: Many countries around the world and many communities throughout the United States have recognized the importance of identifying and addressing the impact of poverty on communities as well as individuals and families. Further, it is recognized that poverty is a complex issue that requires a multi-disciplinary approach to strengthen the lives of those affected. In 2016, Governor Andrew Cuomo introduced and invested in the “Empire State Poverty Reduction Initiative” (ESPRI) through which identified communities were challenged to connect people who are living in poverty with opportunities and resources they need to help lead a more stable life. Broome County is one of the selected communities for an ESPRI project which helped to recognize the need for an independent, multi-disciplinary and multi-sectorial poverty reduction advisory council.

Over the past two years the 34 member, Anti-Poverty Advisory Council has worked to identify opportunities for individuals and families as well as the barriers which may prevent someone from making strides forward, and set a goal of achieving a 30% reduction in the # of individuals and families living in poverty by 2025. Four core challenges rose to the top: 1) Transportation, 2) Childcare, 3) Services, Supports, Community and Civic Engagement, and 4) Housing. The Steering Committee recognizes a 30% reduction is an aggressive and lofty goal; toward that end, two key strategies were identified: 1) support the formal ESPRI initiative and their program strategies and 2) the formation of a Policy Committee charged to gather information on current federal, state and local policies (and subsidy programs) related to childcare, housing and transportation which present barriers for individuals and families, and to make recommendations for policy changes and/or relief.

Policy amendments or some type of relief is a core essential strategy for helping families move out of poverty as an abrupt change in a source of income often leaves individuals and their families scrambling – known as the “Temporary Assistance Cliff Effect” which may result in losing SNAP benefits, childcare or housing subsidies. They are essentially “pushed off a cliff into financial independence”, without being able to - or fully prepare to take on costs of living independently.

Call to Action: The Policy Committee spent the entirety of 2018 conducting research, meeting with – and seeking guidance from experts in each of the respective areas of concern, and developing the recommendations detailed herein. There is ample evidence that speaks to the benefit and opportunities to be had by individuals and families striving to rise above poverty, as well as the communities in which they reside, when restrictive policies are relaxed and subsidy programs are phased out, rather than cut off. It is the conviction of this committee that incorporating the recommendations below will provide great strides for poverty reduction in Broome County and New York State.

Recommendations Summary: Following is a summary brief of the Committee’s priority recommendations. Pages 3 – 8 provide background for each issue and includes a review of the problem, need for change, and the detailed policy recommendations.

Child Care: Childcare services are one of several components essential to an effective poverty reduction strategy. By improving childcare availability and affordability, we support parents in maintaining and increasing their engagement in employment. Policies and legislation need to recognize and address parents’ transition from stay-at-home to employment and entry-level jobs with minimum and low wages and offer flexible and innovative mechanisms to support lower and/or subsidize childcare fees.

Childcare subsidies:

Local:

- a. Extend childcare subsidies for a period of time (ex: 6 months – 1 year) after someone exceeds the subsidy income ceiling as a result of new or advanced employment. Option 2: Amend a parent’s cost share (requires federal regulation change.)
- b. Incentivize Employers: Offer tax credits to incentivize employers to provide childcare on-site or to provide employee childcare subsidies.

State:

- c. Extend NYS eligibility for subsidy to the federally approved limit of 400% (from the current NYS 200% SML).
- d. Incentivize Employers: Offer tax credits to incentivize employers to provide on-site childcare or to provide employee childcare subsidies.

Housing: Policy needs to pay closer attention to links between housing and poverty. Poverty and low incomes prevent people from accessing potential housing options and make others hard to sustain. Efforts to reduce poverty need to consider limiting rent costs, maintaining good housing conditions in all tenures and monitoring the impact of welfare reform cuts.

Local:

- a. Establish a “Municipal” Codes Violation Bureau Low-income Landlord Association:
- b. Move from civil code enforcement model to administrative code enforcement model, using a ticketing system
- c. Consolidate housing code enforcement at the county level.
- d. County should follow the state and ensure enforcement of New York State’s Human Rights Law amendment which prohibits discrimination in housing based on lawful source of income.

State:

- a. Implement an Inclusionary Zoning ordinance which requires or incentivizes private housing developers to produce a percentage of units at below market rate.

Transportation: Lack of mobility is inextricably linked to social disadvantage and exclusion. Travel offers the means to reach essential opportunities such as jobs, education, medical needs, shops, and friends, which affect the quality of life. Providing transportation or reducing financial (and other) barriers to travel can offer ways to address poverty, through widening the range of opportunities for employment and education that can be reached. Transportation should be seen as a service, which can reduce poverty by increasing economic efficiency and enhancing opportunities

Local:

- a. Update and expand transportation routes for the county
- b. Offer tax credit for Employer-sponsored transportation programs such as vanpooling
- c. Subsidy Extension

State:

- a. Revert the Medicaid Transportation Program to local management
- b. Increase funding for the Wheels to Work program
- c. Offer tax credit for Employer-sponsored transportation programs such as vanpooling
- d. Subsidy Extension

Reducing poverty is a complex problem requiring a multi-faceted approach. Relief from current restrictive legislation and public/private policies is essential and perhaps, one of the most critical areas in which to focus. Binghamton/Broome County is just one 16 communities in NYS identified to address local poverty through community-driven, poverty reduction strategies. Policy issues identified by our local initiative are not unique to Binghamton and Broome County and most are in fact, likely very applicable to all 16 ESPRI-identified communities as well as every community in NYS and all individuals and families living in poverty. The recommendations put forward in this paper are just the start of potential changes for current policies, development of new policies and/or combinations thereof. The Policy Committee urges the NYS ESPRI leadership to help organize and convene a statewide policy committee to raise these and other projects' policy concerns to a statewide level improving the greater likelihood of legislative attention to policy change.

PRIORITY ISSUES: STATEMENT OF THE PROBLEM & POLICY RECOMMENDATIONS TO FOLLOW:

Child Care: The Problem

- ➔ In the Household Survival Budget for a family of four, childcare accounts for 26 percent of the family budget. Yet for many Asset Limited, Income Constrained, Employed or ALICE households, 26 percent of what they earn is not enough to pay for even home-based childcare, the least expensive organized care option.
- ➔ Childcare is difficult to find for individuals who work non-traditional hours.
- ➔ Millennials are struggling to keep up with costs; the average cost of center-based infant childcare in the US is over 27 percent of millennial median income. (2018 Child Care Aware Fact Sheet)
- ➔ Families with two children who live at the Federal Poverty Line spent 110% of their combined income on center-based childcare in 2017¹.
- ➔ Companies in the United States lose \$4.4 billion in employee turnover each year.²
- ➔ Childcare is part of the “Temporary Assistance Cliff Effect”: If an individual receiving public assistance gets a job and begins receiving paychecks, they are considered over-income and will no longer qualify for temporary assistance. An abrupt change in their source of income often leaves individuals and their families scrambling. For many families, it means losing SNAP benefits, childcare vouchers, or housing subsidies. They are essentially pushed off a cliff into financial independence, without being prepared to take on costs of living.

The Bottom Line

- ❖ If New York wants to remain an active participant in the national workforce and continue to be economically productive, it is imperative that New York State government and employers understand the importance of affordable childcare and invest accordingly
- ❖ Childcare must be available in New York state for non-traditional hours
- ❖ Families should not be immediately cut off from subsidized childcare after becoming employed.

Recommendations

1. Subsidy Extension

Local Departments of Social Services should extend subsidy eligibility for a period of time after an individual gets a job and becomes over-income. The subsidy could be incrementally reduced over a six-month transition period as the individual accumulates savings and learns how to budget.

- This reduces impact of the cliff effect. They are not immediately cut off from services.

¹ 2017 CC cost data <http://usa.childcareaware.org/advocacy-public-policy/resources/research/costofcare/>

² 2018 Fact Sheet: <http://usa.childcareaware.org/wp-content/uploads/2018/08/2018-state-fact-sheets.pdf>

Associated Costs/Benefits:

- Increased short-term cost to the county and state, since families will remain on the subsidy for longer.
- Potential decrease in long-term expenses to the county and state, since research suggests that families with children in day care have greater job stability and income.

*Senator Gillibrand recommends on her website, “expanding the childcare tax credit, so that families who don’t have high income can still afford childcare for their children – and not have to worry about quitting their jobs. This would allow families to deduct up \$14,000 of their childcare expenses when they’re filing their taxes. It would be a life-changing amount of savings for many families in our state.”

2. On-Site Childcare

There are several books and studies published that show a correlation between employer assistance with childcare and increased productivity and morale at those organizations. Kids at Work: The Value of Employer-Sponsored Onsite Childcare Centers cites two studies, in which a large company saved up to \$250,000 a year due to reduced employee turnover.

- Propose legislation that gives tax credits to employers who provide childcare on site or provide supplemental support to employees to pay for childcare. Parents are happier when their children are nearby, and happier workers means better morale and higher productivity at their companies.

Associated Costs/Benefits:

- Tax credits to employers are a cost to the state.
- Employers must use company funds to subsidize the childcare or arrange for space and coverage on site. They will likely need additional insurance and staff.
- Employers will save money by reducing employee tardiness, absenteeism, and turnover.

Housing: The Problem

In the Household Survival Budget for a family of four, housing accounts for 18 percent of the family budget. Following this allocation, this analysis assumes that all ALICE households then spend 18 percent of their income on housing, which still leaves them far short of what is needed to afford rent at HUD’s 40th rent percentile.

- ➔ Over 1,700 people faced homelessness in Broome County in 2017.³
- ➔ 16.5% of Broome County residents are in poverty.⁴
- ➔ The median property value in Broome County is \$115,300 as of November 2018.⁵
- ➔ Many units in Binghamton are not up to code, and landlords are unresponsive to the City or tenants.

³ <https://www.southerntierhomeless.org/>

⁴ <https://www.census.gov/quickfacts/fact/table/broomecountynyork/IPE120217#IPE120217>

⁵ <https://www.zillow.com/broome-county-ny/home-values/>

- ➔ The City of Binghamton’s Code Enforcement is underfunded and under-staffed.
- ➔ Homeless individuals living on the streets are exposed to violence, addiction, and incarceration.
- ➔ Homeless individuals and families filter in and out of emergency housing, hotels, and motels.
- ➔ Continued reliance on social services for financial assistance with rent and medical bills comes at a cost to the taxpayers. – in some cases, amounting to over \$1 million.
- ➔ Housing Insecurity is the lack of security in an individual shelter that is the result of high housing costs relative to income, poor housing quality, unstable neighborhoods, overcrowding, and/or homelessness.
- ➔ Housing affordability is defined as the ratio of annualized housing costs to annual income. Different income-based measures use different thresholds; however most organizations use either the 30% or 50% threshold, meaning that an individual is housing insecure if they spend more than 30% or 50% of their annual income on housing.
- ➔ Housing safety is defined as a housing issue that presents an imminent health threat, such as inadequate heating capacity, faulty foundation, evidence of rodents, exposed electrical and more.
- ➔ The NYS Department of Health has recently recognized housing as a social determinant of health.

The Bottom Line

- ❖ Housing is one of the most important factors in addressing the homelessness crisis in Broome County.
- ❖ Addressing the quality and affordability of housing in Broome County will be key to mitigating the effects of chronic homelessness and housing insecurity, and save taxpayers millions of dollars.

Recommendations

1. Expand the quality and quantity of housing units available for low-income residents

- Consider investments and collaborative initiatives for tiny homes communities.
- Consider tax incentives for landlords of unused property, unused buildings or unrented spaces to encourage renting to low-income residents.

2. Increase effectiveness and efficiency of Code Enforcement programs

Switch from a *civil* code enforcement model to an *administrative* model.

- Develop a ticketing system: City inspectors give tickets to property owners whose units are not up to code.
- Create a Municipal Codes Violations Bureau: Move hearings to City Bureau. Municipal Code Violations Bureau: ticket adjudication, add outstanding charges (work order bills and fines) to property taxes. Guarantees payment.
- MCVB can add fines or work order bills to property taxes, which essentially guarantees payment.
- Funds can be used to hire staff and increase effectiveness of code enforcement in Binghamton.

3. Inclusionary Zone Ordinance***

Remove legal and social barriers that low-income residents face in their housing search; legislation is needed to introduce an Inclusionary Zoning Ordinance.

- Tax credits to private housing developers to incentivize production of a percentage of units below market rate (BMR).
- BMR units are affordable to low-income individuals, and maintain a level of quality, but are priced at a rate that is accessible to low-income individuals and families.
- Provides low income families with access to better schools, transportation options, and job opportunities.

*** “Most inclusionary zoning is enacted at the municipal or county level; when imposed by the state, as in Massachusetts, it has been argued that such laws usurp local control. In such cases, developers can use inclusionary zoning to avoid certain aspects of local zoning laws.”⁶

Associated Costs/Benefits:

- Tax credits to employers are a cost to the state.
- Landlords may lose some income if they include a percentage of lower income units

4. Outlaw Income Bias

Households receiving rental subsidies or income from lawful sources other than employment should have equal access to any housing they can afford. “Source of Income” (SOI) discrimination reinforces segregation, perpetuates generational poverty and limits opportunity. The lack of SOI protections impacts the most vulnerable populations including the elderly, persons living with disabilities, domestic violence survivors, persons experiencing homelessness, families with children, ethnic and racial minorities and veterans. SOI discrimination drives poverty and segregation by restricting low-income families to certain areas, often with higher crime and underperforming schools.

- Landlords are currently allowed to refuse housing to tenants who receive Temporary Assistance or Social Security.
- Local County and municipalities should follow the state and ensure enforcement of New York State’s Human Rights Law amendment which prohibits discrimination in housing based on lawful source of income.

Associated Costs/Benefits:

- Improved quality of life and safety for low-income families.
- Diverse neighborhoods can play an important role in reducing bias by facilitating intergroup contact among residents

⁶ https://en.wikipedia.org/wiki/Massachusetts_Comprehensive_Permit_Act:_Chapter_40B

Transportation: The Problem

- ➔ Individuals who work the second and third shifts have very limited options for getting to and from work via public transportation.
- ➔ Bus routes do not reach all parts of the county.
- ➔ Broome County vehicle ownership is low - approximately 23% of households do not have access to a vehicle.
- ➔ Increases in mass transportation fares negatively impact low-income individuals.
- ➔ Medicaid state contracted program for Non-Emergent Medical Transportation is reported to be difficult to navigate.
- ➔ Transportation is part of the “Temporary Assistance Cliff Effect”
If an individual receiving public assistance gets a job and begins receiving paychecks, they are considered over-income and will no longer qualify for temporary assistance. An abrupt change in their source of income often leaves individuals and their families scrambling. For many families, it means losing SNAP benefits, childcare vouchers, housing subsidies, and transportation support. They are essentially pushed off a cliff into financial independence, without being prepared to take on costs of living.

The Bottom Line

- ❖ If New York wants to remain an active participant in the national workforce and continue to be economically productive, it is imperative that New York State government and employers understand the importance of assisting lower income employees to get to work.
- ❖ Transportation in some form must be available for all shifts and in all areas.
- ❖ Studies have shown that having a ride to work reduces stress in employees and boost morale and could result in higher productivity and less costly employee turnover.⁷
- ❖ Employers need to become involved with the solution.
- ❖ The Office of Temporary and Disability Assistance offers funding to Counties for development of a Wheels to Work Program. This program is highly underfunded. Current funding is at \$144,000 for the entire state.
- ❖ The current allowance of 90 days’ continuance of transportation assistance for individual who become employed and lose Temporary Assistance is not sufficient.
- ❖ Lack of transportation stands in the way of low-income household access to appropriate health care services.

Recommendations

1. Employer sponsored transportation programs

- Propose legislation that gives tax credits to employers who provide transportation assistance to employees either through Vanpooling or provide supplemental support to employees to pay for transportation.

Associated Costs/Benefits

- Tax credits to employers are a cost to the state.
- Employers would need to purchase or hire a vehicle and an additional employee to operate the vehicle, as well as coordinate pickup locations and times for employees.

⁷ <https://rideamigos.com/employee-carpool-programs/>

- Employers must use company funds to subsidize the transportation or arrange for the purchase of a van to be shared for employee transportation. They will likely need additional insurance and staff.
- Employers will save money by reducing employee tardiness, absenteeism, and turnover.

2. Expand Funding to Wheels to Work Programs

- Expand funding to the Wheels to Work program. Clients demonstrate financial need for transportation to work, progress towards financial independence. Eligible clients can receive used cars, loans for purchasing and repairing cars, support for NYS road test practice, help registering their cars, and vehicle-related budget counseling.

Associated Costs/Benefits

- Increased short-term cost to the state.
- Potential decrease in long-term expenses to the state, since research suggests that individuals who have dependable transportation to work or to obtain work have greater job stability and income and therefore rely less on State funded programs.
- Mechanics and garages in the area could be incentivized by the state to provide vehicle maintenance below market rate to individuals who qualify.

3. Subsidy Extension

- Local Departments of Social Services should be able to extend subsidy eligibility for a longer period after an individual gets a job and becomes over-income. The subsidy could be incrementally reduced over a six-month transition period as the individual accumulates savings and learns how to budget.
- This reduces impact of the cliff effect. They are not immediately cut off from services.

Associated Costs/Benefits

- Increased short-term cost to the county and state, since families will remain on the subsidy for longer.
- Potential decrease in long-term expenses to the county and state, since research suggests that families with dependable transportation to get to work have greater job stability and income therefore rely less on State funded programs.

4. Medical Transportation Options

- State or county could provide a tax credit to incentivize healthcare providers to award subsidies. Contract with RoundTrip service (healthcare specialized ride sharing), which accepts payment from Medicare, Medicaid, Commercial Insurance, Patient Pay, Facility Pay.
- Revert back to local administration of the Medicaid Transportation program. It would provide more immediate assistance to consumers and better local customer service.
 - Expand Medicaid transport to include opportunity to combine pick-up of prescriptions and food with return medical Medicaid transport.

Associated Costs/Benefits

- Medical providers may experience greater productivity and higher ROI as a result of lowered ‘no show’ rates d/t families’ transportation barriers.

- An overall healthier low-income population with the ability to access expanded, supportive transportation for prescription and food pick-up.
- Locally managed Medicaid Transportation services have greater economic impact on local communities, especially through support of public transportation services.

Conclusion: Reducing poverty is a complex problem requiring a multi-faceted approach. Relief from current restrictive legislation and public/private policies is essential and perhaps, one of the most critical areas in which to focus. Policy issues identified by our local initiative are not unique to Binghamton and Broome County and most are in fact, likely very relevant for all 16 ESPRI-identified communities as well as every community in NYS and all individuals and families living in poverty. The recommendations put forward in this paper are just the start of potential changes for current policies, development of new policies and/or combinations thereof. The Policy Committee urges state and local leaders and policymakers to seriously consider taking action to amend current policies and regulations, as well as explore the feasibility of changing state and local administrative functions to more effectively address these critical issues.

Broome County Anti-Poverty Task Force

Chairperson: Mark Bowers
 NYS Assembly member Clifford Crouch's office
 NYS Assembly Member Donna Lupardo's office
 NYS Senator Fred Akshar's office
 Binghamton City School District
 Binghamton University
 Broome County Council of Churches
 Broome County Dept of Social Services
 Broome County Urban League
 Broome-Tioga Workforce
 Broome United Way
 City of Binghamton
 Community Advocates (individual volunteers)
 Community Foundation for South Central NY
 Cornell Cooperative Extension
 Catholic Charities of Broome County
 Greater Binghamton Chamber of Commerce
 Mothers & Babies Perinatal Network
 New York State Police
 Rural Health Network of SCNY
 The Agency
 Visions Federal Credit Union

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Sharon Chesna, Co-Chair
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