NEW YORK STATE LEGISLATURE

2011-2012 JOINT BUDGET HEARING

FEBRUARY 16, 2011– 9:30 AM

HUMAN SERVICES

HEARING ROOM B – LEGISLATIVE OFFICE BUILDING

New York State Office of Children & Family Services	Gladys Carrion Commissioner
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New York State Department of Labor	Colleen Gardner Commissioner
New York State Office for the Aging	Greg Olsen Acting Director
AARP New York State	Bill Ferris Legislative Representative
United Neighborhood Houses	Anthony Ng Director of Policy
SEEDCO	Francine Delgado Senior VP for NYC Programs

Council of Family & Child Caring Agencies

Testimony Presented by
James F. Purcell, CEO

Before the
Assembly Ways and Means and Senate Finance Committees
Joint Legislative Hearing

February 16, 2011

Good afternoon, my name is Jim Purcell and I am the CEO of the Council of Family and Child Caring Agencies (COFCCA), the primary statewide representative for nearly all the not-for-profit agencies that provide child welfare and juvenile justice services to New York's abused, neglected, and troubled children and their families. On behalf of our 110 member agencies, and the thousands of children and families they help, we thank Chairmen DeFrancisco and Farrell for the invitation to appear today, and we look forward to working closely with Chairs Assemblywoman Paulin and Senator Savino and their committees.

2011 is clearly the worst budget year any of us can recall and we realize that Governor Cuomo and the Legislature have extremely painful choices to make about our priorities as a State. With this in mind, we are very appreciative that two of the core sources of funding for child welfare were kept whole. The Executive Budget retains the open-ended commitment from the state to the counties for child protective and preventive services at 62%. This funding has been called the very centerpiece of New York State's human services funding. This commitment speaks volumes about the value that we as a State place on both protecting the health and safety of our vulnerable children, but also to our commitment to support families in raising their own children safely whenever we can do so.

Funding for foster care is also maintained at current levels to support children who must be removed from their homes because their families cannot or will not safely care for them. We are also pleased that the OCFS budget continues the funding commitment for the Bridges to Health (B2H) Medicaid waiver program which is helping to reduce reliance on residential programs and hospitalization for mentally ill, developmentally disabled, and medically fragile children.

In addition to the good news in the budget for child welfare, I am compelled to raise serious concerns about a few portions of the budget, starting with the new Primary

Prevention Incentive Program (PPIP) in the OCFS budget. While called an incentive program, in reality the PPIP represents the state walking away from its child welfare primary prevention agenda. The PPIP would combine many important, less expensive and less formal services for vulnerable children and families, like home visiting, community optional preventive services (COPS), delinquency prevention, runaway and homeless youth, and settlement houses, and cut the funding by 50%. In addition, a new 38% local share is required for proposals for most funding from PPIP, which counties will not be able to afford due in part to the tens of millions of dollars in cost shifts from the state, including $34 million for adoption subsidies, $22 million for Title XX, and untold amounts from detention.

These services save money by providing relatively low cost services to prevent isolated and struggling families from reaching a crisis point that could result in child abuse or neglect or a youth's arrest and involvement in the juvenile justice system. Home visiting, for example, is an evidence-based, cost-effective program that provides services to expectant families and new parents with identified risk factors and stressors. Services are easily accessible to isolated families and are respectful of cultural and community diversity. Services for runaway and homeless youth provide short-term crisis programs for youth who have left home without parental consent while plans for family reunification are made, as well as longer-term transitional shelter and services for older youth who become homeless as a result of a wide range of circumstances.

PPIP funds are to be awarded to counties based on a competitive process through which no county is guaranteed funds. We are concerned that this process could result in the counties and programs with the best grant writers being rewarded, while some of the neediest communities are left behind without funding year after year. We are not opposed to competitive funding and agree that programs need to show positive results; we note that the funding proposed to be in the PPIP is a result of the state's request for proposal (RFP) process. Our concern, however, is that whole areas, counties, and communities could be disenfranchised.

I urge you to eliminate the PPIP altogether and continue separate appropriations for the key programs in the PPIP, recognizing that a 10% reduction from current year appropriations may be necessary to help with the state's fiscal crisis. The only exception is home visiting, where I urge that a separate appropriation be established and maintained at a level sufficient to draw down the many millions of dollars newly available from the federal government (anticipated to be over $25 Million for New York State) for states which meet a maintenance of effort (MOE) requirement. Money was added to the final enacted budget for 2010-11 to position NYS to meet the home visiting MOE and it would be short-sighted and fiscally irresponsible to forgo this federal money to expand this evidence based program that is relatively inexpensive per family and cost effective. And I should point out that COFCCA member agencies are not, by and large, the agencies that operate home visiting programs but we are advocating for this home visiting appropriation because it is good for families and the right thing to do.

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Community optional preventive services, or COPS, are an important component of early prevention efforts but need a standalone appropriation to survive. COPS is the funding through which services are provided to children and families who are at risk but not yet in crisis. These early efforts are a cost-effective means of reinforcing and strengthening a family's ability to care for their children and prevent a crisis such as child abuse/neglect or foster care placement. COPS funds a wide variety of programs across the state that are provided in communities, schools and other settings where families at risk are most easily identified. COPS allows for flexibility in program models to address community needs in unique ways developed in that community. Examples of COPS programs include outreach to isolated families not connected with formal services that have teens identified to be at risk, help for a grandparent struggling to raise her grandchildren, or assistance for a mother recently released from prison and reunified with her children to attend college, find employment, and maintain a home.

While COPS already have a 38% county share, we urge the Legislature to allow all counties to use donated and in-kind funds for a portion of the local share to offset some of the impact of cost shifts from the state in child welfare. In the handful of counties where this is now allowed, creative public-private partnerships have been established that are able to leverage resources that would not otherwise be invested in child welfare.

Shockingly, the proposed budget would eliminate the COPS program and its funding retroactive to October 1, 2010 and PPIP funding, under which COPS would be subsumed, would not begin until July 1, 2011. This creates a nine-month gap, half of which is already passed, during which COPS programs already operational would receive no support from the state. This retro-active cost shift is simply unacceptable and we urge the Legislature to prevent any gap in COPS funding.

We also urge that there be a separate appropriation for post-adoption services to support families who have stepped up and opened their hearts and homes to children from foster care who would otherwise have no parents. These services are also essential for prospective adoptive parents who are committed to a child but hesitant to adopt because without post adoption services, they will lose the services of a case manager and their agency. Assurance that they can access the support they need after the adoption can resolve the ambivalence and facilitate and speed the adoption. Outside of NYC, these services are most efficiently provided regionally, and the only realistic way to do this is through a state appropriation for contracts that can serve multiple counties.

As you know, subsidized kinship guardianship legislation was passed last year in NY and takes effect on April 1, 2011 but without a source of funding identified. We believe kinship guardianship is an important option for some families and that it will save money now spent to keep these children in foster care. I point out that the savings is largely the money that would otherwise have been paid to the private agencies had the child remained in foster care. But we urge you to identify a funding source for kinship

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guardianship similar to the adoption subsidy funding and outside the foster care block grant because it is the right option for some children currently in foster care.

Another issue of deep concern in the budget is the elimination of the entire state share for residential placements made by school districts' Committees on Special Education, or CSE placements. The proposal would shift the full state share to school districts; their share would increase from 20% currently, to 56.8%. The county DSS share would remain unchanged at 43.2%. We believe that the state, nor any level of government, should ever wash their hands of all responsibility for a child with such significant needs and disabilities that he requires 24-hour care outside of his or her home. Therefore, we recommend that for these children placed in settings within New York State that the state, county and school districts share equally the costs for these children at one-third each. Because in NYC this would still increase their share, we support retaining the existing formula there.

However, when school districts decide to place a child out-of-state, where a recent state review determined that the rates are generally significantly higher than in-state, the child is far from home, and our NYS agencies and the Board of Regents have little or no authority or oversight, we support elimination of the state share and a reduced county share so the costs are aligned with the entity that makes this placement decision – the school districts.

With regard to the juvenile justice system, we fully support the closure of unneeded beds in OCFS facilities and the reinvestment of a significant portion of the savings into prevention and enhanced quality of treatment and care of juveniles in the system and their families. The costs to the state and counties of unneeded beds are simply unsustainable.

We support improvements in the quality of services within OCFS facilities and reinvestment of savings from the bed closures to improve treatment for juveniles. However, it is disturbing to see the full reinvestment proposed for an increase of over 400 new staff for OCFS facilities, while the OCFS system continues to downsize, without any commensurate proposed increase in staffing or services for the private agencies. The private agencies care for as many juvenile delinquents in OCFS custody as are placed in OCFS facilities, as well as hundreds more who are in county custody, and also provide community diversion and after care services to these youth and their families. Further, these private facilities all have fully credentialed on-grounds schools which must meet Regent's standards, substantial mental health and other treatment services, and operate in a positive, constructive manner very much along the lines of other models OCFS is now embracing for its own facilities. And they do so at significantly lower costs. Reinvested savings should follow the children being served across both OCFS facilities and private agencies so *all* children benefit from the reform and reinvestment plan.

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And finally, I want to bring to your attention the stunning proposed 1200% increase in the State Central Register (SCR) Clearance fee. The non-profit agencies are required to clear prospective employees with the SCR and cannot sustain this level of increase which is a job killing tax. Further, we question whether $60 is the actual cost of a clearance to OCFS, or if it would be used to subsidize clearances for individuals who very appropriately are not required to pay a fee. OCFS has recently begun automating the clearance process which shifts the data entry to the agency applying, thereby reducing workload and costs for OCFS. This fee increase means the State reaps the benefits while agencies do the work of submitting a clearance.

If the SCR clearance fee must be raised to offset state costs, an increase up to $10 (still a 100% increase) is reasonable, while a 1200% increase is very clearly not.

I thank you for your attention. We look forward to working with you and your staffs in the coming weeks. I am of course happy to answer any questions you may have.

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Human Services Council

The Voice of the Human Services Community

TESTIMONY TO THE JOINT LEGISLATIVE BUDGET COMMITTEES ON THE FY11-12 EXECUTIVE BUDGET PROPOSAL

Human Services Hearing
February 16, 2011

Hello, I am Michael Stoller, Executive Director of the Human Services Council of New York City (HSC), an umbrella policy and advocacy organization for a network of 200 nonprofit human service federations, coalitions, advocacy groups, and direct service providers throughout New York City and State. Thank you Chairmen DeFrancisco and Farrell and all members of the joint committees for the opportunity to testify before you today on behalf of nonprofit human service providers and the vulnerable clients they serve.

***Who Cares? I Do.* Campaign**

I am also representing the ***Who Cares? I Do.*** Campaign today, which launched on Monday, February 14th. This is a statewide advocacy campaign that HSC has organized to spread awareness of the impact that funding cuts will have on New York's individuals, families, communities, and economy. Our mission is to make government accountable to the needs of all New Yorkers by honoring the commitments made to our communities.

We are very concerned about the approximately $400 million in cuts currently proposed to critical human services and the unknown impact of the $2.85 billion in Medicaid cuts to be recommended on March 1st. We understand that difficult choices must be made to close the significant budget deficit - and as always – human services will do our part. But we must ***preserve the programs that are most desperately needed*** as everyday New Yorker's recover from the worst financial crisis since the Great Depression.

- Every day, thousands of people across this State access services for their loved ones or themselves whether its assistance with elderly parents, children with disabilities, help getting back to work or keeping a roof over their family's heads.

- ***The Who Cares? I Do.*** campaign seeks to engage the public and lawmakers by highlighting what human services are, how they assist everyday New Yorkers, and how they improve communities and the State as a whole as an employer and economic engine.

- We are spreading this message through both traditional and non-traditional media (including blogs, twitter, and facebook) and a website devoted to the campaign – **WhoCaresIDo.org** - where we encourage folks to sign a petition in support of human services, share stories about the impact of proposed budget cuts, and access resources to help advocate for the services they depend on. We hope you will sign on!

Why New York State Should Care About Human Services

Human services are not only lifelines for people in need; they improve the quality of life for all of us. Any one of us may find ourselves in need of human services due to the unexpected loss of a job, catastrophic illness, natural or man-made disaster, or other life circumstance.

1) Currently, almost ***800,000 people are unemployed*** in New York State, and one of every seven New Yorkers, 2.7 million people, have fallen below the poverty line.

2) Human services ***employ about 1.2 million*** people, or 17% of the State's workforce, and ***consume millions in goods and services;*** reinvesting financially in New York's economy. Examples of goods and services purchased directly for service programs include food, learning materials, vehicles, beds, medical equipment, architectural services, cleaning companies, maintenance, real estate, office supplies, furniture, accounting, legal services, and more. **A loss of funding to the human services sector means a loss of jobs and spending in struggling communities.**

3) Human services also produce a **positive return–on-investment** in our communities such as…
   - Assisting in the formation of a skilled workforce by educating and training New Yorkers for employment; reducing public assistance costs, and increasing tax receipts.
   - Supporting New Yorker's efforts to live independently; reducing public health care costs and limiting needless burdens on an overwhelmed health and long-term care system.
   - Providing after-school services to youth that increase graduation rates and reduce juvenile crime costs and alcohol and drug abuse.
   - Providing early childhood education and day care that support families' ability to work.

Response to the Proposed FY12 Budget

We understand that a lot of waste has to be cut out of a $10 B budget deficit, but there is not a lot of waste left in human services. Again, we are very concerned about the approximately $400 million in cuts currently proposed to critical human services and the unknown impact of the $2.85 billion in Medicaid cuts to be recommended on March 1st. **Please see my written testimony for a detailed list of the $400 million in cuts to critical human services that we are most concerned about.**

Additionally, the proposed budget cuts **$85 million in discretionary spending** that many legislators allocate to nonprofits to support human services. We know that this funding is not "pork" and is going to support vital human services that you recognize are needed in your communities. We hope that the legislature opposes the Governor's recommendation to eliminate this funding in FY12.

Concern About the Impact of Cuts on Localities

Cost shifting to localities is a significant concern for human services in the FY12 Executive Budget as the withdrawal of State funds from local government spending directly impacts the availability of resources to fund services. Mayor Bloomberg is set to release the City's proposed budget tomorrow. This proposal is likely to contain even more cuts to human services that he will claim are unavoidable because of the withdrawal of State support. The following are examples of loses to New York City (NYC) and all localities throughout the State.

- The State budget continues to cut 100 percent, or $320 million, of revenue sharing aid to NYC.
- A cut of $15.7 million in reduced reimbursement for NYC adult homeless shelters and the $33 million elimination of the State contribution to the Work Advantage Homeless Shelter supplement;
- Cuts to Title XX funding that supports $24 million for NYC's senior centers;
- Reduced state share for adoption subsidies from 73.5% to 62%; and
- New competitive block grants that reduce current funding for such services in half, including the Primary Prevention Incentive Program to support youth services and foster care, a public health grant program, and one for aging programs.

Support the Governor's Proposals to Streamline State Government
HSC is very supportive of the Governor's commitment to reduce waste and invest in successful community-based services that have proven to be cost-effective and a positive return-on-investment.

- In fact, we have offered savings recommendations to the Cuomo Administration that replicate work we've done with the City of New York to streamline the State's contracting processes - which are inefficient and filled with needless redundancies such as audit reform, data collection and a standard contract ($80-100 M in savings).

- We have also recommended ways to reduce duplication of services between government and nonprofits such as increasing use of nonprofit Developmental Disabilities and Mental Health providers rather than more costly State-run operations (savings: $40,000/person/year for developmental disabilities and $80 M/year for mental health).

Please see a detailed summary of human services cuts of most concern <u>attached</u>.

<u>About the Human Services Council of New York:</u>
The Human Services Council of New York (HSC) is a passionate champion for human services and strengthens the sector's ability to serve New Yorkers in need. It proactively negotiates with State and City government for mutually beneficial, solutions-based budget, policy, and legislative reforms aimed at improving the lives of the men, women, children, and communities served by the 200 organizations that make up HSC. HSC provides a unified voice for this diverse collective – it is the "voice of the human services community."

Human Services Council

The Voice of the Human Services Community

Proposed Fiscal Year 2011-12 State Budget Cuts In The Human Services Sector

CUTS TO LOCAL GOVERNMENT REDUCES HUMAN SERVICES FUNDING

The withdrawal of State funds from local government spending directly decreases localities' available resources to provide services. For example, the State budget seeks to eliminate 100 percent, or $320 million worth, of revenue sharing aid known as Aid and Incentives to Municipalities (AIM) for New York City (NYC). The City will need to raise revenue or cut costs to cover the lost aid. Other examples include:

- A $15.7 million reduction in reimbursement for NYC adult homeless shelters,
- A $24 million cut to Title XX funding that supports NYC's senior centers,
- A reduction from 73.5% to 62% to the state share of adoption subsidies, and
- New competitive block grants that reduce current funding for such services in half, including the Primary Prevention Incentive Program to support youth services and foster care, a public health grant program, and one for aging programs.

CUTS TO THE OFFICE OF CHILDREN AND FAMILY SERVICES (OCFS)

$36 Million Cut To Local Government Social Services: Local districts will lose $36 million of discretionary Title XX funds. In NYC (which receives $24 million of the $36 total) these funds support senior centers. The Executive Budget proposes to shift Federal Title XX funding, which primarily supports local discretionary services, to cover part of the State's contribution to Child Welfare Services.

$50 Million Cut To Youth Programs: Funding for many individual OCFS programs, including those listed in the table below, will be replaced by a new competitive block grant program, the Primary Prevention Incentive Program (PPIP), with half the total funding of the current programs.

FY11 Funding for Discrete Preventive Service Programs
(In Millions)

PROGRAM	FY10-11 Funding
Caseworker Caseload Ratios Funding	$1.51
Community Optional Preventive Services	$24.25
Healthy Families New York Home Visiting Program	$23.29
Hoyt Trust Fund	$1.24
Kinship Care Services Contracts	$0.68
Runaway and Homeless Youth Act	$4.71
Settlement Houses	$.9
Youth Development and Delinquency Prevention (YDDP)/Special Delinquency Prevention Program (SDPP)	$28.2

The creation of this new block grant cuts the amount of funding previously available from approximately $85 million to $35 million in FY12 and $42 million in FY13 - constituting a $50 million cut in FY12 and a $43 million cut in FY13.

Retroactive Cut To Community Optional Preventive Services (COPS): The elimination of COPS is retroactive to October 1, 2010, and the new PPIP is not effective until July 1, 2011. Therefore there is a 9-month gap where there is no State funding at all for COPS.

$34 Million Cut to Adoption Subsidy: The Adoption Subsidy Program is designed to maintain permanent homes for youth in foster care that cannot return to the care of their biological parents. Monthly subsidies are paid to adoptive parents to support the special needs of handicapped and hard-to-place children in foster care. Currently, the State share of the subsidy is 73.5 percent, the budget proposes to reduce it to 62%. This cuts the available funds by $34 million in FY12 and $36 million in FY13.

$69.3 Million Cut to School Districts: OCFS oversees the maintenance (room and board) costs of students who are placed in residential schools by a CSE when the child's needs cannot be met in the school district. Currently, the maintenance cost shares are split between the State, the local social services districts, and the school districts. The proposed budget would shift the State share of costs to the school district.

Elimination of Child Welfare Quality Funding ($1.8 Million): The budget proposes to eliminate $1.8 million in supplemental programs and initiatives designed to improve the quality of child welfare services, including demonstration projects, training and program evaluations.

New Fee For Child Welfare Workers Generates $12 Million in Revenue For The State: The Executive Budget proposes to increase the fee for child abuse and maltreatment clearance checks from $5 to $50. Individuals who are currently exempt from the fee will be required to pay. Fees will be applied to those obtaining a clearance check for employment purposes.

$3 Million Cut Eliminates Housing For Sexually Exploited Youth: The Executive Budget will eliminate funding for a proposed long-term safe house for sexually exploited youth.

CUTS TO THE DEPARTMENT OF HEALTH (DOH)

Medicaid Cuts Unknown: The Medicaid Redesign Team will make recommendations for cost reductions to the Governor by March 1, 2011 for consideration in the budget negotiation process. Many human service providers are concerned about the form of the proposed reductions as Medicaid funds health and mental hygiene programs that are part of a comprehensive model of care.

$10.5 Million Cut to General Public Health Programs: Reimbursement of all optional services for the General Public Health Work program will be discontinued. This includes: Medical Examiners, Early Intervention Service Coordination, Dental Services, Home Health Services, Long Term Care, Emergency Medical Services, Other Environmental Services, Radioactive Materials Licensing, Radioactive Equipment Inspection, and Housing Hygiene.

$10.7 Million Cut To Public Health Programs: Funding for many public health programs will be reduced and replaced with a new less well funded local competitive performance grant program. Affected programs include: Audit of Resident Teaching Programs, Brain Trauma Foundation, Cardiac Services, Eating Disorders, Falls Prevention, Health Promotion Initiatives, Infertility Program, Interim Lead Safe Housing, Latino Outreach Program, Long Term Care Community Coalition, Maternal Mortality Review & Safe Motherhood Initiative, Maternity and Early Childhood Foundation, Medicaid Collaborative Studies, Minority Male Wellness, Office of Minority Health, Osteoporosis Prevention, Public Awareness Campaign for Donor Registry Letter, Public Health Genomics, Public Health Management Leaders of Tomorrow, Quality Improvement, Racial Disparities Study, Statewide Health Broadcasts, Sudden Infant Death Syndrome, Tick-Borne Disease, Minority Participation in Medical Education Program – CUNY Gateway Institute, Minority Participation in Medical Education Program – SUNY Upstate Medical, the Workforce Studies Program, and COLA savings from the eliminated programs.

CUTS TO THE OFFICE OF MENTAL HEALTH (OMH)

$32 Million Cut To Mental Health Community Residential Programs: The development of all new OMH Community Residential Programs will be frozen for one year. Funding will be eliminated over the next two years for family-based treatment beds. In addition, the Executive Budget will reduce aid to some providers of supported housing, convert residential pipeline units, and reprogram 250 planned supported housing beds for adult home litigation requirements.

$27 Million Cut To Mental Health Non-Residential Programs: The budget proposes to restructure a variety of non-residential OMH programs, including Continuing Day Treatment. In addition, it will cut funding in certain community support programs, children's Clinic-Plus, non-direct services, and local administration. The 1.1 percent across-the-board reduction on existing local aid programs implemented in 2010-11 will continue.

CUTS TO THE OFFICE OF ALCOHOLISM AND SUBSTANCE ABUSE SERVICES (OASAS)

$27 Million Cut To OASAS Programs: OASAS funding will be reduced for 41 gambling education, assessment and referral programs. The budget will delay the development of five gambling prevention programs and three Recovery Community Centers.

CUTS TO THE OFFICE FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES (OPWDD)

$27 Million Cut To OPWDD Programs: The budget proposes rate, price, and contract adjustments in both residential and nonresidential services. These include more aggressive reviews of providers' overall surplus/loss analysis and further constraints on administrative and non-personal service costs. Funding for workshop, day training and other day services will be reduced. In addition, funding for transportation services and residential habilitation services delivered in supervised Individualized Residential Alternative programs will be reduced.

$40 Million Cut To Development of New Community Residential Facilities: The budget proposes to delay the development of new OPWDD community adult and children residential opportunities.

CUTS TO THE OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE (OTDA)

Total Elimination of all Temporary Aid to Needy Families (TANF) Initiatives: All programs previously supported with TANF funding are proposed to be eliminated except the Flexible Fund for Family Services local block grant, Child Care Subsidies, and Family Assistance. See the table on the following page for specific information on cut amounts and detail on funding history:

TANF Funding Initiatives

(Dollars in Thousands)

PROGRAM	FY10 Enacted Budget	FY11 Enacted Budget	Change btw FY10 and FY11	FY12 Executive Budget
ACCESS - Welfare-to-Careers	$500	$250	-$250	$0
Advanced Technology Training and Information Networking (ATTAIN)	$7,000	$0	-$7,000	$0
Advantage Schools*	$11,391	$11,213	-$178	$0
Alternatives to Detention / Alternatives to Residential Placement	$10,752	$6,000	-$4,752	$0
Bridge	$8,503	$1,000	-$7,503	$0
Career Pathways*	$10,000	$5,000	-$5,000	$0
Caretaker Relative	$1,998	$250	-$1,748	$0
Child Care CUNY	$1,440	$696	-$744	$0
Child Care Demonstration Projects	$10,900	$5,265	-$5,635	$0
Child Care SUNY	$1,960	$947	-$1,013	$0
Community Reinvestment / Alternatives to Detention	$5,000	$0	-$5,000	$0
Disability Advocacy Program (DAP)	$1,000	$483	-$517	$0
Displaced Homemakers	$5,600	$1,605	-$3,995	$0
Educational Resources*	$3,000	$125	-$2,875	$0
Emergency Food Supplement	$0	$0	$0	$0
Emergency Homeless*	$2,000	$125	-$1,875	$0
Green Jobs Corps Program	$5,000	$2,000	-$3,000	$0
Health Care Jobs Program	$5,000	$2,000	-$3,000	$0
Home Visiting*	$5,822	$0	-$5,822	$0
Intensive Case Services	$3,000	$0	-$3,000	$0
Local Interagency VESID Employment Services (LIVES)	$1,500	$0	-$1,500	$0
Non-residential Domestic Violence*	$3,000	$1,449	-$1,551	$0
Nurse Family Partnership*	$5,000	$2,000	-$3,000	$0
Preventive Services	$18,792	$6,000	-$12,792	$0
Refugee Resettlement*	$1,425	$500	-$925	$0
Rochester-Genesee Regional Transportation Authority	$2,000	$403	-$1,597	$0
Settlement House	$6,000	$1,000	-$5,000	$0
Strengthening Families through Stronger Fathers	$2,764	$0	-$2,764	$0
Summer Youth Employment	$35,000	$15,500	-$19,500	$0
Supplemental Homeless Intervention Program*	$5,000	$1,006	-$3,994	$0
Supportive Housing for Families and Young Adults*	$5,000	$2,500	-$2,500	$0
Transitional Jobs Program	$5,000	$5,000	$0	$0
Wage Subsidy*	$14,000	$0	-$14,000	$0
Wheels for Work	$7,000	$409	-$6,591	$0
TOTAL	**$211,347**	**$72,726**	**$138,621**	**$0**
TANF Commitments				
Child Care Subsidies	$392,967	$392,967	$0	$392,967
Flexible Fund for Family Services	$964,600	$960,000	-$4,600	$960,000

** Explanation of program follows*

Explanation of TANF Initiatives

Advantage After School
Advantage After School provides after-school programs.

Career Pathways
Career Pathways Program supports local career pathway initiatives for low-income individuals that meet employers' workforce needs in high-growth sectors.

Educational Resources
Educational resources program addresses the educational needs of the TANF eligible population and enables them to become literate, productive and successful in the workplace, home and community. Nonprofits provide education and/or training activities such as adult basic literacy, English as a second language instruction, job skills training, workplace literacy, family literacy, and job readiness training to help clients become employed, qualify for a better job or meet the entry requirements for advanced job skills training.

Emergency Homeless Funds or Emergency Needs for the Homeless Program (ENHP)
Programs funded with ENHP have demonstrated experience in providing services to meet the emergency needs of homeless individuals and families and those at risk of becoming homeless including crisis intervention services, eviction prevention services, mobile emergency feeding services and summer youth services.

Home Visiting
Healthy Families NY programs using paraprofessionals are proven to prevent child abuse and neglect and achieve better outcomes for families.

Non-residential Domestic Violence

Non-residential Domestic Violence services have proven to be an effective method of addressing the needs of some victims of domestic violence and their children, particularly victims who are seeking supportive services but do not require or would not consider entering an emergency shelter program. In some cases, such non-residential services may alleviate a need for domestic violence residential services.

Nurse Family Partnership
Nurse at home visitors for mothers, from pregnancy through the baby's first two years, improve outcomes for high risk women.

Refugee Resettlement
NYS Refugee Resettlement Assistance Program (NYSRRAP) provides essential services to an extremely vulnerable population through an effective program that delivers culturally sensitive case management and self-sufficiency services to refugees, asylees, human trafficking victims, and other foreign-born persons.

Supplemental Homeless Intervention Program
Supplemental Homeless Intervention helps families on the verge of homelessness remain in their residence.

Supportive Housing for Families and Young Adults
Supportive Housing for Families and Young Adults (SHFYA), is the only statewide funding offering chronically homeless families and young adults the proven benefits of combining affordable housing with essential support services.

Wage Subsidy
The Wage Subsidy Program (WSP) supports the work of not-for-profit community based organizations to place public assistance recipients and other low-income individuals with employment barriers into jobs. Using a pool of funds to subsidize wages, WSP providers recruit and enroll participants, develop jobs with employers, and provide ongoing services to ensure successful entry into unsubsidized employment.

$29 Million Cut From Public Assistant: A grant increase of 10 percent for the basic allowance portion of public assistance scheduled for 2011 is being pushed back to 2012. The grant increase was enacted as part of the 2009-10 Budget.

Implementation of Full Family Sanctions: $7 million is cut from Public Assistance by eliminating payments intended to sustain children when a parent is deemed non-compliant. Under current policy benefit payments to public assistance cases in which the head of the household is out of compliance with work requirements are reduced by the portion of the grant attributable to the head of the household. The FY12 Executive Budget changes this policy and proposes to withhold a family's entire benefit in the second and subsequent instances in which the head of the household does not comply with employment requirements. For example, if a household includes a mother and her two children, if the mother is found out of compliance with work requirements, not only will the family not receive her benefit payments but her children's as well.

$15.7 Million Cut To Homeless Shelters: The Executive Budget caps reimbursement for the New York City adult homeless shelter system at $69 million, a reduction of $15.68 million in FY12 and FY13.

$33 Million Cut To New York City Work Advantage Shelter Supplement Program: The 2011-12 Budget ceases State contributions to the New York City Work Advantage shelter supplement program which allows local social services districts to provide an enhanced shelter allowance for those households either at-risk for eviction or already residing in homeless shelters.

Repeal Prior Year Department of Labor Employment and Training Program Initiatives: The Executive Budget proposes repealing all General Fund local assistance reappropriations that support specific employment and training programs.

$6 Million Cut to Neighborhood and Rural Preservation Program Funding: The Executive Budget proposes reducing the current formula-based funding for Neighborhood and Rural Preservation Programs by 50 percent and converting to a competitive, performance-based funding program beginning in 2011-12.

CUTS TO THE STATE OFFICE FOR THE AGING (SOFA)

$1.7 Million Cut To Local Aging Programs: Funding for many local aging programs will be reduced and replaced with a new less well funded local competitive performance grant program. Affected programs include: Community Empowerment Initiative, Congregate Services Initiative, EAC/Nassau Respite Program, Elderly Abuse Education and Outreach Program, Enriched Social Adult Day Centers Program million), Foster Grandparent Program, Long Term Care Senior Respite, NY Foundation Home Sharing, Patients' Rights Hotline and Advocacy, Regional Caregivers Centers for Excellence, Retired and Senior Volunteer Program.

Elimination of NY Connects Program: Funding for the NY Connects Program will be eliminated- $.95 million this year and $3.8 million next year. NY Connects provides seniors with information regarding available services through the establishment of call centers, telephone hotlines and SOFA's NY Connects website.

$58 Million Cut To Elderly Pharmaceutical Insurance Coverage (EPIC) Program: Effective January 1, 2012, EPIC will only provide payment for drugs when an enrollee has entered into the Medicare Part D coverage gap. Additionally, effective July 1, 2011, EPIC enrollees will be responsible for paying their Part D premiums or their full deductible.

Human Services Budget Hearing
Regarding the 2011-2012 NYS Budget
February 16, 2011

Presented by Denise L. Harlow, Chief Executive Officer
New York State Community Action Association, Inc.

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Human Services Budget Hearing
Regarding the 2011-2012 NYS Budget
February 16, 2011

Presented by Denise L. Harlow, Chief Executive Officer
New York State Community Action Association, Inc.

Good morning. ***Who cares about human services??*** **I do!** My name is Denise Harlow and I am the CEO of the New York State Community Action Association (NYSCAA). I am also a steering committee member of the New York Children's Action Network. Thank you for this opportunity to address you and share our comments regarding budgetary issues impacting the most vulnerable of our citizens. NYSCAA is the state association representing the 52 Community Action Agencies serving all 62 counties in New York State. Our members include Wyoming County Community Action, CEO for the Capital Region in Troy, and EOC of Nassau County to name just a few. For more than 45 years, New York's Community Action Agencies have been the proven local, grassroots, federally-designated network of anti-poverty agencies in New York State. We empower struggling families and individuals and encourage them along the path to self-sufficiency. I will be addressing issues related to low-income New Yorkers and will be covering only a portion of my testimony verbally given the time limit. Please see my written remarks for additional information.

New York State is certainly facing hard times with an estimated budget deficit of $10 billion. **However, poor and low-income children and families are facing even harder times**. They are struggling to meet their children's basic needs. NYSCAA's members provide a wide variety of programs that reflect the needs of individual communities across the state and we are seeing more families every day that are struggling to maintain stability while working hard to improve their lives and circumstances. Our agencies report that emergency requests are increasing dramatically and that the demographics of those requesting assistance is changing. Our agencies are seeing more two-earner families, college educated adults, and homeowners. They are seeing laid-off workers, couples stressed about losing their homes, and families in desperate need for food and energy assistance.

As economists tell us, now is not the time to be taking resources *away from* low-income households. Decreasing benefits, reducing access to child care designed to support work efforts, cutting afterschool programming and home visiting programs – all of these measures add stressors to already overstressed families. Many of the proposed cuts may look like they help the State's bottom line, but in reality will actually cost the State significantly more in both the short and long term. These cuts leave federal dollars on the table by shifting care away from community and preventative-based programs into expensive residential care and emergency intervention services such as foster care. Even in difficult times, the State must maintain investments that promote citizen health and long-term cost savings.

New York's poverty rate makes it essential that New Yorkers have access to the services and programs provided by Community Action Agencies, particularly in this period of economic slowdown. New York's poverty rate of 13.8% exceeds the national poverty rate of 13.5%. Nearly 2.6 million New Yorkers, including 852,000 children, live in households with incomes below the federal poverty line – just $18,310 for a family of three. The child poverty rate is unacceptable: 19% statewide; 31% in Albany; 33% in Schenectady; 38% in Poughkeepsie; 39% in the Bronx and more than 43% in Syracuse, Buffalo and Rochester. **Even more disconcerting are children living below 50% of poverty (9,155 for a family of three) for in Extreme Poverty: 9% statewide; 15% in Albany; 16% Schenectady; 19% in Poughkeepsie and the Bronx and more than 21% in Syracuse, Buffalo and Rochester.** (American Community Survey, three-year estimates, 2007-2009.) We can and must do more.

Protect and Support the Basic Needs of Vulnerable New Yorkers. New Yorkers living the furthest from the lower rungs of the middle class need strong, basic supports that will sustain them while they work to build skills and assets that will move them forward. Asking families to survive on a level of income that itself spawns crisis does not provide the stability necessary to help families break the cycle of poverty. In addition, for many, work is not an option. Disability and age can dramatically impact the ability to maintain employment.

To help the most vulnerable New Yorkers, we urge you to:

- **Restore the public assistance grant increase to the promised 10%.** The proposed delay in the welfare grant increase will give the state an estimated savings of $29 million in the upcoming budget year, a very small total in light of a state budget exceeding $130 billion. This small savings is not enough to justify the postponement of these much-needed resources for public assistance participants, not to mention the economic stimulus that more cash assistance provides to local economies in our recession. The grant increase promise was kept in the two previous difficult financial years and should not be slowed by current circumstances. The amount saved does nothing for the State's fiscal crisis yet puts the poorest New Yorkers even further behind the curve in making ends meet in today's climate. We need to continue to work close the "inflation gap" which reduced the real value of the basic grant by more than 50% over two decades of neglect.
- **Eliminate the Full Family Sanction Proposal**. The Governor proposed that to strengthen compliance with public assistance work requirements, he will institute a full family sanction in the

second and any subsequent instances in which the head of the household does not comply with employment requirements, saving an estimated $7 million next year. To penalize all members of a household for the actions of one is punitive and unnecessary. Children in the home will be penalized and have they no power to make the other adults in a household comply. This will lead to is increased poverty and decreased resources in households with children.

- **Restore funding for home visiting programs to help give children the best possible start.** Restore funding to the Healthy Families New York (HFNY) the Nurse-Family Partnership (NFP) program. Healthy Families New York is one of New York's evidence-based home visiting programs that prevents child abuse and reduces costs for foster care and other child welfare services. Research tells us these programs work in decreasing child abuse and maltreatment. What could be a more important investment in our future? Several Community Action Agencies provide Healthy Families services and, with so few resources available to families in rural communities, this cut is a dramatic shift during a time of increasing stress for families.
- **Restore $204 million in Programs Carved out of the state budget by moving 100% of the cost of Family Assistance to Temporary Assistance to Needy Families (TANF) Program.** By eliminating funding for a range of TANF programs that help New York's poorest residents, the proposed budget jeopardizes Community Action's ability to help families maintain and achieve self sufficiency. Without these critical supportive services, we can expect to see an increase in the public assistance rolls. Restoration of these services is not only in the best interest of New York's most vulnerable families but is also the right approach for the long term financial interests of the State. We urge you to support these programs through the restoration of $204 million in these programs. This is not the time to divest funds intended to assist our growing poor population. Here are examples of proposed cuts that will impact customers of Community Action Agencies statewide:
    - **Wheels to Work**. This highly effective program has been hanging on by a shoestring after not being included in the TANF funded programs in last year's budget. This program is maximizing the dollars it has left but they are about to disappear and low-income workers will no longer be able to access this program that takes provides used cars to those looking for work. The program provides budgeting and planning for vehicle ownership and required the purchasing of insurance and provides support for clients to do so. Wheels to Work is a clear return for the state and needs to be funded at previous levels at $7,000,000. Clients receive a car that costs little, but provides limitless potential for earning and succeeding. Our program at Fulmont Community Action had a client recently pay it forward and give funds back to the organization out of his earnings so that the agency could help more people. That is the spirit of hope this program provides.

- **Career Pathways** has been found to have a significant impact on the lives of struggling families looking to learn new skills and obtain employment. Attached to this testimony are two success stories from the Albany Community Action Partnership's Career Pathways program. This program has given hope and opportunity where it did not exist before and cutting off success is pound foolish in the short and long term. We need jobs in this state and Career Pathways provides the training and support to help individuals get find a pathway out of poverty.
- **Summer Youth Employment** gives tens of thousands of young people every summer and their families a real financial boost. This program brings real income into the homes of low-income families and these youths are not earning money to go to the movies; they are bringing home an income that goes to rent, food, energy bills, and transportation while providing soft skills training that will pay off dividends in future employment. NYC had 52,000+ slots last year with various funding streams supporting their efforts, this year they are looking at less than 20,000. Summer Youth Employment is a not a summer fund activity in this economy. It is real cash into real homes with real skill building.
- **Displaced Homemakers** is a 30-year old+, highly successful, comprehensive program that assists New Yorkers moving into the workforce. We know that poverty among women is higher than their male counterparts and supports for women can have a big return on increased skills, confidence, and income. Again, another program that is pound foolish to cut.

➢ **Finally, establish a Target for New York State to Cut Child Poverty in Half by 2020 and Put in Place the Necessary Structures and Strategies that will Measure Progress Toward that Goal.** Many national organizations including the Community Action Partnership, the Center for Law and Social Policy, the Center for American Progress, Catholic Charities USA, and others have called on the nation to cut poverty in half by 2020. **New York's child poverty rates are unacceptable. <u>Our next generation is in crisis</u> with the following child poverty rates (18,310 for a family of 3): 19% statewide; 31% in Albany; 33% in Schenectady; 38% in Poughkeepsie; 39% in the Bronx and <u>more than 43%</u> in Syracuse, Buffalo and Rochester. Even more disconcerting are children living below 50% of poverty (9,155 for a family of three) for in Extreme Poverty: 9% statewide; 15% in Albany; 16% Schenectady; 19% in Poughkeepsie and the Bronx and <u>more than 21%</u> in Syracuse, Buffalo and Rochester.** (American Community Survey, three-year estimates, 2007-2009.) New York can and should work to cut these numbers at least in half. If the budget process doesn't care in terms of lost lives, then let in care in lost wages, taxes and productivity combined with increased costs for health care, jails, and welfare in the future. New York cannot afford to lose this generation of New Yorkers.

On behalf of New York's Community Action Agencies and the 750,000 New Yorkers we work with each year, I thank you for the opportunity to testify before you today and invite you to turn to us as a statewide resource for reaching and supporting those looking to break the cycle of poverty.

Thank you.
Denise Harlow, CEO
NYS Community Action Association

Career Pathways Success Stories
Albany Community Action Partnership

Jemik (Weatherization)

Jemik began working with us shortly after being released from prison on 2 felony drug possession convictions in the state of Virginia. Jemik faced many challenges: he had no real work history outside of his experience in prison, didn't have a high school diploma or GED, and had a strong substance abuse history, and had no legal identification to even begin searching for
employment. When he came to us, he was frustrated at not being able to obtain legal identification since each employer requested it upon interviewing. Our first step was to help him obtain enough points for NYS non-driver's ID. This process took 4 months of applying for various services including Medicaid, a birth certificate, and a bank account. While this documentation process was underway, we worked with Jemik on understanding his financial
situation thru our collaboration with SEFCU; developing life and employment ready skills in our workshops; learning a trade that he found interesting, offer him an opportunity for career growth, and would not be negatively impacted by his criminal history. He completed our Building Trades & Weatherization 90-hour training program, and as the training was nearing an end, he finally was able to obtain his NYS identification. Jemik began an internship as a maintenance helper at an Albany hotel at the advice of our staff (to develop a work history and possibly open doors to employment) and was hired shortly thereafter. He has maintained that employment in the evenings, and is attending GED classes during the day. Recently Jemik's training instructor stated, "Jemik has shown the willingness to learn,

with the ability to pick up what was demonstrated in class. He has a great attitude, taking pride in his work and shows a defined effort to work as a team. Jemik has perfect attendance and is never late. He has shown me a work ethic that will make an outstanding employee." Jemik reports feeling more confident, is putting his "old life" behind him, and looks forward to a bright future in the building trades field.

Kathryn (Health Care)

When Kathryn came to our doors she was a depressed single mom (1 yr. old son) without any sort of support system, attempting to receive TANF services and child support, in addition to seeking any type of employment. At only 23 yrs. old, she thought she was a bad mom due to her living conditions- she had been sleeping on a relative's living room floor with her son in her arms each night, since she hadn't been able to afford a place of her own. With our assistance and advocating, she was able to open a public assistance case and finally obtain a small apartment. She clearly was ambitious and beginning to feel more confident. She expressed an interest in becoming a nurse someday, so we helped her enter an upcoming training for P.C.A., H.H.A, and C.N.A. certification. She obtained all 3 credentials in late August, and with our assistance began an internship with a local healthcare facility to boost her experience and to develop networking connections in the healthcare field. Although it took some time, and she at times would feel frustrated with her employment search, Kathryn stuck to her goal plan, and finally interviewed with Teresian House. She was hired as a C.N.A. shortly after, and was so excited to earn her first paycheck. Now, more than a month on the job she has begun earning enough money to close her public assistance case. She has worked with our program to develop a family budget plan and has been linked with services in the community to help her maintain her independence from government services, including recently reaching a child support and visitation arrangement with her son's father. Kathryn is now so confident and is doing great at work. In fact, she is preparing to continue her education while working by taking LPN courses part time and looks forward to growing a career in the health care industry.

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February 16, 2011
2011-12 Joint Budget Hearing
Senate Finance Committee and Assembly Ways & Means Committee
Human Services Sub-Committee

Testimony of

Laura A. Cameron, Executive Director
New York State Association of Area Agencies on Aging

Good morning Senator DeFrancisco, Assemblyman Farrell, and members of the Committee. My name is Laura Cameron and I am Executive Director of the New York State Association of Area Agencies on Aging. We extend our appreciation to Assemblyman Jeffrey Dinowitz, Chair of the Assembly Aging Committee, Senator David Valesky, Chair of the Senate Aging Committee, and NYSOFA Acting Director Greg Olsen, for their leadership and support of programs and services to assist older New Yorkers.

Our Association represents the 59 Area Agencies on Aging (AAAs), also known as Offices for the Aging, throughout New York State. AAAs design, fund, and coordinate programs that maintain seniors in their homes, postponing the need for more medically intensive and costly health care services. The local planning process ensures that limited government dollars are utilized effectively and efficiently to deliver the appropriate level of services to seniors.

Governor Cuomo's proposed budget preserves funding for critical core programs at the current year appropriations, which is a reduction from previous years. The overall impact of cuts made over the last few years has resulted in reduced services for seniors and longer waiting lists at the local level.

While a great number of our older adults live independently, there are a growing number of older adults who have limitations, chronic illnesses and disabilities, particularly as life expectancies increase. Those age 85 and above, who are more likely to need support services, have already increased by 28% from 2000 to 2010, and are anticipated to grow by almost 75% by the year 2030. Many require supportive services that help them remain safely at home which can avoid or delay more costly nursing home placement.

Underfunding the AAA programs is driving people with long term care needs into Medicaid because long waiting lists throughout the state force the "Medicaid vulnerable" population into higher cost care and onto Medicaid in a short period of time. We suggest an alternative - provide low-cost home and community based services for seniors that are at imminent risk of Medicaid eligibility. The AAA services outlined below augment the assistance provided by family supports and help keep people from spending down their resources and going on Medicaid or being admitted to skilled nursing facilities.

The aging services network administers home and community based non-medical services such as home delivered meals, home care, and case management services to frail elderly persons who are just above Medicaid eligibility guidelines, have multiple health problems, and have lost the ability to perform essential activities of daily living without assistance. The typical profile of one of our clients is:

- A woman over 80 years of age with multiple chronic health problems and living alone
- Needs help with personal care, meal preparation, transportation to doctor's offices or house cleaning
- Has income above Medicaid eligibility but is typically below 150% of federal poverty guidelines, relies on Social Security for one's main source of income, and has less than $50,000 in assets
- Relies on family and friends to remain at home and is at considerable risk for higher and more costly levels of care

The core programs of EISEP, CSE, SNAP and caregiver support services keep seniors in the community, reduce Medicaid costs, and prevent nursing home placement. We ask the Legislature to reaffirm the value of support services provided through AAAs around the state, as follows:

Restore EISEP to $48,035,000 (+$2 million)

EISEP (Expanded In-Home Services for the Elderly Program) provides case management and home care services that enable the most vulnerable non-Medicaid seniors to remain safely at home. In many instances, a package of services is needed to address the unique circumstances of the individual. Seniors receiving personal care services have multiple needs: more than 60% receive three to five services, and an additional 10% receive six or more services. Reductions in EISEP funding have resulted in waiting lists throughout the state. Without these cost-efficient services, many seniors will spend down to Medicaid, costing the state far more. By delaying institutional care and reducing Medicaid spending, EISEP saves taxpayers money and improves seniors' quality of life.

Restore SNAP to $23,380,000 (+$2 million)

The Supplemental Nutrition Assistance Program (SNAP) provides nutritious meals and related services to frail, homebound seniors at high nutritional risk, enabling them to remain in the community. Increasing SNAP will have an immediate positive impact on seniors. Data shows that of those receiving home delivered meals, nearly 50% fall below 150% of the poverty level standard. Lacking money to pay for adequate foods can result in a host of nutrition problems. Eighty percent of meal program participants average two chronic health conditions. Nearly 75% of chronic diseases are nutrition or diet related. Economic conditions have caused an increased demand for meals resulting in waiting lists for home delivered meals for seniors.

Restore CSE to $16,312,000 (+$1 million)

The Community Services for the Elderly program (CSE) provides non-medical community-based services to frail, low-income seniors helping them to remain at home. Services include personal care, home delivered meals, congregate meals, and adult day services. The program offers flexible service options to meet the unique needs of senior citizens.

During SFY 2007-08, approximately 78,159 people benefited from CSE funded services. There was an increase in the number of people provided CSE funded services of approximately 2.25% between the years 2007-08 and 2008-09. As the number of seniors utilizing CSE services is on the rise, the funding for the programs is on the decline.

COLA Funds for CSE, EISEP and SNAP ($14,707,000 in Executive Budget)

The Executive Budge proposal defers the 1.2% Human Services Cost of Living Adjustment (COLA) for one year, which holds the funding at current rates. The Association acknowledges the current fiscal climate as the reason for the deferment. However, this will contribute to longer waiting lists for cost-effective services that delay or prevent seniors from becoming Medicaid eligible. As energy, transportation, and operational costs increase, COLA funds help the AAAs maintain services.
We will continue to support the intent of the (COLA) and hope that the COLA can be fully realized in the future for the following programs:

- Community Services for Elderly (CSE) program
- Expanded In-Home Services for the Elderly Program (EISEP)
- Supplemental Nutrition Assistance Program (SNAP)

NY Connects*: Choices for Long Term Care Services*

The proposed Executive Budget completely eliminates funding for the NY Connects Program. The Association strongly supports full restoration in the amount of $5.1 million for the NY Connects Program led by the New York State Office for the Aging (NYSOFA). The funds had previously been provided to the Department of Health, then transferred to NYSOFA for NY Connects.

The NY Connects program is recognized by the federal Administration on Aging (AoA) and the Centers for Medicare and Medicaid Services (CMS) as a formal state partner in the national movement to redesign long term care, to make it more effective, cost efficient and sensible.
The program is also recognized by the federal government as the ADRC (Aging & Disability Resource Center) in New York State. The AAAs have been the lead agencies at the local level to establish NY Connects and have been operating and supporting this system for the last five years.

NY Connects is a statewide, locally based point of entry system that provides one stop access to free, objective and comprehensive Information and Assistance on long term care. NY Connects helps consumers identify appropriate levels and types of services to prevent or delay the need for institutional care. In addition it helps to avoid preventable hospitalizations and subsequent costly and unnecessary institutional placements.

The ADRC designation is the catalyst to leverage additional federal funding through the Affordable Care Act and other competitive funding that will become available through grant programs administered by the federal AoA and CMS for those state that have ADRCs. By maintaining a program that has been in existence for 5 years, the State is eligible for additional financial supports from the Federal government. The Lewin Group's ADRC Cost Offsets Calculator shows that if only 2% of nursing home eligible Medicaid recipients remain in the community (737 persons), the cost savings in 2010 dollars is $35,161,147 of which $17,580,574 is a direct savings to the state.

Under the Affordable Care Act's Balancing incentive Payments Program (BIPP), states operating successful home and community based programs could receive an additional 2% of federal funding for non-institutional based services and supports. There are three structural changes that states must make within six months of application: 1) a statewide no wrong door-single entry point system; 2) conflict-free case management services; and 3) core standardized assessment instruments. New York State would need to make further investments in the NY Connects program to broaden available information and ensure that individuals can obtain easy access to eligibility determinations for public programs.

Impact of EPIC Cutbacks on HIICAP

The Executive Budget's proposed cut of $58 million to the EPIC program combined with the elimination of client representation and assistance will have a profound impact on our seniors. The potential out of pocket expenses that will be incurred will cause the poor and frail to make choices between heat, food, or medication. In addition, the recurrence of hospital admissions for those with chronic diseases could increase due to an inability to purchase the medication needed.

According to the proposed changes, enrollees in EPIC will be required to apply for Low-Income Subsidy (LIS) or Extra Help. However, any assistance with those applications will not come from EPIC. The local Health Insurance Information, Counseling & Assistance Program (HIICAP) generally operated by the AAAs will be required to absorb the additional clientele. At current staffing levels and with the use of volunteers to assists with the distribution of information, HIICAP is already woefully underfunded, understaffed and over utilized. An increase in persons needing assistance to navigate a complicated health insurance system will further tax and already overburdened program. The State provides a mere $921,000 statewide for HIICAP. Additional funding to the counties to support the increased need in staff must be a consideration. In the 12 month time period of June 2009 to May 2010, the National Center for Benefits Outreach and Enrollment has calculated that the new enrollments in the LIS and Medicare Savings Programs (MSP) has resulted in a savings to New York State residents of $34.8 million. This figure is based on having enrolled a total of 17,083 people in these programs. As of May of 2010, CMS is showing a total of 102,521 Medicare enrollees that are potentially eligible for LIS or MSP. Tremendous savings could be realized if there was the staff and support to reach out to these people.

Seniors using HIICAP are linked to the wide array of services provided by AAAs, potentially accessing additional services. Volunteers have historically been utilized as HIICAP counselors, but volunteers are resigning due to the time commitment and complexity of the health insurance programs. By the close of SFY 2009-2010, there were 116,798 client contacts through the HIICAP program, compared to only 66,667 four years ago.

Title XX

The Governor's proposed budget moves all discretionary funds under Title XX ($36 million), and moves the money over to the mandated child welfare services funded by that program. The Title XX discretionary funds pay for many programs providing services to frail and at-risk elderly including housing services, home delivered meals, information and assistance. In particular, New York City faces a loss of $25 million if this change was implemented, directly impacting funding for their Senior Centers, which could result in the closure of another 110 senior centers. Other counties affected include Erie and Nassau.

Closing

In closing, investing state funds to maintain and expand AAA services is a cost-effective alternative to more medically intensive and costly health care services. A few dollars spent now can significantly delay, and in some cases prevent, admissions to nursing homes and subsequent Medicaid eligibility. Seniors and their families want to use their resources wisely and keep their loved ones at home for as long as possible. AAA services are a part of the solution to delaying Medicaid eligibility.

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NYS OFFICE FOR THE AGING: STATE FISCAL YEAR 2011-12
Executive Budget vs. Previous Years *(Updated 2-1-2011)*

		2008-2009	2009 -2010		2010 -2011		2011 -2012
NYSOFA Budget **Programs/Services/Grants** (in order of funding in enacted Budget)		**Final Funds Available** (including mid-year adjustments)	**Executive Budget** (12-16-08)	**Enacted Budget**	**Executive Budget** (1-19-10) vs. Enacted 2009-10	**Enacted Budget** (6-28-10) vs. Enacted 2009-10	**Executive Budget** (2-1-11) vs. Enacted 2010 - 2011
1	EISEP	$46,486,742	$46,035,000	$48,035,000	$46,035,000 ($2,000,000)	$46,035,000 ($2,000,000)	$46,035,000
2	SNAP (Supplemental Nutrition Assistance Program)	$21,592,210	$21,380,000	$23,380,000	$21,380,000 ($2,000,000)	$21,380,000 ($2,000,000)	$21,380,000
3	CSE (Community Svcs for the Elderly)	$15,485,498	$15,312,000	$16,312,000	$15,312,000 ($1,000,000)	$15,312,000 ($1,000,000)	$15,312,000
4	COLA – EISEP, CSE & SNAP	$14,370,720	$13,207,000	$14,707,000	$14,707,000	$14,707,000	$14,707,000
5	NORCs	$2,035,547	$2,027,000	$2,027,000	$2,027,000	$2,027,000	$2,027,000
6	Neighborhood NORCs	$2,026,640	$2,027,000	$2,027,000	$2,027,000	$2,027,000	$2,027,000
7	Managed Care Consumer Assistance Program (MCCAP)	$1,844,280	$923,000	$1,767,000	$1,767,000	$1,767,000	$1,767,000
8	Respite	$1,207,120	$1,207,000	$1,207,000	$1,207,000	$1,207,000	$656,000 ($551,000)
9a	Senior Transportation Oper. Exp.	$924,031	$921,000	$921,000	$921,000	$921,000	$921,000
9b	Senior Transportation Legis Add On	$752,000					
10	HIICAP (Health Insurance Info. Counseling & Assistance Program)	$921,200	$921,000	$921,000	$921,000	$921,000	$921,000
11	Social Model Adult Day Services	$1,067,840	$872,000	$872,000	$872,000	$872,000	$872,000
12	CSI (Congregate Services Initiative)	$805,664	$725,000	$806,000	0 ($806,000)	$806,000	0 (806,000)
13	LTC Ombudsman Program	$689,767	$621,000	$690,000	$690,000	$690,000	$690,000
14	Elder Abuse Education & Outreach	$490,000	$490,000	$490,000	$490,000	$490,000	0 ($490,000)
15	RSVP (39 local programs)	$433,000	$433,000	$433,000	$433,000	$433,000	0 ($433,000)
16	Caregiver Resource Centers	$353,000	$353,000	$353,000	$353,000	$353,000	$353,000
17	Enriched Social Adult Day Services Demonstration	$245,000		$245,000	$245,000	$245,000	0 ($245,000)
18	Community Empowerment grants	$245,000	$245,000	$245,000	$245,000	$245,000	0 ($245,000)
19	State match for federal grants	$236,000	$236,000	$236,000	$236,000	$236,000	$236,000
20	Regn Caregiver Ctrs of Excellence 21 a –Direct Respite for caregivers	$230,000	$230,000	$230,000	$230,000	$230,000	0 ($230,000)
21	Foster Grandparents	$196,000	$196,000	$196,000	$196,000	$196,000	0 ($196,000)
22	Patients' Rights Hotline (Statewide Senior Action)	$63,000	$63,000	$63,000	0 ($63,000)	$63,000	0 ($63,000)
Competitive Grant Program: (proposed in Executive Budget 2011-12)							$1,550,000
LTCIEOP (LTC Insur Educ & Outreach)		$2,771,607					
Geriatric In-Home Medical Care pilot + Geriatric Social Workers – add'l $600,000 + Stony Brook Evaluation – add'l $150,000		$564,000					
Senior Transportation (Econ Sustainable)		$245,000					
End of Life Care Initiatives		$150,000					
TOTALS		**$116,430,866**	**$108,424,000**	**$116,163,000**	**$110,294,000** **-$5,869,000**	**$111,163,000** **-$5,000,000**	**$109,454,000** **-$1,709,000**
Compared to previous year's Exec Budget							**-$840,000**

NYSOFA Budget

Overview - Executive Budget *(Released 2/1/11):*

- $840,000 less than last year's 2010-11 Executive Budget
- $1,709,000 less than last year's 2010-11 Enacted Budget
- Eliminates discrete funding for some programs, which would be eligible for funding through a new *"local competitive performance grant program."*
- Reduces each agency's General Fund State Operations budget by 10%. These savings are intended to be achieved through administrative efficiencies in non-personal service and negotiated workforce savings that minimize layoffs to the extent possible.

Managed Care Consumer Assistance Program (MCCAP) *(see #7 on page 1)*:

793,000	Medicare Rights Center
354,000	Statewide Senior Action Council, Inc.
155,000	Empire Justice Center
132,000	Community Service Society
111,000	New York Legal Assistance Group
111,000	Legal Aid Society of New York
111,000	Selfhelp Community Services, Inc.
$1,767,000	

Respite *(see #8 on page 1)*:

Maintained:

656,000	State aid grants to providers of respite (renewal of existing contracts)

Eliminated:

237,000	EAC/Nassau Senior Respite Program
172,000	New York Foundation for Senior Citizens home sharing and respite program
142,000	Home Aides of Central NY, Inc. senior respite program

Local competitive performance grant program
(page 4 of budget bill S. 2803/A. 4003):

"...the director is authorized to make grants to and enter into contracts with public, non-profit or private entities. Such grants will be awarded under this section on a competitive basis pursuant to a request for application/proposal process, in the number and amounts determined by the director, pursuant to criteria determined by the director.....$1,550,000"

Several programs were not funded *(see chart on page 1)*, but will be eligible for the local competitive performance grant program.

DOH Budget

Excerpt from "Health Care" section of Briefing Book, p 35:

EPIC: Modify Program to Focus Funding to Gap Coverage ("donut hole").

Effective January 1, 2012, EPIC will only provide payment for drugs when an enrollee has entered into the Medicare Part D coverage gap. Additionally, effective July 1, 2011, EPIC Enrollees will be responsible for paying their Part D premiums or their full deductible. Finally, as a result of the lower program payments expected under this reform, a one-time sweep of fund balances contributes to the 2011-12 savings in this program. *(2011-12 Value: $58.4 million; 2012-13 Value: $93.2 million)*

Excerpt from "Health Care" section of Briefing Book, p 38:

Eliminate NY Connects Program.

Funding for the NY Connects Program will be eliminated. This program provides seniors with information regarding available services through the establishment of call centers, telephone hotlines and NYSOFA's NY Connects web site. *(2011-12 Value: $0.95 million; 2012-13 value: $3.8 million)*

Defer Human Services COLA.

The 1.2% human services COLA is delayed for one year, which will result in no new COLA funding in either DOH or SOFA. *(2011-12 Value: $9.25 million; 2012-13 Value: $9.25 million)*

OCFS Budget

Excerpt from "OCFS" section of Agency Presentations, p 115:

Utilize Federal Title XX Funding to Support Child Welfare Services:

Currently districts are allocated $102 million annually in Federal Title XX funding, of which the State requires that $66 million be used to offset the State and local cost of the Adult Protective and Domestic Violence Services program. The 2011-12 Executive Budget would shift the remaining $36 million in Title XX funds from mainly discretionary services to reduce the 62% State and 38% local share of child welfare services. In doing this, the State generates $22 million in savings and reduces by $14 million the direct cost to districts for providing such services. Districts would lose $36 million of discretionary Title XX funds.

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United Way

United Way
of New York State

United Way of New York State Testimony
Joint Senate-Assembly Fiscal Committees
Human Services Hearing – February 16, 2011

The United Way movement has been in the business of addressing human services needs for its entire 120 year history. Today's United Ways are advancing the common good by addressing issues affecting education, income, and health. Together with government, community partners and service providers, we identify issues, fund programs that work, encourage volunteerism and advocate for those without a voice.

United Way of New York State represents over 40 local United Ways from across the state, each one representative of their community's needs. We especially value our partnership with the State Legislature which has taken the lead on so many of our policy issues, such as enactment of the Omnibus State Purchasing Program for Charities, the State Earned Income Tax Credit, the Prompt Payment and Prompt Contacting Laws and funding for 2-1-1.

Our recommendations for changes to the Governor's budget fall into five categories:

- Cost Saving Opportunities
- No Cost Changes
- Restoration of State Funding Cuts/ Modifications to the Spending Plan
- Mitigation for the Loss of Federal Funds
- Deductibility of Charitable Contributions in Tax Policy
- Prompt Contracting

Let me briefly highlight each:

Cost Saving Opportunities

2-1-1

Consolidate many of the state's non statutorily required hotlines (1 800#'s) and use some of the resulting telephone cost savings to provide $3.88 million in funding to 2-1-1. The balance of the telephone savings can be used for other purposes. Already supported by a public-private partnership, a renewal of state funding will increase service coverage from 90% to 100% of New York State. In addition, this funding will support 24/7 year round service, access to 150 languages to serve New York's diverse communities, and statewide oversight and evaluation. Some of the state's hotlines are contracted to out of state/or out of country entities. 2-1-1's jobs are all in-state, supporting the local economy and tax base with payroll and purchasing.

2-1-1 - can help save tax dollars: In Westchester (where foreclosures are up 12% since 2008) a partnership between Hudson Valley 2-1-1 and Westchester Residential Opportunity, Inc. (WRO), one of the region's foremost nonprofit housing agencies, assisted 701 Westchester County residences with foreclosure counseling screening and prevented 213 foreclosures, resulting in savings in excess of $1.7 million in property taxes. The potential for similar partnerships with state and local governments is significant.

2-1-1 provides consumers free, confidential, access to day to day services as well as non emergency assistance during a disaster. In 2010 over 3.1 million inquiries were handled by 2-1-1 in 6 regional call centers and 3 smaller partner sites in rural communities.

No Cost Changes

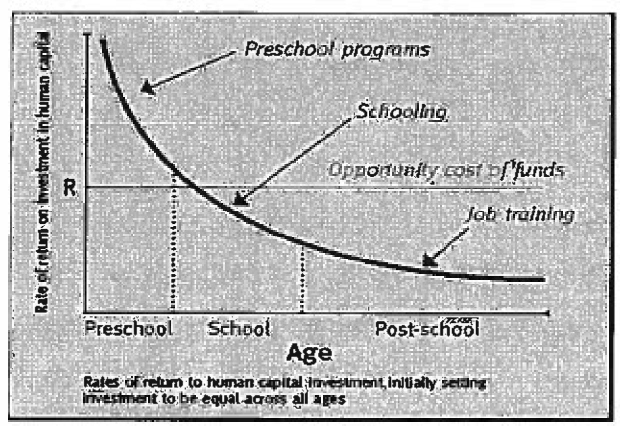
<u>Expand the definition of Minority or Women-Owned Business Enterprises to include persons with a disability,</u> who suffer from higher rates of unemployment, lower levels of educational attainment and lower household incomes – often leaving them in poverty and depending on public benefits. This expansion has the potential to decrease that dependency on public benefits, improving their self-sufficiency at no cost to the state.

Restoration of State Funding Cuts and/or Modifications to the Spending Plan

<u>Primary Prevention Incentive Program (PPIP)</u> – The idea of consolidating 10 programs with somewhat similar goals into one funding stream is worth considering. We cannot support, however, cutting in half the $70 million in funding that supported these highly effective programs which work at the community level. Moreover we are not alone in that assessment. Nobel Laureate James Heckman, a Professor of Economics at the University of Chicago has said, with respect to how to use available funds wisely, "The best evidence supports the policy prescription: invest in the very young." His chart demonstrating the rate of return on the investment in human capital is shown below.

"If we start with a child – and just imagine ourselves as social planners, or private planners, whichever way – asking where the return is highest, in the life cycle of the individual, we would find, from a large body of studies, that the return to investment turns out to be very high at early years, relative to later years."

- Nobel Laureate, James Heckman



We therefore urge you to:

- <u>Restore the $35 million cut</u> from these programs. There is a paradox in shutting down juvenile detention facilities and reducing prison beds while proposing to eliminate many of the programs that have effected the reduction in their utilization. This proposal is, in effect, lighting a match to a long burning fuse which will find the state saddled with a new generation of youth in need of detention if this prevention funding is not maintained.

- Expand the eligibility for these funds, which is limited in the Governor's proposal to social service districts. We recommend that eligibility also include local or regional consortiums of not for profit providers and/or funders, including the social services district, if they choose to participate. This would preserve for every community the ability to apply for funds even if the social service district does not choose to do so or cannot fund the 38% match.
- Permit private funding to be used towards the 38% match. The Governor's proposal requires that the match be in public funds. At a time when some state agencies are using private funds to meet their objectives, why should the counties be precluded from doing so?

Advantage After-School – Restore the $5.7 million cut from this program, so that parents who are expected to work can do so knowing their children are in safe settings.

Summer Youth Employment – Restore the $35 million cut which completely eliminated this program. In some communities, the private sector provides a partial match to these funds. Here is another example of where the paychecks for these youth will serve not only an important social purpose but will also be spent in their community, supporting the local economy and the tax base. Combined with the downturn in the economy and other economic stresses, what do we think these young people will be doing this summer if they don't have jobs?

Mitigate Loss of Federal Funds

Child Care Subsidies – We support the Governor's commitment to maintaining the state's share of cost in last year's budget. However the loss of $55 million federal funds is going to dramatically reduce the number of subsidized child care slots available. We urge you to look for revenue within the budget to replace some of these lost dollars, or to consider increased flexibility in work requirements. Working parents need child care and afterschool programs in order to do so. Please reconsider a policy paradox that requires them to work without ensuring necessary supports.

Tax Policy – Deductibility of Charitable Contributions

We urge you to eliminate from the budget a last minute provision, inserted as the FY 2010-11 budget was being closed out, which cuts in half the deductibility of charitable gifts by wealthy donors, allowing them to claim just 25% of their gift.

Charitable agencies are already struggling to serve New Yorkers given the downturn in the economy, government funding cuts, and lengthy delays in state action on contracts and payments. This is in addition to a steep increase in the demand for services. This change in tax policy was undertaken with no prior discussion with the charitable sector and now jeopardizes philanthropic giving, at the very time we need an increase, not a decrease in private support. We urge you to drop this provision in the budget.

Prompt Contracting

Legislation passed unanimously by the Legislature in 1984 on Prompt Payment and in 1991 and 2007 on Prompt Contracting has utterly failed in its goal to assure timely cash flow to not for profit agencies that are partners with state agencies in human services delivery. A report from the Office of the State Comptroller found that contracts were acted on *late* 70% of the time in 2007, 71% of the time in 2008, and 82% of the time in 2009. Contracts worth over $50,000 were acted on late 92% of the time in 2009. The result - many not for profits are delivering services at the state's direction, waiting months for payment, and engaging in a fruitless and frustrating paper chase to determine the status of their contracts and payment. In the meantime, lines of credit from banks are more difficult to find and the interest on such loans is not reimbursed by the state.

While the fault does not lie with the Legislature or the hardworking staff in state agencies, we ask that you not let this embarrassment continue another year, especially when other compelling challenges and issues such as the economy, sky-rocketing demand for services, and state and federal budget cuts are already hurting our sector.

We urge you to set a deadline for action on contracts in budget language and impose sanctions with teeth to back it up. We also urge you to create a no interest revolving loan fund with the flexibility to move quickly to address cash flow issues for not for profits waiting for their contract approval, until the system works as intended by the existing laws you wrote and passed in good faith 25 years ago.

Submitted by:
Susan K. Hager
President and CEO

coalition
for the
homeless

16

Testimony of
Coalition for the Homeless

presented by

Shelly Nortz,
Deputy Executive Director for Policy

before the
Fiscal Committees of the NYS Legislature

on
The 2011-2012 Executive Budget Proposal for Human Services

February 16, 2011

146 Washington Avenue Albany NY 12210 www.coalitionforthehomeless.org 518-436-5612 fax 518-436-5615

Good Afternoon. Thank you, Senator DeFrancisco and Assemblyman Farrell for holding this important hearing and inviting me to share some insights with you regarding the Executive Budget proposal for Human Services.

My name is Shelly Nortz and I serve as the Deputy Executive Director for Policy with Coalition for the Homeless where I have been a public policy specialist for the last 24 years. As you all know, I have a thorough understanding of our welfare and human services systems, and have often come before you in true distress because of budget proposals we have found to be harmful. Indeed last year was perhaps the most troublesome homeless services budget we had ever seen. Thank you so much for working with us to make critical restorations to shelter, prevention and other services in 2010.

I am pleased to report that we are generally supportive of the Human Services budget this year, and will offer some modest recommendations for change. At the same time, we have much to be concerned about with respect to the deepening problem of homelessness in our state, and this should inform the choices made in negotiating the human services budget.

Record Homelessness

Let me start by sharing just a few fundamental facts:

- In 2010, more than 113,000 different men, women and children – an all time record - were admitted to the New York City shelter system, and nearly 43,000 of them were children.

- Eighty-five percent of the homeless population in New York State is in New York City, where income inequality – a key factor in the economics of homelessness - has reached an unprecedented extreme.

- The number of families turned away from shelter in the City has skyrocketed since 2007 from 1,052 families per month to 1,855 families per month.

- Shelter demand among unaccompanied homeless women has also been rising unabated in recent years and now stands at a record exceeding 2,600 per night in New York City.

- Every night, 38,000 men, women and children bed down in the municipal shelters – among them, 9,700 families and 15,000 children.

- Every month this winter new shelters have been opened to accommodate the growing demand among men and women – with not a little prodding from our staff and the State. We are relieved that we have not seen the kind of chaotic admissions and over-night placements that posed such serious problem last winter.

Further, despite incremental efforts to build affordable and supportive housing, the current effort is clearly not sufficient to compensate for the loss of hundreds of thousands of affordable units due to deregulation and market forces.

Nor are current efforts able to keep up with a rising demand from new households and an un-abating need for housing with supports for populations that are no longer locked away in institutions, but left to find their way with the most meager of resources in a period of intractable unemployment. It is my assessment that the pace of special needs housing development has been cut by half since the early 1990's, and is insufficient to keep up with the need deriving from of a population of 19.5 million people – our population has grown by more than 1.55 million individuals in the last couple of decades.

So - things are not good for homeless New Yorkers, especially those with psychiatric impairments and other disabilities, and families. Therefore we are relieved and grateful to Governor Cuomo for sparing many of the most vital housing and supportive services that help our clients – much of the supportive housing, and other state assistance has been preserved and sustained in this budget.

In addition, and perhaps a bit counter-intuitively, we also are here to support and accept some choices the governor has made to reduce or eliminate State funding for certain programs, while we seek the restoration and expansion of others.

Eliminate State Funds for Work Advantage

Specifically, Coalition for the Homeless agrees with Gov. Cuomo's decision to stop spending $35 million in precious taxpayer dollars on a fatally flawed rental assistance program in New York City for select homeless households called Work Advantage.

One need look no further than the City's own analyses to see why the program is unworthy of State support: After changes made in 2010, the stricter program was projected by City budget planners to result in increased shelter costs of $62 million.

Indeed, City statistics show that alarming numbers of former Advantage recipients are stuck in a revolving door that is carrying them directly back to the shelter system: **One in four former Advantage recipients has returned to shelter; one in three has applied for emergency housing; and the number of former Advantage recipients applying for shelter has accelerated from 86 per month in 2009 to 213 per month in 2010.**

We hope that you will agree that a program costing well in excess of $140 million per year in Federal, State and City funds that returns so many families to a state of homelessness in such a short span of time is most certainly unworthy of further public investments.

A far better solution would be to reopen the doors of public and subsidized housing in New York City to homeless people – doors that were closed five years ago by a Mayor who clearly does not understand how to solve homelessness.

It is time for the City to stop experimenting with theories and stick with what we know works: Priority access for homeless households to Federal subsidies and public housing. New York is the only municipality I know of that bars priority access to valuable Federal housing resources for its homeless population – others pave the way as best they can because they know that people will be stably housed and not return to costlier shelters. Perhaps an enlightened change in City policy will be forthcoming in the absence of State funds for the bad experiment that the Advantage program has become.

Accept Shelter Financing Changes; Reinvest Savings to Restore Programs

Coalition for the Homeless has no fundamental objection to the Executive's recommendation to shift State and Federal reimbursements to make better use of Federal funds to support the shelter system, and therefore reduce State funds for that purpose. The net effect of these changes across the whole of the shelter system results in savings to both the City and the State, which is acceptable to us.

However, rather than simply using the funds saved in this manner to soak up the deficit, we urge that at a time of record homelessness, at least some of the savings be reinvested in proven programs that address homelessness through emergency services, homelessness prevention and permanent supportive housing. With support from the NYS Legislature since 1999, the Coalition has offered these services, and as the map attached to my testimony shows, we help people from every neighborhood in New York City and beyond.

We strongly recommend rather than eliminating all of the distinct TANF programs, and rather than paying for all of Family Assistance with the Federal funds, that the block grant and general fund savings ($62 million – State; $54 - million localities) be used to **restore** critical programs and services, including most especially: **Emergency Needs of the Homeless Program** ($2 million) and **Supportive Housing for Families and Young Adults** ($5 million). With support from the Emergency Homeless Needs program last year, we served over 7,500 people from virtually every neighborhood in the city – with everything from food to help with access to shelter and benefits, to eviction prevention grants and more.

Further, we ask that a small $1 million general fund program be established to help homeless people with disabilities obtain Federal disability and veterans benefits as well as stable housing modeled on our own small **Client Advocacy Program**. Such an investment literally can pay for itself in interim assistance recoveries paid to the state from the retroactive benefits awarded to the recipient. This is one way the Social Services budget could also help with Medicaid Redesign – the more people with disabilities and unstable housing we can get into Federal disability benefits, Medicaid, and housing, the more taxpayer funds can be saved by cutting down on preventable hospital readmissions and unmanaged chronic illnesses that often become acute and very costly for those without a home.

Since the economy is so slow to recover with unsubsidized jobs, perhaps some funds should be reinvested in employment programs and summer jobs as well.

Programmatic Changes
Coalition for the Homeless advises against the Full Family Sanction proposal – we would prefer to see compliance achieved through better casework than to penalize children for the failure of a parent to comply with the rules – possibly owing to a cognitive impairment or another barrier to employment. If sufficient funds can be garnered for reinvesting savings in programs and benefits, it would also be **preferable not to delay the grant increase**.

Un-Freeze Homeless Housing
I want to mention just one item from the broader budget discussion that impacts on the OTDA budget, and that is the Office of Mental Health housing budget. It is our understanding that DOB is holding back on some homeless housing at OMH that would not save any real money this year but would in future years when the units are slated to come on line. At a time of record homelessness, we ask that the legislature should assure that all homeless housing pipelines remain open, not frozen. Further, we urge that future budget balance be achieved in part through extension of the surcharge on high-income earners, not freezing housing investments that generate jobs and taxes. None of us can afford to blow a $5 billion hole in the budget for next year when we have such extreme income inequality.

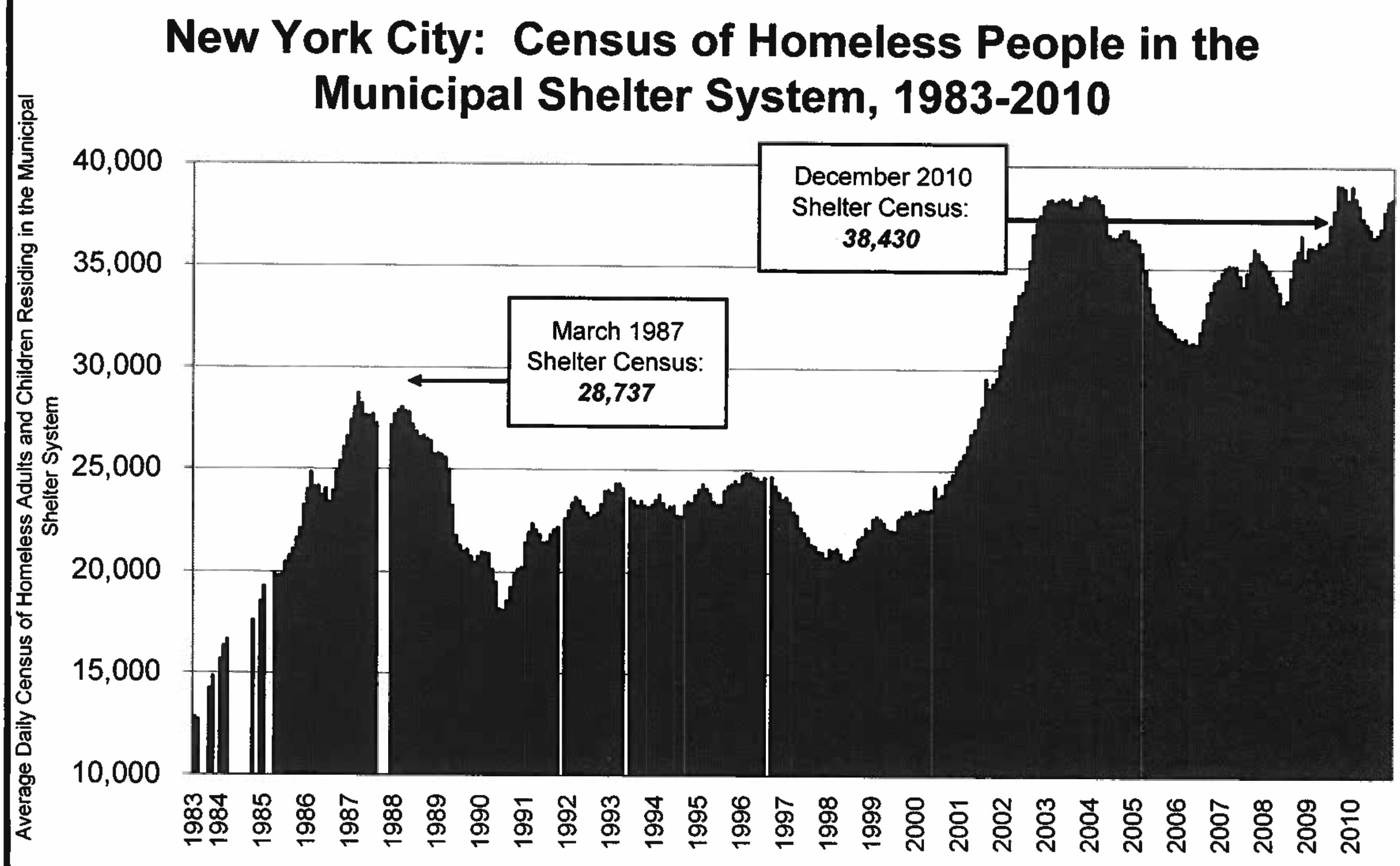
Conclusion
Many difficult choices had to be made in the preparation of this budget, and to be sure, there are more to come. But with the restorations and investments I have outlined, we think homeless New Yorkers can be served by this budget. I know we all look ahead to a brighter economy when we can get back to the kinds of major investments in affordable and supportive housing that can help house so many more homeless people and reverse the upward trend lines once again – but for now, the modest investments we propose would help more people have better lives – in a bad economy, that would be a good thing. Thank you for your interest, I will be most pleased to answer any questions you may have either now or in the coming days and weeks.

coalition
for the
homeless

Homelessness in New York City

Updated January 2011

Chart 1



Source: New York City Department of Homeless Services and Human Resources Administration, shelter census reports
Prepared by Patrick Markee, Coalition for the Homeless, 212-776-2004

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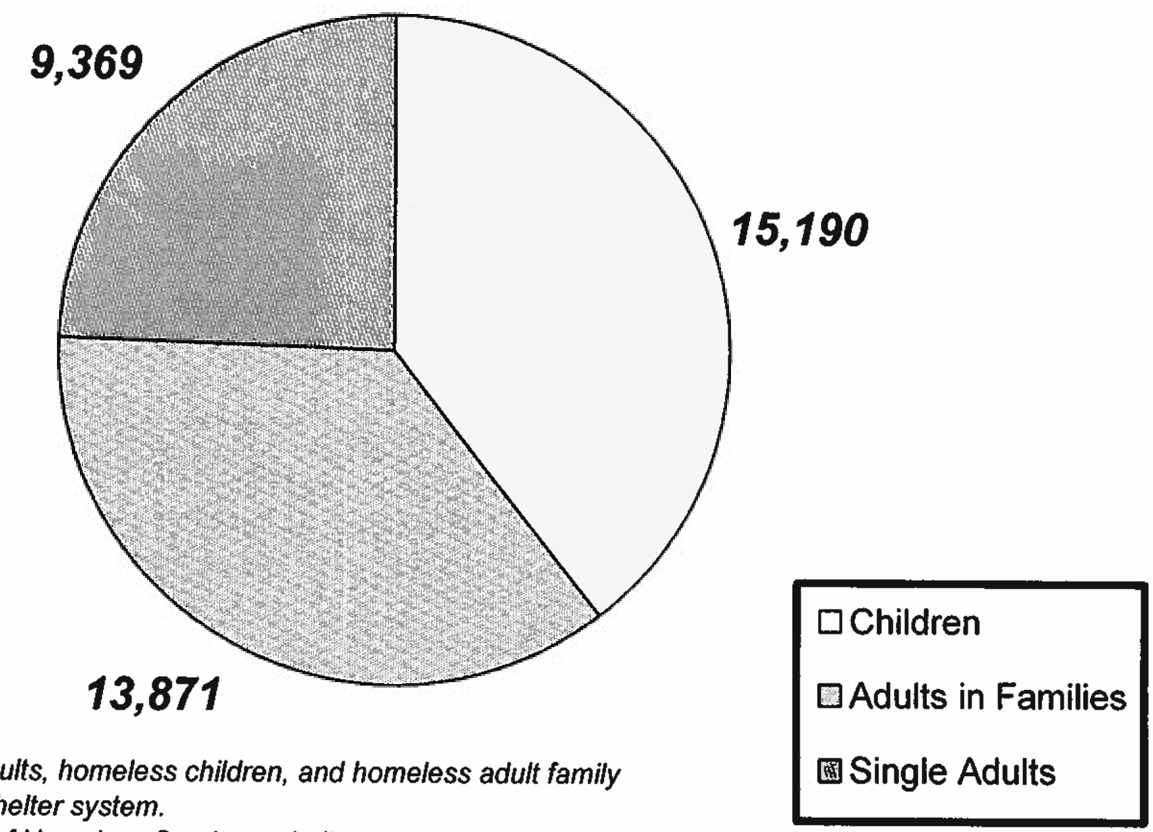
Homelessness in New York City
Updated January 2011
Chart 2

New York City: Census of Homeless People in the Municipal Shelter System, December 2010



Total NYC Municipal Shelter Population: **38,430**

Note: Number of homeless single adults, homeless children, and homeless adult family members, residing in the municipal shelter system.
Source: New York City Department of Homeless Services, shelter census reports
Prepared by Patrick Markee, Coalition for the Homeless, 212-776-2004

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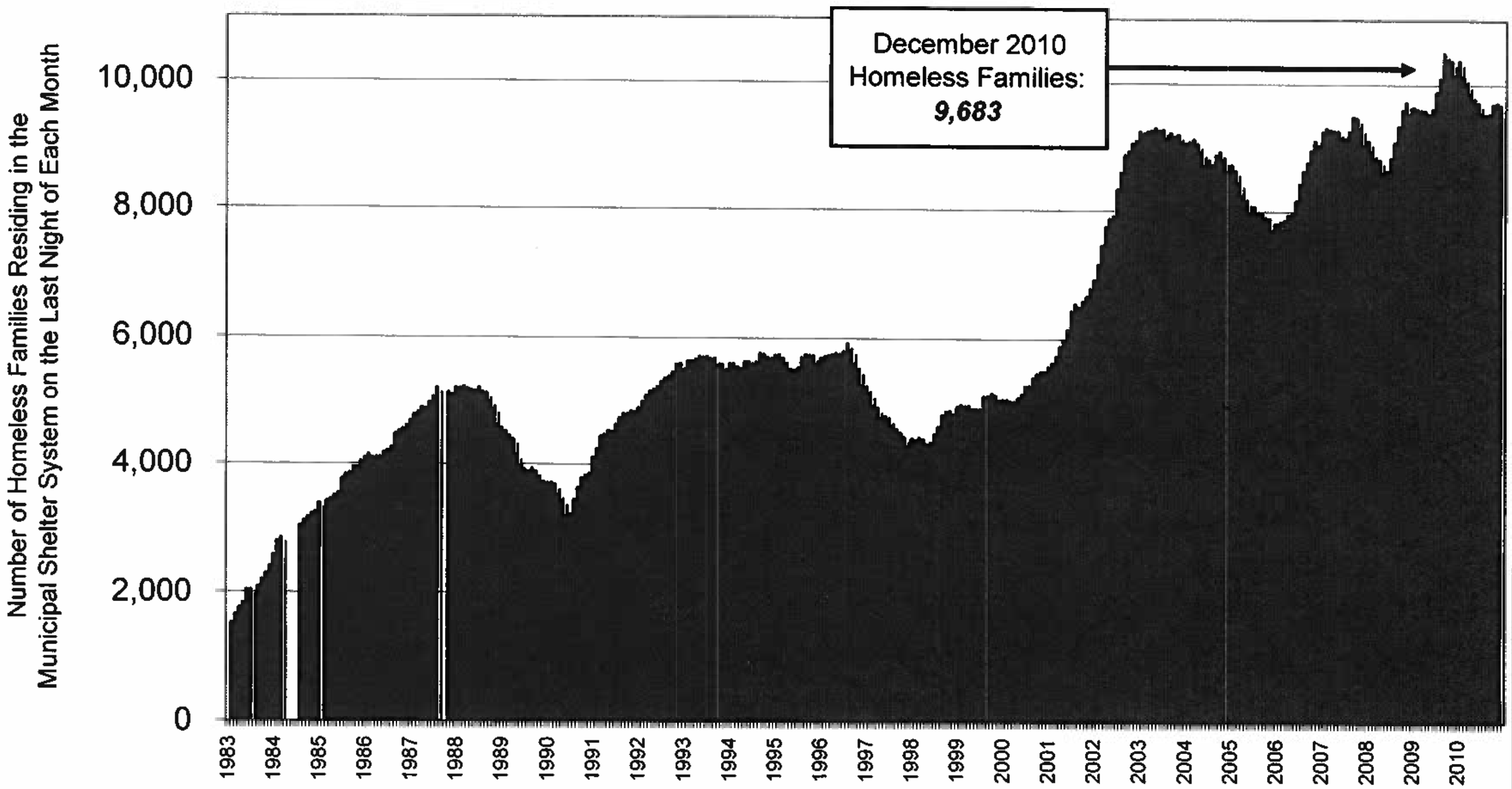
Homelessness in New York City
Updated January 2011
Chart 3

Number of Homeless Families in the New York City Shelter System, 1983-2010



Source: New York City Department of Homeless Services and Human Resources Administration, shelter census reports
Prepared by Patrick Markee, Coalition for the Homeless, 212-776-2004

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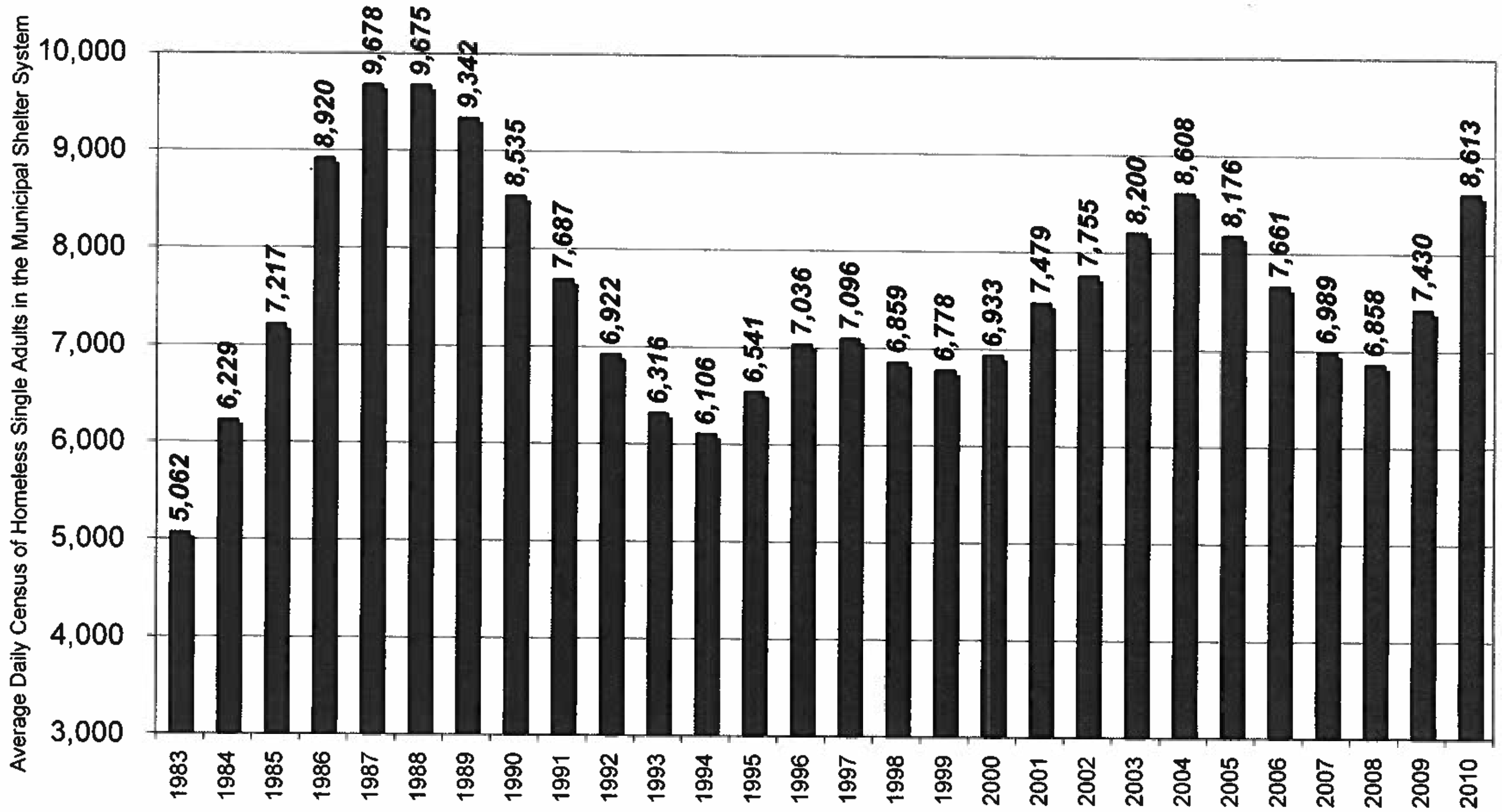
Homelessness in New York City

Updated January 2011

Chart 4

New York City: Average Daily Census of Homeless Single Adults in the Municipal Shelter System, 1983-2010



Source: New York City Department of Homeless Services and Human Resources Administration, shelter census reports
Prepared by Patrick Markee, Coalition for the Homeless, 212-776-2004

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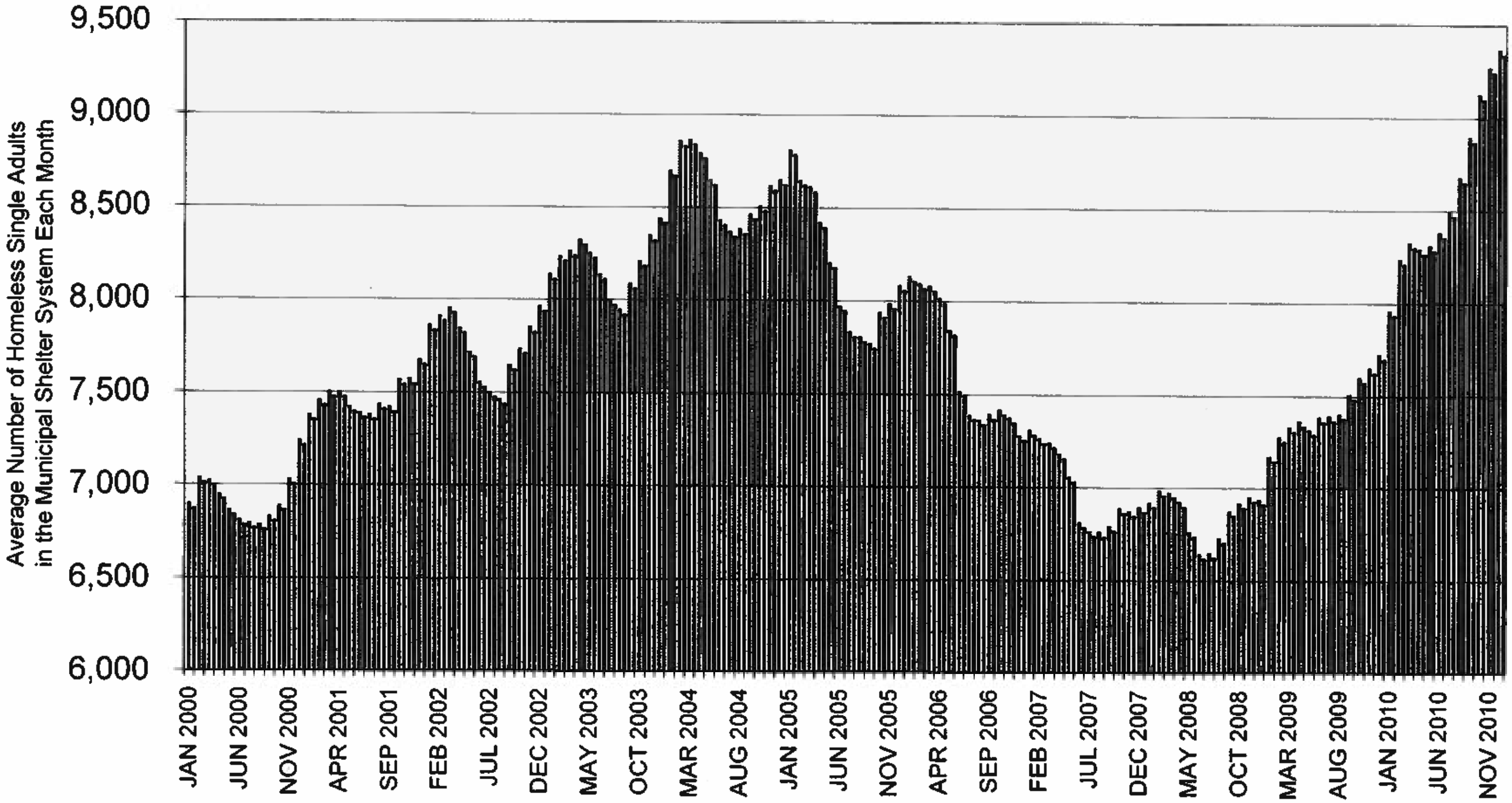
Homelessness in New York City

Updated January 2011

Chart 5

New York City: Average Daily Census of Homeless Single Adults in the Municipal Shelter System, 2000-2010



Source: New York City Department of Homeless Services, shelter census reports
Prepared by Patrick Markee, Coalition for the Homeless, 212-776-2004

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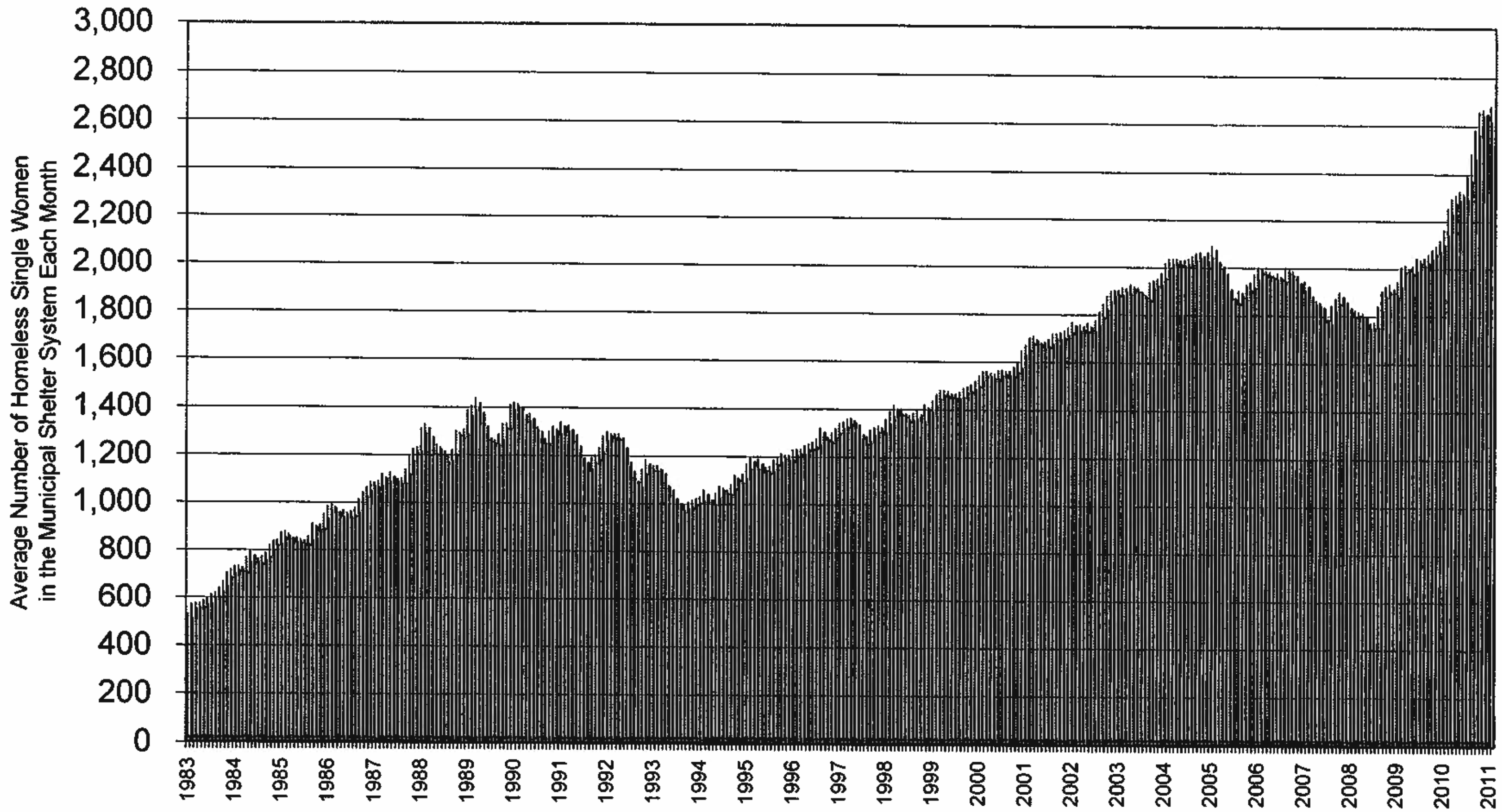
homeless

Homelessness in New York City

Updated January 2011

Chart 6

New York City: Average Daily Census of Homeless Single Women in the Municipal Shelter System, 1983-2011



Source: New York City Department of Homeless Services and Human Resources Administration, shelter census reports

Prepared by Patrick Markee, Coalition for the Homeless, 212-776-2004

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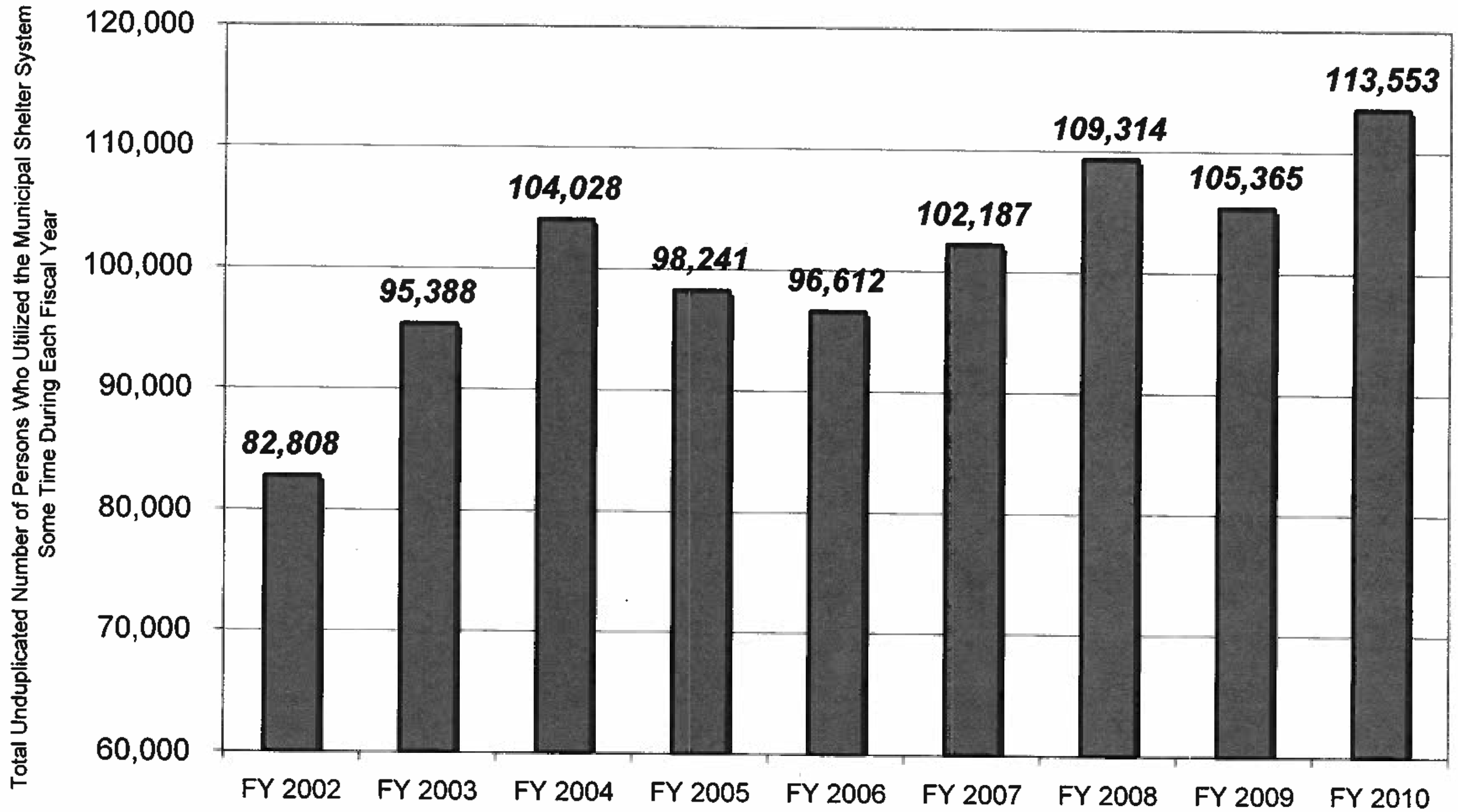
Homelessness in New York City

Updated January 2011

Chart 7

NYC: Number of Different Homeless Adults and Children Who Slept in Shelter System Per Year, FY 2002-FY 2010



Source: NYC Department of Homeless Services, Critical Activities Reports

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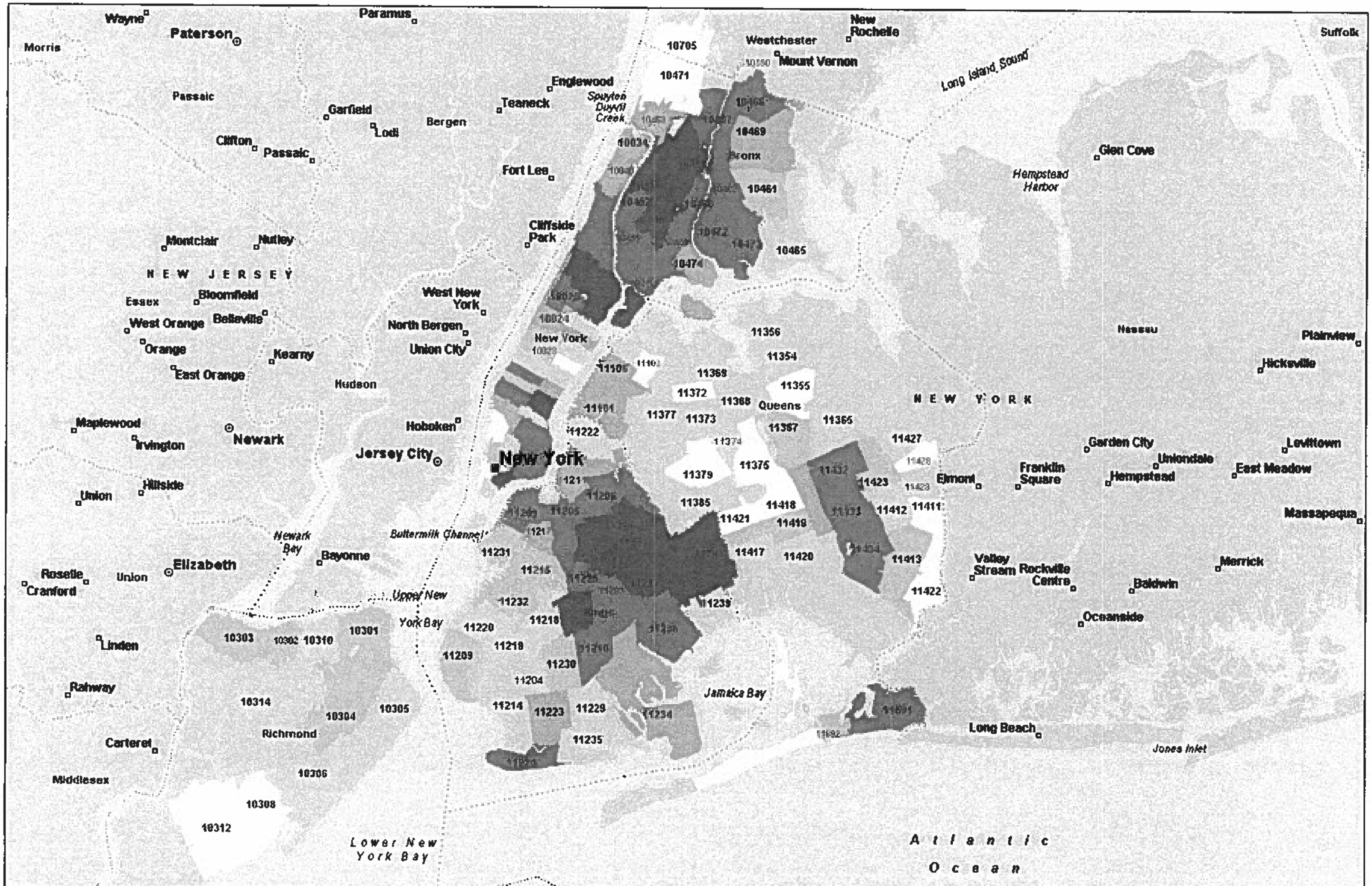
Homelessness in New York City

Updated January 2011

Chart 8



This map shows where new Coalition clients came from by zip code in 2010. The concentration is indicated by the shades of green, with yellow representing the lowest concentration, and dark green representing the highest concentration of 100 or more.

the Network
Supportive Housing Network of NY

New York State Senate and Assembly
Joint Session on
FY 2011-2012 Executive Budget for Human Services
February 16, 2011

Supportive Housing Network of New York
Ted Houghton, Executive Director

Good morning. My name is Ted Houghton, and I am the Executive Director of the Supportive Housing Network of New York. The Network represents over 200 nonprofit providers and developers who operate over 43,000 supportive housing units throughout New York State.

Supportive housing – permanent, affordable housing linked to on-site services – is the proven, cost effective and humane way to provide stable homes to individuals and families who have difficulty finding and maintaining housing. The people we house and serve – people with mental illness, HIV/AIDS, substance abuse, and other barriers to independence – are typically frequent users of expensive emergency services like shelters, hospitals, prisons and psychiatric centers. Because placement into supportive housing has been proven to reduce use of these services, supportive housing saves State taxpayers' money, often far more than what was spent building, operating and providing services in the housing. This has been proven, time and time again, by dozens of peer-reviewed academic studies.

I am here today to ask the Senate and the Assembly to prevent the elimination of a critical funding stream for supportive housing for families and youth, and to fully fund a new combined budget line that includes funding for supportive housing service funding for single adults as well as homelessness prevention programs.

1. ***Prevent the Supported Housing for Families and Young Adults (SHFYA) program from being eliminated.***
   SHFYA is the only statewide supportive housing service funding for formerly homeless families and at-risk youth. Currently funded with federal Temporary Assistance for Needy Families (TANF) dollars, SHFYA pays for counseling, job placement and service linkages for over 2,058 households, including an estimated

3,100 children and over 500 at-risk youth. As with the other TANF funded programs, the Executive Budget calls for the complete elimination of SHFYA.

Budget decisions related to TANF funding are complex in nature and are even more challenging given the recent increases in caseloads, however, completely eliminating programs that aid in helping the most vulnerable citizens, including children and youth, will only destroy families at the same time it increases both local and State spending. We urge you to use State general fund dollars to fund the many worthy homelessness prevention, housing-based service, family reunification and job creation programs threatened with elimination because of the proposed cut to TANF-funded programs.

The proposal to eliminate SHFYA comes on the heels of a $2.5 million dollar, 50% cut to program last year. Because of funding lags and the ability of programs to use no-cost extensions, the effects of that cut only now beginning to be felt. To fund all of the programs that applied for SHFYA funding this year, there is an actual need of $6.3 million statewide. Looking at just one of these programs, the Supportive Housing for Families and Young Adults, one can see how immense the damage will be. By eliminating the SHFYA program:

- **A large number of families and youth will return to homelessness.** While it is difficult to measure how many people will become homeless, we know that a SHFYA cut will not only eliminate all services offered in the housing, the lack of services will force many providers to stop operating and subsidizing apartments. Others will struggle along, using reserves and rent rolls to try to pay for an inadequate level of services. Worse, we know of many programs that will have no choice but to close down completely, and return their tenants to shelter.
- **The 'savings' from eliminating SHFYA will be negated by the increased use of more costly emergency services.** The annual cost of providing homeless families with shelter is $38,405 in New York City and $23,521 in Albany, far more than it costs to provide families with the dignity of their own home. If just 4% of the families currently housed by the SHFYA program become homeless as a result of this budget cut, the increased cost in emergency shelter alone would eliminate any savings achieved by the reduction.
- **New York State will loose federal matching funds.** If SHFYA is not restored in this budget, the State will be in jeopardy of loosing approximately **$4.6 million** in federal resources because SHFYA dollars serve as the local matching funds that leverage HUD grants.

As recently highlighted in the **New York Daily News**, the **Albany Times Union** and the **Niagara Gazette**, these cuts will negatively impact families and children across the entire State:

- West Side Federation for Senior and Supportive Housing's grandparents-raising-grandchildren residence in the Bronx cobbles together different funding streams. But losing SHFYA would eliminate WSSFSH's highly successful afterschool program and threaten the security in the building. Because of the pervasive gang recruitment activity in this community, services and the afterschool program would be curtailed completely in order to keep a barebones security staff.
- Support Ministries in Albany provides housing and assistance for people with HIV/AIDS at residences in Albany and Waterford. They will not be able to support three units of family housing and three single-residence units provided for families and individuals with HIV/AIDS and they will be evicted and returned to homelessness.
- The YWCA of Niagara's Carolyn's House, the only location in Niagara County that is dedicated to helping homeless women and children, will not be able to provide educational services, job training and case management for women struggling with domestic violence, joblessness, substance abuse or mental health issues.

If this elimination goes through, we will end up spending more money than we save in order to destroy the lives of families just starting to get their lives back in order.

One example of a local family in the Capitol District demonstrates the cost savings SHFYA provides to the state explicitly.

Rachel, a single mother with two children, arrived at Support Ministries in 2004 with HIV/AIDS. She'd just spent eight weeks at the Albany Medical Center, where she cost New York State conservatively $755 a day. Meanwhile, Rachel's two daughters were sent to separate foster homes costing the state $2,444. Because of her illness, Rachel wasn't allowed to leave the hospital. She languished at Albany Med for an extra six weeks costing the state an additional $31,710. Rachel's family's public costs for eight weeks while homeless was an astonishing $34,154. However, everything changed when Support Ministries intervened.

Support Ministries offered Rachel an apartment for her family in Albany. State and federal housing covered her rent at $600 a month, while the State paid for critical support services through the SHFYA program at a cost of $3,300. Support Ministries helped Rachel get food stamps and public assistance, which she used for two months costing the state $437 before the organization helped her find full-time employment. Within just a year of coming to Support Ministries, Rachel became 100 percent self-reliant. Her health stabilized and her children entered school. Today, six years later, Rachel is still working. Her oldest daughter has graduated from high school and the other remains on track to do so. Rachel hasn't been hospitalized for HIV since.

Rachel's family's public costs for **eight weeks while homeless was $34,154.**

Rachel's family's public costs **for one year in supportive housing was $10,937.**

Rachel's family's public costs **after one year in supportive housing is $0.**

If each of the 84 programs were here today you would here 84 stories that sound exactly like Rachel's. That is why we're urging the legislature to fully fund SHFYA at $6.3 million.

2. ***Increase funding for the newly combined SRO Support Services and homelessness prevention funding stream at OTDA from $25.865 million to $35 million.***

OTDA's SRO Support Services funding is the mainstay of supportive housing – it pays for critical on-site services that make it possible to house multiply-disabled individuals in permanent affordable apartments. Similar to SHFYA, SRO funds housing-based support services, in this instance for formerly homeless and at-risk single adults. Currently, the program funds 13,328 units across the state.

This year, the Executive Budget proposes to combine SRO Support Services into a larger pot of funding that also includes similar service funding for supportive housing for people living with HIV/AIDS, the Operating Support for AIDS Housing (OSAH) program, as well as two homelessness prevention programs, Homelessness Intervention Program (HIP), and Homelessness Prevention Program (HPP).

We support the combination of these relatively small funding streams into one larger budget line because it will give OTDA needed flexibility to administer its shrinking resources. We would even go farther and propose to include the SHFYA program in this general fund budget line. But it is essential that we increase this new budget line to better reflect the need for all of these programs.

This chart shows the proposed funding and the actual funding need:

Program	Proposed Budget	Actual Need
SRO	$17.6	$22.3
SHFYA	$0.0	$6.3
HIP	$2.7	$3.7
HPP	$4.3	$5.0
OSAH	$1.0	$1.1
TOTAL	**$25.9**	**$38.4**
in millions of dollars		

Currently, there is a shortfall of $6 million for SRO Support Services, HIP, HPP and OSAH. If SHFYA is included in this funding stream, the shortfall would be $12.3 million.

The largest and most important of the programs currently in this funding stream is SRO Support Services. Operating Support for AIDS Housing (OSAH) is a much smaller program that funds similar services for supportive housing for people with HIV/AIDS. For the past 30 years, every administration has steadily invested State capital dollars to build new supportive housing units, then provided these necessary funding streams to pay for essential services and operating costs when they opened. They did this because they understood that an investment in supportive housing saves them money. Supportive housing has helped us close thousands of inpatient psychiatric beds. Supportive housing has made a significant, measurable dent in the number of disabled individuals living on our streets.

However, in the FY 2010-2011 budget, the state cut SRO Support Services by 13%. Because of the Deficit Reduction Plan and various negotiations with the City, supportive housing residences in the city received a 17.2% cut. This led to the immediate layoffs of over 100 low-wage caseworkers and greatly diminished how much support services these tenants receive now from the remaining caseworkers.

Equally chilling, not a single new building opening in 2010 received an SRO Support Services contract. These buildings, 15 in all, received over $300 million in public and private capital investment, only to lose their small service contract that makes all that investment work. Like SHFYA, nonprofits use this funding to meet the needs of their population and neighborhood. Here are a few examples of how nonprofits had budgeted their SRO funding, before they were told that they were losing 100% of their funding.

- A beautiful new mixed-income supportive housing residence in Harlem opened earlier this fall, housing 64 low-income families from the community and 50 formerly homeless individuals. This building lost their front desk security funding.
- On the Lower East Side a supportive housing residence opened with contracts to serve multiple disadvantaged populations, including 55 units set aside for youth aging out of foster care. They had to eliminate their employment program for the youth.
- In Brooklyn a wonderful new supportive housing residence for the frail elderly is about to open. For this building, not receiving an SRO contract means eliminating their daytime security staff and half of their overnight security.

While the Network is grateful that SRO Support Services did not receive any additional cuts on top of last year's cuts, this program must grow annually to fund the new units that are opening each year. Governor Cuomo's proposed Executive Budget assumes that within the new combined funding line, SRO Support Services will remain flat-funded at $17.66 million, resulting in thousands of units operating without this funding as nonprofits struggle to provide adequate services to formerly homeless tenants.

A shortfall of $4.66 million will result in the loss of social service funding to more than **2,000 formerly homeless and disabled individuals**. ***If only 2% of the currently housed individuals revert to homelessness, the State 'savings' will be wiped out.***

Most of these units are occupied by people living with a disability: mental illness, HIV/AIDS, substance abuse or mobility impairment. Many have more than one disability. More than a dozen national studies have measured just how important supportive housing is for people with disabilities.

For example, without these critical housing and services, these studies show that individuals with HIV/AIDS would:

- **quadruple** their use of **hospital care**
- **double** their use of **nursing home care**

Individuals with mental illness would:

- **double** their use of **psychiatric centers**
- **double** their use of **emergency room care**
- **double** their use of **inpatient hospital care**

There are other important fiscal reasons for fully funding SRO and the other funding streams. The State:

- **Puts more than $500 million in state and local capital investment at risk**. The residences most at risk of losing their SRO Support Service contract were built with over $500 million in New York State and New York City capital funding.
- **Will lose millions in federal operating and rental subsidy funding.** SRO Support Services is often the only state or local service funding nonprofits have to meet the 25% match required by their U.S. Department of Housing and Urban Development (HUD) grants. Eliminating just some of these SRO contracts puts up **to $100 million in federal subsidies at risk**.
- **Will lose up to $4.6 million in New York City homeless funding.** If cuts are administered to NYC supportive housing, the State will lose its dollar-for-dollar City funding match.
- **Jeopardizes private investment**. SRO Support helps secure Low Income Housing Tax Credit and other capital investments, already severely diminished by the economic crisis.

According to the Executive Budget proposal, the Homelessness Intervention Program (HIP) and Homelessness Prevention Program (HPP) will now be included in the same budget line as SRO and OSAH. We support this move in order to provide OTDA added flexibility. But these programs must be fully funded. Homelessness has increased dramatically since the economic downturn. First, homelessness in families increased by 3% nationally this past year, and higher than that in New York State. More recently, homelessness among single adults has risen substantially: after years of steady decreases because of expanded supportive housing units, New York City has added over 1,400 new beds to its shelter system in the past year alone.

The numbers would have been far higher but for the infusion of Homelessness Prevention Rapid Re-housing funds from the American Recovery and Reinvestment Act, or stimulus bill. New York State received $28 million for homelessness prevention the last two years because of this bill. Localities received far more, including $75 million for New York City. But that funding is now coming to an end in the next few months. We can expect an enormous increase in the need for small emergency rent payments and legal assistance to prevent at-risk individuals and families from falling into homelessness. For this reason, we urge the Legislature to fully fund the State's rather modest efforts for homelessness prevention: they will be needed this year more than ever.

In all, the Network asks that the legislature fully fund OTDA's new combined SRO Support Services Program at $38.4 million, enough to meet the needs of each of it's component programs:

- SRO Support Services at $22.3 million and OSAH at $1.1 million, covering the $19.9 million needed to fund existing projects and the $2.4 million needed for all new residences coming opening in the State fiscal year.
- HIP and HPP should be funded at $3.7 million and $5 million, respectively.
- SHFYA can be combined into this funding stream at an additional $6 million.

Conclusion

New York State has never wavered from steadily expanding its investment in supportive housing. Indeed, New York has led the nation in proving that supportive housing is the permanent solution for homelessness and other housing instability.

However, this year, while our Governor has proposed shortsighted cuts to housing and services for New York State residents with mental illness and formerly homeless families, next door in Connecticut, the governor is proposing to increase investment in supportive housing. He is doing this, not because Connecticut has a budget surplus, but because they have a budget situation as dire as ours. He is increasing his investment in supportive housing because he knows that is the only way he is going to get to a less expensive, more effective system to end homelessness.

Governor Cuomo's proposal is especially troubling, as he is planning to cut the State's contributions to pay for single adult shelter payments by at least $16 million, and to the City's Advantage rent subsidy program for homeless people by $35 million. These cuts make the need for these supportive housing and homelessness prevention programs that much more important.

Finally, the supportive housing community understands the seriousness of the State's fiscal situation, and agree that we have to reduce spending. But it is important to note that a disproportionate amount of the cuts fall on poor people. We join many other groups representing a vast array of New Yorkers to ask you to have the courage to extend the personal income tax surcharge on high earners. As New Yorkers, we should all be in this together: it is entirely reasonable to ask upper income residents who are continuing to earn high levels of income to pay their fair share of the costs of keeping New York a great place to live.

At a time when the top one percent richest households increased their earnings from 10 percent of all income in 1980 to an unfathomable 35 percent in 2007, it is hard to understand why we have to fight so hard, not even to raise taxes on the most fortunate, but just to maintain their tax level. It is not an exaggeration to say that more people will die as a result of the billions of dollars in cuts to the social safety net, to public safety and to healthcare that we will impose this year. Please remember this as you are making the very difficult decisions about this year's budget and extend the surcharge on high earners.

Supportive housing has allowed New York State to reduce psychiatric inpatient and shelter beds, and decrease spending on expensive emergency Medicaid spending. It reduces public spending on emergency interventions without decreasing the quality of life for disabled people and the neighborhoods in which we live. State funds also leverage substantial private and federal funding in the fight to end chronic homelessness in New York State. And investment in supportive housing development creates jobs, business, growth and increased tax revenues. For all these reasons, I hope you will work with us to protect and increase the state's investment in supportive housing this year and in the future.

Respectfully submitted by:

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Human Service Council Michael Stoller testifying	Chris Winward Senior Policy Analyst
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United Way of New York State	Susan Hager President
Coalition for the Homeless	Shelly Nortz Deputy Executive Director
Supportive Housing Network of New York	Ted Houghton Executive Director

JOINT LEGISLATIVE FISCAL COMMITTEES BUDGET HEARING

State Fiscal Year 2011-12 Executive Budget

February 16, 2011

By Gladys Carrion, Commissioner
NYS Office of Children and Family Services

Good morning Chairman DeFrancisco, Chairman Farrell, Senator Kruger, Assemblyman Hayes, Assembly Member Paulin, Senator Savino, and distinguished members of the Senate and Assembly fiscal and standing committees.

I appreciate the opportunity to appear before you today to discuss the Office of Children and Family Services portion of the State Fiscal Year 2011-12 Executive Budget and how it will support the agency's mission to protect New York's vulnerable children and families.

Governor Cuomo has said that New York is at a crossroads. In order to set the State on the road to recovery, the Governor has put forth an Executive Budget for the coming fiscal year that is both a budget blueprint and a management tool designed to recalibrate our government and begin the rebuilding of our economy throughout the State. The Governor's budget envisions the transformation of our agencies into a leaner, more efficient, and more effective State government. The budget calls for restructuring programs to mitigate the fiscal situation and get better returns on our investments of taxpayer dollars. Accordingly, in OCFS we will base our funding decisions on performance, not past practice.

The Executive Budget recommends the preservation of critical funding for OCFS core mission services providing for uncapped, open ended support for the centerpiece of financing for child welfare services. This is a critical investment which will provide funding for child protective and preventive services as well as support for independent living, aftercare and adoption administration. This funding stream supports county social services as well as provides funding for our child welfare partners in not-for-profit agencies. The Foster Care Block Grant is recommended to continue at the same funding level, and local social services districts will continue to have the ability to re-invest any unused allocation savings amounts in the next fiscal year for locally designed child welfare initiatives that strengthen preventive services or better serve high needs children.

In order to support the growth and development of young children and assist low-income working families to retain their jobs, we will maintain our support for child care subsidies. Together with our non-profit partners, we will continue to support New York child care quality rating and improvement system, QUALITYstarsNY.

Recognizing the need for community based programs and services, the Executive Budget recommends the creation of the Primary Prevention Incentive Program (PPIP), to be funded in the first year at $35.4 million. This investment will fund community-based programs that prevent child abuse and neglect and youth delinquency and avoid foster care placements. This program will allow local districts to choose which local programs to target their resources. Performance measures, outcomes, and accountability will be key elements.

Governor Cuomo's juvenile justice proposals reflect his commitment to launch a fundamental reform of the State's juvenile justice system to accomplish two goals – to reduce re-offending by matching the risk a juvenile delinquent presents to the remedy that will improve outcomes for the youth and his or her community, and to reduce State and local costs by eliminating waste and inefficiencies in the system.

Right-sizing the youth facilities system will be accomplished by closing empty and underutilized facilities, actions which are entirely consistent with declining population trends in OCFS facilities. The census in the State-operated juvenile justice facilities has declined 55 percent over the past five years, and the system-wide utilization rate is 50 percent of capacity. We must align the capacity to more closely reflect the census. Allowing empty beds to remain in the system takes away resources that could improve outcomes for youth and imposes unnecessary and heavy costs on every locality in the state. The State and localities cannot afford to delay these right-sizing actions any longer. Governor Cuomo spent time at a juvenile justice facility recently – Tryon Residential Center for boys – and saw first-hand the excess capacity in the system when he saw every bed empty.

Tryon is now closed, but there is much more to be done to redesign and right-size the juvenile justice system. You heard the Governor say in the State of the State Address that "an incarceration program is not an employment program." Governor Cuomo also recognizes the potential economic impact facility closures would have on the communities that host these facilities, and he is committed to addressing it as part of the right-sizing process. That is precisely why he is advancing funding for economic development aid to impacted communities as part of the Executive Budget.

The Governor's proposal also addresses the need to improve outcomes for youth by reinvesting almost all the savings from the proposed closure of underutilized facilities - $70 of $73 million - into community-based alternatives to detention and improved services for youth in OCFS care. Because the research shows that detaining low and medium risk kids can increase offending, detention is recommended to be used only for youth who pose a high risk of flight or re-offending prior to their court hearings. Cost effective community-based alternatives are encouraged for low and medium risk youth. Instead of paying for unnecessary local detention, a new Supervision and Treatment Services for Juveniles program is proposed to support performance-focused, community-based alternatives to placing youth in State and local facilities and to provide re-entry services proven critical to reducing recidivism.

As Commissioner of the Office of Children and Family Services, I am fully committed to Governor Cuomo's forward-thinking plan to bring about necessary reforms and improve outcomes for New Yorkers. The status quo is not good enough, and we cannot afford it. We at OCFS will do our work grounded in the fiscal reality of the times in which we live, while remaining focused on our mission of protecting and promoting the safety, permanency and well-being of our children, families, and communities. We will work with you and stakeholders from across the State to address the many challenges we face and put New York State on a path to a bright and sustainable future.

Thank you again for the opportunity to address you today. I welcome your questions and comments.

JOINT LEGISLATIVE FISCAL COMMITTEES BUDGET HEARING

State Fiscal Year 2011-12 Executive Budget
February 16, 2011

By Elizabeth Berlin, Executive Deputy Commissioner
NYS Office of Temporary and Disability Assistance

Good morning Chairman Farrell and Chairman DeFrancisco, members of the fiscal committees, and the Chairs of the Social Services Committees – Assembly Member Titus and Senator Gallivan. Thank you for inviting me to testify today on the State Fiscal Year 2011-12 Executive Budget as it relates to the Office of Temporary and Disability Assistance.

Governor Cuomo has clearly articulated the fiscal reality that New York State has been spending beyond its means for far too long, leading to deeply-rooted structural imbalance. He has made it clear that these spending practices are no longer sustainable, and the proposed Executive Budget is the vehicle to put New York on the road to recovery.

As you have heard Governor Cuomo say repeatedly, developing the Executive Budget for the coming fiscal year required that many difficult choices be made in order to put our fiscal house in order. At the same time, the Governor is committed to protecting low-income individuals and families in New York. The Executive Budget supports OTDA's core mission – maintaining a safety net for New York's most vulnerable households – something which has become even more vital over the past few years.

The federal Temporary Assistance for Needy Families (TANF) block grant allocates $2.4 billion dollars to New York annually to provide assistance to low-income families in the form of monthly benefits, emergency assistance, and a range of work supports. The State Fiscal Year 2011-12 Executive Budget recommends level funding for the Flexible Fund for Family Services (FFFS) from the TANF block grant. The goal in fully funding the FFFS is to provide local social service districts the funds and the flexibility they need to deliver the services most needed in local communities. Child care for low-income working families is a critical work support to help them retain their jobs, therefore the proposed budget maintains the level of TANF funding for child care on a year-to-year basis.

The budget also incentivizes the more efficient delivery of services by authorizing up to $10 million dollars within the FFFS to be allocated to local social services districts to help them implement consolidations, mergers, and shared services initiatives. This proposal will encourage and reward creative local districts that are able to produce savings in the delivery of these vital services without compromising quality. The Executive Budget proposal also recommends changes to the way public assistance programs are financed. This approach maximizes the use of federal TANF dollars and drives savings to the State and localities while having no impact on assistance payments to eligible households.

The Executive Budget recommends continuing funding at last year's level for a number of important and successful human services programs at OTDA such as a variety of homeless programs as well as programs supporting refugees, immigrants seeking citizenship, and trafficking victims are fully funded as well.

OTDA will continue to ensure that other essential programs are supported. For example, over the past several years OTDA has moved aggressively to implement a variety of program changes in order to make it easier to access and recertify for nutrition assistance, including the roll-out of an on-line Food Stamp application in every county. We will continue to make sure that eligible individuals and families are obtaining nutritional support, while also finding ways to provide administrative relief for the local social service districts that are doing an excellent job of serving record numbers of New Yorkers.

In addition, recently released federal Low Income Home Energy Assistance Program funds have been deployed by OTDA to help ensure New York has the necessary resources to keep this program operating and that eligible low-income households are able to heat their homes throughout the cold winter months. Already, nearly 1.2 million households have been served by New York's Home Energy Assistance Program (HEAP), a six percent increase over this time last year.

Another essential part of our State's safety net is the child support program. This past year, child support collections were up two percent, to nearly $1.77 billion. While year-to-year increases in child support collections have been the norm in New York, this 2010 achievement is even more significant given the condition of the economy and the fact that a majority of states saw a decrease during this same time period. We handle more than 900,000 child support cases and provide services for 1.1 million children, which makes it the second-largest program serving children in the state, after the public education system.

In addition to working closely with the 58 local social services districts to ensure the efficient delivery of these supports, OTDA conducts aggressive outreach and marketing campaigns to alert struggling households to the array of benefits available to them. We have also prioritized the use of technology to streamline the application process for clients and the delivery of services by the local social service districts. OTDA's *mybenefits* website has become an important pre-screening tool to determine potential eligibility for public assistance, food stamps, the Earned Income Tax Credit (EITC), HEAP, WIC, Medicaid, Family Health Plus in addition to a number of other programs, with over 80 percent of individuals and families accessing the *mybenefits* site determined eligible for at least one program. It is also a good example of collaboration between several State agencies to improve outcomes for the State's most vulnerable households.

Governor Cuomo's budget proposal leads by example. All agencies have been required to take a 10 percent reduction in State Operations funding, which is a larger reduction than in any other area of State spending. We will implement this reduction through improved efficiency and recalibration of operations, including shared services opportunities and improved business processes. I will work with OTDA's employees and with stakeholders outside the agency to make the necessary reductions as painless as possible. Yes, this an enormous challenge, but we must not back down from it. Rather, we must fulfill our responsibility to make New York a better place and return it to a condition worthy of its name – the Empire State. Thank you for the opportunity to testify this morning, and I welcome your questions and comments.

TESTIMONY TO THE NEW YORK STATE JOINT LEGISLATIVE FISCAL COMMITTEE

Human Services

February 16, 2011

Andrew M. Cuomo, Governor
Colleen C. Gardner, Commissioner

NYS DEPARTMENT OF LABOR
PROTECT | ASSIST | CONNECT

Commissioner Colleen C. Gardner
NYS Department of Labor
Budget Testimony
February 16, 2011

Joint Legislative Fiscal Committee

Chairman DeFrancisco, Chairman Farrell, Chairman Robach, Chairman Wright, and distinguished members of the Committees, I am Colleen Gardner, Commissioner of the Department of Labor. On behalf of Governor Andrew Cuomo, and all of the Department's employees, I thank you for the opportunity to come before you today.

The Department of Labor has a critical role to play in Governor Cuomo's vision of economic development and community revitalization in our State. Our agency's mission is to support job growth and creation in New York State, connect job seekers with employers, assist the unemployed and protect all workers. We will be guided by Governor Cuomo's call to use this moment as a time to rethink, reshape, and reenergize our agency to provide opportunity for all New Yorkers.

As Governor Cuomo has repeatedly said, our State is at a crossroads. To move us towards economic recovery, the Governor has presented an Executive Budget that is designed to transform our government, to make it more efficient and effective, and to rebuild our economy. The Governor's budget outlines a new approach to managing New York State government.

This year's budget provides the Department of Labor with all of the resources we need to carry out our mission, and we are fully dedicated to Governor Cuomo's charge to reinvent government operations. By doing so, we will be able to improve services without increasing our reliance on funding; and even more notably, without fee increases that would harm the businesses and taxpayers of New York.

The Department will also work with the Governor's Regional Economic Development Councils, which will bring together the agencies that have an impact on economic development to produce a more responsive and directed approach in addressing the needs of businesses and communities throughout the region. We will work with the Regional Councils to coordinate all workforce development resources and tailor educational programs to meet the current and future workforce needs of employers in our regions.

At the core of our workforce development strategy will be an unyielding commitment to the educational and literacy needs in both the youth and adult populations of our workforce. There is no doubt that literacy is the absolute prerequisite for finding good jobs in a skills-based economy, and this will be a major focus of our efforts to revitalize our communities and our economy.

We also will be working to optimize the utilization of the New York State Job Bank, which contains over 67,000 job orders advertising more than 79,000 positions. Last year, we began using a skills matching technology, called SMART, that provides better job leads by using key words from resumes to search the New York State Job Bank. The Job Bank is a valuable, free tool for employers as well. It is one of many services we offer to connect them with job seekers, along with targeted recruitments and hiring incentives.

The Department can also help employers reduce their costs through initiatives such as our On-the-Job Training (OJT) program and the Work Opportunity Tax Credit (WOTC). The OJT Program offsets the cost of training employees by reimbursing businesses a percentage of a new hire's wages. The Work Opportunity Tax Credit provides a tax credit to employers who hire people with barriers to employment. Last year, New York State issued over 38,000 WOTC certifications, potentially saving New York State employers more than $90 million.

Finally, we will integrate the Shared Work program into our efforts to help employers survive temporary business downturns by giving them an alternative to laying off full-time workers. A company can reduce the number of work hours of all employees, and employees may collect partial unemployment insurance benefits. New York State's Shared Work program saved over 16,000 jobs over the last two years.

We at the Department of Labor have the responsibility to inspire New Yorkers to work together to create jobs and opportunity. We will address the critical issue of youth employment, and encourage and inspire entrepreneurial initiatives, small business expansion and training for jobs that offer economic opportunity and upward mobility. And, until every New Yorker who wants a job has one, we will continue to provide needed assistance to those who are unemployed.

For those seeking unemployment insurance benefits, the Department will continue to make it easier to access information and perform transactions. We will also remain vigilant in fighting unemployment insurance fraud. Last year, we investigated and closed 38,516 cases, identified a record $49 million in unemployment insurance fraud, and made 930 referrals for criminal prosecution.

In addition to job development, we will continue to vigorously enforce all labor laws throughout the state. Last year, our Division of Safety & Health completed 38,864 inspections and issued 35,339 violations. Over the coming year, the Department will work to enforce our laws and regulations -- all within existing resource levels. We will also continue to coordinate efforts through the Joint Enforcement Task Force on Worker Misclassification. In 2010, the Task Force identified over 18,500 instances of employee misclassification, discovered over $314 million in unreported wages, assessed over $10.5 million in unemployment taxes, and over $2 million in unpaid wages. We will continue aggressively enforcing the laws to protect the health and safety of our workers without unnecessarily hampering job creation and economic growth.

Under the Governor's leadership, we will work to transform our Department into a vital force for economic opportunity and community revitalization in New York. Our success in growing and protecting the workforce is rooted in our commitment to continuously redesign the way we do business and in our belief that a strong and vibrant economy in New York starts with a commitment to our people, and a better-educated and more skilled workforce.

Like Governor Cuomo, I look forward to working together with all stakeholders to address the challenges before us and emerge as a stronger state.

Thank you.

Testimony of

Greg Olsen, Acting Director

New York State Office for the Aging

Joint Legislative Budget Hearing

Conducted By

Senate Finance Committee

Assembly Ways & Means Committee

Wednesday, February 16, 2011

Hearing Room B

Legislative Office Building

Empire State Plaza

Albany, New York

Good morning Senator DeFrancisco, Assemblyman Farrell, distinguished members of the Senate Finance and Assembly Ways and Means Committees, Assemblyman Dinowitz and Senator Valesky. My name is Greg Olsen and I am the Acting Director of the New York State Office for the Aging.

Governor Cuomo's Executive Budget charts a course that will lead this State to recovery by eliminating historic budget deficits and transforming the way that government does business. The Governor has charged me, as he has done with the heads of all State agencies, with helping to achieve these objectives in a fair and responsible manner. At the New York State Office for the Aging (NYSOFA), we will restructure the way in which services are delivered so that they remain person-centered and responsive to the needs of those we serve, but we will do so more efficiently. The agency has strong partnerships within the community that serves and advocates for older adults, and I will look to them to help us carry out our core mission and achieve the goals established by the Governor.

The New York State Office for the Aging promotes and administers programs and services for the 3.7 million New Yorkers who are 60 years of age and older. NYSOFA's core mission is to help older adults remain independent for as long as possible through advocacy, the development and delivery of person-centered, consumer-oriented, and cost-effective policies, programs and services. In carrying out this mission, NYSOFA provides leadership and direction to 59 Area Agencies on Aging, and to the network of public and private organizations which serve and help empower older adults and their families.

Governor Cuomo's 2011-12 Executive Budget thoughtfully balances the need to continue supporting critical programs while restructuring other programs to be more performance-based so that the funding that is available will produce better outcomes.

The proposed budget for NYSOFA maintains our core programs and services, assuring that those we serve continue to receive cost-effective, quality services that support their independence. As such, the Executive Budget preserves funding for key programs including Expanded In-home Services for the Elderly Program (EISEP), which provides non-medical in-home services, case management, respite and ancillary services to the frail elderly, most of whom are low-income but not eligible for Medicaid; the Supplemental Nutrition Assistance Program (SNAP), which is used primarily for home delivered meals to frail elderly who are unable to prepare meals for themselves; and the Community Services for the Elderly

Program (CSE), which is designed to improve the ability of communities to assist elderly people who need help in order to remain in their homes and to participate in family and community life.

In addition, other programs that provide for education, advocacy and support are also funded at last year's levels. These programs include the Health Insurance Information, Counseling and Assistance Program (HIICAP), the Long Term Care Ombudsman Program (LTCOP) and Caregiver Resource Centers (CRC), which assist caregivers through training programs, support groups, counseling and linkages to other community services.

As part of the initiative to recalibrate our resources with programmatic needs, the Executive Budget establishes a new local competitive performance grant program. Grants under the new program will be awarded through a competitive process pursuant to criteria developed NYSOFA. The program will give NYSOFA the opportunity to re-evaluate priorities and achieve savings by reprioritizing programs. Now more than ever, it is important to examine our mission and ensure that we are using our funding in a way that best meets priorities. Much of the process will include input from our network, including guidance from the counties and the constituents that are served, to help guide the decision making. This process will foster competition, transparency, and accountability as well as allow us to measure performance.

The Governor has also charged us, as he has his other agencies, to find smarter, more efficient ways to deliver our services. In fact, NYSOFA has been doing that and will continue to do so. We have, through a variety of strategic partnerships and with our county area agency on aging partners:

- Promoted the use of evidence-based disease prevention and chronic disease management interventions through grants serving approximately 3,700 older New Yorkers with chronic conditions.
- Enhanced coordination with the state Department of Health to promote healthy living to older New Yorkers and worked successfully with the Office of Alcohol and Substance Abuse Services to pilot test the use of an alcoholism-specific screen in aging services programs.
- Developed a "community empowerment" agenda to assist communities to better plan for an older population through inclusive planning and access to technical assistance and replicable good practices.
- Established *Livable New York*, to prepare and make available to cities, towns and villages model planning and zoning guidelines to foster mixed-use, age-

integrated communities in urban, suburban and rural areas of the state. The Livable New York Academy is a three-step education, training and technical assistance process created by NYSOFA to empower and assist communities in promoting age-integrated communities and improving the livability and quality-of-life for all residents.

The State's fiscal situation provides an opportunity to deploy state agencies and their resources differently. NYSOFA has embraced this idea and we see opportunities today and in the future where we can help communities better understand their specific demographics and change drivers, organize stakeholders, assess in a comprehensive way their communities and prioritize identified issues for action based on the community assessment. Now is the time when the community can take the lead and the state can act as a resource.

Again, thank you for having me here today and I welcome your questions and comments.

AARP®

AARP New York State Office

Testimony before the

New York State Legislature

Joint Hearing

Senate Finance and Assembly Ways and Means

Executive Budget Proposal

Human Services

February 16, 2011

Hearing Room B

Legislative Office Building

Albany, New York

Introduction

Good afternoon Senator DeFrancisco, Assemblyman Farrell, and members of the Committee. My name is Muriel True. I am a volunteer leader with AARP. With me today is Bill Ferris, our State Legislative Representative for New York. AARP is a membership organization with over 2.4 million members in New York State. I would like to thank you for allowing us to speak today about AARP's views on the human services portion of the Executive Budget.

I would like to focus my remarks today on two basic areas that are very important to our membership: home- and community-based care services and kincare programs that are administered by the State Office for Aging (SOFA) and the Office for Children and Family Services (OCFS) as well as EPIC.

Home and Community Based Care Services(HCBS)

<u>Background</u>

SOFA reports that over 80% of all long-term care is provided by family members, friends and neighbors. According to a recent extensive report released by SOFA, there are over 2.2 million informal caregivers – that is friends, family, and neighbors who provide direct care to people of all ages with disabilities. ***AARP estimates this care is worth about $25 billion.***

A recent poll AARP commissioned revealed that the majority of New York State residents age 50 and over would prefer to receive long-term care services at home versus going into a long-term care facility. AARP believes the poll shows strong support for New York to reform its long-term care system and invest more in strong home- and community-based services that keep older people in their homes and out of expensive nursing homes.

New York State Office for the Aging

AARP was pleased to see that many of SOFA's large community-based programs remained largely intact. Program such as EISEP, SNAP, CSE, and Social Adult Day Care programs that keep older persons living independently and in their home and communities were not reduced.

Recommendation - We strongly believe these programs should remain intact as budget deliberations continue towards the April 1, deadline.

NY Connects

AARP is deeply concerned about the elimination of the New York Connects program in the SOFA budget. NY Connects is administered at the local level by 54 counties with support provided by SOFA. Since 2007, NY Connects has served over 300,000 New Yorkers providing them with essential information on how to access cost-effective, community-based, long-term care services rather than more expensive, tax-payer funded institutions.

Without this program, New Yorkers seeking to make informed decisions about long-term care in a time of crisis could face major barriers to accessing appropriate home- and community-based care for a family member.

In addition, AARP strongly believes that NY Connects will help New York draw down federal dollars under the new federal health care reform law. New York could receive an additional 2% federal match on its Medicaid non-institutionally-based services and supports spending if it applies and is selected for State Balancing Incentive Payments Program (BIPP).

The BIPP program, beginning October 2011 and continuing through September 2015, is an incentive for states to offer more HCBS as a long-term care alternative to nursing homes. It requires state applications to detail a plan for expanding and diversifying HCBS and estimate costs of the new and expanded services. AARP believes this could mean over $190 million of new federal funds to New York per year for each year of the four-year grant programs if New York is selected.

To receive these incentives under BIPP, states will be required to have three components in place within six months of application to be eligible for funding. One of these requirements is having a program like NY Connects which provides what is known as a single point of entry into the long-term care system as well as providing conflict-free case management and standardized assessment forms to evaluate people who need long-term care services.

AARP believes that if New York State eliminates the NY connects program it could hurt New York's chances to receive new federal dollars.

Recommendation – NY Connects be fully funded at $5 million.

MAJOR CUT TO EPIC

Creating and maintaining access to affordable prescription drugs is a fundamental goal of AARP. According to AARP's Rx Price Watch Report released in August 2010, the average annual increase in retail prices for the 217 most wieldy used brand named prescription drugs was 8.3 percent in 2009 - notably higher than the rate of increase observed during any of the prior four years (i.e., 2005 to 2008), which ranged from 6 percent to 7.9 percent. In contrast the rate of inflation was -0.3 percent over the same period.

With that said, AARP is very concerned to see the EPIC program essentially being eliminated except to cover the Medicare Part D doughnut hole. The cut is $58.4 million this fiscal year and $93.2 million for the next fiscal year.

Currently, Medicare Part D is the primary payer and EPIC coverage is secondary. Using the two plans together has resulted in great savings for the EPIC enrollee and for New York State. With Medicare Part D becoming the primary payer for drugs, it has saved New York about $339 million over the last five years. The EPIC enrollee has benefited with support in paying premiums and co-pays as well being assured they will always get their needed prescription drugs.

Under the Governor's proposal, EPIC will no longer pay the Medicare Part D premiums for low-income EPIC enrollees or assistance with co-pays at the counter. In addition, the budget proposal eliminates the EPIC wrap-around coverage for drugs that Medicare Part D will not cover.

The EPIC cut greatly contradicts the assurance made by New York State in the past that EPIC would be there for enrollees. New York State should not go back on its commitment to this vulnerable population. The average EPIC enrollee is 78 years old and takes four prescription drugs. EPIC currently provides coverage to over 298,600 low- to middle-income seniors.

AARP believes that the Governor's proposal could keep many older adults from obtaining their medications and cause some to walk away from the pharmacy counter empty handed. We simply cannot let this happen.

Recommendation **- Reject the Governor's Article VII language and preserve EPIC.**

Office Children and Family Services

Title XX - Senior Centers

Under the Title XX, federal funding is allocated to support aging services including significant support for senior centers. This funding for aging services is being cut by $37 million of which $25 million funds senior centers in New York City. It is AARP's understanding that Title XX has funded NYC senior centers for about 30 years which comprises close to 25% of all senior center funding. AARP believes it is imperative to continue funding senior centers throughout the state as well as the programs they provide to help sustain the well being of seniors living in the community. Senior centers are an important mainstay to seniors living in the community. Many centers offer programs and services that are vital to allowing seniors to age in place. These services often include congregate meals, educational programs and socialization activities.

Recommendation – Reject the Title XX funding decrease for aging services as the Legislature did last year.

Kincare

Background

Kinship care refers to non-parental care of children. It is the full time care of children by grandparents, relatives, and sometimes family friends, without the assistance of parents. Grandparents provide over 60% of kinship care. Children often come to live with relative caregivers due to unfortunate circumstances. Some were abused, neglected, or abandoned by their parents. Others may have parents who are alcohol and/or substance abusers, or who are deceased, mentally ill or unable or unwilling to parent.

According to the 2009 American Community Survey, in the New York State, 141,157 grandparents are responsible for their grandchildren - 54,305 of these grandparents age 60 or older. Additionally, the Pew Research Center recently documented a new surge in grandparent care, caused by the economic downturn.

Office of Children and Family Services (OCFS) Kinship Care Programs

These grandparents and other relative caregivers often lack information about their rights as caregivers and about obtaining a range of support services. Unlike parents, kinship caregivers face challenges enrolling children in school, getting medical care, accessing family rights, and obtaining necessary benefits. In response to their needs, the OCFS's funds 21 regional kinship programs and a kinship navigator program. However, funding this year has been cut to $340,000 for the regional programs and the navigator program was spared. This is down from last year's funding which was $927,500 and that number was down from a high of $2,750,000 in FY2009-10.

In New York State, between 200,000 to 300,000 children live with relatives who are their primary caregivers. Less than 26,000 children are in state foster care. The added cost of 125 children leaving kinship care and entering the formal system will equal the cost of full funding for the 21 regional kinship programs.

Recommendation – Full funding of the NYS Kinship Navigator and the 21 Kincare regional programs to $3,000,000.

Conclusion

Thank you again for allowing AARP to testify today on these important issues. The programs that I highlighted today not only will help thousands of New Yorkers and their families but will undoubtedly save taxpayer money now and into the future. We would be happy to answer any questions.

6

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Testimony before the Joint Legislative Fiscal Committees of the New York State Legislature

Human Services Budget Hearing for the Fiscal Year 2011-12 New York State Executive Budget

Herman D. Farrell, Chairman, Assembly Ways & Means Committee
John A. DeFrancisco, Chairman, Senate Finance Committee

February 16, 2011

Good morning. My name is Anthony Ng, and I am the Director of Policy and Advocacy at United Neighborhood Houses of New York (UNH). UNH, founded in 1919, is the membership organization of New York City's settlement houses and community centers. Rooted in the history and values of the settlement house movement, UNH promotes and strengthens the neighborhood-based, multi-service approach to improving the lives of New Yorkers in need and the communities in which they live. UNH's membership comprises one of the largest human service systems in New York City, with 38 agencies working at more than 400 sites to provide high-quality services to over half a million New Yorkers each year. Services provided by UNH members include, but are not limited to: early childhood education, after school programs, ESOL and adult literacy classes, citizenship assistance, immigrant legal services, homelessness prevention programs, and services for older adults. UNH supports its members through policy development, advocacy, and capacity-building activities.

As I appear before you today, we are very concerned about many of the Governor's budget proposals, which if enacted, are sure to reduce the availability and quality of services to young people, older adults, homeless individuals, and families on public assistance. These proposals are terrible for New York State's most vulnerable populations. They will do nothing to help these New Yorkers feel safer or more secure in their lives in the future New York that Governor Cuomo has pledged to usher in. These proposals will do just the opposite by reducing opportunities available for one to improve their lives, and adding costs to society that we will pay for in the future – increased Medicaid costs due to fewer senior services that divert or delay an older adult's entry into a nursing home; young people who won't enter the workforce because they have not made a successful transition to adulthood; ongoing resources to maintain homeless shelters. Our economy is still weak, and job growth is still tepid. New York's future must also meet the needs of vulnerable New Yorkers and ensure their economic well-being. As the New York State Legislature negotiates the 2011-12 budget with the Governor, we urge you to maintain support for the cost effective and proven programs that contribute to the well-being of poor, working class, and middle class New Yorkers. Our budget and policy priorities from this Executive budget follow:

Youth Development Programs

Oppose the Primary Prevention Incentive Program (PPIP) Block Grant

The proposed block grant eliminates the Youth Development and Delinquency Prevention program (YDDP), Special Delinquency Prevention Program (SDPP), Runaway and Homeless Youth Act (RHYA) funding, Settlement Houses funding, as well as five other funding streams that are distributed to counties or directly to provider/community-based agencies. The Executive budget proposes $34.5 million for PPIP (annualizing to $42 million), which represents less than 50% of the $84 million in annual funding that these nine funding streams currently total. In addition, the block grant will be distributed on a competitive basis, where localities will apply to the State to have their program funded, and will be required to provide a 38% match in new funding. Programs are to include evidence-based models demonstrated to do the following: prevent child abuse and neglect; avoid foster care placements; prevent delinquency and promote positive youth development. Additional guidelines for these applications have yet to be developed.

Specific concerns with the PPIP include the following: (1) the severity and extreme disproportionality of the over 50% cut in funding will devastate New York State's youth bureaus network; (2) competitive distribution of PPIP will eliminate funding to many counties thereby promoting inequities in access by young people across the State; (3) the notion of flexibility in local decision-making is illusory as the PPIP block grant serves only as a vehicle to decimate services statewide, and cuts funding by over 50 percent. (4) PPIP contradicts the best way to meet the needs and provide the services for the respective populations that benefit from these programs -- by maintaining distinct categorical funding, which allows resources and programs to be focused.

PPIP's impact to youth funding streams alone will deliver a punishing blow to New York City youth and their families. For example, New York City currently receives $7.1 million in YDDP, which supports its Out-of-School Time (OST) youth programs; and $1.4 million in RHYA. The loss of these programs will mean the elimination of 4,800 elementary and middle school after-school slots as well as 37 out of 108 transitional/independent living shelter beds for runaway/homeless youth. Additionally the City's youth will lose access to services through elimination of SDPP funding, which currently supports youth programs through direct contracts with NYS OCFS.

Restore $5.4 Million for Advantage After School

Advantage After School provides flexible funding for after school and youth development programs for school-age youth. After school programs offer an important workforce support for parents and provide youth with safe places to go after the school day ends, as well as educational, recreational, and cultural programming that helps with closing the achievement gap, and encourages their success.

The FY 2011-2012 Executive Budget proposes a funding level of $17.2 million, is a reduction of $5.4 million and would eliminate another 4,320 after school slots ($1250 per slot) as well as 430 adult jobs (1 for every 10 youth). The demand for after school programs in New York is enormous. According to the Afterschool Alliance, 46 percent of all children (1.1 million) in New York State not in after school would like to participate if a program were available in their community. At a time when working parents are struggling to retain their jobs, and meet household expenses, free or low-cost after school programs are needed more than ever.

Juvenile Justice Reform

Close Underutilized Correctional and Juvenile Detention Facilities and Reinvest Savings in Community Based Alternatives

Governor Cuomo's FY 2011-12 Executive Budget proposes closing underutilized correctional and juvenile detention facilities which will save $22 million dollars. We support the closure of those OCFS facilities as well as the establishment of the $31.4 million Supervision and Treatment Services for Juveniles Program which will provide funding to local governments to support community based alternative programs. The reinvestment of savings into community based alternatives will keep youth closer to their families and create a seamless transitional period into their school systems and communities. Community based programs and alternatives to detention are cost-effective and critical to a young person's healthy development into adulthood.

Youth Employment

Restore at least $15.5 Million for the Summer Youth Employment Program

The FY 2011-12 Executive Budget eliminates $15.5 million in funding for the Summer Youth Employment Program (SYEP). For over 40 years, SYEP has provided summer jobs to hundreds of thousands of New York's teens. In New York City's SYEP, youth between the ages of 14 and 21 work up to seven weeks over the summer for approximately 25 hours per week at minimum wage salaries. Youth work in a variety of positions, including those in day camps, professional offices, cultural institutions, and retail shops. The number of weeks and hours that youth work in summer jobs programs in the rest of the State vary slightly from New York City's requirements, but still provide a substantive work experience.

Summer jobs teaches teens valuable professional and life skills, including time and money management, meeting workplace expectations, and allowing them to explore career options while supporting their families. Since youth typically spend the majority of their paychecks in their communities, their salaries stimulate local economies rapidly.

State funding for SYEP directly supported about 11,000 jobs statewide in the summer of 2010. In 2009, $35 million in State SYEP funding provided jobs for over 26,000 teens. Without State funding for SYEP, teens will lose the chance to work this summer. This is especially burdensome given the current record-high youth unemployment rates caused by the economic downturn and tight labor market. According to the U.S. Bureau of Labor Statistics, the national youth unemployment rate in July of 2010 was 19.1%, the highest rate on record for the series, which began in 1948. In June 2010, the teen unemployment rate in New York was 25.7%, higher than the national rate. Demand for SYEP in New York City is tremendous. Last year in New York City, over 143,000 young people applied for 36,000 SYEP slots. Demand for summer jobs was similarly high in the rest of the State.

Older Adults

Oppose the Governor's Proposal to Eliminate Local Discretionary Funding in the Title XX Social Services Block Grant

UNH vigorously opposes the Governor's proposal to eliminate Local Discretionary funding in the Title XX Social Services Block Grant and use that funding ($36 million) to offset the State's share of costs in providing vulnerable children with mandated services.

For many years, the City of New York has used discretionary Title XX Social Services Block Grant dollars to grow and sustain its community based network of 256 well-attended senior centers. Presently, the City uses its $24 million share of the $36 million in local discretionary Title XX funds for senior centers. The Governor's proposal to eliminate Local Discretionary funding in Title XX and use those dollars to offset the costs of mandated child welfare services may save the State money, but will have a catastrophic effect on seniors today, tomorrow and in years to come. New York City's Department for the Aging (DFTA) estimates that up to 110 senior centers would be closed and upwards of 7,000 seniors would lose their source of daily exercise and meals, friendships and opportunity for local involvement in their communities.

If you ask a senior what a center means to her, more often than not, you'll here the phrase, "It's my second home." And while that is important, the proposed budget doesn't reflect these warm, sentiments. More than a second home to many, senior centers are a cost savings mechanism that prevent and/or delay more costly services in the future. The estimated cost to support one senior in a center for one year is $1,200; a senior in a social adult day center costs roughly $18,500; and to support a senior through Medicaid in a nursing home, costs $123,000 per year in New York City. Senior centers help to delay preventable declines in a seniors' health, with a goal of diverting and preventing the need for nursing home placement by offering daily exercise, various health screenings, classes and workshops on fall prevention and chronic disease management. The closure of senior centers would mean losing the opportunity to provide these essential cost effective and preventive measures.

While UNH is an advocate for children and a proponent of child welfare services, the funding for these services can't be at the expense of older adults. This is an unfair proposal, and needlessly pits child welfare and older adult services against each other.

Homelessness Prevention Services

Restore $15.7 Million for Adult Homeless Shelters

On October 31st, 2010, there were nearly 10,000 families living in temporary shelter in New York City -- a staggering number swelled by recession level joblessness and a lack of affordable housing. In order to prevent more New Yorkers from becoming homeless and to help the currently homeless find housing, New York City needs a shelter system that supports programs which help homeless New Yorkers to finds jobs and homes. The Governor's Budget proposes reducing the cap on the state share for adult homeless shelters by 19% from $84.7 million to $69 million. The result of this proposal would be a dramatic cut to all services for homeless adults despite a <u>22% increase in adult homelessness since January 2010</u>. Furthermore, the Governor's Executive Budget eliminates the State's share of Homeless Advantage Rental Subsidies. Without these subsidies, many more New Yorkers will be dependent upon the shelter system. Because the City is legally required to honor an individual's right to shelter,[1] the City cannot stop providing shelter. The lack of funds will force New York City to eliminate non-mandated but essential programs provided in homeless shelters as well as programs that bring homeless people off the streets including:

- ***Employment Specialists*** who help homeless individuals get jobs so that they can afford to live outside the shelter system.
- ***Street Outreach Programs*** which find long term homeless individuals on the streets and bring them to shelters.
- ***Drop-in Centers*** which provide meals, laundry, employment referrals and social services.
- ***Safe Havens***, which provide immediate temporary housing to homeless individuals who are not enrolled in other supportive services.

Restore $1 million for the Supplemental Homelessness Intervention Program

The Supplemental Homelessness Intervention Program (SHIP) provides services to New Yorkers who face homelessness, but because of their family status or previous income level, do not qualify for services that have strict income eligibility guidelines attached to them. Many New Yorkers who have never before experienced poverty now face evictions or foreclosures as a result of the economic downturn. It is critical that New York State support programs that help these residents stay in their homes and communities.

Services provided through SHIP include conflict resolution between landlords and tenants, anti-eviction legal services, educational activities pertaining to tenants' rights and responsibilities, and advocacy to ensure that households receive assistance securing and maintaining permanent housing. In addition, SHIP allows for the provision of or referral to supportive services related to substance abuse and domestic violence prevention, housekeeping, budgeting, education, daycare, employment, parenting, and physical and mental health care.

After an 80% cut last year, SHIP is zeroed out in this year's Executive Budget. While the program has been significantly reduced and can no longer support standalone programs, providers use SHIP funding as part of larger anti-eviction programs. Without this funding, providers will be forced to lay off staff and reduce the number of clients served, leaving more New Yorkers to fall between the cracks and into an already stressed shelter system.

Child Care

Stop Increased Fees on Background Checks for Child Care Providers

Child Care Providers are required to receive clearances from the State Central Register (SCR) in order to work with children. The Executive Budget proposes to increase fees for background checks by 1200%- from $5 to $60. This cost will be paid by some of the lowest income workers in the state including home based providers who are starting their own small businesses. In

[1] Right to shelter is established by court order in Callahan v. Carey, 307 A.D.2d 150, 762 N.Y.S.2d 349 (1st Dep't 2003).

addition, providers of School Aged Child Care (SACC) licensed youth programs would also be subject to these fees when attempting to get clearances for their youth workers.

Allow Federal Food Stamp Employment and Training (FSET) Funds to be used to Support Early Childhood Education

Food Stamp Employment and Training (FSET) funds provide States with funding to support employment and training services for food stamp recipients who are required to be employed or participating in other eligible activities such as job training. New York State's FSET plan does not currently allow FSET funds to be used for child care although it is an eligible expense under federal law. If New York State amends its FSET plan to allow for child care, New York City would gain $7.5 million in federal funds for early childhood education for low-income working families

Provide the Full-Day Pre-Kindergarten Classes that Parents Need: Allow Flexibility in Universal Pre-Kindergarten (UPK) Funding

New York State-funded Universal Pre-Kindergarten (UPK) provides critical educational benefits, especially in the areas of literacy and basic math, to 4-year-old children throughout New York State. However, because UPK only funds two and a half hours of instruction per day, the program is not a viable form of child care.

To ensure that high quality pre-kindergarten is available to all children in need, school districts must have the flexibility to adequately fund both full-day and part-day programs in schools and community-based organizations, pay for conversion, and increase the reimbursement of the rate per child to reflect the actual cost of providing care. This flexibility will allow programs to cover their actual costs and retain certified teachers.

Public Assistance

Oppose Full Family Sanctions

The Executive Budget includes a proposal that would withhold ALL public assistance from a family if the head of the household was out of compliance with work requirements for a second time. Currently, if an individual with dependent children is out of compliance with work rules, the portion of the public assistance attributed to that adult is withheld, but the portion intended for the children is not. Withholding assistance from children, who have no control over whether or not their parent is working, is startlingly punitive and contrary to sensible public policy. In New York City, HRA's data processes to collect information on fulfilling work requirements is notoriously difficult, which has lead to errors or incorrect information about one's true work fulfillment. Withholding all assistance would greatly increase the risk to children of malnutrition, homelessness, abuse, and other consequences of extreme poverty, which are likely to result in immediate and long-term costs to the state through other required social services.

The Executive Budget further proposes that a third instance of noncompliance with work rules result in a withholding of all assistance for six months or the period of noncompliance, whichever is LONGER. Such a draconian provision seems designed to save money by discouraging those who are eligible for public assistance from applying for it, given the uncertainty and discouragement that would be created by this provision. The costs in homeless shelter expenses, emergency room visits, Child Protective Services visits, foster care, and other social services that will increase by stripping struggling families of this assistance seem very likely to exceed the savings projected from this provision.

Immigrant Services & Adult Literacy

Support $4.3 Million for Adult Literacy Education (ALE)

With the increase in demand for adult literacy services in this economic downturn, programs are forced to turn away more and more students because there is not enough funding to provide a sufficient number of classes. The FY 2010-11 adopted budget included $4.3 million for ALE, a reduction of $2.6 million from FY 2009-10.

Support $1.67 Million for the New York State Refugee Resettlement Assistance Program (NYSRRAP)

NYSRRAP offers refugees, asylum seekers, and victims of human trafficking case management and supportive services (i.e. ESOL and job training classes) that assist their integration into their new communities. There is no other funding source that targets these populations when they lose eligibility for federal refugee social services. The FY 2010-11 adopted budget reduced NYSRRAP by $2.1 million, to a level of $1.67 million.

Support $1.67 Million for the New York State Citizenship Initiative (NYSCI)

The New York State Citizenship Initiative funds English for Speakers of Other Languages (ESOL) and civics classes, citizenship application and preparation assistance, and expert legal services that help individuals and their families achieve citizenship. There are over a million green-card holders in New York State who are eligible to apply for citizenship. The FY 2010-11 adopted budget reduced the NYSCI by $614,000, to a level of $1.67 million.

Thank you for the opportunity to testify today. We look forward to working with you in the upcoming months to ensure that our State budget helps to keep New York's communities vibrant and strong. Should you need more information, or have any questions, feel free to contact me at 212-967-0322, x329 or ang@unhny.org.

Seedco

New York State Joint Legislative Hearing on the FY' 2011-2012
Executive Budget: Human Services
February 16, 2011
Albany, New York

Testimony submitted by Francine Delgado, Senior Vice President, Seedco
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Good morning, Chairmen Farrell and DeFrancisco and members of the Ways and Means and Finance Committees. I am Francine Delgado, Senior Vice President of New York City Programs for Seedco. Thank you for the opportunity to share my organization's perspective on the Governor's proposed budget for FY '2011-2012.

Seedco is a New York City-based nonprofit organization that advances economic opportunity for people, businesses, and communities in need. Founded in 1987, Seedco designs innovative programs, partnerships, and services for workers, families, and businesses to impact vibrant community economic development. Seedco's work is focused on the following lines of work: workforce development; work and family supports; and services and supports for small businesses. In addition to our direct service work, we analyze, assess, and develop best practices to inform our work, as well as that of other practitioners, researchers and policy makers. We provide technical assistance to federal, state and local governments, funders, and nonprofit agencies. Seedco also partners with community-based organizations (CBOs) because they have the experience, history, community trust, and cultural competence to best provide direct services to residents in low-income and underinvested neighborhoods.

Seedco's workforce development approach provides a continuum of job placement, retention, and career advancement services to a wide range of job seekers and workers, as well as programs that are tailored to meet the needs of hard-to-serve populations. In New York City, Seedco serves 25,000 individuals a year through a network of CBOs and the Seedco-operated Upper Manhattan and Bronx Workforce1 Career Centers. In addition, Seedco addresses the multiple needs of communities from Harlem to North Brooklyn, Washington Heights to the South Bronx, by implementing a range of government-funded contracts targeted to Temporary Assistance for Needy Families (TANF) recipients and TANF-eligible individuals, under- and unemployed adults, and, increasingly, dislocated workers. We offer a comprehensive set of services, including job training and labor market attachment, facilitated access to public and private benefits through an initiative called *Earn*Benefits, and career advancement and asset development services. **In 2010, Seedco placed over 9,000 people into jobs and created 1,648 jobs in New York City and over 31,000 families in the City received benefits through Earn Benefits technology and facilitation.**

The economic crisis and subsequent recession have posed unprecedented challenges to both the already struggling unemployed and low-income populations nationwide and in New York State. The severity of the recent recession is underscored by the national unemployment rate, which has reached 9.5% (14.7 million Americans), its highest level in 26 years. This figure would top 10% if it counted the 793,000 Americans who have been unemployed for so long that they have given up looking for work altogether. According to the New York State Department of Labor, the State's unemployment rate is 8.2%. In New York City the current unemployment rate is 8.9%, which is down from 10.4% a year ago but remains a serious concern.[1] Despite, the 70,000 plus private sector

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[1] NYS Department of Labor: "New York State's Economy Lost 22,600 Private Sector Jobs in December" January 20, 2011 available at http://www.labor.state.ny.us/stats/pressreleases/pruistat.shtm

jobs gained in New York State last year[2], economic recovery remains slow. OTDA funded subsidized employment and workforce development programs are crucial. These programs provide assistance to individuals and families, who have been adversely impacted by the Great Recession and provide funding to organizations, such as Seedco who are committed to serving such individuals and families, as well as the communities they live in.

Seedco's OTDA-funded programs in the current fiscal budget include The Strengthening Families through Stronger Fathers Initiative ('Strengthening Families'), Career Pathways, Wage Subsidy and the Recovery Act funded Transitional Jobs and Green Jobs Corps programs. Seedco is also funded by OTDA for the Food Card Access Project (FCAP) via the United Way of New York City. Additional New York State social services contracts of Seedco include: the NYS Department of Health-funded Facilitated Enrollment Program; the NYS Office of Children and Family Services-funded AmeriCorps program; and the NYS Department of Labor-funded Transitional and Emerging Jobs Program.

Key Restorations

Seedco urges the NYS Legislature to fully restore $2.764 million to the Strengthening Families through Stronger Fathers Initiative. As a contractor of the Strengthening Families demonstration program, Seedco has provided comprehensive services to non-custodial fathers that are necessary for fostering increased labor market attachment, child support payments and family involvement. Through our partnerships with community-based organizations and specialty providers, Seedco has not only provided direct employment assistance but also parenting classes, intensive legal services to address family court issues and criminal histories, and financial management skills education that are

[2] Id.

giving these fathers the chance to take greater responsibility for their own lives and those of their children. During the pilot phase of this program, Seedco enrolled 879 men, of which 87% were not employed at the time, and over half of whom Seedco placed in jobs. Close to 60% of these individuals retained employment for at least 90 days.

Based on our extensive work with high-barrier populations—minority men, specifically non-custodial fathers, Seedco knows that a severe dearth of services exists to meet the unique and complex needs of this group. Their engagement, or lack thereof, in the formal economy and their children's lives often has a negative impact on poverty rates, criminal recidivism, and overall family functioning and child well-being. In July 2010, Seedco was awarded funds from OTDA to fully implement the pilot, called Dads at Work. To date, Seedco has enrolled 86% of its year one goal of 204 participants. Additionally, almost 60% of our year one placement goal has been achieved, with participants currently earning an average hourly wage of $11 and an average weekly wage of $367; and 68% of our year one goal of 73 participants has increased their child support payments.

Further, 20% of our Dads at Work participants have a criminal record and programs such as Dads at Work play a critical role in reducing recidivism rates by placing fathers into jobs, connecting them to work supports and providing intensive financial education and case management. Avoiding future incarceration is crucial to the economic responsibility that is central to the program. Since child support payments do not cease when a non-custodial parent is incarcerated, many clients come to the program with thousands of dollars worth of arrears. This is at the core of our financial education component as we implement preventive strategies to reduce recidivism in the future. A recent study indicates that reconnecting former inmates to the labor market through education and training, job search and placement support, and follow-up services can reduce recidivism back into the system.[3] Moreover, given that Corrections is the second fastest growing state budget category nationwide and in New York State the annual cost per inmate is $55,670, which is almost double the national average, [4]the State's small investment in programs like the Strengthening Families through Stronger Fathers Initiative have big payoffs. Specifically, at an average cost of $ 2000 per client annually, if Dads at Work successfully stops 135 fathers from going back to prison, it will save the State over $7 million dollars in corrections costs alone.

Seedco urges the NYS legislature to fully restore $5 million to the Career Pathways program. Seedco's Career Pathway's program gives low-income young adults and public assistance recipients the educational and training credentials necessary to compete for careers in high-demand fields, such as green technology, construction and health care. At the heart of this program is the integration of occupational skills training with supportive services, including customized career advancement planning. The funding that Seedco received as part of the additional $12.7 million allocated to the program statewide last fiscal year was a vital investment in the futures of these adults. As a result, Seedco has been able to extend our program through 2011.

Young adults between 16-24 years of age experience high unemployment with a rate of 20% nationally.[5] Almost half our participants are young adults and 45% of them have been placed in to jobs that pay living wages. Through the State's investment in Career Pathways, Seedco is placing young adults into jobs that not only provide income, which is then filtered back into the local

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[3] Pew Charitable Trust: "Collateral Costs: Incarceration's Effect on Economic Mobility" September 2010 *available at* http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/Economic_Mobility/Collateral%20Costs%20FINAL.pdf

[4] National Institute of Corrections (NIC). "Statistics for the State of New York" *available at* http://nicic.gov/features/statestats/?state=ny

[5] U.S. Bureau of Labor Statistics: "Employment and Unemployment Among Youth Summer 2010" available at http://www.bls.gov/news.release/pdf/youth.pdf.

economy, creating revenue for the State through income taxes, but also provides valuable job skills that will lead to advancement in their careers.

<u>Seedco urges the NYS Legislature to fully restore $1.4 million to the Wage Subsidy Program.</u>
As a wage subsidy contractor since 2005, Seedco can attest to the success of this employer-side incentive in helping individuals overcome multiple obstacles to gaining traction in the job market and achieving long-term employability. Given the extremely strong competition for limited job openings in New York at this time, subsidized employment resources play a fundamental role in placing public assistance recipients, ex-offenders, limited English speakers and other disadvantaged populations in jobs. The large-scale expansion of OTDA's subsidy programs helped address an enormous need. To date we have placed 156 participants in 30 day-subsidized placements; of these 96 transitioned into 60-day subsidized placements, and 54 have transitioned into unsubsidized employment.

Maintaining the Integrity of New York City's Social Service Delivery System

Seedco recognizes that the State is faced with an extraordinary deficit that it must swiftly address with significant budget cuts, unless alternative resources can be secured. In your evaluation of budget implications, we urge you to consider the potential consequences of cuts to OTDA- and OCFS-funded human services programs, both for the direct impact to the vulnerable populations they target, as well as the community-based organizations that play an integral role in delivering a wide range of services in New York City.

As an organization dedicated to supporting low-income workers, connecting thousands of vulnerable New Yorkers to benefits and services, Seedco is acutely aware of how essential the safety net of OTDA and OCFS-funded programs is in enabling individuals with barriers to survive and advance toward economic sustainability. Furthermore, we know from our years of experience in the field that access to reliable shelter, nutrition, mental healthcare, childcare, and other such supports is critical for positive engagement and successful outcomes in workforce programs.

The Governor's proposed cuts to TANF Funding Initiatives compounded by the cuts proposed to OTDA and OCFS will have a devastating impact on many of the community based organizations with which Seedco works in partnership[6]. These initiatives include summer youth employment, advantage schools, and homelessness prevention to name a few. The CBO's that provide these and other critical programs ensure that people in underserved communities have access to vital services, including job placement, child care services, after school programs, home care for seniors and many others. Moreover, these organizations employ community residents. As such, the proposed cuts will most likely lead to layoffs as programs are forced to shut down in neighborhoods that have already been hard hit by the economic downturn and high unemployment.

Impacts on vulnerable populations

In addition to the cuts mentioned above, the current proposals to implement a full family sanction for public assistance recipients who fail to meet work requirements and to delay an increase in the public assistance grant will have adverse consequences for New York's most vulnerable children and families. These proposals put as risk major sources of income for theses families that would be spent on needed good and services which also stimulates the local economy. Seedco therefore encourages the Governor to reconsider these proposals.

Conclusion

In the climate of slow economic recovery, disadvantaged populations that struggle even in a healthy economy are now facing even greater hardship. The deepening need for social services is clearly in

[6] Attached is a list of Seedco CBO Partners in NYC.

evident in New York City, making OTDA and OCFS's programs more critical than ever. In determining its recommendations and restorations in response to the Governor's proposed FY' 2012 budget, the committee should consider the extent to which men and women who, without the continued delivery of comprehensive services provided by organizations such as Seedco and our community-based partners, would otherwise be disconnected from the labor market and increase demand for more costly funding streams in the future.

Thank you for your time today.

Seedco Community Partners in New York City:
AAFE Community Development Fund
Bedford Stuyvesant Restoration Corporation
Brooklyn Bureau of Community Service
Brooklyn Housing and Family Services
Bronx Defenders
Bronx Shepherds Restoration Corporation
BronxWorks (formerly Citizens Advice Bureau)
Brownsville Multi-Service Family Health Center
CAMBA
Catholic Charities Community Service
Center for Employment Opportunities
Chinese-American Planning Council
Credit Where Credit Is Due
Cypress Hills Local Development Corporation
East Harlem Council for Community Improvement
Erasmus Neighborhood Federation
Gay Men's Health Crisis
Groundwork, Inc.
HANAC
Harlem Congregations for Community Improvement
Henry Street Settlement
Highbridge Community Life Center
Housing Conservation Coordinators
Mid-Bronx Senior Citizens Council
Northern Manhattan Improvement Corporation
Phipps Community Development Corporation
Ridgewood Bushwick Senior Citizens Council
South Bronx Overall Economic Dev. Corp. (SOBRO)
St. Nick's Alliance (formerly St. Nicholas Neighborhood Preservation Corp.)
STRIVE
Strycker's Bay Neighborhood Council
Urban Health Plan
Union Settlement Association
University Settlement

Testimony before the Human Services Committee on the SFY 2011-12 *Executive Budget*
Human Services Hearing
February 16, 2011

Presented by
Kate Breslin, President and CEO
Schuyler Center for Analysis and Advocacy

Schuyler Center

for Analysis and Advocacy

Shaping New York State public policy
for people in need since 1872

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My name is Kate Breslin and I am President and CEO of the Schuyler Center for Analysis and Advocacy (SCAA). Since 1872, the Schuyler Center has served as a voice for social and economic justice and policies that work for children, people living in poverty, and persons who are chronically ill and disabled in New York State. Located in Albany, we work with partners to identify, research, and analyze problems and design compassionate and cost-effective solutions. We take part in a number of coalitions and serve as conveners of Winning Beginning NY and New York Children's Action Network.

Thank you very much for this opportunity to testify.

The Schuyler Center works to strengthen policies that improve the lives of our state's most vulnerable children and families. My comments today will focus on the essential nature of support for programs that prevent future harm and future costs and ensuring the sustainability of our community-based safety net.

New York's low-income, struggling families won't be affected by one single program cut proposed in the *Executive Budget;* they will be affected by many, as will our safety net programs and services. In the case of children, it is just not prudent to allow them to fall through the cracks and compromise the state's and their own future because of the current budget shortfall. The risks of becoming homeless, dropping out of school, becoming involved in the juvenile justice and corrections systems are real and have costly repercussions. Preventive programs are investments in the future of New York State: investments with proven results in educational success, positive parenting, improved health and well-being, higher employment rates, and less dependence on public benefits. According to a report just released by the Office of the State Comptroller, *Cost-Effective Investments in Children at Risk,* investments targeting at-risk children with early identification and intervention are an efficient means of using scarce taxpayer dollars. If only one child benefits from a $500,000 investment into a program known to reduce crime, the savings realized is estimated to be $2 million to $2.7 million. The report calls for these strategic investments, and notes that failure to do so is extremely costly.[i]

I want to begin by thanking the Governor for:

- Preserving child welfare preventive services as an uncapped funding source for critical services;
- Providing funding to maintain 3,305 slots in the Bridges to Health program;
- Proposing juvenile justice reform incentives that align with recommendations in *Charting a New Course, A Blueprint for Transforming Juvenile Justice in New York State;* and
- Preserving TANF funding for child care subsidies.

The Schuyler Center for Analysis and Advocacy recommends the following.

Carefully examine both the unique and cumulative implications of significant reductions and cost shifts with a focus on what happens to children and families today and in five, ten, twenty years.

We applaud the Governor's articulation of a willingness to restructure programs and find new and better ways of delivering services. We are concerned though, that in the case of child welfare and human services, the *Executive Budget's* proposals do little more than make massive reductions, shift costs and break down existing infrastructure at a time when families and communities are most vulnerable and least able to absorb the impacts.

Making our system more effective will entail moving our focus significantly from institutions to communities and from crisis intervention to crisis prevention. It will also entail supporting programs that work – those that help parents ensure that their children are physically and mentally healthy and well-cared for, that support parents' ability to work, and that keep students in school and on a path to success.

In the child welfare and human services areas of the budget, there are several instances where the state funding for low-income families is cut and the costs are shifted to localities at a time when counties cannot afford it.

For instance, the state share for adoption subsidies is proposed to be reduced from 73.5% to 62%, with the expectation that counties will pick up the extra costs for these services. As a policy goal, there is agreement that adoption from foster care is a desirable outcome and about 95% of all adoptions out of foster care receive subsidies. What will be the impact of this funding change on our policy goals for some of our most vulnerable – foster youth?

I'd like to illustrate other instances where a funding shift leaves counties with very difficult choices to make. $36 million in discretionary Title XX funds was shifted to child welfare prevention leaving counties to decide whether or not to continue important services such as senior citizen centers in their communities. The 100% shift to federal funding for the family assistance grant and the decrease in state share from a 50% state share to a 30% share for the Safety Net program comes at a time when Safety Net caseloads are projected to increase at a faster rate than the rate for Family Assistance cases.

A series of reductions and cost shifts will weaken or eliminate already stressed community infrastructure – public and non-profit.

We respectfully urge the Legislature to consider the impacts of proposed cuts and cost shifts on our most vulnerable children and families and on the community-based infrastructure that helps prevent problems and costs down the road.

Reject the reductions and cost shifts in the Executive Budget's Primary Prevention Incentive Program (PPIP).

This block grant would pool a number of preventive programs for at-risk children, youth and families into one funding stream, cut the total funding in half, require a new local match of 38%, and establish a competitive grant process for counties to access funds. While the details remain unclear, there are several problems with this fund as it is currently proposed. Because these programs are underfunded to begin with, while having a very positive impact on the families they *do* serve, they still do not meet the statewide need. A 50% reduction would effectively eliminate many programs. In addition, the match represents a new cost that many localities cannot afford, particularly as localities are required to put their scarce resources into mandated services first.[ii]

Programs included in the Primary Prevention Incentive Program

Program	2010-11 Budget
Healthy Families NY	$23,288,200
Hoyt Trust Fund	$ 1,243,700
Kinship Contract	$ 677,500
COPS	$24,249,500
YDDP	$21,245,350
SDPP	$ 6,998,050
Runaway Homeless Youth	$ 4,711,600
Caseworker Caseload Ratio	$ 1,514,000
Settlement Houses	$ 900,000
Total Funding	$84,827,900

Juvenile Justice reforms proposed in the *Executive Budget* focus on shifting resources to community-based prevention and treatment services. The *Executive Budget Briefing Book* suggests that juvenile justice reform will be accomplished by helping young people to lead productive lives and through community-based programs that meet the needs of troubled youth. Significant reductions associated with the establishment of this block grant to replace programs intended to prevent unnecessary foster care placements and prevent juvenile delinquency will ensure that fewer children and youth have access to the preventive services and programs offered by community-based organizations that successfully prevent entry into the juvenile justice system.

COPS, for example, is one of the programs slated for elimination. COPS is intended to prevent families from approaching a crisis point, providing families with preventive serves before the onset of a crisis, and serves more than 35,000 children and youth.[iii] Localities have effectively used COPS funding for school-based interventions, children's mental health collaborations, improving the academic performance of youth at high risk of dropping out of school, linking and providing referrals for services to avert the need for out-of-home placement of children.

The elimination of preventive programs does not make the problems go away, but only ensures that they will emerge in a more significant and costly manner in the future.

The block grant proposal requires that matching funds be public funds. It would make sense to allow matching funds to also come from private sources.

We respectfully request that the Legislature reject the Primary Prevention Incentive Program (PPIP) as outlined in the *Executive Budget*, which would pool a number of preventive programs for at-risk children and youth into one funding stream, cut the total funding in half, and require a new local match.

Fully restore funding for home visiting — Healthy Families New York ($23M), Nurse-Family Partnership funded through Community Optional Preventive Services ($4.3M), and the Hoyt Family Trust ($1.2M).

Research indicates that investments in home visiting programs reduce costs associated with foster care placements, unintended pregnancies, hospitalizations and emergency room visits, and other costly interventions. Current home visiting programs in New York State report drastic drops in premature, low-weight births and big jumps in school readiness. Any reduction in funding for home visiting will disqualify New York State from applying for millions in federal aid by not meeting Maintenance of Effort (MOE) requirements. We cannot pass up these much-needed resources, which would help us expand and improve our existing system.

Healthy Families New York (HFNY) is an evidence-based program with measurable outcomes that is held up as a model by other states. Healthy Families New York:

- Reduces child abuse and decreases foster care placements. The average cost to provide HFNY services to a family is about $4,600. The average annual cost for one child in foster care is more than $24,000. Federal, state, and local expenditures on child welfare services in New York State are approximately $2.7 billion.[iv]
- Reduces low birth weight by 50%, saving Medicaid and state sponsored health insurance plans about $2.4 million.[v]

Community Optional Preventive Services (COPS) funding supports, among other prevention programs, the Nurse-Family Partnership (NFP) home visiting program. Nurse-Family Partnership:

- Shows a 48% decrease in child abuse.[vi]
- Saves New York State and local governments an average of $5,920 per family served by the child's fifth birthday.[vii]
- Saves the federal government $4,264 in Medicaid, Food Stamps, and Child Care Development Block Grant costs by that age.
- Increases earnings, on average, more than $14,250 over the 5-year period. Savings continue to accrue thereafter from additional tax revenue and reduced spending in TANF, Medicaid, Food Stamps, and child abuse.
- Saves an additional $1,232 per family from a reduction in offending youth and associated criminal justice costs.

The Hoyt Family Trust funds programs aimed at preventing family violence, including child abuse. It partially funds The Parent-Child Home Program (PCHP), which strengthens families and prepares children for school. The Parent-Child Home Program:

- Saves $210,000 per child from the reduced need for special education.[viii]

- Increases state residents' earnings by 5.66% by increasing the high school graduation rate.[ix]
- Estimated to increase lifetime earnings by between $600,000 and $1 million.[x]

We respectfully request that the Legislature fully restore funding for home visiting.

Ensure child care funding for low-income families and establish child care eligibility rules that are fair, consistent and transparent.

Families need child care to ensure that their children are safe and nurtured so that parents can work and go to school. New York State relies primarily on federal assistance to fund subsidized child care. This year, the state will see a loss of $48 million in federal child care funding because of the loss of American Recovery and Reinvestment Act (ARRA) funding. Of that, $42 million was allocated to localities for child care subsidies. The loss of ARRA funds could reduce capacity for full-time year-round care for more than 6,000 children. In addition, the remaining $6 million represented important investments in quality improvements. The reduction in the quality dollars will greatly reduce funding for the Infant/Toddler Resource Centers, eliminate funding for other Infant/Toddler Quality Initiatives, and reduce support for QUALITYstarsNY.

The *2011 Executive Budget* also proposes eliminating $7 million in earmarked TANF funding for child care. This will eliminate funding for the child care demonstration projects that provide subsidies to working families. It will also eliminate funding for SUNY/CUNY child care, which support low-income students enrolled in a two-year college program.

Child care is a critical part of the daily lives of hundreds of thousands of New Yorkers with young children and child care subsidies are a crucial element in ensuring that low-income parents can work. Child care can account for up to 50% of the family budget, outpacing even rent or mortgage. Without access to subsidies, parents' ability to earn and children's ability to learn is compromised. New York State falls short by only putting in the minimum amount of funding required to draw down federal dollars.

In addition to funding, New York should establish consistent child care eligibility rules. Eligibility and fees should not be determined county by county. A recent study documented significant inequity among counties.[xi]

We respectfully request that the Legislature restore child care funding ($55M), including the reduction of $48M in ARRA funds and the $7M loss of funding for SUNY/CUNY child care and the demonstration projects. We also ask that the state establish child care eligibility rules that are fair, consistent and transparent.

Build on the progress made in establishing QUALITYstarsNY to promote better outcomes for children.

QUALITYstarsNY is New York State's quality rating and improvement system, aimed at improving the quality of programs and providing consumer information for families. Twenty-four other states already have such systems underway. Early childhood experts and policy-makers anticipate that New York State will need such a system to be eligible for future federal funding for early care and learning. Programs in all settings—child care centers, private homes, nursery schools, Head Start and Pre-K—are eligible to participate.

We respectfully request that the Legislature fund existing QUALITYstarsNY sites and allow expansion to 500 additional programs ($3 M).

Maintain Advantage AfterSchool ($17.2M, General Fund) as proposed in the Executive Budget and restore the proposed cut of $5M in TANF funds.

Afterschool programs keep children safe, improve school achievement, prevent crime, and help parents go to work every day. They also employ thousands of people across New York State.

Research on afterschool programs has shown that every dollar invested in high-quality afterschool programs saves taxpayers roughly $3. Factoring in benefits from crime reduction raises that savings to $8-$12 for every dollar invested in an at-risk child.

We respectfully request that the Legislature maintain Advantage AfterSchool ($17.2M, General Fund) as proposed in the *Executive Budget* and restore the proposed cut of $5M in TANF funds.

Phase in the Public Assistance grant increase as scheduled and oppose full family sanction.

The *Executive Budget* proposes to postpone the agreed upon time frame for increasing the Public Assistance grant by one year to 2012. The *2009-10 Executive Budget* provided an increase of 30% in the public assistance grant to be implemented over a three-year time period in 10% yearly increments through July 2011. The *2011-12 Executive Budget* proposes to delay the third and last installment of the increase until the *2012-13 Budget*. We appreciate the commitment to maintain the promise of a 30% increase. However, we are disappointed that once again the state's families who are most deeply affected by the downturn in the economy will have to wait another year. They have already waited 20 years.

The *Executive Budget* also includes a provision for a full family sanction on the second incidence of non-compliance with work requirements without good cause. We are concerned that such a requirement will unfairly impact children in these families and ask that you oppose this rule change.

We respectfully request that the Legislature phase in the public assistance grant increase and oppose the full family sanction.

Restore funding for program services for vulnerable children and families eliminated in Temporary Assistance for Needy Families (TANF).

For several years, the Schuyler Center raised the issue of increased pressure on TANF dollars and the need to find a funding solution for the critical services supported by TANF. Last year's budget included profound cuts totaling $138 million to programs. Now, all program funding over $200 million in the *2009-10 Budget* is eliminated except for child care and the Flexible Fund for Family Services (FFFS). These funds were used to help those who are, or who are at risk of becoming homeless, persons who need support to move from welfare to work, programs for the growing population of kin caring for relatives, post-adoption services to prevent re-entry into foster care, and to support youth employment during the summer months, as well as others. These funds support critical services directed to our lowest-income families.

We respectfully request the Legislature to find a funding solution so that these important supports for those most in need can continue.

Provide funding for Kinship Guardianship Assistance.

Kinship guardianship assistance provides a legal transfer of rights of care, custody and supervision to family members caring for their grandchildren, nieces, nephews, etc. without terminating parental rights. Kinship guardianship assistance continues a portion of the financial support the guardian received in foster care to help defray expenses incurred in caring for a child. This financial assistance is especially important to those relatives who are retired, living on fixed incomes or caring for their own children. Most importantly, the child gains a sense of belonging to a family without fear of being uprooted once again. Kinship guardianship assistance also reduces the administrative burden on the child welfare system. When a child is placed with a caring relative, monthly caseworker visits, routine court appearances and regular case reviews are no longer needed. Kin placements are likely to lead to better outcomes for youth because they are more stable; children experience less disruption and trauma; and sibling relationships are more likely to be maintained.

New York enacted a Kinship Guardianship Assistance Program in 2010 with an implementation date of April 1, 2011, but without dedicated funding. Some assume that funding for Kinship Guardianship Assistance will come out of the Foster Care Block Grant, but the Foster Care Block Grant is already fully utilized in meeting the needs of foster care children.

We respectfully request the Legislature to ensure funding for the Kinship Guardianship Assistance program enacted in 2010, with implementation scheduled for April 1, 2011.

Provide seed dollars to help localities establish supervision and treatment services for juveniles and revise the timeline for implementation of the capped detention fund.

We applaud the reforms in juvenile justice included in the *Executive Budget* and the reinvestment made into community-based services. The proposals aim to shift practice toward community-based treatment and services and reduces capacity by 376 beds or 31%. Additional funds are also provided to improve OCFS facilities for those who must be placed, continuing the necessary reforms required by the U.S. Department of Justice and allowing expansion to other facilities. The reforms also require local districts to fund the total cost for detention of youth who are low- or medium-risk and provides a capped fund for detention for those youth who are high-risk. Although there are many questions regarding the implementation of this reform, these provisions build upon the funding provided in the *2010-11 Budget*, and support continuing the transformation of the state's broken juvenile justice system.

These changes will be very difficult for local districts to implement in a period of scarce resources and within the time frames proposed. Counties, especially those without an adequate service community, will need start-up funding to create needed alternatives to detention and residential placement programs that can keep youth in their homes and neighborhoods safely. We support the provision of seed dollars, without a required local match, to create the new programs needed and provide the necessary training to assure effectiveness. In addition, we ask that the timeframes for implementation of the capped detention fund be revised to give counties adequate time to develop these programs without coming up against a cap in funding.

We fully support the Governor's proposed legislation to eliminate the one-year notification rule to close a facility.

We respectfully request the Legislature to provide start-up funding for services and treatment to avoid placements or detention in juvenile justice system.

Reject proposal to increase Clearance Fees from $5 to $60 and restore exemptions.

The *Executive Budget* proposes an increase from $5 to $60 for employment clearances and removes payment exemptions for all but those seeking to become foster care or adoptive parents or those that are court-ordered. The population affected by this extraordinary increase is a population of workers who can least afford such a steep cost. They are people who are seeking employment in child serving agencies and child care. Child care workers, in particular, will be financially strained to make such a payment. The average salary of an experienced child care worker with 20 years of employment is only $35,000. The starting salary can go as low as $16,000. Because these workers must continue to have clearances every two years, the costs will mount. This is one of the few areas in the *Executive Budget* where revenues are generated.

Notably, the Governor proposes this significant (1,200%) new fee/increase for child care providers, whose average income is less than $35,000, while at the same time not considering an extension of the personal income tax surcharge on the state's wealthiest.

We respectfully request the Legislature to reject the increase in the cost of clearances and restore exemptions.

The *Executive Budget* makes short-sighted reductions in prevention programs aimed at our most vulnerable low-income children and families, which will result in higher costs down the road and a diminished infrastructure when we most need it. We urge the Legislature to place a special focus on those programs designed to keep families and children from falling through the cracks, to continue support for programs that prevent future harm, and to ensure the sustainability of our community-based safety net.

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[i] Office of the State Comptroller, DiNapoli, T.P. (2011). *Cost-Effective Investments in Children at Risk.*
[ii] Under current policy, only the COPS program requires a local share of 38%.
[iii] Office of Children and Family Services (2009). *Community Optional Preventive Services (COPS): Findings from OCFS's COPS Survey*
[iv] Prevent Child Abuse New York; 2011.
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Hunger Action Network of New York State
Human Services Budget Hearing Testimony to the Joint Hearing of the
NYS Assembly Ways and Means Committee and the Senate Finance Committee
by Mark A. Dunlea, Executive Director
Wednesday, February 16, 2011

Hunger Action Network of New York State is a statewide membership organization of direct food providers, advocates and other individuals whose goal is to end hunger and its root causes, including poverty, in New York State. The dire straits confronting so many low-income New Yorkers highlights the need for the state to both strengthen the safety net and help create new jobs.

We object to the following item in the state budget:

- delay the third year of the 10% increase in the welfare basic grant, the first adjustment after 18 years of inaction;

- the proposal to implement full family sanctions for welfare participants

- the lack of funding for various job initiatives for low-income New Yorkers such as transitional jobs, green jobs, wage subsidies

- the various programs that have been funded through the TANF surplus have been zeroed out. In addition to the job initiatives, programs defunded include Career Pathways, Wheels to Work (zeroed out last year), Summer Youth Employment, various child care subsidies, and various homeless assistance and prevention programs.

We are relieved that the state's funding for emergency food programs (HPNAP) has remained stable at $29.7 million. However, the number of New Yorkers utilizing such programs is now three million annually - a 50% increase in the last three years alone. We are requesting funding of $33.6 million.

NY should implement the third years of the welfare grant. It should allocate $100 million of its billion dollar surplus from TANF to provide job opportunities for low-income New Yorkers. New York should do a cost benefit analysis of its various welfare to work programs, comparing jobs subsidies to workfare.

The Budget Problem is too Little Revenue, Not too much Spending

The state's projected $9 billion deficit should not be resolved, as the Governor proposes, almost exclusively through budget cuts rather than increased revenues. The state's budget crisis is not due to excessive spending; it is primarily due to a drop in revenues, both from the $20 billion loss in annual state revenues from the multi-year tax cuts for the wealthy enacted since the mid-1990s (partially offset this year by the recent income tax surcharge) and from the impact of the Great Recession. New York of course is not alone in feeling the impact of the Great Recession. 46 states struggled last year with budget deficits.

During a recession, the state should increase government spending and provide more income to working households in order to help stimulate the economy. Unfortunately, Governor Cuomo is proposing to go in the opposite direction, presenting an austerity budget likely to make the recession worse, seeking major cuts in vital programs while proposing a $5 billion annual tax break for the wealthiest New Yorkers. Rather than promote job growth and long-term economic recovery, the proposed budget will increase unemployment, disinvest in NY's infrastructure and K-16 education systems, and undermine the state's growth potential.

Unemployment in NYS averaged 811,000 in 2010, 90 percent greater than in 2007. Counting discouraged workers and the under-employed, over 1.3 million New Yorkers are directly affected by a lack of employment. The recession pushed NY's poverty up from 14.2 percent in 2008 to 15.8% in 2009, with almost 3 million New Yorkers officially living in poverty. A record one million New Yorkers lost employer provided health insurance in 2009.

Certainly the state should cut waste. As Governor Spitzer proposed four years ago with respect to Medicaid, we should ensure that tax expenditures help those targeted to receive services, not serve as an ATM machine for special interests and providers. We should to cut waste in the state budget such as the billions we lavish on unaccountable economic development. We should close corporate tax loopholes, reduce the use of high priced consultants, and expand the bulk purchase of prescription drugs. We should make corporate polluters pay for their negative impact on the public health and environment through higher fees for the Superfund program and by initiating a carbon tax.

We should impose a soda tax to curtail the consumption of this unhealthy product; the funds from such a tax however should be clearly earmarked to anti-hunger, food, public health, nutrition and anti-obesity programs. Sugary soft drinks have been pinpointed repeatedly in medical studies as the biggest contributors to our obesity epidemic, which is impacting one in four New Yorkers. Obesity is linked to higher rates of many preventable illnesses such as diabetes, heart disease, cancer, asthma and hypertension. High sugary soft drink consumption increases the risk of diabetes by 83 percent in women according to a study in the Journal of the American Medical Association. Nearly 25 percent of New York's children and 67 percent of adults are overweight or obese, costing $7.6 billion a year to treat diabetes, heart disease and other obesity-related problems. Eighty-one percent of those medical costs are already born by the taxpayer through Medicaid and Medicare payments.

Medicaid remains the largest part of the state budget. A state study commissioned by the NYS legislature recently determined that a single payer system was the best approach to achieving universal health care in NYS, saving an estimated $20 billion annually compared to the present system. Looking only at the Medicaid program will not solve Medicaid's problems. Only a re-examination of the way we pay for our entire health care system will provide the answers to the financial dilemmas facing New York State.

The State Has More than $1 billion extra that it should invest in Welfare Programs

While the Governor imposes painful cuts on our most vulnerable citizens to achieve rather limited savings, the welfare system is perhaps the only place where the state is literally awash in funding.

The 1996 changes to TANF turned the federal welfare payments into a block grant. Since the number of welfare participants has dropped dramatically over the last 15 years, the state receives an annual $1.4 billion surplus from TANF (the difference between the benefits paid and the block grant). While OTDA likes to say that their core mission is to provide benefits to welfare participants, it keeps benefits low while diverting $960 million annually to the local districts as a block grant, Flexible Fund for Family Services (FFF). These funds largely end up being used to provide fiscal relief to the counties and NYC. If the Governor needs $29 million dollars to pay for a welfare grant hike, just cut the FFF.

In addition, two years ago, after the hike in the welfare grant had been proposed, the state unexpectedly received $427 million from the TANF contingency funding due to the skyrocketing number of food stamp participants. Rather than using these funds for even higher benefit payments or jobs for welfare participants, the state decided to divert $175 million to fiscal relief for the local districts. The state decided to pay the local districts' share of the three year increase, which to our knowledge had never been done before. This cost the state $127 million. Rather than denying poor New Yorkers their long delayed fiscal relief, the state could use the remainder of the $127 million to pay for the state share of the grant hike.

The $114 million in savings that the Governor is proposing to achieve by having the federal TANF fund pay the full benefit costs of eligible households for Family Assistance benefits should also be re-invested in assisting low-income households rather than being diverted into fiscal relief for the state and local districts.

Fulfill the Promise of the Third Year of the 10% Hike in the Basic Welfare Grant

We urge the State legislature to restore the agreed upon 3rd year increase in the basic welfare grant to at least 10% a year. Putting money into the hands of extremely poor New York households is the best way to stimulate our economy.

After waiting 19 years for a raise in the basic grant, welfare recipients are being asked to wait again. During their initial 19 years of waiting, welfare recipients already lost over 60% of the purchasing power of their grant for the barest necessities of life. Remember that more than half of welfare recipients are children. They are not waiting for salary bonuses or a new car, they are waiting for food, shelter, and clothing.

Every dime sent to these families goes straight into the local economy supporting small businesses and jobs. As government, academics and economists' studies have shown over and over—sending cash benefits to poor people vastly outranks tax breaks for the wealthy as a means of stimulating the economy in a recession because the money gets spent and circulates far more immediately and efficiently.

The Governor wants to delay the third year of the annual increase in the basic grant until July 2012 - which comes to $1 a day for a family of three. The projected savings (ignoring the increased hunger and suffering) is $29 million in this year's budget and $7 million next year.

The value of the welfare grant had fallen to less than half of the federal poverty level before the recent small increase. Even today it is still only 70% of its 1990 purchasing power - which itself was grossly inadequate. Even with the increase, the maximum allowable grant falls at approximately 50% below the federal poverty level at $8,652 per year for a family of 3 in New York City.

The welfare grant has two main components. The shelter grant, which is supposed to pay for housing costs, is so low that almost all households have to use at least part of the basic grant to supplement it. The basic grant is supposed to pay for other necessities, including household items, cleaning supplies, transportation and food costs. Families' food stamp benefits are calculated on the assumption that the welfare grant covers part of the food budget.

Reject Full Family Sanctions

This proposal was made annually by Governor Pataki but rejected by the state legislators. Right now if the adult in the household is sanctioned, the children continue to receive benefits. Child only cases are largely grandparents taking care of children and adults who stay home to provide care to disabled children and parents. (2011-12 Value of full family sanctions: $7 million; 2012-13 Value: $15 million)

A full family sanction cuts the entire family's public assistance benefits - not just the parent's - when a parent is unable to meet the welfare work requirements. Full family sanctions create an immediate family crisis and put the welfare and safety of the children and the basic stability of families at risk.

The devastation suffered by families who lose partial or full income cannot be minimized. A July 2010 report cites a study of six cities (Baltimore, Little Rock, Boston, Los Angeles, Minneapolis and Washington, DC) on the impact of sanctions on children whose caregivers were seeking emergency room care for them. The study found that compared to children whose families also are receiving welfare but were in non-sanctioned households, 30% had a greater risk of being previously hospitalized, a 50% greater risk of food insecurity, and a 90% greater chance of a hospital admittance after a visit to the emergency room. (Tim Casey, Legal Momentum, "The Sanctions Epidemic in the Temporary Assistance to Needy Families Program," August 2010)

We have included below information compiled by the Greater Upstate Law Project when full family sanctions were proposed by Governor Pataki.

There is no proof that full family sanctions work. Studies from other states show that there is no direct evidence that implementing full family sanctions is more effective in making families meet the required work rules than partial sanctions. Less than thirty percent of families who receive a full family sanction are able to then meet the work rule requirements necessary to re-gain access to benefits for their family.

Sanctions in general and full family sanctions in particular, have the most troubling effect on children. In a study of sixteen welfare-to-work experiments, it was found that every program that reduced family income by 5% or more had mostly negative effects on children including: children having more school behavioral problems, more emotional problems, and were more often removed from the mother's care. By contrast, the study found that every family that had income raised more than 5% had children who fared better in school and had fewer emotional or behavioral problems.

According to the Children's Defense Fund, sanctioning poor children makes them two to five times more likely to suffer low birth weight, iron deficiency, lead poisoning, stunted growth, repeat of a grade, expulsion from school, drop out, or suffer serious disabilities.[i] Over time, full family sanctions may also increase the likelihood of children being placed in foster care. An increase in foster care placements is not in the best interest of children, their families, or the state. It would actually cost the state more money than the savings the Governor claims will be reaped from implementing full family sanctions. Foster care costs can range from 30% to 150% higher than the average TANF benefits cut by sanctions.[ii]

Full family sanctions will not only hurt New York's children, they will disproportionately affect parents who have one or more barriers to employment. Such barriers may include mental or physical health problems, little education, no transportation, and or domestic violence crisis.[iii] Families with these serious problems often cannot comply with general program requirements and we know, anecdotally, that all too often, their barriers to steady employment are overlooked by the local Department of Social Services.

Full family sanctions are not worth the risk because they are often misapplied, causing tremendous harm to families who are in fact, in compliance with program requirements. The state wins only about 10% of the fair hearings on sanctions; HRA wins even less. According to the 2009 Statistical Report of the Operations of NYS Temporary Assistance Program: In New York state there were 67,594 sanction related work hearings in fiscal year 2009. 64, 258 of those were in New York City. The success rates for New York State are as follows: 6,435 (10%) were affirmed ; 40,367 (60%) were withdrawn; 10,648 (16%) were reversed; 2,882 (4%) correct when made; 6,993 (10%) other disposition

Studies also suggest that full family sanctions may be applied arbitrarily - meaning that families in similar situations may be treated differently depending on their case worker and location in which they live. Families are often sanctioned for minor violations

Proponents of full family sanctions argue that they are intended to encourage compliance with program requirements and eventually transition recipients off welfare. However, studies have shown that sanctioned families are less likely to be employed than non-sanctioned families, are more likely to return to the welfare system and are less likely to have access to health care through their employers.[iv] In fact, researchers have found that:

1) There is between a 10 and 21 percent gap in employment rates between sanctioned and non-sanctioned families[v]
2) The number of sanctioned families who return to the TANF rolls range from 19 to 50 percent[vi]
3) Sanctioned clients in Maryland earn approximately $600 less per quarter than non-sanctioned clients[vii]
4) Of the recipients who were employed after sanctions in Iowa, only 11 percent received health insurance through their employment;[viii] and
5) Sanctioned recipients are more likely to experience material hardships than non-sanctioned families, including borrowing money to pay bills, falling behind on payments, not having enough food, problems paying for medical care, and experiencing a utility shut-off.[ix]

There is no direct evidence that implementing full family sanctions is more effective in prompting compliance than partial sanctions. Research has shown that less than one third of families that received full family sanctions moved into compliance.[x] In fact, a recent Delaware study indicated that substantial noncompliance persisted in spite of the state's policy of escalating sanctions to a full-family sanction.[xi]

Hunger Action supports A.3423 (Wright) to address the pervasive case sanctioning practice that keeps eligible very low-income households from receiving critical cash assistance. The bill ends durational sanctions and strengthens recipients' protections from wrongful sanctions.

Fund Jobs Programs for Low-income New Yorkers

New York should allocate $100 million of its billion dollar plus surplus from TANF to provide job opportunities for low-income New Yorkers.

New York should do a cost benefit analysis of its various welfare to work programs. It should be a well financed, peer-reviewed social research project, including a longitudinal outcomes study of welfare participants, comparing not just upfront but long-term costs of traditional workfare, its outcomes and associated costs like Medicaid and child support, with the total costs and outcomes generated for those individuals who participate in SE programs.

OTDA concedes that wage-based welfare jobs programs are the most effective in moving people into jobs yet it fails to invest substantial funds in such efforts, instead wasting our tax dollars on unproductive workfare programs. Their apparent rationale for not better utilizing the most effective job subsidy programs is the higher initial investments. Yet a recent study by the Fiscal Policy Institute found that such job programs pay for themselves within three years due to higher rate of employment and earnings and less frequent returns to welfare.

New York State's unemployment rate has reached crisis levels. The percentage of unemployed persons in the state reached 8.3% (9.1% in New York City) in November 2010. The underemployment rate among blacks was 22 percent in the fourth quarter of 2010 and 19 percent for Hispanics. A national study found that, among the lowest income households, unemployment rates have reached levels exceeding the worst unemployment rates of the Great Depression.

As Hunger Action Network, many advocates and the federal Health and Human Services have documented, New York State has done poorly, much worse than other states, in moving individuals from welfare to work. NY has consistently been ranked by the federal government as among the worst (e.g., 48th) in moving welfare participants into employment and increasing their earnings. New York has always relied much more on workfare and WEP than other states, even though it is administratively expensive and has been found in study after study over the last three decades to be ineffective in increasing employability or earnings.

Thousands of individuals have entered the low-wage, low-skill job market since welfare reform was enacted. However, getting a job seldom lifts people out of poverty or even keeps them off the welfare rolls for good. Most welfare leavers work at or below poverty wages (except those fortunate few who obtained a college education) with the average wage in 2008 just $8.50 an hour which is barely above the state's minimum wage.

We have long pointed out that the Jobs First approach has been a failure and should be discarded. We won't repeat the arguments here. A major problem is that the local districts fail to provide job training or education assistance to improve employability once the individual is placed in a job - which is usually a dead end one, with poverty wages and no benefits. Nor are the districts successful in helping people finding employment. Instead Jobs First serves as a barrier to providing assistance, resulting in a 50% decline in the number of eligible poor children now being helped. Individuals now receiving assistance are far more likely to have multiple barriers to employment than before welfare reform began and need far more assistance in becoming employable.

Thus we were encouraged that as part of the economic stimulus package, the federal government provided $1.2 billion in extra welfare funds to NYS over an 18 month period, primarily to fund jobs programs for TANF eligible participants or to provide one time payments. For every dollar the state allocated for such programs, the federal government would provide four dollars; and the dollar the state provided could be a federal dollar.

In 2009-10 the state funded $70 million in a variety of job related programs - transitional jobs, green jobs, health jobs, and wage subsidies. Unlike workfare, participants would receive a paycheck. And in several of the programs participants would receive up to 8 hours a week of paid education and training.

Unfortunately, by 2010-11, NYS Division of Budget had determined how the state could pull down these federal dollars based on existing spending patterns rather than funding the initiatives targeted by the federal stimulus package. So, only $14 million was provided in the current year's budget for such job initiatives.

Governor Cuomo is proposing to zero out funding for job initiatives in this year's TANF budget - while diverting $960 million to the counties and NYC through the FFF.

The state basically diverted huge amounts of jobs money to pay ongoing state welfare expenses and help defray budget deficits rather than responding to people in severe crisis. In the end, only $85 million, *less than 7% of the total federal recession relief funds*, was used for the innovative and much needed subsidized employment and Career Pathways programs.

Other states, almost all of which received less money than New York did, were considerably more aggressive and proactive in using their federal assistance. The Center for Budget and Policy Priorities and the Center for Law and Social Policy (CBPP & CLASP) have studied all of the 39 states that used the TANF Emergency Fund for subsidized employment.[1] In the table below, we have excerpted from their national overview, highlighting states that invested more heavily and created more subsidized employment positions with their federal money in the chart below, including California, whose budget crisis dwarfs New York's:

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[1] Pavetti, LaDonna, Liz Schott & Elizabeth Lower-Basch. *Creating Subsidized Employment Opportunities for Low-Income Parents: The Legacy of the TANF Emergency Fund*

CBPP/CLASP Chart of States' Use of TANF Emergency Fund for Jobs

State	Subsidized Jobs	Summer Youth Jobs	Total Jobs Created
Illinois	29,092	6.624	35,716
California	21,000	25,000	46,000
Pennsylvania	14,000	13,000	27,000
Texas	7,230	24,000	31,230
Washington	7,200	0	7,200
Minnesota	6,802	3,500	10,302
Florida	5,498	0	5,498
Georgia	2,300	14,800	17,100
Kentucky	4,848	5,993	10,841
New York	4,217	0*	4,217

*NOTE: *This chart maps out specifically the use of the TANF Emergency Fund. NYS did fund summer youth employment programs but not with this particular funding stream.*

Hunger Action Network considers the transitional jobs program to be the most promising of the Subsidized Employment experiments that have been launched because it requires several hours a week of training and education time as a compensated component of the job. Districts establishing a Transitional Jobs program are expected to provide a subsidized employment placement for up to twelve months at an hourly rate of at least $8.00 per hour for up to 28 hours per week of paid employment and at least 7 hours per week of paid education and training activities to help prepare individuals for local employment opportunitiesa. The combination of the subsidized employment with the education/training permits participants to develop workplace skills while also enhancing education attainment and/or job skills to support permanent job placement at or before the end of the transitional job.

(Other job initiatives are stated at the end)

Eliminate the 185% of Standard of Need (SON) income eligibility requirement for Public Assistance and Increase the Earned Income Disregard (EID) (A.3425); Extend EID to all households, including those without dependent children.

The current State Social Services Law makes families ineligible for public assistance once their income reaches 185% of the Standard of Need (SON) for their household size and county of residence. Since this measure now falls below the federal poverty level in all counties, families are disqualified for public assistance even before they earn up to the federal poverty level. Although the federal poverty is a severely inadequate measure, it is adjusted upward every year to reflect the rise in inflation. The gap between the income eligibility level (fixed at 185% of SON) and the poverty level increases each year. This means that each year families need to fall more deeply into poverty before they are eligible for public assistance.

The Earned Income Disregard (EID) allows welfare recipients who begin a job, but earn low wages, to increase their income by not counting each dollar earned against the benefits they receive. This enables low wage earners to retain some of their cash assistance and provides a more sustainable income level.

Hunger Action support A.3425 (Wright), which would eliminate the 185% SON and increase the EID to 67% as a step in the right direction. However, the State should ultimately increase the EID to 100% of wages below FPL to stabilize economic security for families as they increase their earnings to rise out of poverty. The state should also extend the EID to all households receiving public assistance including those without dependent children. (Information provided by FPWA)

Reduce the welfare application time frame for Safety Net applicants from 45 to 30 days, bringing it in line with Family Assistance requirements (A.4840).

A. 4840 (Wright) would equalize the application time line for Family Assistance and Safety Net applicants. The current law provides that districts cannot provide assistance to Safety Net applicants until the 45th day after submission of an application regardless of need. Family Assistance applicants' benefits must be determined and provided by the 30th day after the submission of an application. Households of varying sizes and composition applying for welfare are often in deep crisis and need assistance as quickly and consistently as possible.

The Neighborhood and Rural Preservation Programs

The Executive Budget proposes reducing the current formula-based funding for Neighborhood and Rural Preservation Programs (NPP and RPP) by 50 percent and converting to a competitive, performance-based funding program beginning in 2011-12. (2011-12 Value: $6 million; 2012-13 Value: $6 million).

We oppose such cuts. Affordable housing remains perhaps the State's most intractable problem. Housing insecurity underlies all other economic security issues for New York's residents. When people are spending 40%, 50%, 60% and more of their limited income for housing, all facets of their lifestyles are compromised.

The Neighborhood and Rural Preservation Programs provide grants to cover the costs of not-for-profit community groups engaged in a variety of housing activities ranging from housing development and rehabilitation to homebuyer counseling and tenant assistance. These not-for-profits are known as Neighborhood and Rural Preservation Companies (NPCs and RPCs). Since 1990, NPCs and RPCs have played an instrumental role in the creation of tens of thousands of units of affordable housing. According to the New York State Homes and Community Renewal (HCR), on average for every dollar invested in an NPC the company was able to leverage an additional $40. The number for Rural Preservation Companies is even larger, with the groups being able to leverage $209 for every one dollar the State invested.

NPP/RPP have been cost-effective in responding to the State's affordable housing crisis with a hands-on, neighborhood-based approach to the local housing needs of the many and varied communities throughout the State. More dollars are needed to properly respond, not less. To halve the financial commitment to such a proven program flies in the face of the overwhelming need that all of the groups are facing.

Further, the retreat from a locally-based response to a regional one is a recipe for disaster as is the "competitive" suggestion. This all points to an attempt to eliminate small, neighborhood-based and neighborhood-controlled organizations that truly understand the local housing needs in their neighborhoods. They are clearly the ones with their "fingers on the pulse" in their neighborhoods. The "competitive" proposal suggests that these truly representative groups would get eaten up by larger, "well-connected" political groups who are further removed from the day to day realities of the low to moderate income residents that the programs are supposed to serve.

Medicaid Reform Should Start with Single Payer

We all know that New York State's health care system, like that of the rest of the nation, has serious problems - the large number of uninsured and the continually escalating costs being high among them. New York also has gross inequities in access, serious deficiencies in primary and preventive care, and wasteful inefficiencies in the use of our health care resources, making our health care among the most expensive in the nation. All of this can be traced to the fragmented, inefficient, and wasteful way we pay for health care.

Driven in large part by the rising cost of health care, the nation has accepted the goal of universal coverage. The recently-passed national legislation seeks to achieve this, but it is now widely recognized that, aside from some as-yet-undefined demonstration projects, it does little to contain the rising cost of care.

The entire system of private insurance for the working population, supplemented by public programs for the poor and the elderly, has become unaffordable. It is incapable of assuring access for everyone or of stemming the mounting cost of care. Further, numerous studies have shown that it adds as much as thirty percent to the cost of care through unnecessary and duplicative billing, marketing, profit, and administrative costs paid by both insurers and providers.

Looking only at the Medicaid program will not solve Medicaid's problems. Only a re-examination of the way we pay for our entire health care system will provide the answers to the financial dilemmas facing New York State. Merely looking for savings within the Medicaid system will not halt the rising costs of the system in which it is embedded.

Numerous studies over the last two decades have shown that a wide variety of substantial savings will accrue through implementation of a single payer system. There will be savings in provider spending, in insurer administrative costs, and through improved coordination and more efficient purchasing of medical supplies and services. As just one example, the entire apparatus for determining who is eligible for Medicaid, Family Health Plus, and Child Health Plus would become unnecessary -- everyone would be in the pool as a right of residency in the State.

The Primary Care Coalition, a grouping of the principal organized primary care providers in the State, has estimated that overall state spending on health care could be reduced by $10 billion (or 6% of the total bill) through enhanced access to modern, coordinated primary care. Much of the spending on expensive in-patient care and medical treatments could be reduced or eliminated if robust primary care to be were available in every community. Achieving this can best be accomplished in the kind of coordinated planning environment that a unified single payer system would make possible.

All of the studies indicate that all of these savings will more than offset the cost of the additional health care services provided in a unified system where everyone is covered. In fact, a study just completed in Vermont has found that nearly a quarter of current expenditures in that state could be saved through adoption of a single payer plan, coupled with reforms to the health care delivery system.

The study commissioned by the NYS legislature on how best to achieve universal health care, flawed as it was, still concluded that a single payer system was the most cost effective solution. The study concluded that a single payer system would save the state $20 billion annually by 2019 compared to our present system or $28 billion annually compared to the insurance mandate just enacted by Congress. And many of us believe that the study understate the savings from a single payer system.

Other Job Initiatives for NYS

New York State should invest in public jobs creation, including constructing affordable housing and other capital projects. According to Prof. Phil Harvey of Rutgers, A WPA style jobs program to create 500,000 jobs would cost about $14.3 billion - equal to the size of the rebate of the stock transfer tax. Wages would pay in the mid-teens per hour. Jobs would be tailored to meet the unmet needs of the community, such as child care, construction work (e.g., the rehabilitation of abandoned or sub-standard housing), conservation measures (e.g., caulking windows and doors in private dwellings), the construction of new affordable housing units, and parks improvements. The program also could expand and improve the quality of public services in areas such as health care, child care, education, recreation, elder care, and cultural enrichment.

The state should enact policies that target government subsidized job openings to low-income households. For example, "corporate subsidies" and public contracts should be tied to the hiring of public assistance participants and other low-income New Yorkers to fill entry-level positions.

New York State should ensure that a minimum of 15% of labor hours and job training hours connected with the Green Jobs, Green NY program are targeted to welfare recipients and other low-income people.

New York State should create a Build NY Task Force on Construction Jobs of community-based and labor stakeholders to create strategies and set policy goals to ensure that unemployed and low-income people are prepared for and can gain access to good, permanent jobs in the construction industry: especially via an improved employment and training infrastructure of outreach, pre-apprenticeship programs, accountable apprenticeship monitoring and hiring compliance protocols, and on-the-job troubleshooting to improve new worker retention.

The Governor's office and the NYS Departments of Transportation (NYSDOT) and Labor should increase statewide county-by-county Equal Employment Opportunity hiring targets as a starting point. Low-income hiring goals should be established for public work projects such as bridges (e.g., Tappan Zee, Peace Bridge, Kosciuszko Bridge on the BQE).

New York State should ensure that corporate subsidies and tax credits result in the creation of jobs in New York State, promote the hiring of New York State residents and ensure that the jobs created are distributed throughout the state.

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[ix] Mathematica Policy Research, Inc. "Review of Sanction Policies and Research Studies" March, 2003 available at //aspe.hhs.gov/hsp/TANF-Sanctions03/.

[x] Children's Defense Fund. "Leaving Children Behind: The Case Against Full Family Sanctions" April 29,2002 available at www.childrensdefense.org.

[xi] In a six month study of recipients under sanction, less than one quarter had "cured the problem", another quarter remained being sanctioned, and one half left the rolls (with a suggestion that rolls were not left because of new found employment). David J. Fein and Jennifer A Karwelt (Abt Associates). "The ABC Evaluation: The Early Economic Impacts of Delaware's A Better Chance Welfare Reform Program" December 1997 available at www.researchforum.org.

10

CITIZENS' COMMITTEE for CHILDREN OF NEW YORK INC

TESTIMONY

OF

STEPHANIE GENDELL
ASSOCIATE EXECUTIVE DIRECTOR,
POLICY AND PUBLIC AFFAIRS

PRESENTED TO THE
NEW YORK STATE SENATE FINANCE COMMITTEE
AND
NEW YORK STATE ASSEMBLY COMMITTEE ON WAYS AND MEANS

REGARDING THE
NEW YORK STATE EXECUTIVE BUDGET PROPOSALS FOR
HUMAN SERVICES
STATE FISCAL YEAR 2011-2012

FEBRUARY 16, 2011

Good Morning. My name is Stephanie Gendell and I am the Associate Executive Director for Policy and Public Affairs at Citizens' Committee for Children of New York (CCC). CCC is a 67- year old privately supported, independent, multi-issue child advocacy organization, dedicated to ensuring every New York child is healthy, housed, educated and safe. CCC does not accept or receive public resources, provide direct services, or represent a sector or workforce. For 67 years CCC has undertaken public policy research, community education and advocacy efforts to draw attention to children and their needs so that we can advance budget, legislative, and policy priorities that are cost-effective and produce better outcomes for New York's children and youth. I would like to thank Chairman Farrell and Chairman DeFrancisco and members of the Assembly Ways and Means and Senate Finance Committees for this opportunity to testify on the Governor's Executive Budget for State Fiscal Year 2011-2012.

It is clear that New York's troubled economy and staggering budget deficit demand long-term structural budget changes and not short-term fixes. To this end, Governor Cuomo's first Executive Budget looks to redesign state government to help address the fiscal challenges facing our state. While addressing the state's spending is critical and all New Yorkers are reeling from the economic downturn, few are being hit harder than poor children and their families. It is CCC's belief that we must not allow this year's budget to eliminate the safety net needed to ensure that the next generation of New Yorkers can reach their full potential.

Governor Cuomo's $132.9 billion Executive Budget proposes to close a $10 billion gap, almost entirely through spending reductions and cost-shifts to counties. While shifting costs of mandated programs to counties saves the state government money, it does not reduce the need for funds for these programs, leaving struggling counties burdened with paying for these programs and faced with tremendous service reductions. In addition to the proposed $2.85 billion reductions to both Medicaid and Education, the Executive Budget proposes to reduce its commitment to Human Services by over $300 million, $114.2 million of which is Human Services cost shifts to localities.

For New York City, Mayor Bloomberg has estimated that the reduction in aid totals $2.1 billion, including a $1.4 billion in aid to public schools; $361 million in cuts and cost shifts in social services; and $300 million due to the elimination of the AIM for New York City. And as you know, given the still ongoing work of the Medicaid Redesign Team, the impact of the $2.85 billion Medicaid reduction is not yet known.

While there are some areas where the Executive Budget proposals protect essential programs for children and families, and Governor Cuomo has made laudable efforts to address the State's broken juvenile justice system, CCC is extremely concerned that the adoption of this budget, as it is proposed, would place the State of New York's most vulnerable children at even greater risk.

Notably, the Executive Budget includes numerous cuts and cost shifts for programs and services that have been cost-effective and have produced good outcomes for children. For example, the Executive Budget proposes to decrease state support and commitment to children adopted from foster care, special needs school children who are receiving their education in special schools to meet their needs, homeless families in New York City, new mothers seeking to raise their children safely and healthy by participating in home visiting programs, and youth trying to engage in positive activities and grow into successful adults through participating in after school programs and the Summer Youth Employment Program.

These cost shifts can be seen in the elimination of the AIM to New York City, the changed formula for adoption subsidies, the elimination of state support for CSE placements, the new proposed requirement to use Title XX for child welfare, the changed formula for adult homeless shelter costs, and the changed financing structure for TANF Family Assistance and Safety Net. In addition, cuts and service reductions are not only proposed in Education and Medicaid support, but also impact critical services previously funded with TANF dollars, such as Nurse-Family Partnership, post-adoption services, supportive housing, homelessness prevention programs and the Summer Youth Employment program. In addition, the Executive Budget proposes to cut the Runaway and Homeless Youth Program Healthy Families New York Home Visiting, Early Intervention Services, and family treatment beds for children needing mental health treatment.

We urge you to negotiate a budget that uses fairness as a guiding principle. Fairness includes making deliberative choices about where the expense side of the budget needs to be reduced without jeopardizing cost-effective programs, resisting the urge to merely shift costs to counties to bear, and ensuring there is shared sacrifice for all New Yorkers. We urge you to negotiate an Adopted Budget that ensures that the state remains committed to the programs that produce positive outcomes for children, and ultimately saves the state money on more expensive interventions such as foster care, medical care, homeless shelters, and the juvenile justice system. Fairness also requires an acknowledgement that it is inequitable and disingenuous for the state to balance its budget by shifting costs for essential and mandated services to the counties, including New York City, which is hit particularly hard by the Executive Budget.

Further, fairness requires supporting revenue-generating proposals, to ensure shared sacrifice. CCC urges you to extend the personal income tax increase; to impose an excise tax on sugar-sweetened beverages as a means to take a critical step towards addressing childhood obesity while increasing revenue; and to work with the Governor and Mayor Bloomberg on pension reform.

Turning to the proposals related to Human Services, CCC is extremely concerned that the adoption of the proposed Executive Budget would a) lead to an erosion of the safety net for the most vulnerable children; b) lead to an extreme level of service reduction at the local level due to the magnitude of cost-shifts to child welfare agencies and homeless services in particular; and c) eliminate resources for cost-effective programs that improve child outcomes and prevent the need for more costly interventions thereby leaving New York's taxpayers saddled with exorbitant long term costs should these cuts be implemented.

Juvenile Justice

As the Legislature is well-aware, New York's Juvenile Justice System is broken, failing in every respect: the system does not keep incarcerated youth safe from abuse, neglect or harm; the system does not provide services to rehabilitate incarcerated youth; the system does not protect communities by preventing recidivism; the system does not do enough to keep young people from being incarcerated in detention, OCFS facilities or private placements; and the system does not meet the needs of taxpayers because it is extremely expensive as well as inefficient. CCC appreciates the commitment of Governor Cuomo, Commissioner Carrion and many state legislators eager to reform the juvenile justice system today.

CCC's vision for New York's Juvenile Justice system is one where youth and their families are able to receive the services they need in their communities whenever possible, and the limited number of youth who are incarcerated receive high quality services so that when they return to their communities they are equipped with the skills to become successful adults. To achieve this, CCC believes that the following are necessary: a) as few children as possible should be incarcerated, save for the dangerous, high risk youth; b) the youth who need to be incarcerated should be in facilities close to their homes and communities, and they should receive therapeutic services delivered through a trauma-based intervention that incorporates principles of youth development rather than the corrections-based approach employed in the adult system; c) there should be independent oversight of youth prisons; d) underutilized facilities, which are expensive to taxpayers and counties, should be closed without the 12-month waiting period; e) the savings from closing underutilized facilities should be reinvested to expand and strengthen community-based, evidence-based alternatives and to improve the care provided to placed children ; f) the state and the counties should have a fair and equitable financing structure for all facets of this system including detention, OCFS facility care, private placements and community-based alternative to detention and incarceration programs; g) court-involved youth should be able to receive high-quality, effective, proven alternative to detention and incarceration programs in their communities; and h) the services, such as after school programs and the Summer Youth Employment Program, which prevent young people from coming into contact with the juvenile justice system, should be preserved and strengthened.

Given CCC's vision for the state's juvenile justice system, CCC is supportive of the vision of Governor Cuomo's Juvenile Justice Reform proposals, but we also have a number of ideas and amendments that we hope can be incorporated through the budget negotiation process.

As Governor Cuomo passionately stated in his State of the State Address, it is a civil rights violation to incarcerate children so that adults can have jobs. CCC supports the Governor's proposal to reduce facility capacity from 1,209 beds to 833 beds. That said, CCC thinks it is critical for us to know which facilities will be closed so that we can be assured that a) incarcerated youth can be placed close to their families and communities and b) OCFS will retain the full spectrum of types of beds - secure, limited secure and non-secure. In addition to reducing the under-utilized capacity, we urge the Legislature to approve the Governor's proposals to eliminate the 12-month waiting period so that empty facilities do not remain open and to reinvest the savings into the desperately needed system-wide improvements.

The Governor's Executive Budget also proposes to invest $14 million to support improvements in mental health, education, counseling, direct care and other services in the OCFS facilities. While the additional 414 staff would be system-wide, the remaining facility improvements would be limited to the three facilities subject to the DOJ agreement. CCC believes that all OCFS facilities are in need of these types of improvements and thus should not be limited to the three facilities investigated by DOJ.

The Governor's Executive Budget also proposes to restructure state funding for local detention such that the current open-ended 49% reimbursement for local detention costs (i.e. the local facilities youth can be placed in during trial) would be changed to be a block grant. In addition to capping state reimbursement for detention (making local detention costs higher if the number of youth detained is not decreased), the Governor proposes that effective January 1, 2012, the state would no longer reimburse counties for detaining low and medium risk youth. Thus, after giving counties several months to implement the use of a Risk Assessment Instrument, the State scheme would be incentivizing counties to implement cheaper and more effective alternative to detention programs that judges could choose for youth, rather than placing the youth in a detention facility. In addition, the Governor's Budget proposes the creation of a Performance-Based Supervision and Treatment Services for Juveniles Program to be funded at $29 million in SFY 2011-2012 and $46 million in SFY 2012-2013, which is a significant increase from the $8.2 million the state currently invests in these types of alternative to detention and incarceration programs. This new funding stream would require a county match, whereby the state share would be 62% and the local share would be 38%.

CCC appreciates the Governor's vision and efforts to reform the system by offering services to help young people lead productive lives, while also reducing costs and investing savings into the community-based programs that better meet the needs of youth. CCC believes that for these reform efforts to truly work, counties need to have the resources to invest into the alternative to detention and incarceration programs that will ultimately keep young people out of detention and likely OCFS facility care. Given county budget deficits, the tremendous amount of cost shifts of mandated services in the Executive Budget, and the fact that detention costs will be block-granted and reimbursement limited to high risk youth, county budget officials and policymakers must feel comfortable that they have the funds available to invest to be able to create needed alternative to detention and incarceration programs. To put counties in a better position to create new community-based alternative programs, and thus create a system that can truly keep youth in their homes and families and out of detention when it is safe to do so, CCC has the following suggested amendments to the Governor's proposal:

- For counties that do not currently have community-based alternative programs: Enable these counties to access a portion of their allocation from the Performance-based Supervision and Treatment Program funds without a required match during the first year of implementation. This would provide these counties with start-up funds to develop an infrastructure, create new programs and train all parties and judges about the programs in a way that provides the counties with the seed money needed.

- For counties that have already invested local dollars in community-based alternative programs: Allow these counties to use their current, existing locally invested dollars as the required county match (but legally prohibit the counties from reducing their local investment to prevent the supplanting of local dollars with state dollars). This would enable localities that have already been innovative and have demonstrated their willingness to invest local resources into these programs, to expand their county's services without investing new local dollars and ensure that they too can increase their community-based alternative programs' capacity. .
- Stagger the effective dates of the capped detention block grant and the state's the Performance-based Supervision and Treatment Program so that counties have the opportunity to invest in and develop alternative programs while still receiving their current levels of detention reimbursement. While this would reduce the available funds for community-based alternative programs in the first year, it would better enable counties to invest in a permanent, effective infrastructure for their community-based alternative to detention and incarceration programs and would ensure that greater numbers of youth could be appropriately diverted from detention.

Youth Services

The Governor has clearly stated his desire to prevent as many youth as possible from entering the Juvenile Justice system. CCC is supportive of this goal and we are eager to work with the Governor, his administration and the Legislature to make this a reality. to effectively ensure that fewer youth come into contact with the juvenile justice system, , CCC believes that the State must maintain its commitment to youth services programs, such as after school programs, Advantage After School, the Youth Development and Delinquency Prevention program (YDDP), the Special Delinquency Prevention Program (SDPP), Runaway and Homeless Youth services, and the Summer Youth Employment Program. It is widely known that youth are at greatest risk for delinquency between the hours of 3-6pm[1] and that every $1 invested in youth services saves $40 in future criminal justice costs.[2]

Yet, the Executive Budget proposals run counter to these facts. Notably, the elimination of $15.5 million of TANF funds supporting the Summer Youth Employment Program, the $5.34 million reduction to the Advantage After School Program, and the development of the Primary Prevention Investment Program (PPIP), (discussed in more detail below) deteriorates the core services that keep youth positively engaged in their schools and communities and prevents them from coming into contact with the juvenile justice system in the first place. In New York City alone, these cuts translate into the loss of over 5,000 after school slots, 37 out of 108 transitional/independent living shelter beds for runaway/homeless youth and approximately 6,000 summer jobs (11,000 statewide). New York State and its counties cannot successfully reform the juvenile justice system without ongoing support for youth service programs.

[1] Fight Crime Invest in Kids. *New York City's Out-of-School Time Choice: The Prime Time for Crime or Youth Enrichment and Achievement*, 2008. Available online: http://www.fightcrime.org/reports/NYCAS2pager.pdf

[2] Keeping Track 2010 Edition. Citizens' Committee for Children.

The Primary Prevention Incentive Program (PPIP):
CCC strongly objects to the creation of the Primary Prevention Incentive Program (PPIP). While the Governor's Executive Budget documents describe this as a program to prevent foster care and juvenile justice placements, CCC believes that this Program will actually result in an increase in the use of these more costly interventions.

The proposed Primary Prevention Incentive Program (PPIP) is a $35 million competitive fund allotted to local social service districts that replaces funding for various existing contract programs and county allocations that have been providing front-end primary prevention services. According to the Governor's proposal, this program restructures the allocation of funds for these programs by cutting funds by 50% (although as shown below it is significantly more than 50%), and requiring counties to match these previously unmatched programs at 62% state/38% local. Specifically, funding for the following programs would be eliminated:

- Healthy Families New York Home Visiting Program ($23.3 million)
- Community Optional Preventive Services (Nurse-Family Partnership; PINS diversion; juvenile justice prevention) ($24.3 million)
- Youth Development and Delinquency Prevention/Special Delinquency Prevention ($28.2 million)
- Runaway and Homeless Youth Act ($4.7 million)
- Enhanced Caseworker Ratio ($1.5 million)
- Hoyt Memorial Trust Fund (family violence prevention) ($1.2 million)
- Settlement Houses ($900,000)
- Kinship care programs: ($700,000)

This totals $84.8 million of services eliminated and replaced with a $35 million fund that would require a county match to draw down state resources.

The programs that are being eliminated due to the creation of the PPIP are programs that have proven to be effective at improving child well-being and preventing more costly interventions. For example, in recent randomized controlled trials, the Healthy Families New York (HFNY) program was found to reduce low birth weight babies, decrease special education, reduce child maltreatment and generate a return of more than $3.00 for every dollar invested for mothers who had confirmed child maltreatment reports prior to participating in HFNY. Similarly, the Rand Corporation has shown that there is a $5.70 return on every dollar invested in Nurse-Family Partnership, which has been shown to decrease language delays, child abuse and neglect, emergency room visits for accidents and poisonings and juvenile arrests by age 15.

In addition to failing to maintain the level of funding previously supporting these programs, the PPIP leaves all of these valuable programs (plus additional programs that could develop) to compete against one another for insufficient funds. In addition, none of these programs will be possible if counties do not have the funds for the match, a likely scenario because funds for the PPIP would present as a new need to already economically struggling localities. Finally, the inclusion of Healthy Families New York and COPS, as well as the $2 million cut to Nurse-Family Partnership previously funded by TANF, is particularly troubling because New York will likely lose its opportunity for additional federal funds for home visiting. As part of federal health reform, in recognition of the value of home visiting as both cost-effective and invaluable to children, the federal government allocated funds to expand home visiting programs. To be eligible, states must meet the federal MOE, which is maintaining funding levels as of 3/23/10. Thus, an adopted budget that includes home visiting in the PPIP would most likely make New York ineligible for federal home visiting funds, which would be unconscionable given that we know how invaluable these programs are to improving child outcomes.

CCC strongly urges the legislature to reject the development of the PPIP and to restore funding for all of the valuable programs slated to be eliminated by the PPIP to their SFY 2010-2011 levels.

Child Welfare

Child welfare services are critical to ensuring that New York's children are safe and that their families are strengthened and supported. To do this well, counties need the resources to ensure that they have effective child protective practices so they can recognize safety and risk factors, an effective array of preventive services that enable children to remain safely in their homes when possible, a strong and effective foster care system that provides necessary services to children and their parents, and a system that ensures children can expeditiously achieve permanency through reunification, adoption or subsidized guardianship.

Historically, New York has supported child welfare through a foster care block grant; an open-ended funding stream that reimbursed counties at a rate of 65% state/35% local for protective, preventive, independent living and adoption administration; and supported foster children who were adopted with a 73.5% state match that counties have depended on for years. The Executive Budget proposes to alter this scheme by maintaining the lower open-ended match of 62% (first enacted in the SFY 10-11 budget) and reducing state support for adopted foster children to 62%. In addition, in the State Fiscal Year 2010-2011 budget, Article VII legislation passed establishing a kinship guardianship assistance program effective April 1, 2011 but did not resolve how the non-federal share would be split between the state and localities. Similarly, the SFY 11-12 Executive Budget fails to address how the non-federal share of the kinship guardianship assistance subsidy would be paid. CCC believes the costs of this subsidy should be shared in a similar manner to adoption subsidy. (CCC has previously proposed that adoption subsidy remain at the 73.5% match and subsidized guardianship have a 65% state match.) The Kinship Guardianship Assistance subsidy must have a state match and must be funded outside of the capped foster care block grant, which is intended to provide care for children who are in the custody of the state and localities.

The child welfare portion of the SFY 11-12 Executive Budget contains numerous cost-shifts that will leave localities struggling to maintain their child welfare systems and will impact their ability to keep children safe. In addition to the child welfare cost shifts created by the lower reimbursement level (62%) for protective and preventive services, the lower reimbursement rate for adopted children, and the lack of a state share for kinship guardianship, the SFY 11-12 Executive Budget eliminates all state funding for Committee on Special Education (CSE) placements ($69 million) and a $22 million Title XX cost shift. Agencies like the New York City Administration for Children's Services (ACS) will surely be struggling to maintain their core services for this very vulnerable group of children.

In addition, the Executive Budget proposes to cut other critical services aimed at keeping children safe, strengthening foster care and preventing more costly foster care such as: , post-adoption services and support for relative caregivers.

CCC believes that New York State must take steps to remediate these budget proposals so that the State maintains its commitment to children who have been abused and neglected by their parents.

Child Care

The State's subsidized child care system has been in crisis for some time now. The minimal amount of state general fund support, the decrease in federal child care funds to New York (due to the young child factor), the increased Market Rate every two years, the federal requirement to serve all families on public assistance needing child care (without additional federal or state support), the loss of AARA funds, the increased health insurance costs for child care providers, and the increased costs of providing quality care for children, have left the system desperately short of resources.

While the Executive Budget proposes to fund the Child Care Block Grant with the same funds as this current fiscal year, the loss of the AARA funds and the cuts to other TANF-supported child care programs translates into $55 million of less state/federal support being provided to the counties.

It is important for the State Legislature to understand these ramifications have translated into localities being unable to maintain their child care subsidies, particularly for low-income working parents. In times of economic hardship, supporting low-income working families seeking to become self-sufficient is critical to stabilizing the state and county's troubled economies; without child care many of these families will not be able to participate in the work force. Furthermore, the children will suffer as quality child care has demonstrated success at preparing low income children for school achievement. Unfortunately, child care systems, like the one in New York City, are struggling to maintain subsidies. In fact, New York City is prepared to eliminate child care subsidies for over 16,000 children.

In addition, while the Executive Budget includes almost no revenue generating proposals nor any increased sacrifice by wealthy New Yorkers, one of the only revenue generating proposals in the Executive Budget is to increase the cost of child care and neglect clearances from $5 to $60 and to eliminate the fee exemption for child care providers. This means that the low income child providers (generally earning between $15,000 and $35,000 annually) will need to pay this fee every two years. In addition, the struggling community based organizations that provide after school programs, foster care services, preventive services, etc. will have to spend significantly more money on background checks for their staff.

Homelessness:
The Executive Budget also proposes to cut programs that prevent homelessness and shift costs to localities, particularly to the NYC Department of Homeless Services (DHS), all of which will lead to a loss of the services that enable families to remain stable in their homes and ultimately cost the state and localities more money through an increase in shelter placements.

Specifically, the Executive Budget proposes to cut $1 million for the Supplemental Homeless Intervention Program, $2.5 million for Supportive Housing and $125,000 for Emergency Homeless Services, all of which used to be supported with TANF resources.

In addition, the Executive Budget proposes to reduce the state's reimbursement for New York City Adult Homeless shelters and eliminate the state's share of funding for shelter supplements for families in permanent housing through the New York City Work Advantage Program. These cost shifts will leave the NYC DHS with a large budget hole that will need to be addressed through decreasing non-mandated homeless services, such as those services that help prevent homelessness and help the homeless move to permanent housing. CCC urges the legislature to adopt a budget that works to decrease homelessness rather than increase the likelihood that more families will be homeless for longer periods of time.

Income Security:
The Executive Budget proposes to enact a stricter Public Assistance work requirements whereby the second infraction would lead to a full family sanction until the parent is in compliance and the third (and subsequent infractions) will lead to a full family sanction until compliance and a pro rata sanction for six months. While CCC values work and believes families benefit tremendously from participating in the work force, we are concerned that these new rules will have an undue deleterious impact on the poor children in these families.

In addition, CCC has some concerns about the Executive Budget proposals that change the funding structure for TANF such that Family Assistance is paid for with all federal TANF dollars and the match for Safety Net Assistance is changed from 50-50 to 30% state/70% local. Notably, by diverting TANF funds for Family Assistance, the $70 million of programs that had been strengthening families throughout the state are eliminated. Furthermore, it is our understanding that some counties, like New York City, anticipate their Safety Net caseloads will grow at a far greater rate than will their Family Assistance caseloads in the coming years. The proposals to alter reimbursement will leave them in a dire position, required to provide support for the needy in the absence of equitable state support.

In closing, we ask the Assembly and the Senate to negotiate a budget with the Governor that protects our youngest New Yorkers from paying for this economic downturn for the rest of their lives. While we appreciate that very difficult choices about revenue increases and expense reductions need to be made, we urge you to protect the services that will ultimately be less costly to the children of today and the taxpayers of tomorrow.

Thank you for the opportunity to testify.