

**TESTIMONY OF THE NEW YORK STATE
CATHOLIC CONFERENCE**

**REGARDING THE 2013-2014
HUMAN SERVICES BUDGET**

**PRESENTED ON BEHALF OF
THE COUNCIL OF CATHOLIC CHARITIES
DIRECTORS**

BY

**MSGR. KEVIN SULLIVAN
EXECUTIVE DIRECTOR
CATHOLIC CHARITIES
ARCHDIOCESE OF NEW YORK**

AND

**JOSEPH SLAVIK
EXECUTIVE DIRECTOR
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DIOCESE OF SYRACUSE**

**Albany, New York
February 5, 2013**

Good Afternoon! I am Msgr. Kevin Sullivan, Executive Director of Catholic Charities of the Archdiocese of New York. With me today is Joseph Slavik, Executive Director of Catholic Charities of the Diocese of Syracuse. I currently serve as the chair of the NYS Council of Catholic Charities Directors and Mr. Slavik serves as vice chair. It is on behalf of the Council that we appear before you today. In the human service arena, the expertise, experience and advice of the Council of Catholic Charities Directors guides the New York State Catholic Conference. The Conference represents the Bishops of the eight dioceses of New York State in matters of public policy. The Catholic Church is the largest non-profit provider of education, health care and human services in the state. Catholic Charities programs exist in all eight dioceses and all 62 counties of the state to provide services to people in need, Catholic and non-Catholic alike. Our Catholic tradition compels us to be active participants in the civic life of our community, to fashion a more just world that upholds the dignity of every individual and to serve those in need. The Catholic Church in New York State fulfills its mandate to care for the most vulnerable among us through its vast Network of Catholic Charities agencies.

The needs of the poor and vulnerable must not be ignored. A key measure of any society is how the most vulnerable members are cared for; those with the greatest need are due special attention. There is a long history in New York State of government and not-for-profit providers collaborating to deliver services in a cost-effective manner. This public/private partnership in support of the poor and vulnerable must be maintained.

Background

In 1917, recognizing the significant role of the Catholic Church's charitable efforts to serve the poor in our State, the New York State Legislature passed a Special Act formally incorporating Catholic Charities agencies in each of the eight Dioceses in New York State. Catholic Charities in New York State provides total services valued at more than \$1.6 billion. Each year, we provide approximately 1.4 million services to persons of all faiths and all age categories. We have a long-term commitment to both inner-city and rural communities. Catholic Charities employs more than 21,500 people, and utilizes the services of more than 16,600 volunteers.

As the charitable human services arm of the Catholic Church, Catholic Charities works closely with the 1,500 parishes (with some 7.3 million parishioners) located in every community throughout the state. Parish communities are important resources in the delivery of emergency and community-building services. New Yorkers in need regularly come to Catholic parishes with requests for assistance when they feel they have no place else to turn, and the parishes are serving as the true safety net for these individuals and families.

Catholic Charities of the Archdiocese of New York provides help and creates hope for hundreds of thousands of New Yorkers through a federation of more than 90 human service agencies in the 10 counties it encompasses, including the boroughs of Manhattan, the Bronx and Staten Island, and seven counties north of the city. Similarly, the Diocese of Syracuse through a regional system of agencies provides direct services to people in need in the seven counties it covers in Central New York and the Southern Tier.

Across the state Catholic Charities provides food and nutrition programs, adoption and foster care services, housing programs, immigrant and refugee services, emergency assistance, counseling, child care, behavioral health services, developmental disabilities programs, prison ministry and more. Our partnership with the state in serving the poor and vulnerable provides obvious benefit, both to those we serve and to the state. But we need your help to continue to do our job.

Proposed Executive Budget

The Executive Budget that was presented by Governor Andrew M. Cuomo on January 22 for the most part calls for essentially flat funding for human service programs. The proposed overall spending of \$136.5 billion in state funds represents an increase of \$2.5 billion or 1.9% over last year. It continues a process that has been in place over the last two years of holding spending in check. The Legislature and the Governor are to be commended for dealing with very difficult budget issues and cooperating to achieve on-time, balanced budgets.

The Governor's proposed budget calls for raising the minimum wage from the current \$7.25 per hour to \$8.75 per hour effective on July 1, 2013, but does not call for indexing. We strongly support an increase in the minimum wage, which is desperately needed. The last increase in the minimum wage was in 2004, nine years ago. This represents the second time since 1980 that we have seen a nine-year stretches where the minimum wage has remain frozen. The proposed increase would benefit about 1.6 million low-wage workers and is estimated to add about \$1 billion in consumer spending. We believe this would be accomplished without job loses. In fact, credible research indicates new jobs would be created as a result of additional spending.

Once again the Executive Budget calls for deferral of the anticipate 1.4 percent Cost of Living Adjustment for most human services contracts. Many of the direct care human services employees are among the working poor and would have benefited from the scheduled COLA. This supplement has been delayed too long as is and in most cases would go right back into the economy at a time that it is much needed. The desired goal of "shared sacrifice" sounds equitable, but it is clear that not everyone has the same capacity to contribute to the effort. Although they do critical work that the state cannot do without, human services

employees tend to be at the lower end of the wage scale compared to their colleagues in other fields, and as a result this "shared sacrifice" hits them very hard. If the issue is the lack of criteria for providing these supplements than it is incumbent upon the state to establish criteria and not continue to defer the increase. However, it is our position that the increase is justified by the increased cost of living over the past five years and the need for state contracts to keep pace.

It is our understanding that the Executive Budget would maintain funding for child-care slots at the same level as last year. There will be some shift between federal and state funding, but the overall level of funding will remain essentially the same. The current demand for child-care subsidies to allow parents to work and/or meet their public assistance work requirement far exceeds the slots available. Demand could be further reduced by exempting those receiving public assistance who are caring for young children from the current work requirement. Parenting classes or other supportive options that would include their children could be substituted as an alternative.

The Office of Children and Family Services proposed budget calls for continuing reforms of the Juvenile Justice System. We continue to support the concept behind the "Closer to Home" initiative. We stress the importance of making sure necessary programs are in place to provide services to these youth as this transition moves forward at a rapid pace. Similarly, as these changes are applied to counties outside of New York City, it will be important that these upstate communities have the capacity to provide the services required by returning youth.

Medicaid reforms as developed by the Medicaid Redesign Team (MRT) process are at various stages of development. These reforms will have a dramatic impact upon human service providers. The state is moving forward with various reforms at the same time they are negotiating waivers from the federal government. Health, Long-Term Care, Mental Health, Alcohol and Substance Abuse Services, Developmental Disability Services, Supportive Housing and Foster Care are all areas that will be impacted by these reforms. It is important that these significant changes be paced in a manner that ensures that services to recipients are not negatively impacted. The goal of improved services at lower cost is what is being pursued and we see a role for managed care in accomplishing this objective.

As part of the Executive Budget, the Governor proposes making permanent the temporary exemption for certain social workers and other mental health professionals working in a setting regulated by state human service agencies. The current exemption is set to expire this July. We support this action, but believe there continue to be some scope of practice issues that must be resolved

with the State Department of Education. These issues are being worked on by the Legislature and will ultimately require statutory action to finalize.

We continue to see large numbers of individuals and families who rely on parish and community food pantries and soup kitchens to make ends meet. Our vast network of emergency food programs provide millions of New Yorkers with healthy nutritious meals every day. In NYC, we just wrapped up a week long "Feeding Our Neighbor Campaign" in which we partnered with the United Jewish Federation of New York and MetCouncil on Jewish Poverty to bring awareness and donations to area food pantries. Other dioceses held similar campaigns. We look forward to the day when every New Yorker has enough to eat and no child goes to bed hungry at night. We know you share this vision. Seeing to it that the estimated 3,000 local food pantries receive adequate funding to assist in this effort is necessary and important.

Catholic Charities provides assistance to immigrants to legally reunite with their families, obtain work authorization, and learn English and civics to prepare for citizenship. We also provide critical protection and counsel to thousands of families in order for them to avoid exploitation on immigration matters. We support the funding proposed in the Executive Budget for the Refugee Resettlement Program, NYS Citizenship Initiative and the NYS New Americans Hotline. We have had the opportunity to work closely with the Office of New Americans and support the need for increase funding to assist them in meeting the demand for services they provide.

It appears that there is a desire on just about everyone's part to reduce unnecessary mandates, redundant reporting and duplicative reviews that add cost to the human services system without improving services. Such an effort should produce many benefits in both efficiency and quality. We need to treat the current crisis as an opportunity, and if done properly, all parties benefit. The recipients of services and the taxpayers who pay for them (not mutually exclusive categories) can both end up in a better place.

The Executive Budget recognizes the need to support Superstorm Sandy recovery and rebuilding efforts and the continuing need to address the impact of Hurricane Irene and Tropical Storm Lee. It is anticipated that much of this funding, an estimate \$30 billion, will come in federal aid. Catholic Charities has been a partner with government in providing disaster relief. The Church in New York State, through the generosity of parishioners, has raised some \$7 million in direct aid for Sandy relief administered by Catholic Charities in the affected areas. Our presence in communities across the state and our ongoing services to communities in need positions us well to respond in these circumstances.

The continuing partnership between non-profit service providers and state government is essential to the well-being of the state and its residents. When

government payments do not cover the cost of providing services we attempt to fill the gap. However, there are limits to the resources we have at our disposal. Individuals and families in need suffer when this essential partnership breaks down. We encourage a renewed commitment between government and not-for-profit providers in all parts of the state. The focus on cost-effective, quality services is supported by us. We are committed to providing the best possible services with appropriate accountability measures. And we need the collaboration of government to do so.

Hundreds of Catholic New Yorkers will be visiting the Capitol on Wednesday, March 20, for the NYS Catholic Conference's Catholics at the Capitol Day (about the time we anticipate you will be reaching final agreement on the budget). We will between now and then be advocating for funding for programs that provide necessary services for the poor and vulnerable. If we can be helpful in making clear the impact the absence of these programs will have, we stand ready to do so.

Conclusion

It is our hope that humane and wise decisions will be made to deal with the current budget balancing effort; decisions that do not add further stress and hopelessness to those already struggling with great burdens. The State Legislature has a history of identifying services that are essential to their constituents and finding a way to address those needs. We can and must find a way to arrive at a result that does not further jeopardize the poor and vulnerable members of our society -- a budget that affirms the dignity of all our state's people. We stand ready to work with you in achieving this laudable goal.

Thank you for the opportunity to share our thoughts and concerns as the Legislature reviews the difficult choices that are ahead.