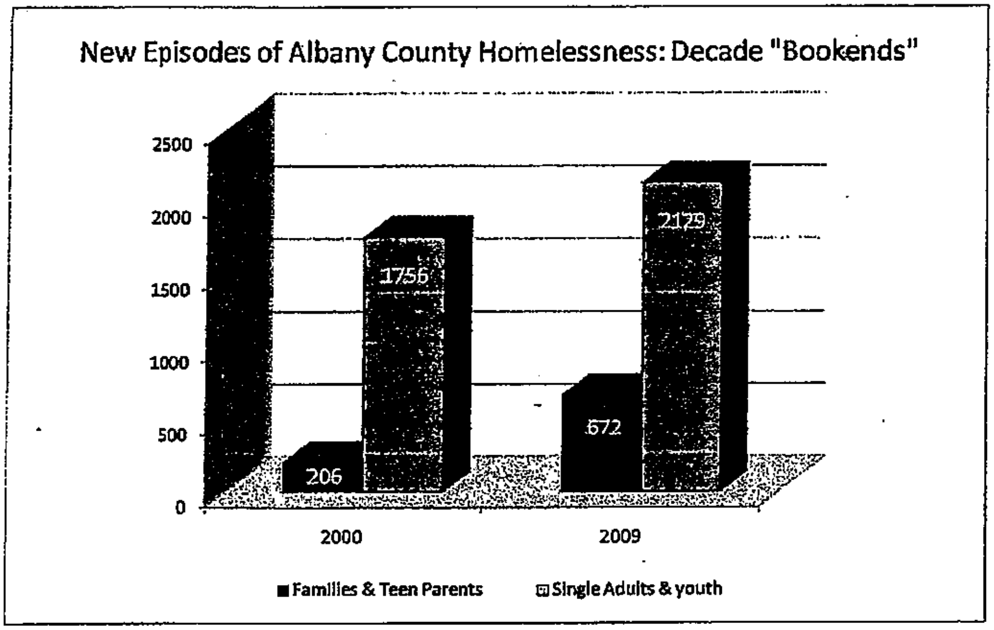
HATAS
Homeless and Travelers Aid Society

Cost of Homelessness vs. Prevention



2008				2009				Family		Individual		Total Cases	
Fam	Ind	Cases	Shelter	Fam	Ind	Cases	Shelter	Δ	Δ%	Δ	Δ%	Δ	Δ%
623	1,822	2,445	1,695	672	2,129	2,801	2,376	49	8%	307	17%	356	15%

SHIP Prevention vs. Family Homelessness

Marillac Family Shelter	
Cost/night/family	$ 135
Avg. Length of Stay (days)	62
Avg. Cost/stay	$ 8,359
Cost of Sheltering 50 families at Marillac for 62 days (avg LOS)	$417,942
Motel Stay*	
Avg. Cost/night/family of 4	$ 73
Avg. Length of Stay (days)	62
Avg. Cost/stay	$ 4,538
Cost of Sheltering 50 families at a Motel for 62 days (avg LOS)	$226,920
SHIP Prevention Costs	
SHIP Cost of Retaining 50 Families in their homes for at least 90 days	$104,690
HOMELESS SHELTER to SHIP Cost Ratio	4:1
MOTEL to SHIP Cost Ratio	2.2:1

* **About motel accommodations for homeless families...**

Although motel rooms are less expensive than family shelter accommodations, only one motel includes meals.

None of the motels provide the level of support services that are available at our County's family shelter.

Motels do not provide case management or housing relocation assistance. Homeless motel-guests receive these services from HIP/SHIP funded programs.

HATAS is the central intake, assessment, and referral point for the Albany County emergency homeless shelter system. This is not a census of ALL homeless people in Albany County. These are only new episodes. We do not include people outside of the county shelter system who sought private shelter accommodations, those seeking domestic violence shelter, those directly entering youth/teen parent shelters, families doubled-up with no residence of their own, or people sleeping in public places, abandoned buildings, and other locations not meant for habitation.

United Tenants of Albany
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Testimony Presented by Maria Markovics, Co-Director, United Tenants of Albany, Before the Joint Legislative Hearing on the Executive Budget, February 10, 2010

United Tenants of Albany (UTA) has been assisting low-income people in the Albany area with their housing problems since 1973. United Tenants maintains a housing hot-line that responds to over 5,000 requests annually for information and counseling on a wide variety of housing problems. United Tenants' Homeless Prevention Program provided case management services for 650 individuals and families last year, including those who were at risk of becoming homeless because of eviction or serious code violations in their buildings, or loss of housing because their landlords were in foreclosure.

Recognizing that a comprehensive and collaborative approach is more effective in addressing homelessness, the Albany County Department of Social Services (ACDSS) has coordinated the delivery of a full continuum of homelessness prevention, re-housing and case management services by sub-contracting with four agencies that work together as a team to help prevent evictions, stabilize the households, and assist homeless individuals and families secure permanent housing. United Tenants is part of this consortium of agencies (along with the Legal Aid Society of Northeastern New York, the Homeless and Travelers, and the Interfaith Partnership for the Homeless) that currently provides homeless intervention and legal services to 318 at-risk and homeless individuals and families in Albany County. This collaborative approach has been in place for nearly fifteen years and has been successful in helping thousands of low income families retain their housing and secure permanent housing.

The Albany County Department of Social Services has been awarded $438,901.00 in Homeless Intervention Program (HIP) and Supplemental Homeless Intervention Program (SHIP) funding for the 2009-2010 funding cycle from the Office of Temporary and Disability Assistance. United Tenants of Albany subcontracts with the ACDSS to provide housing and budget counseling, landlord-tenant mediation, court advocacy for tenants facing eviction, and other case management activities directed at assisting low-income households retain their housing. For these services, United Tenants receives $75,000 in HIP/SHIP funds from the ACDSS to pay the staff salaries, fringe, and other agency costs to help 100 individuals and families retain their housing.

The Governor's Proposed Budget will eliminate the Supplemental Homelessness Intervention Program (now at $5 million) and cut the Homelessness Intervention Program by 27.5% from $3,685,000.00 to $2,671,625.00 and will result in an **overall 70% reduction of critical homelessness intervention services statewide at a time when the number of homeless and those at risk of becoming homeless are at a record high in New York State. The Homeless Intervention Program and the Supplemental Homeless Intervention Program have proven their cost effectiveness by annually**

helping thousands of at risk households retain their housing and thousands of homeless families secure permanent housing thus saving millions in public dollars.

In Albany County, the Homeless and Travelers Aid Society has documented the increased episodes of homelessness, particularly family homelessness which tripled over the past decade. The number of households at risk of becoming homeless has also increase dramatically over the past two years. For example, the number of Eviction Petitions filed in Albany City Court (excluding Albany Housing Authority) increased from 2,665 in 2007 to 3,355 in 2009. The large increase is directly related to the economic upheaval experienced by many low and moderate income people. Many have lost their jobs, or seen their hours reduced, or faced other personal or economic crisis that have put them at risk of losing their housing and possibly entering the shelter system.

The number of households seeking homeless prevention services from United Tenants this January (2010) was 29% higher than the previous January (2009). Last year, United Tenants' case managers prevented 288 evictions. This year, the number will be even higher. These successful results would be impossible without the funding provided by HIP/SHIP for the two homeless prevention case managers.

This year, United Tenants has been allocated **$75,000 in HIP/SHIP** funds from the Albany County Department of Social Services to provide assessment and eviction prevention services for **100 low income at-risk households.**

- ***By helping 50 families retain their housing in Albany, $202,500.00 in public dollars will be saved for each month they do not go into shelters..*** The public cost for Marillac Family Shelter is $135 per night. The cost for sheltering 50 families at Marillac for 30 days would be $202,500.00.
- ***By helping 50 individuals stay in their housing, $60,,000.00 in public dollars will be saved for each month they do not go into shelters.*** The public cost for local shelters in Albany is $40 per night. Keeping 50 individuals out of shelter for 30 days saves $60,000.00.
- ***The total savings in public dollars for keeping 50 families and 50 individuals out of the shelter system for one month in Albany County is $262,500.00.***

The ability to utilize federal dollars designed for emergency rent assistance for low income households would be jeopardized if the HIP and SHIP funding for the two UTA homeless prevention case managers were substantially reduced or eliminated as proposed by the Governor. The direct rent assistance paid to landlords to help prevent the evictions has successfully complemented the case management services. At the present, the manner in which the funding provided through the Federal Emergency Management Agency (FEMA), and the Emergency Shelter Grant Program (ESG) has been structured, there is little (ESG) or no (FEMA) dollars for personnel costs. Of the $60,259 United Tenants receives in ESG and FEMA dollars, only $9,259 is used to support the salary of one of the homeless prevention case manager whose position is also supported through HIP/SHIP funds. Most of the FEMA and ESG dollars are used for rent payments to landlords to prevent the evictions. While federal Homeless Prevention and Rapid Re-Housing Program (HPRP) funds have provided one staff position for United Tenants, most of the HPRP funds in the City of Albany are being utilized for direct rent assistance for low income households. The United Tenants homeless prevention case managers funded by HIP/SHIP dollars from ACDSS have played a significant role in the distribution of HPRP which have greatly benefited UTA clients. If the HIP/SHIP funding is severely reduced or eliminated, it would be impossible to process the FEMA, ESG or HPRP funds which are critical to helping clients remain in their housing.

The HIP and SHIP funded homeless prevention efforts have proven to be very effective in helping people retain their housing or, if homeless, reduce their stay in shelters in Albany County as well as well throughout the state. These two critical programs have helped to minimize the emotional disruption resulting from becoming homeless and have saved the taxpayers of New York State millions of dollars in shelter costs. Not restoring the funding for HIP and SHIP will end up increasing New York State's deficit, not reduce it.

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Homelessness Intervention Program (SHIP/HIP)

Governor's Proposed Budget
Eliminates the SHIP (Supplemental Homelessness Intervention Program) contract [$5 million] and cuts the HIP (Homelessness Intervention Program) contract by 27.5% [reducing the amount from $3,685,000 to $2,671,625]. This will result in an overall 70% reduction in vital Homelessness Intervention Services Statewide. The SHIP/HIP Program is a critical safety net for individuals and families at risk of homelessness in New York State.

Homelessness Now
The average number of homeless families sleeping in the NYC shelter system each night in 2009 was 9,211 according to NYC DHS statistics. This is the highest number since the City began reporting data more than 25 years ago. According to the Coalition for the Homeless, more than 39,000 people are sleeping in the NYC shelter system each night.

Cost Savings
SHIP and HIP programs offer services that are extremely cost effective. The following is a breakdown of program outcomes achieved in 2007-08 (the last year for which data is currently available) along with the estimated cost of sheltering those individuals and families had they NOT received these essential services.

2007-08 COST SAVINGS AS A RESULT OF SHIP AND HIP PROGRAM

Type of Service Received	Estimated Shelter Cost per Household	# of SHIP and HIP Households Served	Total Estimated Cost Savings
Eviction Prevention*	$18,000	6,227	$112,086,000
Housing Location**	$6,000	3,678	$22,068,000
TOTAL SAVINGS			**$134,154,000**
*TOTAL SHIP AND HIP SPENDING****			*$9,000,000*
RETURN ON INVESTMENT			**1,500%**

*Estimated shelter cost based on a shelter cost of $36,000/year or $100/night with an average shelter stay in NYC of 9 mos. and an average of 3 mos. in the rest of the state.
**Estimated Housing Location shelter expense based on an additional 2 month shelter stay using the shelter costs detailed above.
***Maximum billable amount of $2,000 per HIP and SHIP cases, which includes eviction prevention or housing location and an additional 365 days of housing retention services.

The Program
The SHIP and HIP programs assist households that are at risk of becoming homeless and those that are currently living in shelter. Services include eviction prevention and housing location. About 70% of eviction prevention cases are resolved through legal representation. The remainder are resolved through a combination of advocacy, landlord –tenant mediation and case management services. **Legal representation and advocacy for tenants prevents homelessness** - Clients are overwhelmingly successful in averting eviction when represented (average success rate in New York City housing court cases where tenants are represented is 90-95%). Housing location assistance includes assisting homeless households in moving out of shelter into safe affordable permanent housing and providing aftercare for up to a year.

Save this cost effective, essential service program.

Contact: Carolyn Silver at Lenox Hill Neighborhood House (212-744-5022 x1253) • Janet Miller at CAMBA (718-287-0010 x224) • Jennifer Vallone at University Settlement (212-505-1995)

List of HIP/SHIP Providers

New York City

CAMBA, Inc. [Brooklyn]
Catholic Charities Community Services Archdiocese of New York – NYC [Manhattan/Bronx]
Common Ground Management Corp. [Manhattan]
Fifth Avenue Committee, Inc. [Brooklyn]
Lenox Hill Neighborhood House [Manhattan]
Ridgewood Bushwick Senior Citizens Council, Inc. [Brooklyn]
St. John's Family Center [Brooklyn]
University Settlement Society of New York [Manhattan]
Urban Justice Center [Citywide]
Women In Need, Inc. [Brooklyn]

Rest of State

~~ACCORD Corporation (Allegany County Community Opportunities and Rural Development)~~
Albany County Department of Social Services
American Red Cross – Tompkins County Chapter
Association for Neighborhood Rehabilitation, Inc. [St. Lawrence County]
Catholic Charities Community Services Archdiocese of New York – Westchester
Catholic Charities of the Diocese of Rochester – Catholic Family Center
Catholic Charities of the Roman Catholic Church of Syracuse
Catholic Charities of Chemung & Schuyler
Catholic Charities of Steuben
Chautauqua Opportunities, Inc.
Cluster, Inc. Housing Resource Center [Westchester County]
Community Action Program for Madison County, Inc.
Delaware Opportunities, Inc.
ETC Housing Corporation [Clinton County]
Hispanic United of Buffalo
Joseph's House & Shelter, Inc. [Rensselaer County]
Legal Assistance of the Finger Lakes
Legal Services of the Hudson Valley – Dutchess & Ulster Co.
Legal Services of the Hudson Valley – Orange County
Legal Services of the Hudson Valley – Sullivan County
Legal Services of the Hudson Valley – Westchester County
Mohawk Valley Community Action Agency, Inc.
Legal Assistance of Western New York
Nassau/Suffolk Law Services Committee, Inc.
Oswego County Opportunities, Inc.
Opportunities for Otsego, Inc.
Schenectady Community Action Program, Inc.
The Salvation Army [Monroe County]
Saving Grace Ministries, Inc. [Erie County]
Volunteers of America in Western New York
Warren Washington Counties Homeless Youth Coalition, Inc.
Wilson Commencement Park [Monroe County]
YWCA Rochester & Monroe County

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the Network
Supportive Housing Network of NY

New York State Senate and Assembly
Joint Session on
FY 2010-2011 Executive Budget for Human Services
February 10, 2010

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 180 nonprofit providers and developers who operate nearly 40,000 supportive housing units throughout New York State.

Supportive housing – affordable apartments 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 testify on the indefensible cuts that the Administration has proposed to OTDA's budget. The proposed cuts to supportive housing, homelessness prevention, job training, and other critical social service programs would have devastating, immediate effects, as well as some significant longer term consequences.

Every year, advocates warn against "balancing the State budget on the backs of the poor." Today, we see what such a budget would look like. Even as many state workers, contracted programs and service providers enjoy across-the-board cost of living increases, even as new, untested initiatives are offered up for funding, the Governor is proposing to slash hundreds of millions from time-tested elements of the social services safety net that prevent families and individuals from becoming homeless, remaining unemployed or sinking further into permanent indigence.

I will do my best to provide you with the facts and figures describing the consequences of the proposed cuts. But I urge you to read the written testimonies I am submitting on behalf of supportive housing providers and tenants in order to understand the enormous, terrible human cost these cuts will have on vulnerable families and individuals with disabilities.

Budget Recommendations
The Network asks the Senate and the Assembly to work to restore cuts in two major program areas, paying special attention to ensure that three small but important funding streams are fully restored in the OTDA budget:

1. ***Restore cuts to TANF-funded programs.***
   The Governor proposes to cut over $200 million worth of innovative, effective programs funded with federal TANF dollars. These include an array of homelessness prevention programs, like SHIP, HPP, and ENHP, jobs programs like Career Pathways and Summer Youth Employment, as well as Alternatives to Incarceration, Emergency Food programs and host of other supports for extremely low-income families, including the only statewide supportive housing program for families. Eliminating these programs will in many instances raise costs elsewhere. This is the one place where the State should not be cutting during the worst recession in our lifetimes.

2. ***Do not authorize the administration's proposal to restructure reimbursement to localities for single adult shelters.***
   At present, the State pays localities for half the cost of providing shelter to single adults, with caps on the total amount that can be paid to New York City and Westchester. The Governor proposes to save $35 million by changing this so that the State only reimburses localities for shelter residents who are on public assistance. With only 22% of its shelter residents are on PA; New York City estimates that it will lose $55 million in state funding for just its shelter system alone. The State has claimed that this will provide an incentive for localities to get shelter residents onto PA. If this is true, and localities were able to easily enroll single adults with multiple disabilities and other barriers, then there would be no savings to the State. But in reality, this is a shameless cost-shifting to localities, one that would have devastating impacts, for the shelter system and all homeless services.

   The bureaucratic hurdles this change would engender would create a great disincentive for homeless individuals to enter shelter, sharply increasing the homeless population on the streets and in public spaces. The City would be forced to charge recipients of SSI and other benefits for shelter, creating another disincentive to get off the streets. Localities would be stuck with the entire cost of shelter illegal aliens, who now make up as much as 15-20% of the shelter population. With this enormous loss of funding, all non-mandated programs for homeless people would be eliminated to fund the shortfall. Not only would we eliminate drop-in centers, supportive housing service funding and other innovative programs, but the City would be forced to eliminate street outreach, just as the street population explodes as a result of this new misguided policy.

Three funding streams essential to supportive housing are slated for cuts or elimination. We urge you to protect these important programs:

3. ***Keep the Supported Housing for Families and Young Adults (SHFYA) from being eliminated. Fund SHFYA at $5 million.***
   SHFYA is the only statewide funding that pays for the services necessary to make supportive housing for formerly homeless families and at-risk youth a success. Funded with federal Temporary Assistance for Needy Families (TANF) dollars, SHFYA pays for counseling, job placement and service linkages for 1,440 households, with approximately 2,800 children and 250 youth. The Executive Budget calls for the complete elimination of SHFYA.

   It is difficult to understand the logic of this cut. It will destroy families at the same time it increases both local and State spending. By eliminating the entire 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 $5 million in 'savings' 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 132 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.
   - **Job placement services will cease to exist in these buildings.** The heart of the SHFYA program is its emphasis on getting young, formerly homeless mothers into the workforce. Providers' ability to prepare and link

their tenants to jobs will be eliminated, as will be these families route out of poverty and dependence.

- **All 62 SHFYA providers will lay off staff.** We estimate an overall job loss of at least 167 case managers, front desk staff, family counselors and vocational staff. Many of these workers are formerly homeless themselves, and at particular risk of returning to homelessness as a result.

We asked our members what these cuts would mean to them and here is a sampling of their responses:

- New Destiny's residence in Brooklyn will lose their one and only staff person; the one person who helps survivors of domestic violence to rebuild their lives and, often times, the only person who keeps the survivors from going back to their abuser. Without a presence on-site, these women and their children are likely to become homeless, or worse..

- West Side Federation for Senior and Supportive Housing's residence grandparents raising grandchildren residence in the Bronx cobbles together different funding streams. But losing SHFYA would eliminate WSSFSH's highly successful afterschool program. They would have to lay off four staff – all low-income people who live in the community. 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.

- Carolyn's House in Niagara County would lose all service staff for the 19 formerly homeless families who live there. This would put them out of compliance with their agreement with private investors and could trigger foreclosure on the property and loss of not just the program, but the residence itself.

- Peter Young Industries here in Albany will have to eliminate the service staff that allows them to rent 15 apartments from private landlords. Without SHFYA-funded services, the landlord will no longer rent apartments to formerly homeless families. The program will close, and all fifteen families will be moved to a motel used to house homeless families at much greater expense to the locality and the State.

If this cut 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. To save these programs and sixty others like them across the state, we urge the legislature to restore the SHFYA program in full at $5 million.

4. ***Fully fund the SRO Support Services program at $22.2 million.***

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 for formerly homeless and at-risk single adults. Currently, the program funds 13,328 units across the state, and is slated to fund nearly 2,000 more units in new residences that have opened in the past few months, or are opening during this and next fiscal year.

For the past 30 years, every administration has steadily invested State capital dollars to build new supportive housing units, then provided the funding necessary 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. It has helped keep single adult shelter systems to a manageable size, even as family homelessness skyrockets. Supportive housing has made a significant, measurable dent in the number of disabled individuals living on our streets.

Supportive housing is possibly the most effective social intervention of our generation. No program has been more successful at housing people once thought incapable of living in the community. No program has lowered the cost of caring for our most challenging and vulnerable citizens more than supportive housing. And few programs have been evaluated and tested so thoroughly. Invented in New York, it is our gift to the nation, with every locality and even the federal government, doing all they can to direct public funds to emulate what we have done here.

Despite this enviable track record of success, this administration – for the first time ever – proposed to cut supportive housing last year. With your help, we were able to restore those cuts. And although supportive housing took some cuts in the recent Deficit Reduction Plan, it appears that, after some clever fiscal management by State and City agencies, we have been able to absorb these cuts without serious harm to programs and tenants.

This will not be the case this year. As a result of a concerted effort to expand supportive housing under the City-State NY/NY III Supportive Housing Agreement, 1,943 units of supportive housing have recently opened in the past few months, or are slated to open in the coming fiscal year. The state has already spent $362 million of State, local, federal and private money to build these residences. But now it is saying that it cannot afford to spend a couple million to fund the service necessary to house and serve the chronically homeless, multiply-disabled individuals who are waiting to move in. We cannot allow this to happen. If the proposed cut is not restored, it will have dire consequences, not only for currently homeless individuals awaiting placement, or for formerly homeless tenants who will return to homelessness. Merely by suggesting that these services may not be funded, the Governor has put at risk our entire future ability to maintain the confidence of private investors and communities so that we can expand supportive housing to all who need it in the coming years.

The Administration's proposed cut would:

- **Reduce all SRO contracts outside New York City by 13%.** These are small programs that have struggled at essentially the same funding level for decades. In 1995, SRO Support Services contracts were increased by 15 to 20%. They have received one 5% COLA in the fifteen years since, four years ago. The cut will force providers to increase caseload ratios from 1:30 to 1:50. Some providers will have to eliminate a shift of front-door security, making the building vulnerable to drug dealers and other criminals. In some instances, a 13% cut will be enough to close the program and lay off all service staff.
- **Eliminate funding for all 9,624 open units in New York City.** If the Governor's proposed budget cuts go through, Mayor Bloomberg's budget proposes to eliminate the City's 50% contribution to the program entirely. For many supportive housing residences, this is the only service funding they receive. For others with specialized mental health or HIV/AIDS services, this will eliminate all front door security and case aide positions, leaving the buildings vulnerable to crime and rendering the supportive services much less effective, and available only to some residents with particular disabilities.
- **Zero out funding for 38 residences that are opening their doors this year and next.** Every year, as new residences open, the SRO Support Services budget must grow. The increases are more than offset by savings accrued in other OTDA programs and spending at other agencies. Decreasing the SRO budget by nearly $3 million not only weakens existing programs; it leaves absolutely no SRO Support Services funding for new residences opening their doors. Providers will be faced with terrible choices: 1) sharply restrict residency in the new buildings only to tenants without disabilities or other barriers to independent living; 2) do not move tenants in, risking massive losses to tax credit investors and eventual foreclosure of the property; or 3) move in multiply-disabled, chronically homeless individuals with no or at best inadequate services, putting at risk the stability of tenants and the communities in which the buildings are located.

Altogether, the cuts will have the following economic impacts:

- **Jobs:** This cut would result in an estimated 863 layoffs and the loss of 106 new jobs in the new buildings, most of them entry-level positions for formerly homeless people with meager work histories.
- **State spending:** Every person made homeless as a result of these cuts will cost the state an average of another $18,288 spent in other systems including emergency rooms, shelters, psychiatric institutions, jails and prisons.
- **Federal funding:** SRO Support leverages Federal McKinney-Vento Homeless Assistance funds. Without the SRO match, localities will be unable to leverage millions in federal funding. We estimate that New York City will lose 10% of its $65 million federal allocation in the first year alone.
- **Private investment:** SRO Support helps secure Low Income Housing Tax Credit investment, already severely diminished by the economic crisis. LIHTC investment requires the commitment of service funding. If the State abandons its annual commitment to fund the 'support' in supportive housing, investors will become even more cautious about investing in housing for people with special needs.

The Network asks that the legislature fully fund OTDA's SRO Support Services Program at $22.2 million, covering the $20.4 million needed to fund existing projects and the $1.8 million needed for all new residences coming opening in the State fiscal year.

5. ***Restore the 10% cut to OTDA's Operational Support for AIDS Housing (OSAH).*** This relatively small $1 million program provides funding similar to SRO Support Services, only it is directed to housing for formerly homeless people with AIDS built by OTDA's Homeless Housing Assistance Program. This is the first year that OSAH is in the OTDA budget, having been transferred from the Department of Health's AIDS Institute. Like SRO, OSAH has never had a COLA and is limited to 10 residences. Like the cut to SRO, this cut would impact security and caseload ratios.

Conclusion

Until this past year, the 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.

Supportive housing has allowed the 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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Testimony of
Carolyn Boldiston
Senior Fiscal Policy Analyst

Before the

Senate Finance and Assembly Ways and Means Committees
Joint Public Hearing on
Human Services
February 10, 2010

My name is Carolyn Boldiston and I am a Senior Fiscal Policy Analyst with the Fiscal Policy Institute. The Fiscal Policy Institute (FPI) is a nonpartisan research and education organization that focuses on the broad range of tax, budget, economic and related public policy issues that affect the quality of life and the economic well-being of New York State residents. Founded in 1991, FPI's work is intended to further the development and implementation of public policies that create a strong economy in which prosperity is broadly shared by all New Yorkers. Thank you for the opportunity to submit this testimony in writing today.

This testimony consists of four parts:

I. A review of New York's historical utilization of the federal Temporary Assistance for Needy Families (TANF) block grant. This looks at but is not limited to the use of TANF for: 1) family assistance, 2) child care and child welfare, and 3) the state's Earned Income Tax Credit and how these issues are approached in the current fiscal year and the upcoming fiscal year.

II. An analysis of the impact of the American Recovery and Reinvestment Act (ARRA) of February 2009 on TANF funding and spending in New York State.

III. A brief review of child care subsidies in New York State.

IV. Recommendations for the 2010-2011 state fiscal year.

Over the last fourteen years, the interaction of two major developments – (1) dramatic reductions in the number of needy families receiving governmental cash assistance and (2) major changes in the way that the federal government shares in the costs incurred by the states in providing such assistance and related services – have given the states an unprecedented level of resources that can be used with an unprecedented degree of flexibility in meeting the needs of low-income families.[1]

While inflation has reduced the real value of the fixed federal Temporary Assistance to Needy Families (TANF) block grants to the states by 27 percent since TANF was created,[2] the substantial decrease in welfare caseloads has left states with substantial resources for supportive services after fulfilling commitments to assistance. New York State receives an annual block grant of $2.442 billion from the federal government. It uses these resources to provide cash assistance for recurring and emergency needs and for support services in such areas as child care, transportation, education, training and employment so that families can begin to support themselves through work and become financially independent.

In New York State, the total number of people receiving public assistance has declined by more than 1 million, from 1,643,832 recipients in January 1995 to 553,405 in December 2009 (state administrative data). And the number of people receiving federally-funded assistance, or, assistance through the TANF program, has declined from 980,022 in December, 1997 to 257,205 in December 2008 (federal administrative data).

One way to give perspective to these numbers is to view them as a portion of the number of people eligible for such assistance. As the graph on participation in federally-funded family assistance shows, this percentage has declined markedly. Even though it shows trends only through 2006, caseloads continued to decline until June 2009.

The combination of fixed funding and falling caseloads has resulted in the so-called "TANF Surplus." In its simplest formulation, this surplus is the difference between (a) the $2.442 billion TANF Block Grant that New York receives from the federal government each year and (b) the federal share of the cost of basic assistance - less than $650 million in 2009-2010.

Until recently, the Executive Budget included not just programs relating to basic assistance in the TANF 'Base' but also employment services and local administration of TANF assistance services. When the Flexible Fund for Family Services was instituted in 2005-2006, these items were dropped from the TANF 'Base.' Therefore, to be definitionally consistent, the following two graphs present basic assistance as comprised of 1) monthly cash assistance (or, Family

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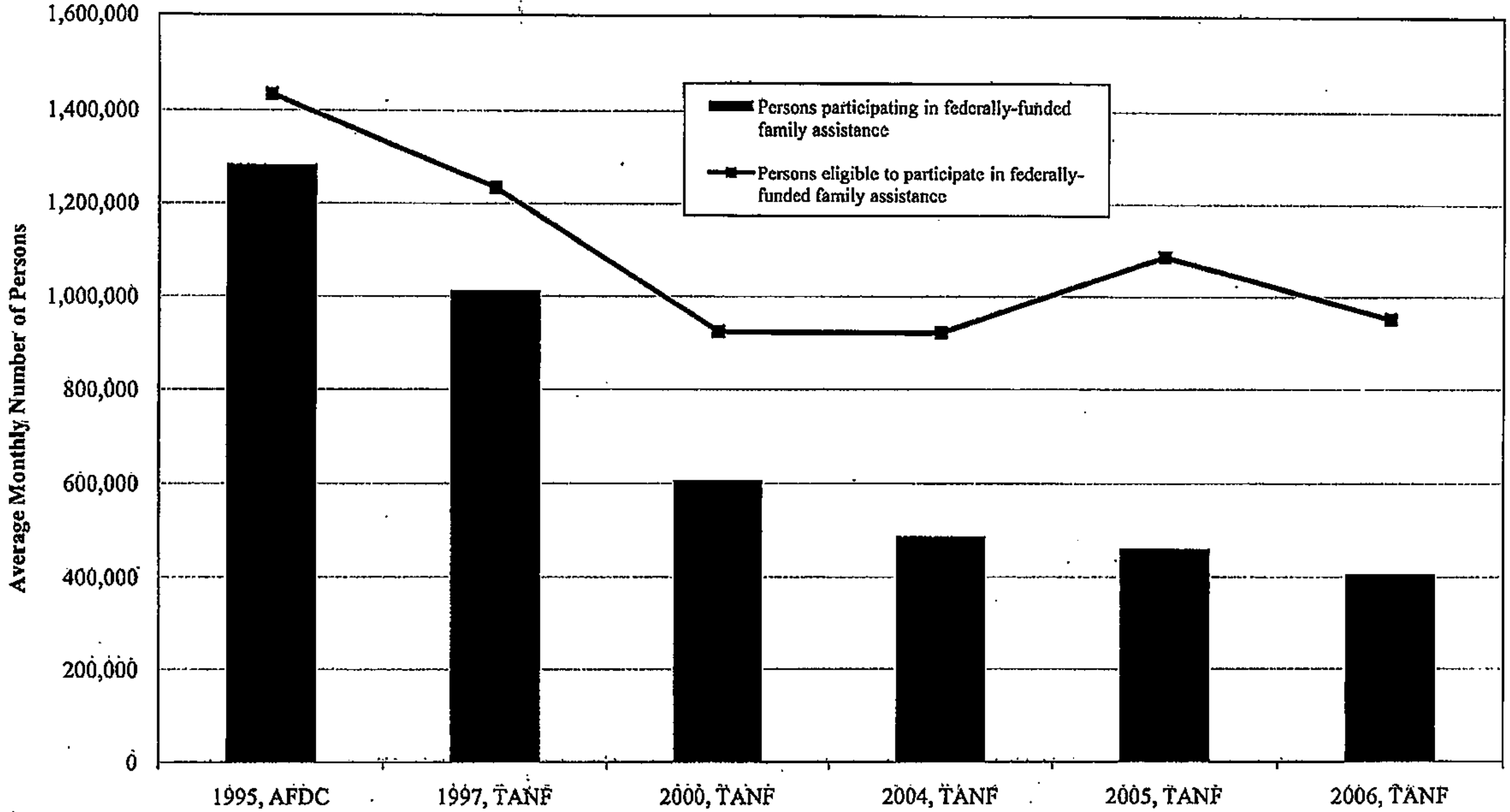
[1] The Temporary Assistance for Needy Families (TANF) program that replaced the federal Aid to Families with Dependent Children (AFDC) program in 1996 (and became effective in 1997) was reauthorized in February 2006 as part of the Deficit Reduction Act of 2005.

[2] Lower-Basch, Elizabeth, *Goals for TANF Reauthorization* at http://www.clasp.org/admin/site/publications/files/TANF-Reauthorization-Goals.pdf

Of those New Yorkers eligible for federally-funded family assistance, the number of persons actually participating decreased from 90% before welfare reform to 43% in 2006.



Before 1997, model makes no inference about undocumented aliens. In 1997 and later, models impute immigration status.

Source: Center on Budget and Policy Priorities use of HHS/Urban Institute TRIM policy microsimulation model. baseline summary tables.

Assistance or Public Assistance), 2) emergency assistance (the Emergency Assistance to Families, or EAF, program), and 3) state operations. (Other items for administration remain in the Executive Budget's TANF 'Base' but it is not clear to what extent they support basic assistance and/or support services).

These three items are shown together in the first graph as a portion of New York's annual fixed block grant. In state fiscal year 2008-2009, enacted amounts for cash assistance, emergency assistance and state operations totaled approximately $500 million, the lowest amount since welfare reform – or less than half of the total $1.3 billion for such items in 1997-1998.The adjoining table shows just the basic assistance portion of the first graph. The fall in spending for this item is primarily due to lower spending on cash assistance that results from declining caseloads. While cash assistance started to go up in 2009-2010 at $500 million, it more than doubles to $1.12 billion in the proposed budget for 2010-2011. This dramatic increase occurs for two reasons. One, the number of recipients for TANF family assistance (or, cash assistance) is estimated to go up by almost 2 percent in 2010-2011 over 2009-2010 with a consequent increase in total estimated costs for total cash or family assistance of approximately 1.8 percent to $1.12 billion in 2010-2011versus an estimated $1.10 billion in 2009-2010. In 2009-2010, the TANF block grant paid for half of these costs – the federal share – or approximately $550 million.

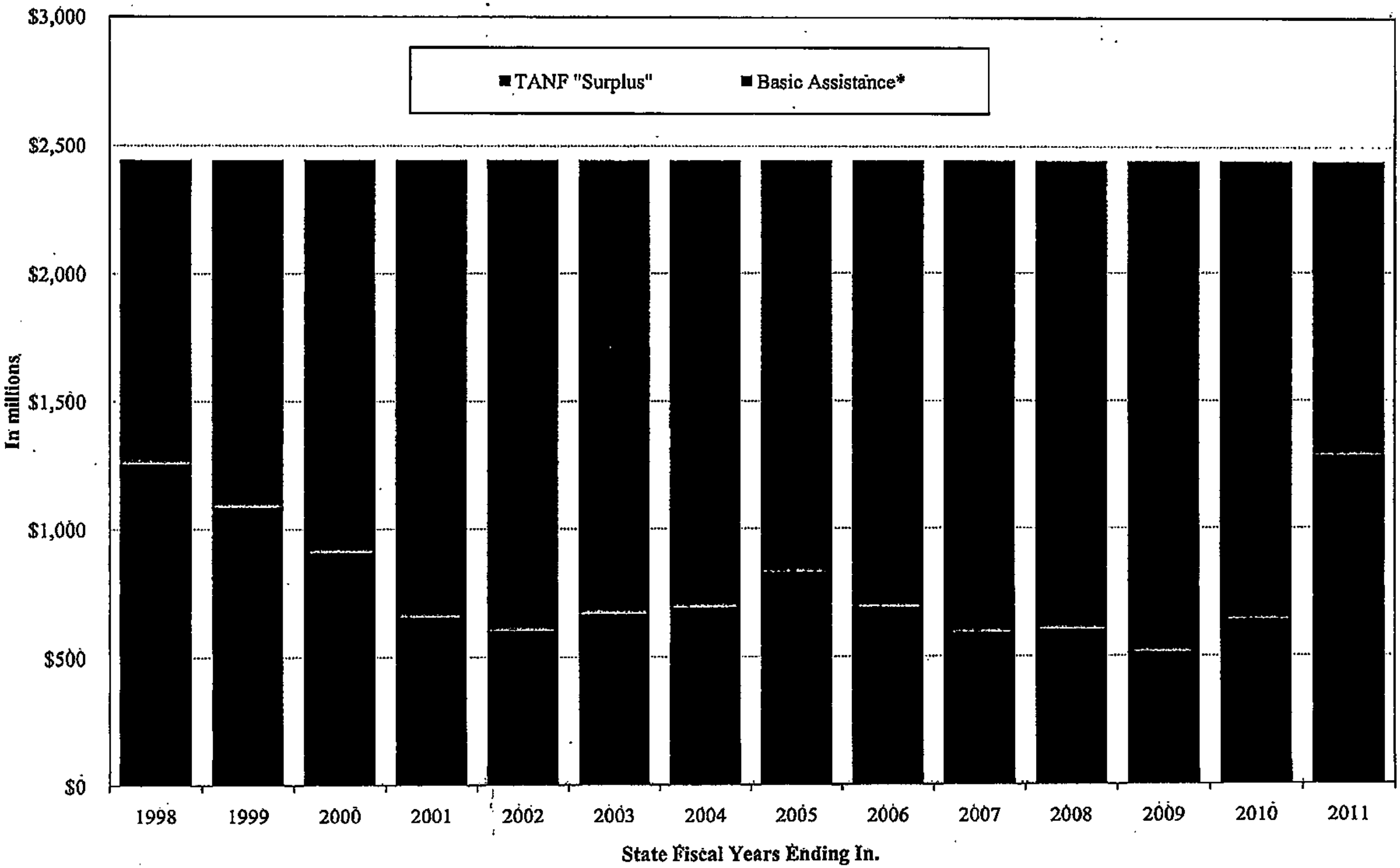
The difference for 2010-2011, as seen in the graph, reflects the proposal to use the TANF block grant to pay for all $1.12 billion of the coming year's estimated TANF family assistance costs, i.e., not just the federal portion, but the state and local shares as well. To ensure that the local social services districts pay their full share of these TANF family assistance costs, the Executive Budget proposes to increase the local cost of non-federally funded assistance by one dollar for every dollar of TANF used to lower the local cost of TANF family assistance.

This shift in the funding of family assistance may be related to the Executive Budget's proposal **not** to use regular TANF block grant money to fund the EITC as an offset to the state share of public assistance - as it has done previously - and instead to use the EITC to draw down ECF money which will then be used to offset the state share of public assistance. The result of these two actions seems to be to allow the state to meet the anticipated growth in public assistance costs with ECF money and to provide fiscal relief in the amount of $261 million to the state.

TANF "Surplus" or Initiatives

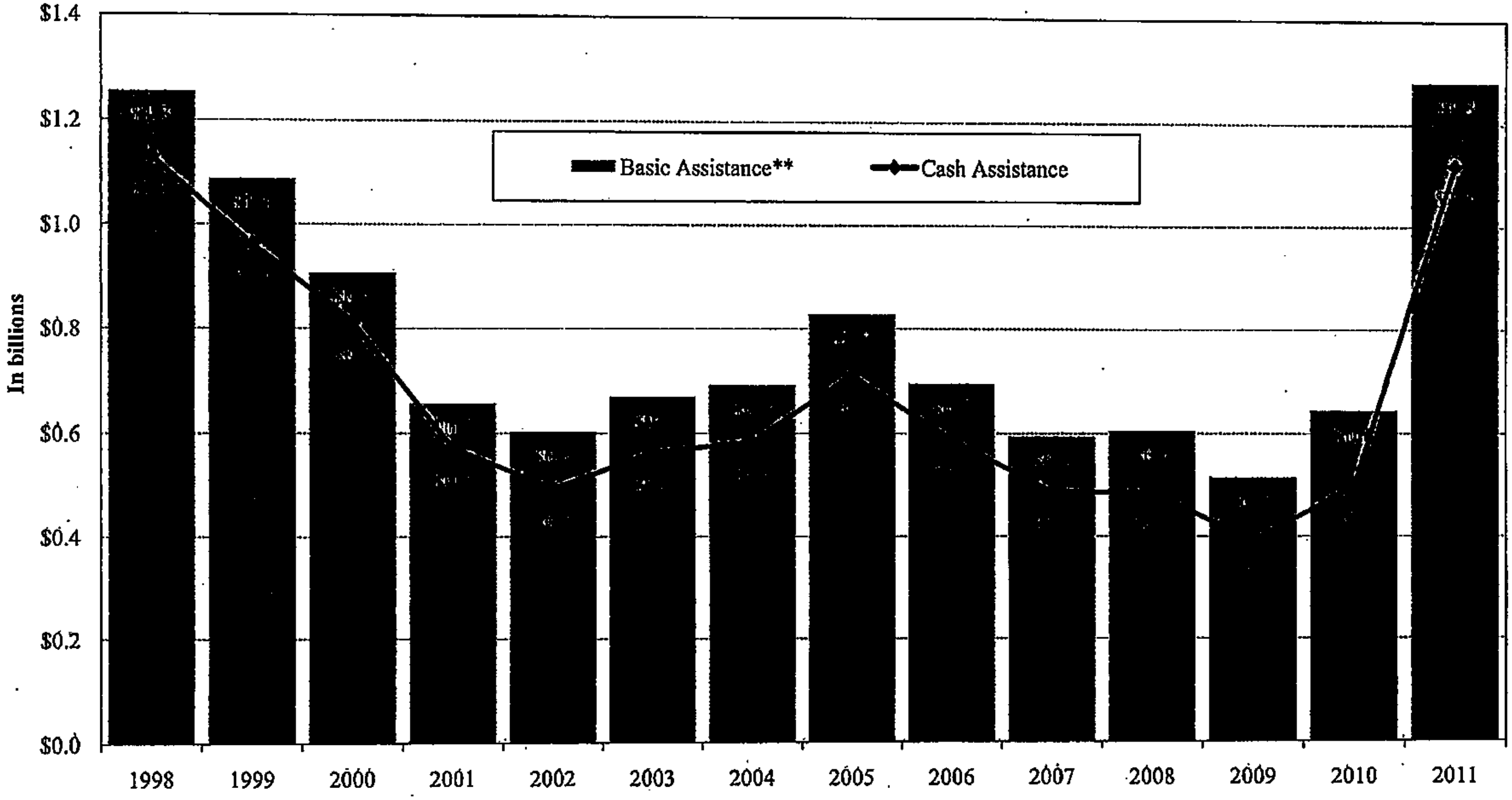
After setting aside funds for basic assistance, New York is allowed to use the "additional" resources or "Surplus" from its $2.442 billion TANF BLOCK Grant to (1) invest in programs and services that assist needy families in becoming and remaining self sufficient and/or, (2) subject to some restrictions imposed by federal guidelines, fund certain existing programs of assistance to needy families, thus providing fiscal relief to the state by allowing it to reduce the amount of General Fund resources necessary to continue those programs and/or (3) to build up

The TANF "Surplus" is the portion of New York's $2.4 billion annual TANF block grant that is not used for basic assistance.



* Basic Assistance includes cash assistance, emergency assistance and state operations. Uses enacted figures from the New York State Division of Budget; 2010-2011 is proposed.

Until 2010, New York's spending on basic assistance from the federal TANF block grant fell by more than half, primarily due to lower spending on TANF cash assistance. In the proposed budget, the TANF block grant will be used to pay for all federal, state and local TANF cash assistance costs.*



*According to the state Division of Budget, adjustments would be made to ensure the local share on <u>total</u> public assistance costs remains the same. **Basic Assistance includes cash assistance, emergency assistance and state operations. Uses enacted figures; 2010-11 is proposed.

reserve (or "rainy day") funds for use during economic downturns when caseloads (and therefore, cash assistance expenditures) are likely to increase.

The various kinds of support services as noted in (1) above are set out by the Executive Budget into TANF 'Initiatives.' Families that participate in these programs do not need to be receiving cash assistance although they may be. Recently, most of the Initiatives appropriations have been in three areas: 1) the Flexible Fund for Family Services, a grant to local social services districts that encompasses transfers to the Title XX Social Services Block Grant, 2) the Earned Income Tax Credit offset to the state share, and 3) transfers to the federal Child Care and Development Fund for the New York State Child Care Block Grant.

Flexible Fund for Family Services (FFFS)

Five years ago New York radically restructured the way in which the TANF funds are allocated. In addition to funding a variety of individual programs (through the Office of Children and Family Services (OCFS), Office of Temporary and Disability Assistance (OTDA) and the Department of Labor), the 58 local social services districts were given $600 million in Flexible Fund for Family Services (FFFS) block grants to be used for transfers to the Title XX social services block grant, child welfare, support services and local TANF administration. The legislature amended the Governor's original proposal in 2005-06 for a $1 billion FFFS by excluding child care funding. The Legislature funded child care separately, but social service districts were allowed to increase their child care allocations with funds from the FFFS.

Total FFFS Allocations (in millions)

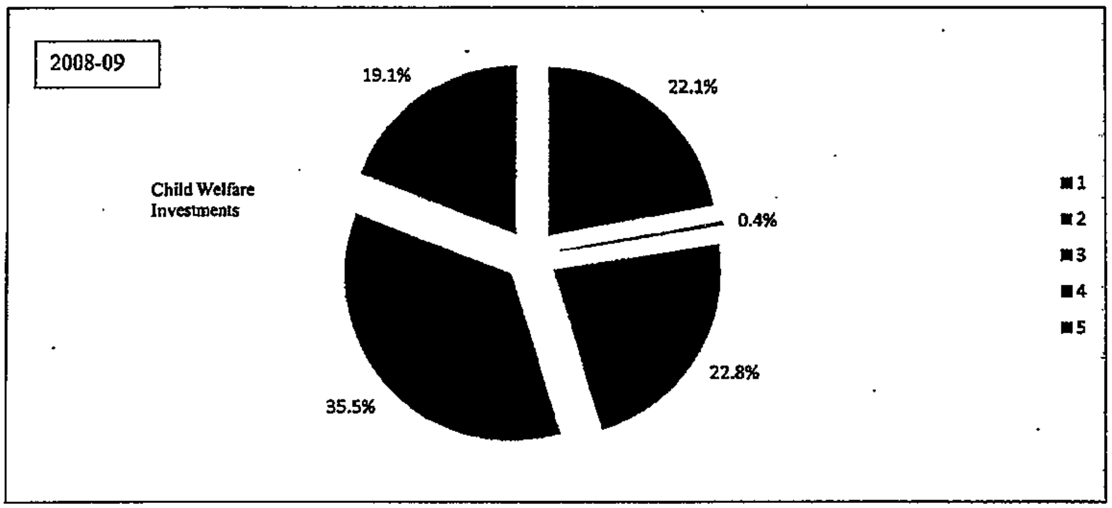
SFY 2005-06	SFY 2006-07	SFY 2007-08	SFY 2008-09	SFY 2009-10
$599.80	$1,021.90	$654.30	$656.40	$965.10

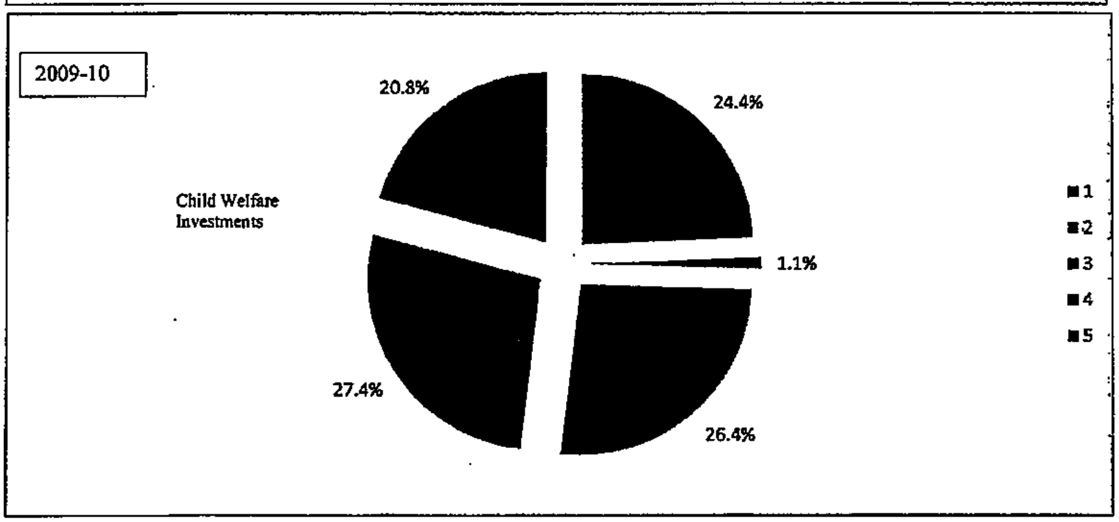
In 2006-2007, despite the objections of the legislative conference committee, child care funding was included in the Flexible Fund for Family Services with the total resources allocated through this mechanism increased to $1.036 billion. Since the legislature never passed a 2006-2007 "TANF" budget, the Division of the Budget used reappropriation authority to release these funds through the FFFS. In addition, funding for a number of state-level programs and contracts was finally released during the summer of 2006.

Total resources provided to local social services districts for purposes other than child care from the FFFS increased to $650 million in 2007-2008 and 2008-2009. In SFY 2009-2010, the enacted budget moved the Local Administration Fund (LAF) to the FFFS, thereby expanding the FFFS by $310.6 million from an enacted $654 million in 2008-2009 to $964.6 million in 2009-2010. The table above shows the difference that resulted from this growth to the FFFS. Since local districts are not required to submit expenditure reports to the state, this table is based upon plans only that social services districts are required to submit explaining use of their allocations. The largest use of the

Spending on the Title XX Social Services Block Grant and other Child Welfare services makes up almost half of spending from the FFFS.

The addition of the $310 million Local Administration Fund to the FFFS last year did not result in major changes to the proportions in spending from the previous year. Even though total investments for child welfare decreased from 54.7% to 48.2% of the total grant, total spending for this item increased from $359 million to $465 million.





1 TANF Assistance and Eligibility Administration
2 Additional Child Care Transfers
3 Employment, Drug, Alcohol, Domestic Violence and Juvenile Probation Services (includes administration)
4 Child Welfare Other than Title XX Transfers (includes administration)
5 Title XX Transfers

FFFS is for child welfare; half of the total grant to localities is used for this purpose either through direct transfers to the Title XX Social Services Block Grant (SSBG) or for funding child welfare programs apart from this block grant. Almost 55 percent, or $359 million of the total 2008-2009 FFFS was used in this way; this compares to 48.2 percent of the 2009-2010 FFFS going to child welfare investments. Given that the overall size of the FFFS had increased to almost $1 billion, however, this portion represents $465 million in planned child welfare investments.

Planned child care transfers from the FFFS comprise the smallest portion of spending and they dropped to $2.6 million in 2008-2009, their lowest level, and then quadrupled in 2009-2010 to $10.5 million after the addition of the Local Administration Fund to the FFFS. Major increases in planned spending occurred in TANF administration, Title XX transfers and in the various employment, drug, alcohol and domestic violence services to which districts direct these funds. They grew by 25 to 35 percent approximately. However, the general proportions in which local social services districts use their FFFS remained the same from the previous year when the LAF was not present in the fund. Because recent plans submitted by local districts do not break out anticipated expenditures for some items into administration and programs, the amount of funds directed to these different types of expenditures cannot be seen.

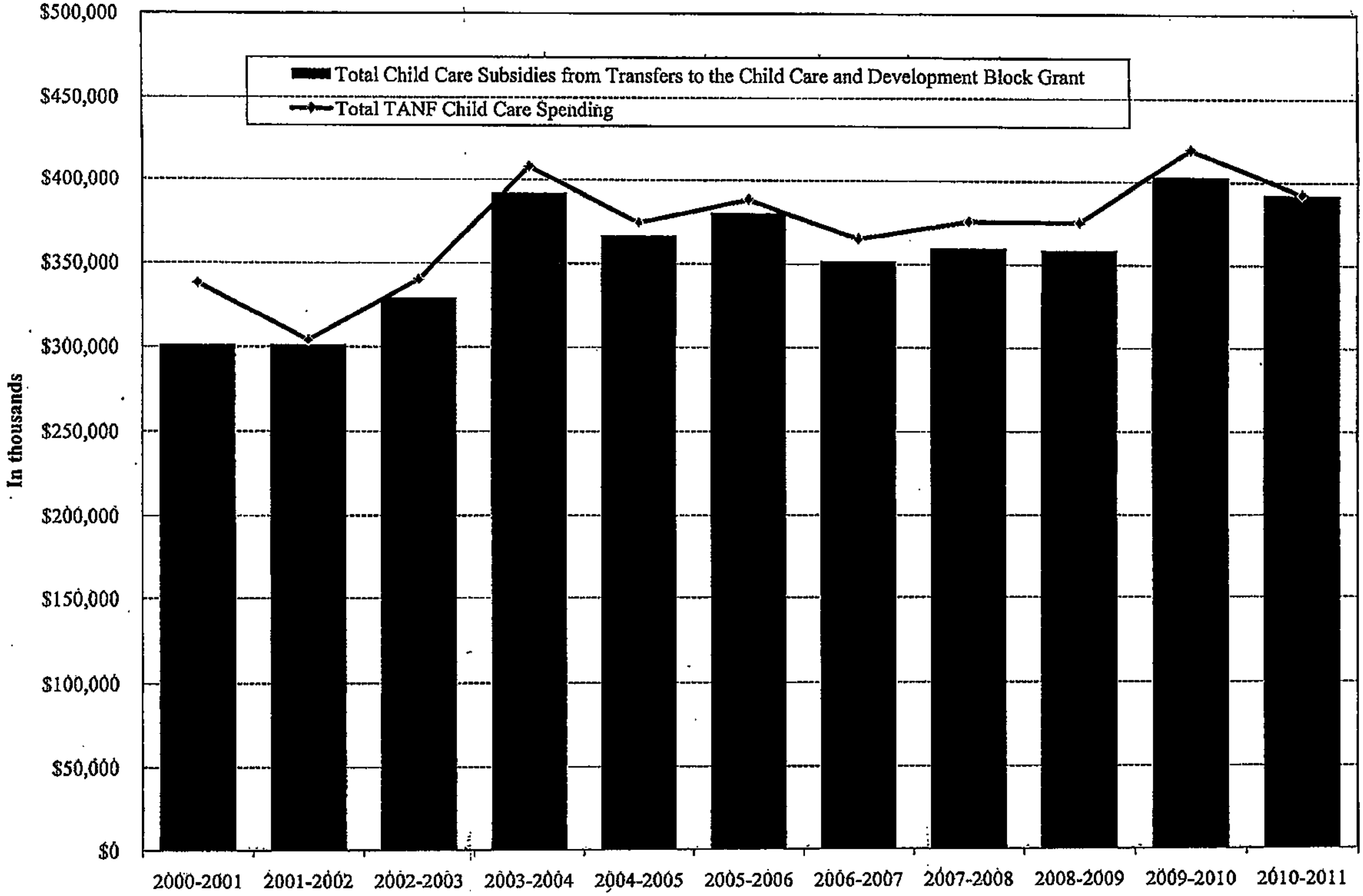
The 2009-2010 Executive Budget proposed to include child care funding as part of the Flexible Fund for Family Services. The enacted budget did remove this item from the block grant to the social services districts and the proposed 2010-2011 budget leaves child care out of the FFFS also. When child care was included in the FFFS in 2006-2007, social services districts used the flexibility granted to them with the expanded FFFS to reduce support for child care; total funding for this item from the TANF block grant fell by approximately $20 million relative to 2005-2006 funding levels.[3] In order to guarantee adequate investments in child care funding, this funding must remain out of the FFFS. Social services districts are free to allocate part of their FFFS for child care whether or not child care is included in the FFFS, as noted earlier, but transfers from the FFFS to child care fell until 2009-2010 with the addition of the LAF.

Child Care

Introduced above, another major item in TANF "Surplus" or Initiatives spending is child care. Since 2004-2005, total spending for child care from the TANF block grant has hovered around $375 million. Most of this spending - 94 to 97 percent - is represented by state and local transfers to the federal Child Care and Development Fund or Block Grant (CCDF). Local transfers from the FFFS have represented less than half to 2.5 percent of total transfers to the CCDF; most funds for this purpose are transferred directly by the governor and localities must meet requirements for their use. A statewide total of 30 percent of the state's total TANF block grant may

[3] According to the NYS Division of the Budget, some social service districts had significant amounts of child care "carry over" resources that were used instead of FFFS funds so overall spending on child care did not decrease.

Child Care Spending from the TANF Block Grant



The proposed budget for 2010-11 does not include local districts' transfers to child care from the FFFS since plans for their spending are not yet available;

be transferred to the federal CCDF and/or to the Title XX Social Services Block Grant, with a maximum 10 percent statewide for Title XX transfers.[4]

With New York State's $407 million TANF Contingency Fund award last February, total child care spending rose to $420 million resulting from increased transfers to the CCDF of $393 million and the increased transfers from the FFFS of $10.5 million. (The state may not transfer regular Contingency Fund or new Emergency Contingency Fund money to the Child Care Development Block Grant. However, as the state uses contingency fund money for allowable, already-budgeted purposes, it frees up TANF block grant money for other purposes such as child care subsidies.) The Contingency Fund award allowed the state to set aside $37 million more for child care subsidies not only in 2009-2010, but also for 2010-2011 and 2011-2012, for a total $110 million.

Given the increasing family assistance caseloads in the state and the increased needs of the working poor, this funding is likely to be inadequate as recipients try to maintain work commitments or fulfill TANF work participation requirements. Since TANF recipients are automatically eligible for child care subsidies, shortages of child care funding will reduce the availability of subsidies for the working poor. These families may be forced back into the TANF program if they can no longer afford quality child care for their children.

The proposed 2010-2011 budget eliminates funding for child care initiatives such as child care demonstrations, and child care support for migrant workers and SUNY and CUNY students. Enacted amounts for these programs in 2009-2010 totaled $16 million. This defunding would decrease the overall TANF funds directed to child care to $393 million from $420 million last year.

Earned Income Tax Credit

When New York's EITC was first established by Governor Mario Cuomo in 1994, it was paid for, like any other tax credit, as a reduction in revenues without a designated funding source. Recognizing EITC as an effective means of assisting low-income families struggling to make ends meet, New York State expanded the credit in fiscal year 1999-2000 and began funding the credit with TANF block grant dollars which were in excess at that time.

While there is no question that the State EITC is a permissible use of federal TANF funds, given the fixed nature of the federal TANF block grant and the anticipated continued growth in the EITC - it is estimated that almost a total $1 billion will be paid out for EITC claims in calendar year 2009 - continued funding of the EITC with this limited resource pool was an unsustainable policy approach without the availability of federal ECF money for the upcoming budget.

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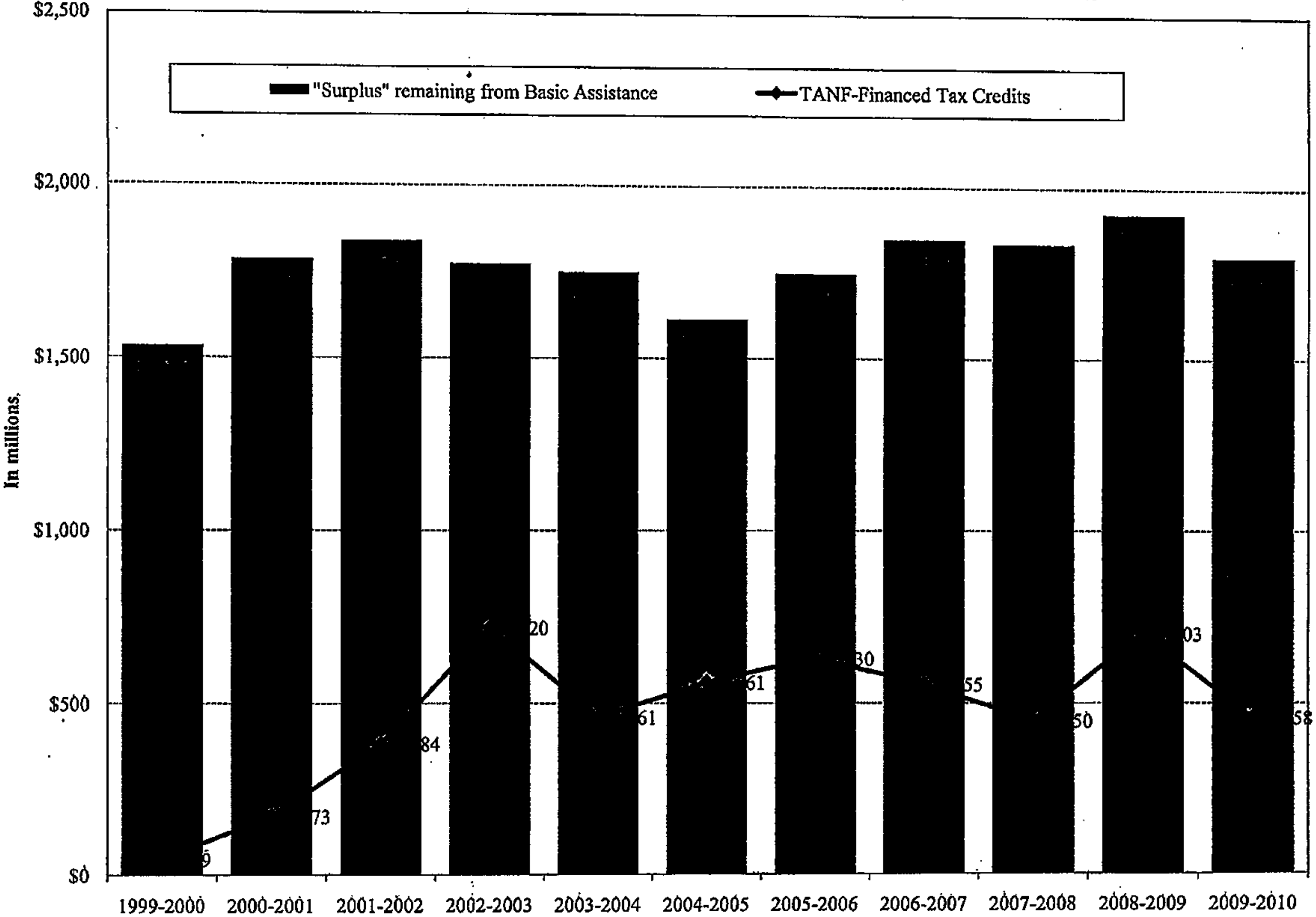
[4] http://www.ocfs.state.ny.us/main/policies/external/OCFS_2007/LCMs/07-OCFS-LCM-07%20New%20York%20State%20Child%20Care%20Block%20Grant%20%28NYSCCBG%29%20Subsidy%20Program%20Allocations%20State%20Fiscal%20Year%202007-2008.pdf

Except for the proposed budget, financing the tax credits since 2002-03 has absorbed one-quarter to one-third of the TANF surplus.



Financing the EITC with the TANF block grant has absorbed one-quarter to one-third of the TANF "Surplus" since 2002-03.

Regular TANF block grant funds will not be used to finance any portion of the EITC in the proposed budget. Instead, incremental growth in the Earned Income Tax Credit, Empire State Child Tax Credit and the Child and Dependent Care Credit for the TANF-eligible population will be used to draw down $207 million in ECF money for the 2010-2011 state fiscal year. This $207 million may be part of (or may be otherwise related to) the $261 million in nonrecurring gap-closing that the Executive Budget attributes to the ECF as follows: "Non-Recurring Resources: The Executive Budget relies on $565 million in non-recurring resources in 2010-2011. The largest item in this category is the use of the TANF Emergency Contingency Fund to pay for expenses that would otherwise be incurred by the General Fund in 2010-2011. The Emergency Contingency Fund is a one-time ARRA authorization. Accordingly, it is not expected to be available in future years."

Apart from its use in accessing federal stimulus funds, to protect the EITC and the benefits and programs funded with TANF dollars now and in the future, the State should shift funding for the EITC out of the TANF block grant allocation permanently and into the General Fund. This will allow New York State to use all the federal TANF block grant for enhancements to cash assistance, childcare, education, training, and other supporting services for low-income families and will remove the intensifying competition between these valuable benefits and programs and EITC, all of which represent key components of New York's support system for low-income families.

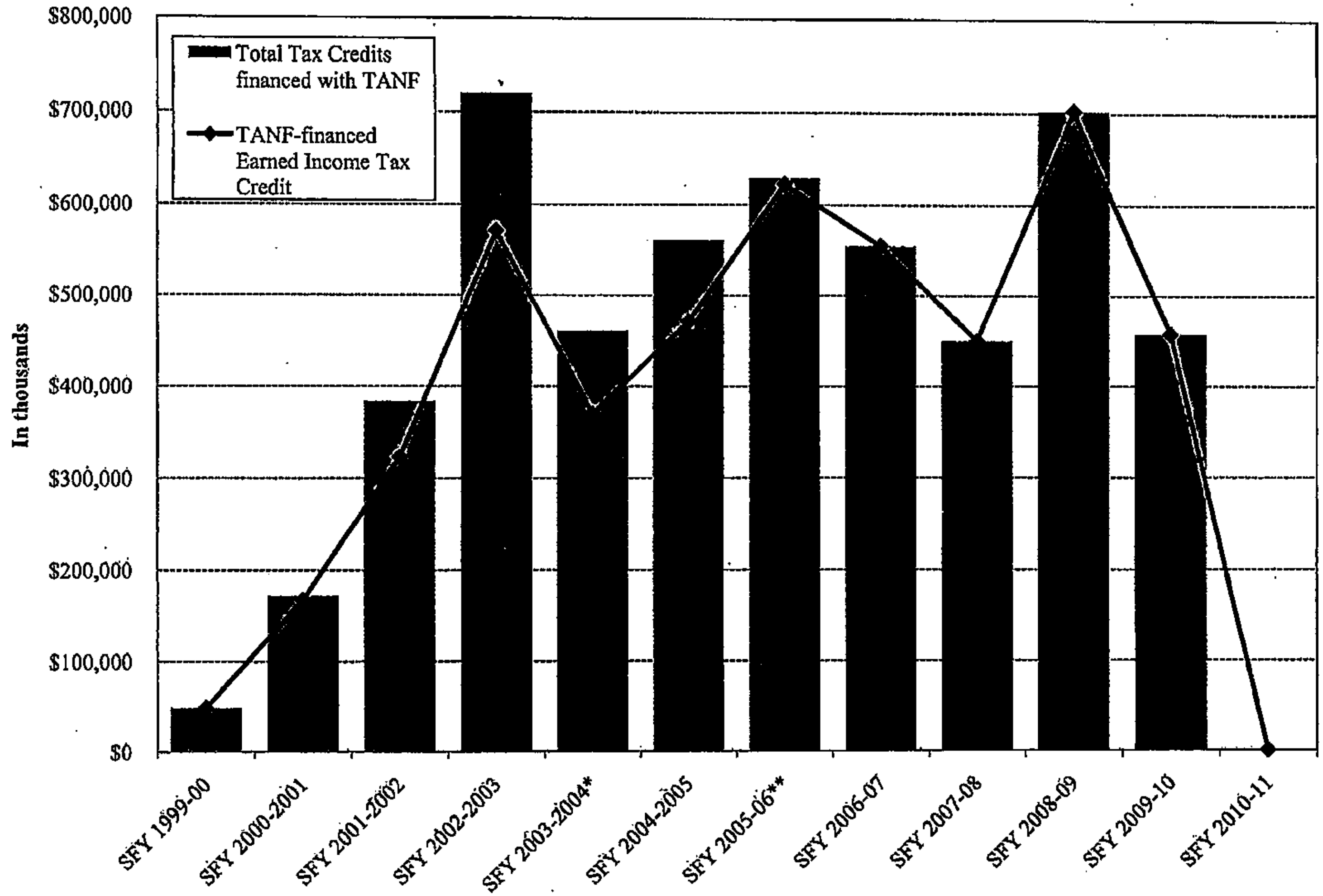
Noteworthy precedent for this shift exists. From fiscal year 2000-01 to fiscal year 2004-2005, New York also financed the NYS Child and Dependent Care Credit from the TANF block grant. However, for the past five years, no TANF funds were used for this credit and it is now funded entirely from the General Fund. EITC, like the child and dependent care credit, should be shifted out of the TANF block grant allocation.

The Impact of the ARRA on TANF Funding and Spending

Background

As referred to earlier in this submission, there are two TANF contingency funds that affected TANF funding and spending in the current state fiscal year and at least, for the upcoming two fiscal years: the reserve or Contingency Fund, pre-existing from TANF reauthorization in 2006 for use during economic downturns; and, 2) the new Emergency Contingency Fund set up through the American Recovery and Reinvestment Act (ARRA) on February 17, 2009. Provisions in the ARRA allowed all states, including New York, to have access to an additional maximum amount of half the state's annual TANF block grant, or more specifically, half the State Family Assistance Grant (in New York's case, these are the same) over the course of two

TANF funds have offset the state share of TANF assistance costs by paying for tax credits; this leveled off towards 2007-08 and jumped again in 2008-09 when $700 million was used for the EITC.



Actual expenditures; 2010-11 is proposed federal fiscal years, 2009 and 2010, from a combination of these two funds. This means that New York has access to or may qualify to draw down $1.221 billion by September 30, 2010.[5]

Access to the original Contingency Fund, now exhausted, was based on increases to the state's food stamp enrollment and/or the state's unemployment rate; as the state met either of these triggers for each month, it would be awarded 1/12th of 20 percent of its annual TANF block grant amount. However, final Contingency Fund award amounts are reconciled at the end of the federal fiscal year. Emergency Contingency Fund money may be accessed by increases in spending in three TANF-funded areas: 1) basic assistance, if the combined number of families (cases) that receive assistance funded with TANF dollars or receive assistance in New York's separate state program (SSP) for which the state claims maintenance-of-effort (MOE) expenditures increases over a base year; 2) subsidized employment; and, 3) non-recurrent short-term benefits.

This money is available either as 80 percent reimbursement for actual expenditures or as upfront funding for 80 percent of estimated new or expanded program costs. Funds received as reimbursement may be used for any allowable TANF purpose except for transfers to the federal CCDF or SSBG (this is true for Contingency Funds also) whereas funds received 'prospective' of expenditures must be used for the purpose for which they were awarded. It is important to remember that the initial 20 percent share of increased or new costs may be funded with federal, state, local or third-party money, or some combination of the four. States must earn ECF money by September 30, 2010 but funds received from the ECF can be carried over for use beyond Sept. 30, 2010.

New York's Awards to Date

To date, New York has received a total of approximately $690 million, or 56.5 percent of its total $1.221 billion allocation. This represents: 1) $498.5 million from two Contingency Fund awards and 2) $191.4 million from two ECF awards. (See chart below) New York's first contingency fund award of $407.16 million in February 2009 (this represented an award for ten/twelfths or ten months of federal fiscal year 2009), allowed the state to restore certain programs to the proposed budget and to expand other services while funding new jobs initiatives such as the Green Jobs and Health Care Jobs programs along with the new Transitional Jobs program (approximately $120 million). It also allowed the state to accelerate the public assistance grant increase by six months for each of the three years of implementation and to take over the local share of the increase for the first three years (estimated at approximately $123.5 million, state share allocation is approximately $52.5 million for a total $176 million) and to provide more child care subsidies over three years (totaling approximately $110 million). See the following table for more information.

[5] Please see FPI's issue briefs on how New York can take advantage of the TANF Emergency Contingency Fund at http://www.fiscalpolicy.org/tanf_contingencyfunds.html.

New York has made good use of the federal government's TANF Contingency Funds during the current recession. It should continue to do so.

New York's Maximum Allocation of TANF Contingency and TANF Emergency Contingency Funds	TANF Contingency and Emergency Contingency Funds Awarded to New York State to Date		Percent of Maximum Allocation Awarded to Date	Additional Amount Available to New York (by Sept. 30, 2010)
	Pre-ARRA Contingency Fund (now exhausted)	ARRA-created Emergency Contingency Fund		
	$498.4 million	$191.4 million		
$1,221 million	$689.9 million		56.5%	$531.6 million

In 2009, Contingency Fund awards allowed New York State to:

- accelerate the grant increase and set aside funds to pay for 3 years of the local share of the cost of that
- restore and initiate TANF services including new subsidized employment programs
- allocate more funds to child care

To date, ARRA Emergency Contingency Funds have been approved on the basis of:

- increased basic assistance costs, $33 million
- new and expanded subsidized employment program costs, $18.4 million
- Back to School allowance for over 800,000 children, $140 million

New York State is likely to qualify for additional TANF Emergency Contingency Fund awards of more than $473 million because of growth in the cost of the state EITC for TANF-eligible recipients and growth in public assistance and other non-recurrent benefit costs.

In April 2009, the federal Department of Health and Human Services (HHS) issued guidance on the basis upon which states could apply for ECF money and confirmed that funds could be requested 'prospective' of expenditures. The state, therefore, has been applying quarterly to the ECF for a total $36 million to expand these programs (only half has of this total has been approved or awarded to date: $18.4 million). The total subsidized employment expansion of $36 million along with the $407 million in initiatives funded with the Contingency Fund represent the total amount of emergency funds to be used in the 2009-2010 state fiscal year.

New York was awarded also $140 million in ECF money in July 2009 for its Back-to-School allowance – a non-recurrent short-term benefit - that provided $200 per child for families on food stamps and/or public assistance and $33 million in November 2009 for increased basic assistance spending after meeting the criteria of increased caseloads in the last quarter of FFY 2008-2009 - July through September 2009 (this $33 million will be used in 2010-2011 for public assistance costs). These two amounts along with the $18.4 million received for increased spending in subsidized employment to date, sum to the $191.4 million that New York has drawn so far from the ECF.

Over the first quarter of federal fiscal year 2010 – October through December 2009, the state qualified for its last Contingency Fund award of $91.3 million. This represents less than three-twelfths of New York's potential annual award from this fund as it is now exhausted. While

1) $18 million of these funds will be used in the proposed 2010-2011 budget to fund a portion of the $92 million in TANF initiatives;
2) $20 million will be used to cover a gap in public assistance funding from2009-2010; and
3) $53 million will be used to offset the state share of public assistance costs.

In the upcoming 2010-2011 state fiscal year, the state anticipates using a further $473 million from the Emergency Contingency Fund for public assistance:

1) $75 million will be used to cover the gap in public assistance funding from 2009-2010;
2) $34 million will be used to cover an estimated gap in 2010-2011;
3) $157 million will be used to offset increased costs due to anticipated caseload growth and will pay for an increase to the federal share and offset the state share of assistance; and
4) $207 million (as a result of using tax credits to draw down ECF money) will be used to offset the state share of public assistance and provide fiscal relief to the state.

Finally, $74 million of earned ECF money will be used to fund the remainder of the total $92 million in initiatives in the 2010-2011 budget. These two amounts - $473 million and $74 million sum to the $546 million ($547 million rounded) in additional ECF money that the state anticipates qualifying for in the current federal fiscal year as the result of increases to basic assistance cost and non-recurrent short-term benefit costs.

<u>More impacts on the current budget</u>

Differences Between Proposed and Enacted 2009-10 State Budget due to $407 million TANF Contingency Fund Award

(This is not a list of how the TANF Block grant is used; it shows only the programs whose appropriations changed as a result of New York receiving the Contingency Fund Award.)

Category	2009-10 Proposed Budget	2009-10 Enacted Budget	Regular Contingency Fund**
Expansions:*			
Local Share of Assistance Grant Increase	$995,500,000	$1,031,225,000	$16,000,000
State Share of Assistance Grant Increase			$15,000,000
Child Care Subsidies**	$356,300,000	$392,967,000	$36,667,000
BRIDGE	$6,503,000	$8,503,000	$2,000,000
Wheels for Work	$4,000,000	$7,000,000	$3,000,000
Wage Subsidy	$4,000,000	$14,000,000	$10,000,000
Supplemental Homeless Intervention Program	$4,000,000	$5,000,000	$1,000,000
Emergency Homeless Program	$1,000,000	$2,000,000	$1,000,000
Restorations (not in the 2009-10 proposed budget but in the enacted 2008-09 budget)			
Child Care Demonstration Projects		$10,900,000	$10,900,000
Displaced Homemakers		$5,600,000	$5,600,000
Technology Training (ATTAIN)		$7,000,000	$7,000,000
Rochester-Genesee Regional Transportation Authority		$2,000,000	$2,000,000
Centro of Oneida		$125,000	$125,000
Career Pathways		$10,000,000	$10,000,000
VESID/LIVES		$1,500,000	$1,500,000
Refugee Resettlement Program		$1,425,000	$1,425,000
ACCESS - Welfare to Careers		$500,000	$500,000
Strengthening Families through Stronger Fathers***		$2,764,000	$2,764,000
Programs not in the 2009-10 proposed budget or the 2008-09 enacted budget for TANF Initiatives			
Preventive Services		$18,793,000	$18,793,000
Advantage After Schools		$11,391,000	$11,391,000
Home Visiting		$5,822,000	$5,822,000
Alternatives to Detention		$10,752,000	$10,752,000
Community Reinvestment		$5,000,000	$5,000,000
Settlement House		$6,000,000	$6,000,000
Caretaker Relative		$1,998,000	$1,998,000
Educational Resources****		$3,000,000	$3,000,000
New Programs			
Green Jobs Corp		$5,000,000	$5,000,000
Health Care Jobs		$5,000,000	$5,000,000
Transitional Jobs		$5,000,000	$5,000,000
Nurse-Family Partnership		$5,000,000	$5,000,000
Allocations for Future Spending (Approximate)			
Local Share of Assistance Grant Increase in 2010-2011			$40,000,000
Local Share of Assistance Grant Increase in 2011-2012			$67,500,000
State Share of Assistance Grant Increase in 2010-2011			$17,500,000
State Share of Assistance Grant Increase in 2011-2012			$20,000,000
Child Care Subsidies in 2010-2011			$36,700,000
Child Care Subsidies in 2011-2012			$36,700,000
Total Approximate Difference			$427,637,000

*Some of these expansions are considered restorations to earlier levels of funding.

** In the governor's proposed budget, these child care subsidies were part of the Flexible Fund for Family Services. The state may not transfer regular Contingency Fund or new Emergency Contingency Fund money to the Child Care Development Block Grant. However, as the state uses contingency fund money for allowable, already-budgeted purposes, it frees up TANF block grant money for other purposes such as child care subsidies.

*** This program was funded through the General Fund in the 2008-09 fiscal year.

****This is a collapsed representation of Adult and Family Literacy; Basic Education; and Language Immersion/ESL programs.

Source: Executive (proposed) and enacted budget bills available at http://assembly.state.ny.us/leg/?bn=A00153&sh=t and http://publications.budget.state.ny.us/eBudget0910/fy0910appropbills/ELFA.pdf, and email communication with state Division of Budget.

Emergency Contingency Funds and Contingency Funds Use

$443 million in Initiatives were/will be funded in the 2009-10 budget with the $407 million Contingency Fund award and $36 million Emergency Contingency Funds for subsidized employment. See other tables for the budgetary impact of the Contingency Fund in the 2009-10 state fiscal year.

HHS Approved/Awarded

Item	Source of Funds In thousands Contingency Fund	Emergency Contingency Fund	
In proposed 2010-11 Budget:			
Base:			
Public Assistance:			
For grant increases	$57,000		FFY 2009 Award
To cover gap from 2009-10	$20,000		FFY 2010 Award
Offset to the state share	$53,000		FFY 2010 Award
Initiatives			
Child Care Subsidies	$37,000		FFY 2009 Award
Portion of total initiatives (see below) paid for with Contingency Funds	$18,000		FFY 2010 Award
TOTAL	$185,000		
In future 2011-12 budget:			
Base:			
Public Assistance Benefits (for grant increases)	$87,000		FFY 2009 Award
Initiatives			
Child Care Subsidies	$37,000		FFY 2009 Award
TOTAL	$124,000		

HHS Approval Anticipated

Item		Contingency Fund	Emergency Contingency Fund
In proposed 2010-11 Budget:			
Base:			
Public Assistance			
To cover gap from 2009-10			$75,000
To cover an estimated gap in 2010-11			$34,000
Offset to the state share			$207,000
If caseload growth occurs			$157,000
Initiatives:			
Disability Advocacy Program	$2,500		
Emerg Food Supplement	$10,000		
Green Jobs Corp	$3,000		
Health Care Jobs Corp	$5,000		
Intensive Case Services	$19,626		
Local Family Support Fund	$41,500		
Transitional Jobs	$10,000		
Initiatives Total	$91,626		
Portion of total initiatives paid for with ECF			$74,000
TOTAL			$547,000

Even though awards from the two contingency funds allowed the state to restore and expand various programs at the start of the current fiscal year, they also allowed the state to move funds from one program to another. For instance, Contingency Funds were used initially to fund the three new subsidized employment programs and expand another; some of these funds were replaced with Emergency Contingency Funds and were directed to other programs in Initiatives.

Funding from the TANF Emergency Contingency Fund and Contingency Fund for Subsidized Employment, in millions

	Amount in enacted 2009-10 budget from Contingency Fund	Changed amount in 2009-10 budget from Contingency Fund,* used to draw down ECF	Total anticipated from ECF	Total Program Size
Transitional Jobs	$5	$5	$20	$25
Green Jobs	$5	$1	$4	$5
Health Care Jobs	$5	$1	$4	$5
Wage Subsidy Program**	$10	$2	$8	$10
TOTAL	$25	$9	$36	$45

* After guidance from HHS, New York State changed the funding of these programs in order to draw down ECF money for 'prospective' increases.

**The Wage Subsidy Program grew from $4 million to $14 million after the Contingency Fund award was used for the enacted budget.

This table shows that the state could have used the total $25 million in new subsidized employment funding to draw down $100 million in ECF money for prospective increases to these programs. Instead, it took this action only for the Transitional Jobs program and moved $16 million of the original Contingency Fund money for these programs to other Initiatives. The total ECF amount drawn, or to be drawn, down equals $36 million instead of $100 million.

Child Care Subsidies in New York State

In New York State, families who receive a child care subsidy are required to pay a portion of their child care costs. 'This is called the family share or copayment, which is calculated by multiplying a percentage, chosen by the social services district, by the amount of the family's income that exceeds the poverty level. Regulations allow for districts to choose a multiplier anywhere between 10 percent and 35 percent.' [6]

Even though state law provides that such assistance shall be based upon a family's ability to pay, inequities exist in all regions of the state. Analysis conducted by the Fiscal Policy Institute with the Empire Justice Center indicates that there is no relationship between personal income and costs for housing or child care and the copayments for child care that social services districts charge working poor families.

More specifically, there is no pattern indicating that either 1) counties with relatively smaller per capita personal income (PCPI) are asking families to pay less in copays than elsewhere or, 2) that counties with higher PCPI are providing working poor families with smaller copays for child care than elsewhere.

Looking at families of three whose income is at 200 percent of the federal poverty level:

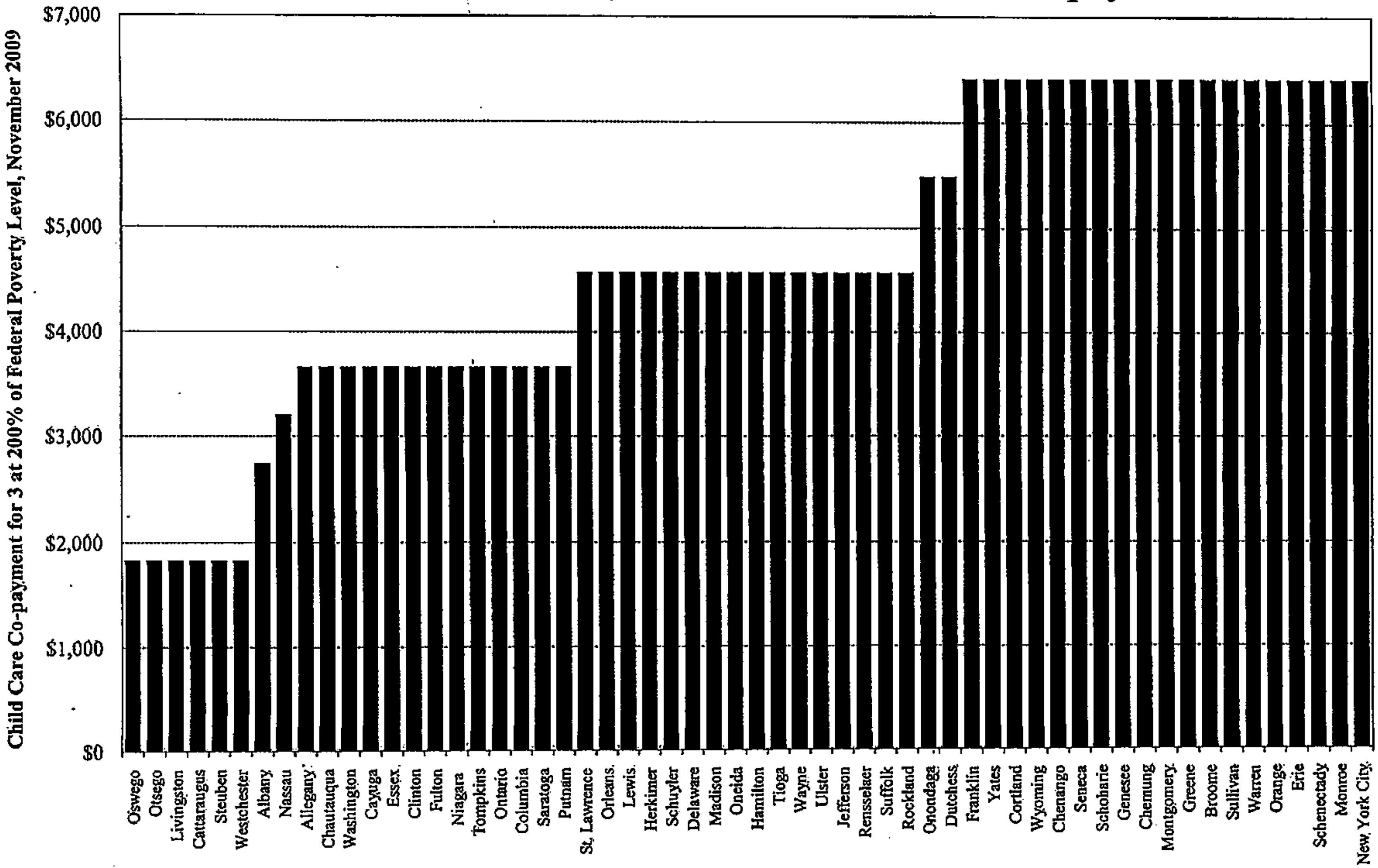
- Among counties with the lowest per capita personal income, family shares for child care run the full range from 10 to 35 percent. PCPI for **Oswego** County is approximately $26,500 and the family share there is 10 percent for a resulting annual family copay of $1,831. But in **Yates** County, where PCPI is almost $26, 300, the family share is 35 percent for an annual copay of $6,408 or three and a half times that in Oswego County.

There is also little or no relationship between living costs and the copayments for child care that these families are required to provide.

- In the ten counties with the highest median rental costs, family shares for child care vary from 10 to 35 percent. For example, in **Westchester** County where median rental costs are about $1,140 per month, the family share for child care is 10 percent, for a copay of $1,831 per year. But in **Putnam** county, where rental costs are the same, the family copay is double this amount and in **Orange** county that has a median rental cost of about $980, families are required to pay three and a half times, or $6,408, what similarly-situated families pay in Westchester.

[6] Akhtar, Saima and Susan Antos, *Mending the Patchwork*, Empire Justice Center, January 2010 and see 18 NYCRR, subsection 415.3 (e) (3).

Inequities in child care subsidies exist in all regions of the state. Families may pay up to 4 times what similarly situated families elsewhere pay.



New York City has a 12% cap that results in lower co-payments depending on family income.

- Concerning child care rates, in Orange County, the weekly rate for center care for 3-5 year olds is $205 and in Westchester County, it is $265 – this is the range for this kind of care downstate - compared to $160 and $196 elsewhere. As in the example above, the copays that families in these two districts must pay are vastly different: $6,408 in Orange versus $1,831 in Westchester.

This variation occurs also in counties with relatively lower rental and child care costs than downstate. Again, family shares vary anywhere from 10 to 35 percent and the resulting annual co-payments for families of three with incomes at 200 percent of the federal poverty level vary significantly, from $1,831 to $6,409.

Therefore, districts' discretion in providing child care subsidies does not ensure equal access to child care funds, and the current formula and guidelines provided by the state to set these family shares should be changed.

Child Care Copays for Families of 3

County	Family Share (or Fee Percentage)	County Per Capita Personal Income	Copay Amount at 175% of Federal Poverty Level	Copay Amount at 200% of Federal Poverty Level	Weekly Cost of Group Family Care: 3-5 year olds	Weekly Cost of Center Care: 3-5 year olds	Weekly Cost of Registered Family Daycare, 1 1/2 - 2 year olds
Albany	15.0%	$42,099	$2,060	$2,747	$195	$205	$191
Allegany	20.0%	$23,292	$2,747	$3,662	$140	$160	$139
Bronx	35.0%	$26,001	$4,806	$6,409	$175	$217	$150
Broome	35.0%	$31,337	$4,806	$6,409	$140	$160	$139
Cattaraugus	10.0%	$28,841	$1,373	$1,831	$140	$160	$139
Cayuga	20.0%	$29,033	$2,747	$3,662	$140	$160	$139
Chautauqua	20.0%	$26,986	$2,747	$3,662	$140	$160	$139
Chemung	35.0%	$29,999	$4,806	$6,409	$140	$160	$139
Chenango	35.0%	$27,661	$4,806	$6,409	$140	$160	$139
Clinton	20.0%	$29,500	$2,747	$3,662	$140	$160	$139
Columbia	20.0%	$35,661	$2,747	$3,662	$175	$196	$161
Cortland	35.0%	$27,130	$4,806	$6,409	$140	$160	$139
Delaware	25.0%	$28,122	$3,433	$4,578	$140	$160	$139
Dutchess*	30.0%	$41,667	$4,120	$5,493	$195	$205	$191
Erie	35.0%	$36,116	$4,806	$6,409	$175	$196	$161
Essex	20.0%	$29,145	$2,747	$3,662	$140	$160	$139
Franklin	35.0%	$25,381	$4,806	$6,409	$140	$160	$139
Fulton	20.0%	$30,033	$2,747	$3,662	$140	$160	$139
Genesee	35.0%	$29,578	$4,806	$6,409	$140	$160	$139
Greene	35.0%	$30,828	$4,806	$6,409	$140	$160	$139
Hamilton	25.0%	$30,834	$3,433	$4,578	$140	$160	$139
Herkimer	25.0%	$27,341	$3,433	$4,578	$140	$160	$139
Jefferson	25.0%	$34,309	$3,433	$4,578	$140	$160	$139
Kings	35.0%	$31,768	$4,806	$6,409	$175	$217	$150
Lewis	25.0%	$26,193	$3,433	$4,578	$140	$160	$139
Livingston	10.0%	$28,454	$1,373	$1,831	$140	$160	$139
Madison	25.0%	$30,332	$3,433	$4,578	$140	$160	$139
Monroe	35.0%	$39,314	$4,806	$6,409	$175	$196	$161
Montgomery	35.0%	$30,269	$4,806	$6,409	$140	$160	$139
Nassau	17.5%	$62,981	$2,403	$3,204	$265	$265	$263
New York	35.0%	$120,790	$4,806	$6,409	$175	$217	$150
Niagara	20.0%	$30,448	$2,747	$3,662	$140	$160	$139
Oneida	25.0%	$30,623	$3,433	$4,578	$140	$160	$139
Onondaga	30.0%	$37,227	$4,120	$5,493	$175	$196	$161
Ontario	20.0%	$35,527	$2,747	$3,662	$175	$196	$161
Orange	35.0%	$34,643	$4,806	$6,409	$195	$205	$191
Orleans	25.0%	$25,697	$3,433	$4,578	$140	$160	$139
Oswego	10.0%	$26,513	$1,373	$1,831	$140	$160	$139
Otsego	10.0%	$28,235	$1,373	$1,831	$140	$160	$139
Putnam	20.0%	$50,813	$2,747	$3,662	$265	$265	$263
Queens	35.0%	$36,073	$4,806	$6,409	$175	$217	$150
Rensselaer	25.0%	$34,592	$3,433	$4,578	$175	$196	$161
Richmond	35.0%	$42,333	$4,806	$6,409	$175	$217	$150
Rockland	25.0%	$53,482	$3,433	$4,578	$265	$265	$263
Saratoga	20.0%	$40,714	$2,747	$3,662	$175	$196	$161
Schenectady	35.0%	$37,593	$4,806	$6,409	$175	$196	$161
Schoharie	35.0%	$29,270	$4,806	$6,409	$140	$160	$139
Schuyler	25.0%	$27,741	$3,433	$4,578	$140	$160	$139
Seneca	35.0%	$29,099	$4,806	$6,409	$140	$160	$139
St. Lawrence	25.0%	$24,854	$3,433	$4,578	$140	$160	$139
Steuben	10.0%	$35,141	$1,373	$1,831	$140	$160	$139
Suffolk	25.0%	$47,624	$3,433	$4,578	$265	$265	$263
Sullivan	35.0%	$31,490	$4,806	$6,409	$140	$160	$139
Tioga	25.0%	$30,847	$3,433	$4,578	$140	$160	$139
Tompkins	20.0%	$30,551	$2,747	$3,662	$175	$196	$161
Ulster	25.0%	$34,051	$3,433	$4,578	$195	$205	$191
Warren	35.0%	$33,126	$4,806	$6,409	$175	$196	$161
Washington	20.0%	$27,325	$2,747	$3,662	$140	$160	$139
Wayne	25.0%	$31,613	$3,433	$4,578	$140	$160	$139
Westchester	10.0%	$74,878	$1,373	$1,831	$265	$265	$263
Wyoming	35.0%	$27,401	$4,806	$6,409	$140	$160	$139
Yates	35.0%	$26,299	$4,806	$6,409	$140	$160	$139

Recommendations

1) The Legislature should phase in the basic assistance grant increase as scheduled. During a recession of the type that we are currently experiencing, this is a good way to help needy families and stimulate economic activity in the communities in which those families live.

2) The Legislature should consider options for addressing the barriers that eligible families face in receiving basic assistance. To address eligibility, New York could:
   - Repeal the 185 percent of the standard of need criterion.
   - Increase the current earned income disregard.
   - Review the asset limits for eligibility.
   - Improve awareness of and access to opportunities for applying for temporary assistance.

3) The Executive Budget documents submitted by the governor do not clearly explain the use of the TANF block grant in financing the EITC as an offset to the state share of public assistance costs and how this affects payment of the state and local shares of public assistance. The Fiscal Committees should request (and make public) a supplementary explanation.

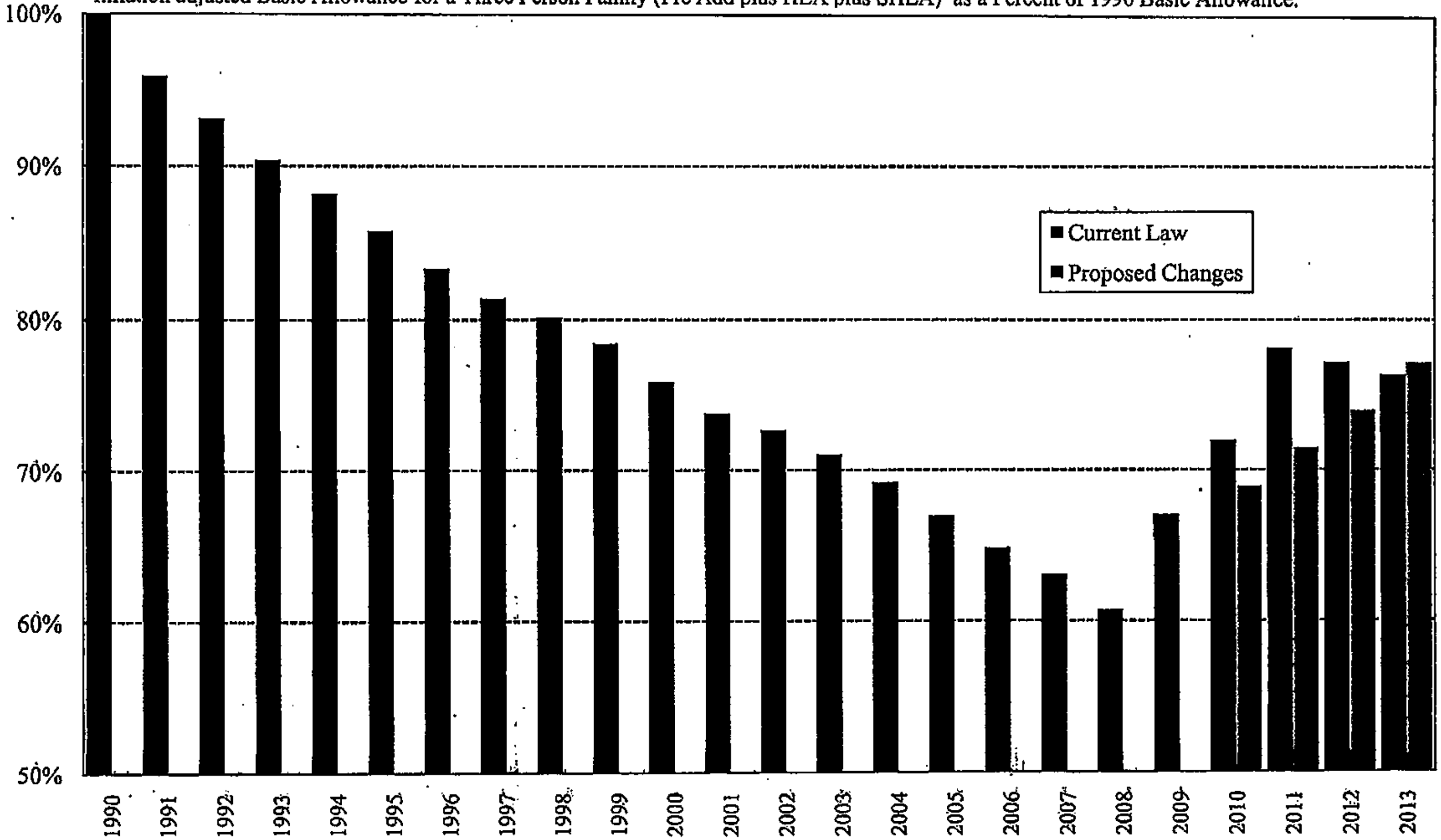
4) Advocate for Congress to extend the deadline to access (and increase the funding for) the federal TANF Emergency Contingency Fund (ECF). Among other things, this would provide the state with incentive to continue operating new programs, for instance in subsidized employment, that are currently funded with ECF money.

5) The Executive Budget documents do not clearly explain a) the categories in which New York State qualified for (and/or is likely to qualify for) ECF funds; b) how and when New York State used or is going to use these funds; c) which ECF awards were requested as reimbursement for actual expenditures and which were requested 'prospective' of expenditures – i.e., as upfront funding for estimated new or increased costs. If ECF funds are awarded as reimbursement, they may be used for *any* allowable TANF purpose (except for transferring to the federal CCDBG and SSBG) – not just basic assistance or the category in which they were earned. If ECF money is awarded on the latter basis, they must be used for the purpose for which they were requested and awarded. This information would make it easier to understand the impact of New York's ECF and Contingency Fund awards in the current state fiscal year and upcoming fiscal years. The Fiscal Committees should request (and make public) such information.

6) The Fiscal Committees should consider alternative ways to earn ECF awards or to use awarded ECF money. Even though the Executive Budget proposes to use ECF to pay incremental costs in public assistance, options may exist for funding at least a portion of increased assistance costs other ways, and either 1) other ECF-eligible TANF programs

Even though the state began to implement a three-year increase to New York's cash grant in 2010, proposals to decelerate its implementation will reduce its purchasing power.

Inflation adjusted Basic Allowance for a Three Person Family (Pre Add plus HEA plus SHEA) as a Percent of 1990 Basic Allowance.



Uses actual CPI-U through 2008, forecasted CPI-U through 2012 are from the Congressional Budget Office.

that provide other kinds of necessary support to families could be expanded and thereby earn ECF dollars, and/or 2) ECF money that has been awarded already as reimbursement could be directed to any allowable TANF purpose. Areas that provide specific options for seeking ECF awards (along with increases to basic assistance) are:

a) Non-recurrent Short-term Benefits. New York could expand emergency assistance or time-limited help with:
   - Security deposits and moving expenses for housing,
   - Short-term legal services (proposed by the Empire Justice Center),
   - Expansion of transportation supports such as the Wheels for Work program,
   - Other one-shot "stimulus" payments or lump-sum diversion programs such as another round of the Back-to-School Clothing allowance that was carried out in July 2009. And

b) Subsidized Employment. Overall, New York has underutilized the training, education and work experience options available through the TANF program. Investing more funds in subsidized employment would support the state's effort to meet its work participation requirements under the TANF rules.

7) The Legislature should require OTDA to publish an annual tabulation of actual expenditure information on annual state fiscal year TANF block grant spending and on other TANF funds such as the Emergency Contingency Fund and the Contingency Fund. Such information should also be provided for the previous state fiscal year along with estimated actual expenditures for the current fiscal year in conjunction with the annual submission of the Executive Budget.

8) The Legislature should require the local social services districts to submit reports of actual expenditures on TANF-related assistance and support services for TANF eligible populations including tabulations of actual expenditures made through the Flexible Fund for Family Services. Currently, the local social services districts are required to submit plans for their proposed expenditure of their allocation from the Flexible Fund for Family Services and to submit vouchers for payment but they do not submit or publish tabulations of actual expenditures nor are they required to do so.

Child Care

9) In the short term, cap child care payments at 12 percent of household income. In the long term, implement a copayment structure that is based on a family's ability to pay.

New York State Joint Legislative Conference Budget Hearing on the 2010-2011 Executive Budget Albany, New York

February 10, 2010

Testimony On Behalf of the Nurse Family Partnership Program presented by:

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Good afternoon. My name is Renée Nogales, and I am a Senior Program Officer at Public/Private Ventures, a national not-for-profit with offices in New York City, Philadelphia and Oakland that develops and strengthens effective social policies and programs. I am here today to advocate for Nurse-Family Partnership's future by requesting a full restoration of the Community Optional Preventive Services program, or COPS, administered by the Office of Children and Family Services, as well as requesting ongoing funding of the $5 million that was set aside for this program in the Office of Temporary and Disability Assistance's final budget last year.

As you perform the tough task of sifting through myriad budget priorities facing the state, I ask you to visualize the impact of this program on our most vulnerable children. Research consistently shows that for every 100,000 families served by Nurse-Family Partnership, 14,000 fewer children will be hospitalized for injuries in their first two years of life[1]; 300 fewer infants will die in their first year of life[2]; 11,000 fewer children will develop language delays by age two[3]; 23,000 fewer children will suffer child abuse and neglect in their first 15 years of life[4-11]; and 22,000 fewer children will be arrested and enter the criminal justice system through their first 15 years of life.[10,12] Applying these figures to the 6,031 families served in New York State, almost 850 fewer children are hospitalized for injuries, nearly 1,400 children have been spared from child abuse and neglect, and over 1,300 have been spared from future involvement in the criminal justice system, thanks to Nurse-Family Partnership.

New York State funding helps supports at-risk children and families by supporting the vitally important work of evidence-based home visiting programs like Healthy Families New York and Nurse-Family Partnership, the latter of which Public/Private Ventures has spent over a decade replicating. Today I want to talk about that program and its benefits. Nurse-Family Partnership is a national, evidence-based nurse home visiting program that improves the health, well-being and economic self-sufficiency of first-time, low-income parents and their children. The program has demonstrated numerous improved short and long-term health, social and educational benefits. It also has been identified as the most cost-effective program of its kind by the Washington State Institute for Public Policy[5].

Nurse-Family Partnership currently serves nearly 20,000 families a day in 28 states and has served over 6,000 families in New York State since 2003. The first Nurse-Family Partnership program in the country started in Elmira, New York as a research pilot. It now operates in Monroe County, Onondaga County and in all five boroughs of New York City.

Nurse-Family Partnership matches each high-risk family with a trained registered nurse. Home visits begin early in pregnancy and continue up to each child's second birthday. Nurses focus on stimulating positive life choices that yield economic benefits to taxpayers. In fact, over 30 years of scientifically-rigorous research have proven that Nurse-Family Partnership can break the cycle of child abuse and neglect, crime, poor health outcomes and government dependence. At the same time, it increases labor force participation, improves school readiness, saves substantial government resources, as well as benefits mothers, fathers, children and future generations.

Nurse-Family Partnership was implemented for replication and public investment only after it was rigorously tested in three randomized control trials, the type of research conducted by the Federal Drug Administration to test new medications. In each research demonstration, the program proved to be effective. I would like to draw your attention to the document submitted with my testimony entitled, *Evidentiary Foundations of Nurse-Family Partnership,* which provides a detailed list of theses program outcomes, including a 48 percent reduction in child abuse and neglect and an 83% increase in labor force participation of mothers.

Few social programs have made this degree of investment in rigorous research that is a hallmark of Nurse-Family Partnership. It is one of only 11 Blueprints for Violence Prevention programs nationwide that meet the highest standard of efficacy for reducing adolescent violent crime, aggression, delinquency and substance abuse.[6] The powerful program outcomes have also earned it the distinction of being named an "exemplary" program by the U.S. Office of Juvenile Justice and Delinquency Prevention[7] and a "social program that works" by the Coalition for Evidence-Based Policy.[8]

Fully restoring New York State funding will help sustain cost-effective programs like Nurse-Family Partnership. The Rand Corporation estimates a $5.70 return on every dollar invested in the higher-risk population, with the bulk of government savings accruing in reduced health care, educational, social services and criminal justice expenditures.[9] As a result of your wise investment today, vulnerable children of New York can have a positive start in life that will translate into lasting social and economic benefits for generations to come.

During these challenging economic times, before making an investment of scarce public dollars, we must ask ourselves, "Is this a wise investment? Is there evidence that this program will actually *work*? The answer is clearly "yes" in the case of Nurse-Family Partnership. Restoring New York State funding to support evidence-based home visiting programs like Nurse-Family Partnership is imperative for the future benefit of all New York's children and families.

Thank you very much for the opportunity to speak before you today, and for your passion and commitment on these important issues.

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New York State Joint Legislative Conference Budget Hearing
on the 2010-2011 Executive Budget
Albany, New York

February 10, 2010

Testimony On Behalf of the Nurse Family Partnership Program

presented by:

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Good afternoon. My name is Renée Nogales, and I am a Senior Program Officer at Public/Private Ventures, a national not-for-profit with offices in New York City, Philadelphia and Oakland that develops and strengthens effective social policies and programs. I am here today to advocate for Nurse-Family Partnership's future by requesting a full restoration of the Community Optional Preventive Services program, or COPS, administered by the Office of Children and Family Services, as well as requesting ongoing funding of the $5 million that was set aside for this program in the Office of Temporary and Disability Assistance's final budget last year.

As you perform the tough task of sifting through myriad budget priorities facing the state, I ask you to visualize the impact of this program on our most vulnerable children. Research consistently shows that for every 100,000 families served by Nurse-Family Partnership, 14,000 fewer children will be hospitalized for injuries in their first two years of life[1]; 300 fewer infants will die in their first year of life[2]; 11,000 fewer children will develop language delays by age two[3]; 23,000 fewer children will suffer child abuse and neglect in their first 15 years of life[4-11]; and 22,000 fewer children will be arrested and enter the criminal justice system through their first 15 years of life.[10,12] Applying these figures to the 6,031 families served in New York State, almost 850 fewer children are hospitalized for injuries, nearly 1,400 children have been spared from child abuse and neglect, and over 1,300 have been spared from future involvement in the criminal justice system, thanks to Nurse-Family Partnership.

New York State funding helps supports at-risk children and families by supporting the vitally important work of evidence-based home visiting programs like Healthy Families New York and Nurse-Family Partnership, the latter of which Public/Private Ventures has spent over a decade replicating. Today I want to talk about that program and its benefits. Nurse-Family Partnership is a national, evidence-based nurse home visiting program that improves the health, well-being and economic self-sufficiency of first-time, low-income parents and their children. The program has demonstrated numerous improved short and long-term health, social and educational benefits. It also has been identified as the most cost-effective program of its kind by the Washington State Institute for Public Policy[5].

Nurse-Family Partnership currently serves nearly 20,000 families a day in 28 states and has served over 6,000 families in New York State since 2003. The first Nurse-Family Partnership program in the country started in Elmira, New York as a research pilot. It now operates in Monroe County, Onondaga County and in all five boroughs of New York City.

Nurse-Family Partnership matches each high-risk family with a trained registered nurse. Home visits begin early in pregnancy and continue up to each child's second birthday. Nurses focus on stimulating positive life choices that yield economic benefits to taxpayers. In fact, over 30 years of scientifically-rigorous research have proven that Nurse-Family Partnership can break the cycle of child abuse and neglect, crime, poor health outcomes and government dependence. At the same time, it increases labor force participation, improves school readiness, saves substantial government resources, as well as benefits mothers, fathers, children and future generations.

Nurse-Family Partnership was implemented for replication and public investment only after it was rigorously tested in three randomized control trials, the type of research conducted by the Federal Drug Administration to test new medications. In each research demonstration, the program proved to be effective. I would like to draw your attention to the document submitted with my testimony entitled, *Evidentiary Foundations of Nurse-Family Partnership*, which provides a detailed list of theses program outcomes, including a 48 percent reduction in child abuse and neglect and an 83% increase in labor force participation of mothers.

Few social programs have made this degree of investment in rigorous research that is a hallmark of Nurse-Family Partnership. It is one of only 11 Blueprints for Violence Prevention programs nationwide that meet the highest standard of efficacy for reducing adolescent violent crime, aggression, delinquency and substance abuse.[6] The powerful program outcomes have also earned it the distinction of being named an "exemplary" program by the U.S. Office of Juvenile Justice and Delinquency Prevention[7] and a "social program that works" by the Coalition for Evidence-Based Policy.[8]

Fully restoring New York State funding will help sustain cost-effective programs like Nurse-Family Partnership. The Rand Corporation estimates a $5.70 return on every dollar invested in the higher-risk population, with the bulk of government savings accruing in reduced health care, educational, social services and criminal justice expenditures.[9] As a result of your wise investment today, vulnerable children of New York can have a positive start in life that will translate into lasting social and economic benefits for generations to come.

During these challenging economic times, before making an investment of scarce public dollars, we must ask ourselves, "Is this a wise investment? Is there evidence that this program will actually *work*? The answer is clearly "yes" in the case of Nurse-Family Partnership. Restoring New York State funding to support evidence-based home visiting programs like Nurse-Family Partnership is imperative for the future benefit of all New York's children and families.

Thank you very much for the opportunity to speak before you today, and for your passion and commitment on these important issues.

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New York State
Council for Community
Behavioral Healthcare

POSITIONS ON 2010-2011 EXECUTIVE BUDGET PROPOSALS

State Office of Mental Health

SOMH Outpatient Clinic Reform

The New York State Council unconditionally supports the 21-day budget amendment proposal that authorizes the commissioner of mental health to transfer to the commissioner of health state funds to be utilized as the state share for the purpose of increasing payments under the Medicaid program to managed care organizations licensed under article 44 of the public health law or under article 43 of the insurance law.

Here's the language:

A BUDGET BILL submitted by the Governor in accordance with Article VII of the Constitution

AN ACT to increase Medicaid payments to providers through managed care organizations and provide equivalent fees through an ambulatory patient group methodology relating thereto The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1
Notwithstanding any contrary provision of law, the commissioner of mental health is authorized, subject to the approval of the director of the budget, to transfer to the commissioner of health state funds to be utilized as the state share for the purpose of increasing payments under the Medicaid program to managed care organizations licensed under article 44 of the public health law or under article 43 of the insurance law.

Such managed care organizations shall utilize such funds for the purpose of reimbursing hospital-based and free-standing clinics licensed pursuant to article 28 of the public health law, pursuant to article 31 of the mental hygiene law or pursuant to both such provisions of law for outpatient mental health services, as determined by the commissioner of health in consultation with the commissioner of mental health, provided to Medicaid eligible outpatients.

Such reimbursement shall be in the form of fees for such services which are equivalent to the payments established for such services under the ambulatory patient group (APG) rate-setting methodology as utilized by the department of health or by the office of mental health for rate-setting purposes; provided, however, that the increase to such fees that shall result from the provisions of this section shall not, in the aggregate and as determined by the commissioner of health in consultation with the commissioner of mental health, be greater than the increased funds made available pursuant to this section. The commissioner of health may, in consultation with the commissioner. of mental health, promulgate regulations, including emergency regulations. as are necessary to implement the provisions of this section. This act shall take effect April 1, 2010.

Higher Education

Proposal to Extend the Exemption for the Social Work and Mental Health Practitioner Licensing Requirements for an additional 4 years

In 2002, New York State enacted laws to restrict the practice of psychotherapy to individuals licensed in Clinical Social Work by the Education Department. This statutory change affected the licensure and practice of psychology, social work, and the mental health professions not only in private practice, but also at thousands of nonprofit agencies and in state-operated facilities. As a result of amendments made to the Licensing law in 2004, a range of unintended consequences have been identified by mental health professionals, licensed master social workers, state and local officials, and nonprofit administrators.

Leaders of the New York State Council continue to work alongside our colleagues from across the human services delivery system as part of an Alliance of agencies working to identify solutions to the primary licensing issues facing our field at this time. Given our belief that an extension to the current exemption is necessary to permit the members of our Alliance to work with the Education Department, the Higher Education Committee and the multitude of stakeholders involved impacted by this issue we unconditionally support the Executive proposal to extend the exemption for four years. The current exemption is scheduled to sunset on June 30, 2010. If this is allowed to happen, a significant number of workforce problems emerge, placing even more pressure on a system that is already deprived of resources.

Office of the Medicaid Inspector General

Proposal Increasing OMIG Recovery Targets

Governor Paterson's budget includes a proposal to increase the fraud and abuse recovery targets for the Office during the coming budget year. The Executive Budget proposes to increase the target by $300 million for a total of $1.7 billion (if enacted) (state share only).

The NYS Council rejects in the strongest possible terms the current practice of this Administration to increase OMIG targets as the state's fiscal circumstance changes.

The members of the New York State Council for Community Behavioral Healthcare support appropriate actions on the part of the Office of the Medicaid Inspector General to identify and punish those providers who knowingly commit fraud and/or abuse. There is no question in our minds that providers who defraud the Medicaid Program should receive a punishment commensurate with the crime. What we do not condone are targets placed on the backs of providers who are delivering services as directed and according to regulation, who come under attack by auditors who are under increased pressure to identify artificial monetary targets assigned to them.

New York State Council positions on Executive Budget revenue proposals, taxes, and/or fees:

- Although not proposed as part of the Executive Budget proposal **the New York State Council will strongly support legislation sponsored by Assemblyman Felix Ortiz (A06738) to raise taxes collected on the purchase of alcoholic beverages** with revenues returned to OASAS for purposes of expansion and enhancement of OASAS Programs and Services.

- We support the implementation of a tax on the purchase of beverage syrup and soft drinks with revenues directed to healthcare.

- We support an increase of the cigarette excise tax by $1.00/pack.

- We oppose allowing the sale of wine in grocery stores.

- We oppose extending VLT Hours of Operation.

Federation of Protestant Welfare Agencies

Statement Prepared for the February 10, 2010 Hearing

of the

Assembly Ways And Means Committee

and

Senate Finance Committee

on the

2010 - 11 Executive Budget Proposal for Human Services

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About FPWA

The Federation of Protestant Welfare Agencies (FPWA) has been working since 1922 to improve the lives and conditions of disadvantaged and low-income New Yorkers. We are unique in New York City in that we are the only membership organization for Protestant and non-sectarian health and human services organizations. Our work with almost 300 member agencies and church-based human service programs puts us in direct contact with every level of the social service system. This gives us a comprehensive view of the complex social problems that face human service organizations today, and allows us to identify common ground among our members so that we can have a greater impact as we advocate for them.

Though we understand the challenges faced by the state in these difficult economic times, these are also the times when people are without jobs, have lost or are on the verge of losing their homes and must turn to essential human services to feed and clothe their families, pay for heat, medicine and other social service needs.

FPWA is deeply concerned about the Governor's proposed cuts to TANF Initiatives Funding and urges the restoration of funding for all of the TANF programs currently slated for complete elimination. The TANF Initiative programs provide New York's poorest residents with essential services in this time of economic hardship. We urge you to support these programs through the restoration of $202 million in TANF funding. FPWA is also very concerned with the Governor's proposed elimination of Aid and Incentives to Municipalities (AIM) assistance to New York City and urges the Legislature to reverse this cut which would severely impact upon essential human services in the city.

This written testimony will address the Governor's budget proposals in the areas of:

- Child Welfare
- Early Childhood Education
- Income Security
- Workforce Development
- Youth Services

I. Child Welfare

Restore vital preventive services funding streams that were zeroed out from the TANF Initiatives Funds.

FPWA urges the Governor and the legislature to restore vital preventive service funding streams that have been eliminated or reduced in the proposed FY 2010-11 Executive Budget. Preventive service programs are an integral component of child welfare that seeks to prevent costly out-of-home placements by strengthening families and keeping children safe. The Executive budget proposes to completely eliminate $18.8M for TANF-funded Preventive Service contracts, which will result in the elimination of these programs upon the end of the contract. Prevention initiatives allocate funds to not-for-profit agencies for the development of services to prevent out-of-home placement. TANF Prevention Services focus upon the delivery of prevention of foster care services which enhance overall case practice and case outcomes. These are crucial services that families rely upon to strengthen families and protect children.

We also urge the restoration of $4.9 million to the previous level of $34 million for the Community Optional Preventive Services (COPS) programs. COPS programs are designed to serve children or youth who are considered at general risk of future foster care or crisis by virtue of one or more identified characteristics.

Support the Governor's proposed extension of the 65/35 open-ended child welfare services funding stream for three years.

Restore funding lost to the FY 2010 2% budget cut by reimbursing the full 65% State share for open-ended child welfare services.

FPWA urges the Governor and the Legislature to reimburse counties for the full amount of the 65% State match for open-ended child welfare services, which is currently reimbursed at 63.7% as a result of the 2% cut to local assistance programs in the FY 2008-09 Budget. It is essential that New York State restore the funding and return to reimbursing local districts for 65% of the total cost of providing protective, preventive, aftercare, post-adoption, and independent living services (after applying federal funds). This funding encourages counties to invest in high-quality services that strengthen families, improve child safety, and decrease the use of costly foster care, and saves the state money in the long run.

Add revenue through one of the TANF contingency funding streams to create pilot program for a state-funded higher education scholarship program for older and former foster care youth attending an in-state undergraduate program or vocational training program. (A.6002, sponsored by Assemblymember Scarborough)

Unlike their peers, foster care youth who age out of the system have few supports and little to no adult or family guidance. They experience higher rates of mental health illness, criminal activity, homelessness, and unemployment.[1] Moreover, the expense of attending college is out of reach for most foster care youth. In New York's public university system, tuition, fees, and living expenses at SUNY's four-year baccalaureate program add up to over $18,000 per school year.[2] Foster care youth with any hope of affording a post-secondary education are forced to piece together numerous grants and take on loans, a process that can be extremely daunting without family help, guidance counselors, or the many other supports upon which non-foster youth rely. Even the maximum award amounts under tuition assistance programs like New York State's TAP, the Federal Pell Grant, the Federal Supplemental Educational Opportunity Grant, and Federal Education and Training Vouchers (ETVs) are insufficient to cover tuition, fees, and living expenses in a degree-granting program. For instance, ETVs, which are available specifically for foster care youth, only provide *up to* $5,000 per youth.

FPWA urges New York to create a State-sponsored higher education scholarship program like that proposed by Assemblymember William Scarborough (A.6002), which would help older and former foster care youth meet the total costs of attending an in-state undergraduate or vocational training program. **In these difficult economic times, we encourage the State to strongly consider implementing a pilot version of the higher education scholarship program proposed in A.6002, which targets a smaller group of foster care youth and has strong links to support services.** A smaller pilot program

[1] Mark Courtney, "Youth Aging Out of Foster Care," Network on Transitions to Adulthood: Policy Brief, Issue 19, April 2005. Available at http://www.transad.pop.upenn.edu/downloads/courtney--foster%20care.pdf.
[2] "2008-09 Typical Expenses for Undergraduate Students at a SUNY College," The State University of New York. Living expenses include room and board (assumes SUNY student lives on campus), books and supplies, transportation, and personal expenses.
Available at http://www.suny.edu/Student/paying_tuition.cfm.

would be less costly to the State, offer increased flexibility to design a more comprehensive model, and provide an opportunity for this type of assistance to be evaluated.

We urge the state to make the choice to invest in subsidized kinship guardianship as an alternate permanency option for youth in foster care.

In light of new federal legislation, the *Fostering Connections to Success and Increasing Adoptions Act of 2008* (P.L. 110-351), which would provide federal funding, FPWA strongly encourages the State to implement subsidized kinship guardianship in New York. We appreciate that the Governor has included $100,000 funding for the administration of subsidized guardianships in his FY 2010-11 Executive Budget proposal. In order to reduce the number of children who age out of the foster care system every year, we must do more to promote permanent living arrangements for foster youth. Even with medical, educational, and housing assistance, independent living for youth who age out is extremely difficult given the absence of family support. Subsidized kinship guardianship allows children in long-term care, for whom reunification with their parents or adoption is not possible, to exit the child welfare system into secure living situations. However, it is important that eligibility criteria for children and families not impose a six-month stay in foster care on children.

Adoption does not work for every family, and this is an important alternative for youth who might otherwise age out and relatives who are willing to provide stable care, but who are uncomfortable with legally dissolving the ties between parent and child. Furthermore, although kinship guardians would receive assistance payments, subsidized kinship guardianship would likely generate savings given that the closing of corresponding foster care cases would eliminate some administrative costs.[3] Most importantly, kinship guardianship would provide foster youth with the chance to build a strong, supportive relationship with an adult caregiver. The emotional support that comes with a permanent living arrangement is often the key to a young person's ability to successfully navigate the pitfalls of growing up.

[3] Jacobs, et al, *supra* note 10.

Add a funding stream to implement child welfare caseload guidelines recommended by OCFS.

FPWA strongly supports implementation of the child welfare caseload guidelines recommended by the Office of Children and Family Services in the 2006 New York State Child Welfare Workload Study. The study suggests caseloads of 11-12 children per foster care caseworker per month and 12-16 families per preventive services caseworker per month.[4] According to the study, estimated caseloads for child protective, foster care, preventive, and adoption services caseworkers were much higher than levels that would allow for quality service provision. For example, the estimated monthly caseload of foster care caseworkers was 17 children for New York City's Administration for Children's Services (ACS) and its voluntary agencies and 20 children for the other districts studied and their voluntary agencies. Each month, this only allowed caseworkers to spend an average of 7.5 hours per child in New York City. However, reducing monthly foster care caseloads to the recommended 11-12 children per caseworker would allow these caseworkers to spend roughly 3-5 hours more with each child.[5]

High caseloads are compromising the ability of caseworkers to provide families engaged in the child welfare system with the high-quality services they deserve. Overwhelmed caseworkers are forced to devote a significant portion of their time to administrative duties as opposed to working with the children and families they serve. In fact, according to the Workload Study, caseworkers spent only 17% of case-related time in face-to-face contact with children and families, but spent almost 31% of their time on documentation activities.[6] This can seriously interfere with a caseworker's ability to build a relationship with the family and resolve crucial issues related to a child's safety in an efficient and timely manner. Establishing reasonable workload standards is an important step towards providing caseworkers with the time necessary to meaningfully address the needs of New York State's most vulnerable children.

[4] "New York State Child Welfare Workload Study," New York State Office of Children and Family Services, November 2006. Available at http://www.ocfs.state.ny.us/main/reports/WorkloadStudy.pdf.
[5] Ibid.
[6] Ibid.

II. Early Childhood Education

FPWA believes New York State should strengthen its commitment to providing quality child care and early education programs to low-income families by investing in quality early care and education programs. During these difficult economic times, subsidized early childhood education programs are even more essential in helping families to find and maintain employment.

Address the $40 million funding gap created by the Governor's budget to the child care block grant in order to maintain child care subsidies at the current number of slots.

Child care subsidies need to be preserved for children's educational and social development and to support parents' ability to maintain their jobs. In this past fiscal year hundreds of low-income families across the state lost critically needed subsidies that serve as a major component in parents' ability to secure and maintain jobs. In addition, FPWA urges the restoration of the TANF Initiatives funding for SUNY/CUNY child care, migrant child care, and child care demonstration programs is needed which were zeroed out in the Governor's budget.

The $40 million shortfall in the Governor's budget and the zeroing out of the TANF-funded child care initiatives, if not addressed, will deeply erode the capacity and quality of New York State's early care and education infrastructure.

Increase flexibility for districts utilizing Universal Pre-Kindergarten funding to better meet community needs.

FPWA supports S.6777 sponsored by Senator Suzi Oppenheimer which would provide school districts greater flexibility to spend UPK funds on related needs, such as full day pre-kindergarten options that better fit the schedules of working parents and transportation. Districts will have the ability to implement and expand UPK in ways that best meet the unique needs of the children and families they serve.

Cap child care co-payments at 10% of gross family income and eliminate co-pays for families living under the federal poverty level.

FPWA supports S.1274/A.5460, sponsored by Senator Velmanette Montgomery and Assemblymember Michele Titus, which caps the co-payment at 10% of the gross family income and eliminates co-payments for households with income below the federal poverty line. The legislation also addresses county-by-county disparities in child care co-pays and creates a statewide co-payment system that is affordable and equitable.

Invest in Qualitystars NY, New York's Quality Rating and Improvement System (QRIS).

FPWA believes the State should continue investing in QualityStars NY by providing financial supports and incentives for providers who implement quality improvements under the program. In addition to evaluation and certification, programmatic and facility improvements require a significant commitment of time and resources on the part of child care programs, and financial support is crucial to helping programs sustain advancements in quality.

III. Income Security

FPWA urges you to reverse the Governor's proposal to delay the welfare grant increase so that full implementation can be achieved within the initially enacted time frame of 30 percent over three years.

After 19 years of stagnant welfare grant levels that dropped families more deeply beneath the poverty level each year, we applauded the much needed increase enacted during the last budget session. This very modest, long overdue increase should not be deferred. Even with the increase, the state's lowest income families live significantly below the poverty line and need the assistance now.

Providing cash assistance to households with very low incomes is a core mission of TANF funding and should be prioritized. In addition, benefits to households have a direct positive impact on the local economy as the funds are spent quickly on basic necessities.

Restore funding for TANF-funded initiatives eliminated in the Governor's budget.

FPWA urges you to restore funding for all of the TANF programs currently slated for complete elimination. This Great Recession has caused many New Yorkers to lose their jobs, homes, and health insurance. The TANF program that are slated for severe cuts are just the type of programs these families need, for example, job training and education, domestic violence services and homeless prevention. We urge you to support these programs through the restoration of $202 million in TANF funding.

Eliminate the 185 percent of Standard of Need (SON) income eligibility requirement for Public Assistance (A.1296 of 2009).

The current State Social Services Law makes families ineligible for public assistance once their income reaches 185 percent 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 percent 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.

Increase the Earned Income Disregard (EID); Extend EID to all households, including those without dependent children (A.1296 of 2009)

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.

We support A.1296 of 2009 introduced by Assemblymember Wright, which would increase the EID to 67 percent as a step in the right direction. However, the State should ultimately increase the EID to 100 percent 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.

Weigh treating practitioner's opinion in the welfare agencies determination of applicants' or recipients' work limitations or disabilities.

FPWA strongly supports A1417/S5547 sponsored by Assemblymember Keith Wright and Senator Martin Dilan. The bill would change Social Service law to weigh the treating practitioner's assessment in the determination of disability or limitations when there is disagreement with the agencies' medical assessment.

The current law does not require the agencies evaluating practitioner to give any weight to opinion of the applicant's or recipient's treating physician. The agency has full discretion and could choose to completely disregard the treating physician's medical opinion. Given the cursory nature of the agencies' medical exams, it is important to require a more inclusive picture of a person's medical condition. Inappropriate referral to welfare work requirements for people with disabilities or work limitations means that applicants are subject to work requirements that they will be unable to meet and therefore denied assistance.

Reduce the welfare application time frame for Safety Net applicants from 45 to 30 days, bringing it in line with Family Assistance requirements (A.1288 of 2009).

FPWA supports A.1288 of 2009 sponsored by Assemblymember Keith Wright to equalize the application time line for Family Assistance and Safety Net applicants. The current law provides that districts can not 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. We believe that households of varying sizes and composition applying for welfare are often in deep crisis and need assistance as quickly and consistently.

<u>Educational Opportunity</u>

Count educational activities through 4-year college to count toward fulfilling work requirements. Include classroom and homework hours.

FPWA supports A.1827/S.5846 sponsored by Assemblymember Keith Wright and Senator Velmanette Montgomery which would allow classroom time and related homework hours to count toward work requirements. This bill would allow the state to make use of the federal rule changes that expand access to education including four-year college.

This policy change has no funding impact since the students would be responsible, as other students, for obtaining financing for their education. Education is the surest way out of poverty and New York State should be supporting all avenues for developing an educated workforce.

IV. Workforce Development

Create a Young Worker Earned Income Tax Credit (EITC) (A.4875/S2720, Sponsored by Assemblymember Susan John and Senator David Valesky).

The State Earned Income Tax Credit (EITC) is a valuable support for working poor families. For childless workers aged 25 and over, the combined maximum federal and state EITC's provide up to approximately $594 for Tax Year 2009. Yet, there are many young low-income workers between the ages of 16 and 24 who are not eligible for the EITC simply because of their age and because they are not parents. While New York recently established a State-funded EITC for non-custodial parents who are current in their child support payments, the young adult working population without children remains excluded from eligibility for any federal or state EITC. Accordingly, FPWA urges the state to create an EITC for working young adults between ages 17 and 24 who are established as an independent household and do not have children. The benefit amount should equal 1.3 times the amount of the federal EITC for childless workers (equal to state + federal EITC that childless workers over age 25 currently receive).

Restore $4M to the Green Jobs Corps Program

In times of economic recession, it becomes more important than ever to coordinate sustainable economic development strategies with policies aimed at permanently lifting families out of poverty through education and training opportunities and job creation. Moreover, in the midst of simultaneous economic, environmental, and energy problems facing our state, it is essential that our workforce development plan to improve the state's energy efficiency create "Green Pathways" out of poverty. Funding for the Green Jobs

Corps program has been reduced by a total of $4 million – the TANF allocation has been reduced by $2 million and the State allocation has been reduced by $2 million as well. The Green Jobs Corps program is an excellent opportunity to utilize a consortium model to provide training and subsidized employment in the green sector. Low-income communities are hit hardest by both financial hardship and environmental hazards. Families in these areas often face a double burden of limited educational and employment opportunities. Communities of color and low-income communities are also disproportionately likely to live and work in toxic environments. Therefore, now is the ideal moment to craft a workforce development policy plan that achieves economic, social, and environmental justice goals for families in poverty.

Restore proposed reduction of $2.6 million for Adult Literacy Education (ALE)

Adult Literacy Education (ALE) funding enables hundreds of organizations to support workforce development through Basic Education, GED and ESOL classes. Over 1.5 million New York City residents 16 years of age or older are out of school and do not have a high school diploma; more than 20 percent of New York State's population is foreign-born (twice the national average); and more than one million New Yorkers are not yet proficient in English. Despite the vast need for adult education and training opportunities – especially during these difficult times – fewer than 60,000 spaces in free or low-cost government-funded adult literacy/ESL classes are available leaving over 97 percent of the need for adult education classes unmet. FPWA urges the Governor and the Legislature to restore $2.6 million for ALE.

Restore TANF funding that has been completely eliminated for crucial workforce development programs.

It is critical to expand opportunities for low-income populations to acquire English literacy, mathematics, science, and technology skills, along with the GED certificate and post-secondary degree demanded by employers. Specifically, we strongly urge the Governor and the Legislature to restore TANF funding for the following programs which are so important to help people build skills and earn the credentials needed to obtain living wage employment and make subsequent earnings gains:

- Advanced Technology Training and Information Networking (ATTAIN) - $7M
- Career Pathways - $10M
- Local Interagency VESID Employment Services (LIVES) - $1.5M
- Wage Subsidy - $14M
- Wheels for Work - $7M

V. Youth Services

Strongly support funding restoration for the Summer Youth Employment Program (SYEP).

FPWA is concerned that the Governor has proposed eliminating $35 million in TANF funding for the Summer Youth Employment Program (SYEP) in the Executive Budget. SYEP provides youth between the ages of 14 and 21 with summer employment and educational experiences that build on their individual strengths and incorporate youth development principles. Employment opportunities such as those offered by SYEP are critical for youth. Of the nearly 900,000 young adults 16 to 24 years of age in New York City, almost 25 percent live below the federal poverty line, compared to 19 percent of all New Yorkers regardless of age. The summer of 2009 saw the highest rates of teen unemployment since 1948. In New York City, over 52,000 teens worked in the SYEP but 139,000 applied to the program. New York State needs to invest in SYEP now more than ever. We urge the legislature to restore this critical funding so teens may continue to have employment opportunities.

Strongly support a funding restoration for the Advantage Program.

We are also greatly concerned that the Governor has proposed reducing funding for the Advantage After-School Program (AASP) from $28.2 million down to $17.3 million. This represents a reduction of $10.9 million in TANF funding for this program. AASP provides quality youth development opportunities to school-age children and youth for three hours directly after school. These programs offer a broad range of educational, recreational and culturally age-appropriate activities that integrate school day experiences. Investing in after-school programs can help school districts save money over the long-term because of increased student retention and decreased special education placements. Where there is a decrease in juvenile crime due to a program, communities can also save resources. It is estimated that preventing one youth from lifelong involvement with the criminal justice system saves $1.3-$1.5 million. We strongly urge the legislature to restore this essential funding so programs may remain intact and continue to operate.

Support funding for Special Delinquency and Prevention Programs (SDPP), Runaway and Homeless Youth Act (RHYA) and Youth Development and Delinquency Prevention (YDDP).

The Governor has proposed funding YDDP and SDPP programs at $28.2 million, an increase of $784,567 from SFY 2009-10. We urge the legislature to support this increased funding for these critical programs. SDPP funds important community-based services such as alternatives to institutional care, dropout prevention, crisis intervention, family mediation and counseling. Additionally, the Executive budget proposes RHYA funding at $4,711,600 an increase of $130,933 from SFY 2009-10. Examples of services in this funding stream include street outreach and referral services, drop-in centers, crisis shelters, and transitional independent living programs. In addition, YDDP funds New York City's Out-of-School Time initiative.

Support Redirect New York Legislation (A7872/S5378).

FPWA gives its strong support to A.7872/S.5378 sponsored by Assemblymember William Scarborough and Senator Velmanette Montgomery. The purpose of the bill is to give counties across New York State a fiscal incentive to divert youth from detention and incarceration settings into community-based alternative programs. In addition, the legislation will encourage localities to build a community-based infrastructure that will provide alternative programs, prevention, and early prevention options to youth and their families. We urge the passage of this important measure so youth may have opportunities for community-based supports and services to guide and help them remain in their communities.

Thank you for the opportunity to present this testimony.

TESTIMONY

BEFORE

ASSEMBLY COMMITTEE ON WAYS AND MEANS
AND
SENATE COMMITTEE ON FINANCE

HEARING

ON

THE 2010-2011
EXECUTIVE BUDGET

PRESENTED BY
JEANNE B. MULLGRAV
COMMISSIONER

NEW YORK CITY
DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT

WEDNESDAY, FEBRUARY 10, 2010

Thank you for this opportunity to submit written testimony to the members of the Senate Committee on Finance and Assembly Committee on Ways and Means on the State Fiscal Year (SFY) 2010-2011 Executive Budget. I am Jeanne B. Mullgrav, Commissioner of the New York City Department of Youth and Community Development (DYCD).

The City of New York understands that all levels of government face difficult budget choices this year, but, the budget must be responsible and equitable. However, the proposed SFY 2010-2011 Executive Budget is not equitable. It inflicts $1.3 billion in cuts to New York City and imposes costs shifts and new unfunded mandates in the human services area. It completely eliminates State revenue sharing for the City and the restoration of those funds is the City's number one priority.

Along with these reductions, the State budget recommends the elimination of $35 million for the Summer Youth Employment Program (SYEP). Although SYEP is not a mandated service, it is a top priority for DYCD. If adopted, this proposal will have a detrimental impact on the lives of young people and their families, as well as the local small businesses and community based organizations (CBOs) that rely on the valuable contributions our young workers offer. Additionally, it undermines the Administration's priority of job creation and workforce development for the nation's emerging workforce.

Regrettably, when facing tough economic times, job prospects for our young people decline. The national teen unemployment rate in October 2009 reached 27.6%, the highest in 61 years and the teen work participation rate fell to 36.2%. For black male teens, the unemployment rate is at an alarming 50.4%.

Benefits of the Summer Youth Employment Program

As you all know, there are many benefits to a summer job experience. These include:

- **Promote Graduation and Career Development:** We know teens who work are more likely to remain in and graduate from high school. For many youth, a summer job is their first exposure to the real world of work. Research by the renowned Northeastern University economist Andrew Sum shows that early work experience during the teenage years leads to positive labor market outcomes – have an easier transition into the labor market, more job opportunities, and higher earning potential. Teens who work this year are more likely to work next year.

- **Develop Tomorrow's Workforce:** Last summer, 139,597 young people applied for a spot in New York City's SYEP, an increase of 35.3% applicants from the previous summer. This is further proof that our young people want to work. The economy will eventually recover, and "baby boomers" will continue to age out of the workforce. It is therefore imperative that the United States continues to build a skilled workforce to meet the challenges of a globally competitive economy.

- **Stimulate the Economy:** The majority of SYEP participants spend their wages in their local communities on food, clothing, educational supplies, household expenses and savings, buoying businesses throughout the five boroughs. This provides an immediate stimulative impact on the economy. In summer 2009, the City's SYEP participants earned $48.5 million in wages and have already accessed more than $42 million of their earnings.

- **Promote the Value of Hard Work:** Just ask any successful adult with fond memories of waiting tables, stocking shelves or serving as a camp counselor, the benefits of a summer job continue to accrue decades after the last paycheck is spent. SYEP promotes discipline, time management and crucial soft skills such as developing strong working relationships with supervisors and peers.

- **Source of Employees for Non-Profits:** New York City's non-profit community depends on SYEP participants to staff their summer day camps, which thousands of working parents depend on. In summer 2009, the young people worked in 8,688 worksites that included local small businesses, cultural institutions, government agencies, non-profit organizations, schools, child care facilities, libraries, and hospitals.

- **Promote Financial Responsibility:** SYEP includes an educational component that teaches participants how to wisely spend and save their wages.

2009 Summer Youth Employment Program

We commend the Administration and the State Legislature for the appropriation of $35 million for summer jobs in the last three State budgets. The State's contribution is critical to the City's SYEP budget. Last summer, New York City received $19.5 million in state TANF funding. This represented 29% of the City's $67.5 million 2009 SYEP budget. State funding enabled DYCD to enroll 16,911 young people of the total 52,225 participants. Also, the one-time infusion of $28.1 million (42% of the SYEP budget) in federal American Recovery and Reinvestment Act (ARRA) funds supported 20,413 additional participants, leading to the highest-enrollment in more than ten years.

Program Innovations and Efficiencies

I want to assure you that every public dollar spent on summer jobs is and will be wisely invested. Services are targeted to young people from areas of high unemployment and aimed at addressing the employment needs of youth who face barriers to employment.

Since 2003, when DYCD assumed responsibility for the City's SYEP, many innovative changes were implemented to help improve program operations and realize fiscal savings, which were reinvested into the program. These innovative programmatic changes include:

- **Introduced web-based enrollment & timekeeping system:** DYCD's online system decentralized the application intake, enrollment and timekeeping processes.

- **Added online participant & worksite application system:** SYEP applicants can submit and check on the status of their applications online. Since the introduction of the online application in 2006, up to 75% have been submitted online. For summer 2009, prospective employers were also able to apply online to offer summer worksite placements for SYEP participants.

- **Created debit card payment system:** SYEP participants are paid every two weeks through direct deposit to an SYEP-issued debit card. Cards can be used to access funds at bank ATMs, make store purchases and transfer funds to a personal bank account. Compared to the previous paper check payment process, the debit card process has resulted in fewer payroll errors, lower administrative costs, elimination of check-cashing fees and improved security because participants do not carry cash.

- **Increased private sector job placements:** SYEP jobs were traditionally in non-profit organizations and government agencies. In 2004, DYCD made a commitment to diversify job placements and provide participants with enhanced job experiences. The 30% private sector worksites in summer 2009 surpassed the agency's goal of a minimum 10%. Private sector worksites are comprised primarily of retail locations, medical and law offices and small businesses.

- **Incorporated education component:** All SYEP participants are required to attend 10% of the program hours for educational workshops that complement their summer work experience. The standardized curriculum of the educational component includes topics on work readiness, financial literacy, career exploration, health education and college and post-secondary educational opportunities.

- **Increased service to youth with disabilities:** While all 69 CBOs may provide services to youth with disabilities, more than 20 SYEP providers have specific experience and assist with worksite placements. The number of youth with disabilities participating in SYEP increased from 1,000 in 2004 to 3,812 in 2009.

- **Incorporated service to vulnerable youth:** In 2009, in conjunction with 5 CBOs DYCD provided specialized support services to 1,000 SYEP youth who are in foster care, runaway, homeless or court-involved.

- **Promoted community service and volunteerism.** As part of Mayor Michael R. Bloomberg's NYC Service initiative, 1,385 SYEP participants volunteered two Fridays during the summer of 2009 to work on projects in all 5 boroughs of New York City.

Success Stories

Let me conclude my testimony with the stories of two young people who benefited from an SYEP experience this past summer.

David is a 16 year-old junior at Louis Brandeis High School on the Upper West Side. He was more than a little nervous during his first day on the job at Weiss and Associates, P.C., a law firm that specializes in traffic cases. "I didn't even know how to use a fax machine," said David, who is involved in the foster care system and got his job through SYEP. It didn't take long for David to master the dreaded fax machine, but his duties weren't limited to the general office tasks one might expect from a teenage hire. By the end of the summer, he was working side-by-side with the president of the firm. And he made the most of the opportunity according to Rosemarie Colon-Miles, his supervisor. "David is responsible, timely and communicates well," she said. "He presented himself professionally everyday." Following the completion of SYEP, Weiss and Associates demonstrated their faith in David by hiring him to work three afternoons per week.

Kirk is a 22 year-old non-custodial father with a criminal record who is currently living in a homeless shelter. This summer, Lisa and Felix Hendrickson, owners of Hendrickson Custom Cabinetry in the South Bronx benefited from Kirk's placement at their business. "Kirk is a diamond in the rough," they wrote in a report of their experience. "He needs to build self-confidence. Once he does, he has the potential to be a great leader." Kirk is currently a student in a pre-GED program and he plans to take the GED exam. Kirk says, "The support I have received from both SYEP and Hendrickson has made a big difference in my life. I know I am already making better decisions regarding my future."

David and Kirk's stories are especially heartening in light of the unprecedented challenges facing teenagers who are looking for work. In New York City, only 37.4% of teens who applied were employed in summer 2009.

For the employers, SYEP is not only a source for eager and hard-working seasonal staff; it also provides them with an opportunity to forge a meaningful connection with young people in their community.

Conclusion

With the FY 2009 ARRA allocation fully spent and the real prospect of the lost of state funding for SYEP, New York City will be limited to serving approximately 18,000 young people in the coming summer. We cannot let young people like David or Kirk become another statistic. I know we share a mutual commitment to nurture our young people and provide them with the support and opportunities to succeed in life.

Hard decisions need not and should not be at the risk and expense of New York City and its young people. As public servants, we have a fundamental responsibility to safeguard the economic livelihood and social well-being of the citizens and communities we serve.

Therefore, I applaud the Governor on his decision to not recommend further budget reductions to youth development programs and services for runaway and homeless youth. The Executive Budget proposals of $28.2 million for Youth Development and Delinquency Prevention (YDDP) and Special Delinquency Prevention Program (SDPP) and $4.7 million for Runaway and Homeless Youth (RHY) programs preserve the final SFY 2009-2010 appropriations. Since SFY 2007-2008, these funding streams have experienced a combined $13.68 million reduction.

DYCD appreciates your advocacy and leadership on funding for summer jobs, youth development and services to vulnerable youth and their families in previous State budgets. Thank you for your ongoing support in making young people a priority. We urge you and your colleagues to once again demonstrate your commitment to our young people and fully restore funding for summer jobs. We must continue the investment we have already made in our current and future generations.

Testimony for Joint Fiscal Committee Human Services Budget Hearing

Prepared by Michael Morris,
CEO of Burton Blatt Institute

February 10, 2010

<u>Testimony of United Way of New York State</u>

<u>Joint Fiscal Committee Human Services Budget Hearing</u>

February 10, 2010

I. Introduction

My name is Michael Morris. I am the CEO of the Burton Blatt Institute (BBI) at Syracuse University. BBI was established four years ago as a special initiative of Chancellor Nancy Cantor to advance the social, civic and economic participation of individuals with disabilities in New York State, nationwide, and around the world. Through research, community development, training and technical assistance activities, BBI in collaboration with government, businesses across sectors, and nonprofit organizations is designing and implementing 21st century solutions that benefit the employment, economic status, and quality of life for individuals with disabilities and their families statewide.

I am pleased to offer our testimony today to support and amplify on several recommendations made by United Way of New York State.

II. Background

These are difficult times for the majority of New Yorkers. However, for individuals with disabilities there is a growing larger disparity between the economic self sufficiency and financial stability of New Yorkers with disabilities and those without disabilities.

In the working age population of New York State, 1.4 million individuals report having one or more disabilities which represents 11.1%. The disparity in employment rates presents a gap of 39.3 per cent with 33.1 per cent of working age adults with disabilities employed compared to 72.3 per cent for people without disabilities. The challenges of economic stability are further increased by the fact that only 20.5 per cent of persons with disabilities are working full time as compared to 55.9 per cent of New Yorkers without disabilities. The median household income of working age adults with disabilities in NY. State is $35,200 as compared to $71,000 for families without a member with disabilities. Almost one in three individuals with disabilities have an income that falls below the federal poverty level. This is almost 2.5 times the poverty rate of families without disabilities in New York State.

During the past year and continuing in 2010, BBI has been part of an important collaboration with United Way of New York State that involves federal, state, and local government, community and faith based organizations, financial institutions, and disability related nonprofit groups to address these problems of chronic underemployment and poverty for individuals with disabilities statewide.

The collaboration is part of a federally funded project titled the "New York State's Comprehensive Employment Systems – Medicaid Infrastructure Grant" that is being administered by the New York State Office of Mental Health. In 2009, BBI and United Way of NYS worked together to plan and facilitate Asset Development Summits in six communities in Central and Western New York. In Rochester, Buffalo, Albany, Utica, Ithaca and Wellsville, the local disability and asset building communities educated each other about their activities, needs, and opportunities to work together to advance employment, saving, and a better economic future. Local plans are being developed to expand access to tools and strategies that will promote financial stability and mobility. In the current year, these activities will continue in theses six communities and expand to down state in the New York City area and Long Island.

What we have already learned is that individuals with disabilities and families lack basic information about services and resources that can significantly change their quality of life. The multiple state and federal service delivery systems and public benefits are fragmented and difficult to access. We learned working age adults with disabilities want to work and seek to find a pathway out of poverty.

United Way of NYS offers two Budget recommendations we fully endorse that not only offer a significant return on investment for low income working families with and without a member with disabilities but also offers human and financial support at a time of most urgent need.

III. Recommendations

1. Help New York's Working Poor Access the Earned Income Tax Credit (EITC).

The EITC has proven to be the largest and most successful federal aid program for low income individuals and working families. With research conducted with the Wage and Investment Division of the IRS, we know that there are 1.2 million eligible individuals with disabilities who annually do not claim the credit and fail to secure 1 billion dollars in tax refunds. Our estimates are that there is over 100 million dollars going unclaimed by workers with disabilities. In addition, it is estimated that New Yorkers without disabilities leave unclaimed annually over 700 million dollars in federal and state EITC.

We urge the support of $30,000 to match funding received by United Way of NYS from Bank of America for outreach and assistance with volunteer supported tax return preparation. In the past two years the NYS Office of Temporary and Disability Assistance (OTDA) has provided the small matching grant. The return on investment for $30,000 in public funds not only will leverage millions of dollars to help the poorest of working families statewide, but also will produce further real economic impact in the communities targeted where a portion of the refunds will be spent. The impact will positively affect local businesses and produce additional state and local sales tax. According to OTDA, 3.3 billion dollars in federal and state EITC are returned to NYS families each year. The small grant to United Way can further stimulate economic recovery at a family and community level.

In 2009 United Way and their partners serving 39 counties with trained volunteers completed over 59,000 tax returns that resulted in over 99 millions dollars in total refunds to low income workers statewide. With workers with disabilities being a new priority target audience in 2010, all parties can document and receive the benefits of this request.

2. Reinvest in the Benefits of a State Supported 2-1-1 Toll Free Call in System.

For the past three years the state has invested over 13 million dollars in the 2-1-1 system. We support the need for an easy to remember number that can link people of diverse needs with and without disabilities to assistance. In these difficult economic times, requests for assistance is at an all time high with utilization of the 2-1-1 system up from 1.8 million calls in 2008 to 2.78 million in 2009. The United Way operated 2-1-1 system offers a cost effective approach to improved coordination among state agencies for public benefits screening, outreach, information, and referrals to target audiences. In 2009 as part of the NYS Medicaid Infrastructure Grant (MIG), the use of 2-1-1 was piloted in four regions to expand the availability of information and referrals regarding the Medicaid Buy-In, an approach to encourage individuals with disabilities to return to work without fear of losing health care coverage. The system is also effectively identifying Volunteer Tax Preparation assistance sites for callers to access the Earned Income Tax Credit.

There is no other organization or agency that provides the same comprehensive information and referral service that 2-1-1 does. We urge you to include in the 2010-11 budget a state investment of $4.4 million for 2-1-1; clearly the most-cost effective way to serve New Yorkers who need help.

IV. Conclusion

In the current economic crisis, there are no simple solutions to the challenges faced by over 1 million New Yorkers of working age with disabilities. These two small recommendations are sound investments in a social safety net that will have critical impact statewide. We urge you to restore both items to the Budget.

Testimony of Marya Gilborn
Director, Second Time Around Program of The Family Center
February 10, 2010

For over 6 years, my organization, The Family Center of New York City, has provided comprehensive legal and social services to kin caregivers throughout the 5 boroughs of New York City. With funds from the New York City Department for the Aging and from New York State Office of Children and Family Services, we have supported some of New York City's frailest families, from Edwina M., a 19-year old who is caring for two younger siblings after her mother's death from cancer last summer, to Lila D. an 85 year old who has raised her three grand children for over 10 years due to parental substance abuse.

As a social worker, it is difficult to imagine a more rewarding population to work with than kin caregivers. As an advocate, I feel equally fortunate for the tremendous network of organizations that work together to support these families. With leadership from the New York State Office of Children and Family Services, the New York Chapter of AARP and the NYS Navigator program run by Catholic Charities of Rochester, we have been able, over the past 5 years, to coordinate services, share resources and develop best practices, supporting high-quality services in rural, suburban and urban communities around the state.

The Family Center's Second Time Around program is just one of many fantastic programs around New York State. Our comprehensive service package includes individual, couple and family counseling, caregiver peer support groups, case management, benefits and entitlements assistance, and legal representation in areas of custody and guardianship, advanced directives, housing, and permanency planning services. All of our services are free, provided in multiple languages, and available in clients' homes throughout New York City.

The families that we serve are among New York's most profoundly challenged. While the losses that necessitate family members to become kin caregivers (drug abuse, premature death, mental illness) cut across race and class lines, they disproportionately impact families that are already unstable due to poverty, low educational achievement, immigration status and social disenfranchisement.

Our clients have stepped forward when nobody else in a child's life is willing and able to care for them. Younger relatives put their own personal and educational goals aside, working caregiver risk their jobs to attend court dates and public benefits screening appointments, older caregivers neglect their own emotional and health needs in order to meet the needs of their grandparents. In the vast majority of cases, kin caregivers make these sacrifices completely outside of the formal child welfare system. They do so at great cost to themselves and with tremendous benefit to society.

I would like to share brief vignettes of just a handful of the families that my organization has served in the last year, not to showcase the work of The Family Center, but rather to exemplify the range of challenges and needs faced by families being served by the network of care provided by the Kincare programs around New York State.

Berlene A. is a 65-year old Haitian grandmother living in Brooklyn. She came to New York from Haiti in 2004 after her daughter died of AIDS. Berlene moved to a foreign country to raise *six grandchildren she barely knew and who had been raised in a culture she did not understand, by a daughter from whom she was estranged. It was only after her daughter's death that she learned of her daughter's HIV status, as well as the fact that one of her grandchildren, Sarah, was also living with HIV. Berlene was referred to TFC in 2007 by Sarah's medical provider. Berlene's case was assigned to a Creole Speaking social worker who has worked with the family now for three years. The social worker has helped Berlene manage her own feelings of loss and anger with her daughter and separate those feelings from her anxieties related to her grandchildren. In addition to providing individual support to Berlene, the social worker has provided family counseling session and individual support to Sarah as her grandmother prepared to tell her about her HIV status. Berlene has also received case management support to help her navigate confusing systems, including the special education, public benefits and specialized medical services. Three of the teens have participated in various teen groups, including an HIV peer education program, and the two younger children have been matched with adult mentors through TFC's Buddy Program.*

***Gladys R.** sought services from TFC in October 2008. At 62, she had guardianship of her two grandchildren, ages 10 and 12, and was undergoing treatment for colorectal cancer. Gladys's two grandsons had been removed from their mother, Jean, when the younger child was born with drugs in his system. After spending 9 months with a foster mother, they had been placed in Gladys care and she had become their guardian. Now, faced with a life-threatening cancer diagnosis, she needed help planning for what would happen to her grandsons in the case of her death. Although the boys mother had reportedly been sober for 8 years, she had never expressed an interesting in taking over their care and Gladys did not believe that this was a viable option because she felt her daughter was emotionally unstable, was in an abusive relationship, and shared no bond with her children. In recent years, Gladys's grandsons had refused to visit their mother, citing that they didn't like spending time in her home and that her boyfriend was often drunk. Gladys had two other potential caregivers in mind, Ethan, the father of the boys' older half-brother, and Reina, the foster mother who had them as infants and had maintained a close connection to the family although she lived across the city. With help from TFC staff, Gladys was able to evaluate her options and, after a meeting with Ethan, Reina and her TFC social worker, Gladys decided that her preference would be for both boys to live with Ethan because, as he was a neighbor, it would minimize the disruption to their lives and schooling. Gladys met with an attorney who put her wishes for her grandsons in writing and also helped her complete a Power of Attorney, Health Care Proxy and Living Will. The social worker continued to provide Gladys with support as she went through continued treatment for her cancer, which was rapidly progressing. After going in to hospice care in early January, Gladys died last week. The social worker has already met with Ethan (48) to reaffirm that he is prepared to take on the care of the boys and he plan to petition for guardianship this week. Over the coming months, Ethan will require a lot of support. He will need a lawyer to help him through what could be a complicated court case. He will need assistance getting benefits in his name. He will need to familiarize himself with the boys' schools, therapists and doctors. He has already spoken to his employer about the need to take some time off from his job to get through these appointments. Ethan may also face a legal challenge from the boys' mother. While it seems clear that being placed with Jean would not be in the boys' best interest and we don't believe she would be likely to be granted guardianship, Jean has the right to contest Ethan's petition and therefore has the potential to cause the court case to draw out, leaving the boys in emotional limbo.*

Albert (24) and Manuel (26), two brothers, were referred to TFC in 2008. Their mother had just died of cirrhosis and they were living in a shelter with their two younger sisters, age 15 and 17. Their father had died only a year before, also of health issues related to long-term substance abuse. They were in crisis, absolutely unsure about how to hold their family together. They were assigned quickly to both a social worker and an attorney. While the attorney helped them to make a decision about which one of them would petition for guardianship, the social worker began offering bereavement counseling to the siblings both individually, and at times, as a family grouping. In addition to their recent loss, these young people were struggling to reorganize their family and redefine relationships as Albert and Manuel transitioned from being peers to being parent figures. Meanwhile, their housing was unstable. Manuel, who had been living out of state before his mother's death, was being told that he couldn't stay in the family shelter, because he hadn't been part of the family composition when the family entered the shelter. As a result, Manuel had to seek shelter through the single men's shelter system where he was also enrolled in a mandatory work program. Meanwhile, Albert and his siblings were working with shelter staff to seek permanent housing. In the year after their mothers' death, one of the sisters became pregnant and then lost the baby and the other struggled with alcoholism. Through all the struggles of the last year, these young people continue to show up and to demonstrate tremendous resourcefulness and empathy for one another. Albert and Manuel participated in a kick-off event for a support group for male caregivers, but, due to their work schedule, were unable to join the group on an ongoing basis. It is our experience that families headed by young adult siblings are among the most vulnerable Kincare families. The Vargas family has been an exception, and 18-months into our work with them, I am proud to say that they are doing remarkably well. Albert and Manuel are both working. The older sister, now 19 is getting ready to graduate from high school and hopes to enter a two-year college. The younger sister, now 17, is still in school, though there are concerns about truancy and behavior. Albert and his social worker continue to work together and to coordinate with school staff to try to keep her on track.

Thank you for taking the time to learn more about the programs that are being funded by OCFS to support families like these. We understand that New York's legislators are faced with very difficult decisions about how to allocate shrinking resources. I hope that these vignettes will help to illustrate the myriad ways in which caregiver programs ultimately save public dollars. They do this, most notably, by keeping children out of the foster care system, but also by providing essential stabilizing services that help keep at-risk families out of the homeless system, help working caregivers hold on to their jobs, and help high-risk youth to get and stay on track towards a healthy and productive adulthood.

Submitted by:

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Testimony of Marya Gilborn
Director, Second Time Around Program of The Family Center
February 10, 2010

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Our clients have stepped forward when nobody else in a child's life is willing and able to care for them. Younger relatives put their own personal and educational goals aside, working caregiver risk their jobs to attend court dates and public benefits screening appointments, older caregivers neglect their own emotional and health needs in order to meet the needs of their grandparents. In the vast majority of cases, kin caregivers make these sacrifices completely outside of the formal child welfare system. They do so at great cost to themselves and with tremendous benefit to society.

I would like to share brief vignettes of just a handful of the families that my organization has served in the last year, not to showcase the work of The Family Center, but rather to exemplify the range of challenges and needs faced by families being served by the network of care provided by the Kincare programs around New York State.

Berlene A. is a 65-year old Haitian grandmother living in Brooklyn. She came to New York from Haiti in 2004 after her daughter died of AIDS. Berlene moved to a foreign country to raise *six grandchildren she barely knew and who had been raised in a culture she did not understand, by a daughter from whom she was estranged. It was only after her daughter's death that she learned of her daughter's HIV status, as well as the fact that one of her grandchildren, Sarah, was also living with HIV. Berlene was referred to TFC in 2007 by Sarah's medical provider. Berlene's case was assigned to a Creole Speaking social worker who has worked with the family now for three years. The social worker has helped Berlene manage her own feelings of loss and anger with her daughter and separate those feelings from her anxieties related to her grandchildren. In addition to providing individual support to Berlene, the social worker has provided family counseling session and individual support to Sarah as her grandmother prepared to tell her about her HIV status. Berlene has also received case management support to help her navigate confusing systems, including the special education, public benefits and specialized medical services. Three of the teens have participated in various teen groups, including an HIV peer education program, and the two younger children have been matched with adult mentors through TFC's Buddy Program.*

***Gladys R.** sought services from TFC in October 2008. At 62, she had guardianship of her two grandchildren, ages 10 and 12, and was undergoing treatment for colorectal cancer. Gladys's two grandsons had been removed from their mother, Jean, when the younger child was born with drugs in his system. After spending 9 months with a foster mother, they had been placed in Gladys care and she had become their guardian. Now, faced with a life-threatening cancer diagnosis, she needed help planning for what would happen to her grandsons in the case of her death. Although the boys mother had reportedly been sober for 8 years, she had never expressed an interesting in taking over their care and Gladys did not believe that this was a viable option because she felt her daughter was emotionally unstable, was in an abusive relationship, and shared no bond with her children. In recent years, Gladys's grandsons had refused to visit their mother, citing that they didn't like spending time in her home and that her boyfriend was often drunk. Gladys had two other potential caregivers in mind, Ethan, the father of the boys' older half-brother, and Reina, the foster mother who had them as infants and had maintained a close connection to the family although she lived across the city. With help from TFC staff, Gladys was able to evaluate her options and, after a meeting with Ethan, Reina and her TFC social worker, Gladys decided that her preference would be for both boys to live with Ethan because, as he was a neighbor, it would minimize the disruption to their lives and schooling. Gladys met with an attorney who put her wishes for her grandsons in writing and also helped her complete a Power of Attorney, Health Care Proxy and Living Will. The social worker continued to provide Gladys with support as she went through continued treatment for her cancer, which was rapidly progressing. After going in to hospice care in early January, Gladys died last week. The social worker has already met with **Ethan (48)** to reaffirm that he is prepared to take on the care of the boys and he plan to petition for guardianship this week. Over the coming months, Ethan will require a lot of support. He will need a lawyer to help him through what could be a complicated court case. He will need assistance getting benefits in his name. He will need to familiarize himself with the boys' schools, therapists and doctors. He has already spoken to his employer about the need to take some time off from his job to get through these appointments. Ethan may also face a legal challenge from the boys' mother. While it seems clear that being placed with Jean would not be in the boys' best interest and we don't believe she would be likely to be granted guardianship, Jean has the right to contest Ethan's petition and therefore has the potential to cause the court case to draw out, leaving the boys in emotional limbo.*

Albert (24) and Manuel (26), two brothers, were referred to TFC in 2008. Their mother had just died of cirrhosis and they were living in a shelter with their two younger sisters, age 15 and 17. Their father had died only a year before, also of health issues related to long-term substance abuse. They were in crisis, absolutely unsure about how to hold their family together. They were assigned quickly to both a social worker and an attorney. While the attorney helped them to make a decision about which one of them would petition for guardianship, the social worker began offering bereavement counseling to the siblings both individually, and at times, as a family grouping. In addition to their recent loss, these young people were struggling to reorganize their family and redefine relationships as Albert and Manuel transitioned from being peers to being parent figures. Meanwhile, their housing was unstable. Manuel, who had been living out of state before his mother's death, was being told that he couldn't stay in the family shelter, because he hadn't been part of the family composition when the family entered the shelter. As a result, Manuel had to seek shelter through the single men's shelter system where he was also enrolled in a mandatory work program. Meanwhile, Albert and his siblings were working with shelter staff to seek permanent housing. In the year after their mothers' death, one of the sisters became pregnant and then lost the baby and the other struggled with alcoholism. Through all the struggles of the last year, these young people continue to show up and to demonstrate tremendous resourcefulness and empathy for one another. Albert and Manuel participated in a kick-off event for a support group for male caregivers, but, due to their work schedule, were unable to join the group on an ongoing basis. It is our experience that families headed by young adult siblings are among the most vulnerable Kincare families. The Vargas family has been an exception, and 18-months into our work with them, I am proud to say that they are doing remarkably well. Albert and Manuel are both working. The older sister, now 19 is getting ready to graduate from high school and hopes to enter a two-year college. The younger sister, now 17, is still in school, though there are concerns about truancy and behavior.. Albert and his social worker continue to work together and to coordinate with school staff to try to keep her on track.

Thank you for taking the time to learn more about the programs that are being funded by OCFS to support families like these. We understand that New York's legislators are faced with very difficult decisions about how to allocate shrinking resources. I hope that these vignettes will help to illustrate the myriad ways in which caregiver programs ultimately save public dollars. They do this, most notably, by keeping children out of the foster care system, but also by providing essential stabilizing services that help keep at-risk families out of the homeless system, help working caregivers hold on to their jobs, and help high-risk youth to get and stay on track towards a healthy and productive adulthood.

Submitted by:

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February 10, 2010

Good Afternoon,

We are submitting this testimony today to represent the SHIP program operated by the Commission on Economic Opportunity in Rensselaer County. Thank you for having us here today and for funding our program in previous years and currently. We are here to implore you to continue funding this program that is so necessary for the residents of our county, and our state.

The Commission on Economic Opportunity's Supplemental Homelessness Intervention Program, or SHIP, provides crisis intervention and case management services available to residents of Rensselaer County, as well as Albany and Saratoga Counties. Crisis intervention includes utility shutoff and eviction prevention assistance for individuals and families in poverty and at-risk of homelessness, and housing location for those who are currently homeless. Once clients have stable, permanent housing, case managers work to identify and stabilize chaotic systems in their lives, with the ultimate goal of becoming self-sufficient, contributing members of society. This can include, but is not limited to: finding and maintaining employment, counseling services, transportation access, advocacy and referrals to additional forms of assistance, and continuing education guidance.

The average cost of assistance for a SHIP client in Rensselaer County is $1,000.00 for the first 90 days[1] of service. Services provided to the County's 73[2] annually funded clients during the first 90 days include eviction prevention and utility shutoff assistance, as well as case management services to keep families from becoming homeless.

If the SHIP program is discontinued, these clients will lose the option of preventative services and will likely become homeless, forcing them to utilize emergency housing assistance. For Rensselaer County residents, the average stay per night in emergency housing is $59.00. If a client or family stays in a hotel for an average of 62 nights[3], the cost to New York State is $3,658.00 per client. This means that in order to accommodate the County's 73 de-serviced SHIP clients, the state will spend $267,034.00 for housing alone, not including any case management services.

This equals an additional cost of $194,034.00 to the State of New York for Rensselaer County alone, when the SHIP program would provide more services for a longer time period at a significant cost savings. Statewide, total savings have been estimated at over $100,000,000. During this time of budget crisis, I cannot stress enough the considerable cost savings to the State of New York if the SHIP program is continued.

Not only would it be financially beneficial to continue funding for SHIP programs state-wide, it also avoids acute crisis situations of homelessness, lessens overall stress and burden on the family unit, and promotes and encourages long-term stability and future planning. HIP/SHIP programs are essential in providing a holistic, preventive solution to homelessness.

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[1] Number based on billing points for the state in the first quarter: Assessment @ $200/household, Eviction Prevention @ $550/household, and 90 Day Retention @ 250/household
[2] Number of clients current contractual budget will allow for per fiscal year.

Please continue to support this critical service provided throughout New York State. Thank you for your time.

If you have any questions about the information provided, or would like more information about the SHIP Program, please contact Annalene Antonio, Community Based Services Director, or Ashley Chandler, SHIP Program Coordinator. Our contact information is provided below.

Sincerely,

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Testimony of The Legal Aid Society

On

THE 2010 - 2011 EXECUTIVE BUDGET

TOPIC: HUMAN SERVICES Presented before:

The Senate Finance Committee
and
The Assembly Committee on Ways and Means

THE LEGAL AID SOCIETY

MAKING THE CASE FOR HUMANITY

Submitted by:

Tamara A. Steckler, Attorney in Charge
Juvenile Rights Practice
and
Adriene L. Holder, Attorney in Charge
Civil Practice

February 10, 2010

The Legal Aid Society welcomes this opportunity to submit testimony for the 2010-2011 Executive Budget hearing concerning the provisions affecting children involved in the juvenile justice and child welfare systems in New York State, and the hundreds of thousands of low-income New Yorkers who are affected by the budget and policy decisions regarding public assistance and related safety-net programs.

The Legal Aid Society is the nation's largest and oldest provider of legal services to poor families and individuals, providing legal representation in more than 300,000 legal matters for clients each year. Our perspective in submitting this testimony comes from our daily contacts with children and their families, and also from our frequent interactions with the courts, social service providers, and State and City agencies.

Legal Aid's Juvenile Rights Practice provides comprehensive legal representation to children who appear before the New York City Family Courts in all five boroughs, in abuse, neglect, juvenile delinquency, and other proceedings affecting children's rights and welfare. Last year, our Juvenile Rights staff represented some 34,000 children. Our Criminal Practice represents, among others, young people aged 13-15 who are charged as "juvenile offenders" and who may end up in Office of Children and Family Services (OCFS) facilities as well. In addition to representing many thousands of children each year in trial and appellate courts, Legal Aid also pursues impact litigation and other law reform advocacy on behalf of our clients.

The Society's Civil Practice has offices in every borough of New York City, handling more than 30,000 civil matters for its clients each year and wins over 92 percent of the cases that go to court or administrative hearing. An additional two million individuals benefit from our pending class action litigation. Our staff works tirelessly to improve the lives of needy New Yorkers by helping vulnerable families and individuals on a broad range of issues, including employment law and low-wage worker matters, health care, housing, employment and training, economic development, public assistance, immigration, domestic violence and disability-related issues. We represent a large number of clients who are forced to rely upon public assistance to get through difficult times that are often caused by a change of circumstances such as unemployment, disabling medical and mental health conditions, domestic violence, homelessness or even the need for child care. Our clients usually have two goals when they seek out public assistance. In the short-term, they seek to obtain and maintain subsistence income so they can keep a roof over their heads or end a period of homelessness and feed their children. In the long-term, they seek a path to a more stable income, whether through acquiring skills and education that will facilitate employment, finding paid employment directly or when necessary, securing disability benefits to which they are entitled from the Federal Social Security Administration.

I. JUVENILE JUSTICE AND CHILD WELFARE

Juvenile Justice Reform

We have long advocated on behalf of our young clients involved in the juvenile justice system for more community-based, service-intensive alternative to detention and incarceration options. Several recent investigations and reports, including that of the Governor's Task Force on reforming New York's approach to juvenile justice, have underscored the need, and the fact that the current system is simply not working. Placement in punitive Office of Children and Family Services facilities far from children's homes without badly-needed treatment services is costly and ineffective. The rate of re-arrest for young people after leaving OCFS placement is approximately 80%, as opposed to approximately 30% for youth who have participated in community-based alternative programs. At an annual cost of some $210,000 per child, as opposed to the $5000 - $17,000 annual cost of community-based programs[1], OCFS placement has a failure rate that is unacceptable as well as fiscally unwise.

We therefore support the proposals in the SFY10-11 Executive Budget to eliminate 180 beds from under-used OCFS residential facilities, and to allocate $18.2 million to improve staffing ratios in all of the facilities and address the shocking lack of appropriate mental health services for youth who so desperately need them. Our clients who are sent to "rehabilitative" placements in OCFS's residential facilities have long suffered from the physical abuses and lack of treatment described in the class action lawsuit filed by The Legal Aid Society late last year. *G.B., et al., v. Carrión, et al.*, 09 Civ. 10582 (S.D.N.Y.).

At the same time, however, the cuts in the Executive Budget to alternatives to detention, alternatives to incarceration, and youth programs, will impede the State's ability to work most effectively with this population of children and their families. Cutting the proposed $10.75 million from alternative to detention and alternative to incarceration programs, and $5 million from community reinvestment/alternative services, is unwise and will harm children and our communities. The proposed cut of $46.4 million in TANF funds for the Summer Youth Employment and Advantage After-School programs will reduce dramatically the already limited opportunities for teens to take part in productive and educational activities in their free time.

Kinship Guardianship Assistance Program

On October 7, 2008 the Fostering Connections to Success and Increasing Adoptions Act of 2008, P.L. 110-351, ("Fostering Connections") was signed into law. One of the provisions of this landmark piece of child welfare legislation provides federal Title IV-E dollars to States which choose to implement a kinship guardianship assistance program for children who are currently being raised by relatives in the foster care system. Such a program would provide a subsidy to those kinship foster parents who wish to provide permanent

[1] Governor Paterson's Task Force and the Vera Institute of Justice, *Charting a New Course: A Blueprint for Transforming Juvenile Justice in New York State*, December 2009.

homes for children who are unable to return to their biological families and for whom adoption is not an option. So far, thirty-nine states and the District of Columbia have implemented kinship guardianship assistance programs and achieved permanency for children formerly in foster care.

We applaud the creation of a subsidized kinship guardian program in the Executive Budget which will provide real permanency to so many children in foster care whose loving kinship foster parents simply cannot afford to care for them outside the foster care system without additional financial support.. Reunification with a parent or adoption are and will always remain the primary permanency goals for the majority of children who enter foster care. However, for a child who is unable to return to her parent and whose family caregivers wish to provide her with a permanent home but for a variety of reasons are unable to adopt her, kinship subsidized guardianship will enable that niece or nephew or grandchild to leave foster care and reside permanently with caring, committed family members.

While we fully support a kinship guardianship assistance program for New York State's children and families, we would like to suggest some modifications to the program currently proposed by the Governor:

1. Fostering Connections requires that return home or adoption must be ruled out as a permanency goal for a child in foster care and that placement with a legal guardian is the best permanency option for the child before a court can grant a petition for subsidized kinship guardianship. Moreover, the federal law requires that a child reside in a kinship caregiver's home for *a minimum of* six consecutive months before allowing that caregiver to apply for kinship subsidized guardianship but States are free to lengthen that period of time.

The Governor's bill mirrors the federal requirement of the six-month minimum, but in our experience, six months in foster care is usually not enough time to definitively conclude that neither return to parent nor adoption is the most appropriate permanency goal for a child. The Office of Court Administration ("OCA") has also proposed legislation that, in addition to requiring that a child reside in her caregiver's home for six months, would also require that a fact-finding hearing on the abuse or neglect case has taken place or a first permanency hearing has occurred, whichever is later, prior to entertaining an application for kinship subsidized guardianship. We suggest that these bills be amended to avoid a premature conclusion that return to parent and adoption are not viable permanency options.

2. The Governor's bill, like Fostering Connections, requires the consent of a child who is 18 or older and merely requires "consultation" with a child who is fourteen or older before granting a petition for kinship subsidized guardianship. There is nothing in the federal legislation that would prohibit a state from a) requiring consent from younger children nor b) requiring consultation with all children able to voice their wishes. We strongly support a modification to the Governor's bill that would require a child's consent at age 14 and age-appropriate consultation with all children. New York State currently requires the consent of a 14 year old child in order for an adoption to take place; if kinship subsidized guardianship is truly the permanent option we wish it to be for our children and families, then a 14 year-old's consent must be mandatory. Additionally, Family Court Act § 1089 (d) requires age-

appropriate consultation with a child who is the subject of a permanency hearing, and as this legislation deems kinship subsidized guardianship an appropriate permanency goal for some children, it is imperative that age appropriate consultation be mandatory.

3. Both Fostering Connections and the Governor's bill make youth exiting from foster care to legal guardianship, after age 16, eligible for federally-supported independent living services. Unfortunately, the Governor's bill only makes these services available to young people until age 18 if they are discharged to subsidized guardianship prior to turning 16 whereas the services will be available until age 21 if a young person is discharged to kinship subsidized guardianship after the age of 16. These benefits are crucial to young people as they begin to make the transition to adulthood and cutting them off at 18 for some children could result in a kinship caregiver waiting until her foster child reaches the age of 16 before petitioning the court for subsidized guardianship. Children might remain in foster care longer in order to receive these needed benefits and services. We suggest that all young people whose foster parents are awarded subsidized guardianships be eligible to receive independent living services until the age of 21.

4. The Governor's bill provides that State funding for the kinship guardianship assistance program is under the Foster Care Block Grant. We are concerned about this because kinship subsidized guardianships, like adoptions, are permanent solutions for children and their relative caregivers and so from a policy perspective alone, the monies should not be taken out of the foster care block grant, which is massively under funded and barely meeting the needs of children in the foster care system in New York State. Moreover, while there might be a short-term savings based on an anticipated reduction of administrative costs for children leaving foster care for kinship subsidized guardianships, we are concerned that in the long term, costs will increase if greater numbers of young people leave foster care but remain dependent on the block grant for longer periods of time.

Electronic Testimony

The SFY10-11 Executive Budget includes a proposal that would permit testimony or attendance by telephone, audio-visual means, or other electronic means, and would permit the submission of documentary evidence by electronic means, in a variety of Family Court proceedings relating to juvenile delinquency, child protection, termination of parental rights, and Persons in Need of Supervision (PINS). We think that the Governor's bill has the potential to enable individuals who might not otherwise be able to, to participate in Family Court proceedings, and to enable the Family Courts to make more informed decisions based upon more fully developed records in the proceedings before them. However, we are concerned that, as currently drafted, the bill has the potential to interfere with due process and with an individual's ability to determine, with the advice of counsel, how and to what extent s/he will participate in Family Court proceedings.

While we are not opposed to electronic appearances in all cases, we suggest the following modifications to the Governor's program bill:

1. The Governor's bill provides that a "court may permit a party or an interested person to attend, or a witness to testify" by electronic means at certain Family Court proceedings without specifying who may make an application to the court to permit a particular party, interested person or witness to appear or attend by electronic means. As such, the Governor's bill leaves open that possibility that one party may seek and obtain an order from the court directing that another party appear electronically, or that a party may be compelled to appear or testify by electronic means against his or her wishes.

The Statement in Support of this bill specifically states that the bill would reduce costs currently incurred by the State in transporting youth in OCFS facilities to and from court appearances. We cannot stress enough how important it is for youth in OCFS custody to be able to appear in court in person. In addition, we note that for a youth in OCFS custody, the court date is often the only time s/he meets with counsel in person as well as their family, and we question whether the projected cost savings of this measure would outweigh the loss in less tangible benefits associated with personal contact with counsel and the court.

We strongly suggest that the Governor's bill be modified to provide that any application to the court that a party, interested person or witness appear, attend or testify in any Family Court proceeding must be made exclusively by the attorney representing that party or calling that witness.

2. The Governor's bill allows, among other electronic means, testimony and attendance by telephone. We are concerned that testimony or attendance by telephone or other electronic means that lack a video component would impede the court's ability to observe and assess demeanor, or even to ascertain the identity of the person participating. As such, we support a modification to the Governor's bill that would limit participation via electronic means to those that include a visual or video component.

Conclusion

We are extremely grateful to the members of the Assembly and Senate for your leadership and ongoing commitment to children and families involved in the juvenile justice and child welfare systems in New York State. We look forward to working with you in this difficult economic climate, to find creative solutions to the challenges facing the needs of this vulnerable population.

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II. SOCIAL SERVICES and the OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE

There are many proposals in the executive budget for the social services area and in the related Article VII bills that are of great concern to our clients. We are focusing today on three that are of particular importance. We ask that the Legislature:

(1) reject the Governor's proposal to renege on last year's commitment to increase the basic welfare grant, which is still too low;

(2) increase investment in real jobs programs;

(3) promote transparency and accountability in how the federal stimulus and recovery funds that are earmarked for low-income families with children are being budgeted and spent.

Promises To Keep: Protect The Basic Welfare Grant

The Governor's proposed reduction of the scheduled grant increase by half, to only 5%, cannot be accepted. The promise made jointly by this Legislature and the Governor, to begin to redress the years of neglect with relatively small, incremental steps, is a promise to be honored, not broken – especially in the midst of the severe economic downturn when low income New Yorkers are suffering greatly.

Last year, we applauded the Legislature and the Governor for taking the first steps to reverse two decades of neglect, and begin raising the basic welfare grant. The budget agreement adopted last year established a schedule of three annual increases of 10% per year for a total of 30%. At the time, the real value of the grant had eroded to less than 50% of its purchasing power in 1990, the last year the grant was increased. Thus, even when implemented by 2012, the approved increases will still leave the most vulnerable New Yorkers living in deeper poverty and with at least 20% less resources than their counterparts two decades earlier.

In evaluating the Governor's proposal, it is important to note that the increases approved last year apply only to a portion, generally less than 50%, of the monthly assistance that each family receives to live on, commonly referred to as the "basic" welfare grant. This does not include the "shelter allowance," which was not increased at all, and which comprises over half the monthly grant for most families. In reality, the scheduled "10%" increase is only a 5% increase for most households in terms of the assistance they will receive.

To illustrate, a family of three in New York City is allowed a maximum of $400 per month in shelter costs, so, not surprisingly, most recipients of public assistance have to use all or a portion their "basic" welfare grant to pay for their housing. The "basic" welfare grant for the family would be $321, for a combined grant of $731. The scheduled 10% increase would net the household approximately $30 per month so they can look forward to a monthly subsistence allowance of $751 for a family of three – an increase of less than 5% -- if last year's promise is kept. Under the Governor's proposal, the grant would be reduced by $15, yielding an "increase" of $15 per month, little more than 2%, and barely enough to keep up with real inflation.

The shelter allowance levels are established by the Commissioner of the Office of Temporary and Disability Assistance, and were last increased – very modestly – in 2003. The combined inadequacy of the shelter grant and the basic assistance grant has contributed to a crisis of substandard, overcrowded and dangerous housing conditions, and homelessness, particularly in New York City, and leaves too many New Yorkers, including young children and seniors, living in abject poverty.

Despite the limitations of the increases approved last year, we welcomed the 2009-10 budget agreement because it offered not just vague promises to do better in future years when the picture was brighter, but instead committed to a specified, multi-year schedule of gradual increases. The 30% increase over three years would not close the inflation gap, but would at least put a modest dent in it. Equally important, it signaled what we hoped was a shift from nearly two decades in which the needs of the most vulnerable New Yorkers were rarely promoted in good budget years or protected in bad ones.

Even in the face of the current adversity, we need to continue the movement we began last year. More, not less needs to be done to close the inflation gap. The poorest New Yorkers cannot afford a decrease in the welfare grant. And despite the negative budget realities in many areas, the poorest New Yorkers can and should be more insulated from the ravages of the recession for practical, as well as moral reasons.

New York has received, or will receive, over $1.2 billion in federal recovery and stimulus funds through the he TANF Contingency and Emergency Contingency Fund in FFY 2009 and 2010.[2] There is also real possibility that the federal funding will be extended and increased this year.

Against this backdrop of an influx of over a billion dollars specifically earmarked for poor families with young children, the proposed rollback of the grant increase stands out as a singularly unnecessary budget cut. The Governor puts the price tag at reneging on last year's promise at $18 million in "savings" for SFY 2010-11. That is not a paltry sum, either in the aggregate or in what it means broken down to each of the nearly 160,000 families it is being taken from, for whom the small difference in the grant may perhaps mean enough to buy a metro card or pay for gas to take a sick child to see a doctor. But thanks to a billion dollar plus infusion of extra federal TANF funds for low-income families with children – rolling back the grant is simply not a matter of necessity. The executive budget proposal to take back the scheduled increase should be rejected by the Legislature as unacceptable with a simple message to the Governor: We will keep our promises, especially to the most vulnerable New Yorkers.

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2 Giving the Governor credit where it is due, he lobbied personally and effectively for an inclusion of funds in the stimulus package to be earmarked for low-income Americans, and as a result of his efforts, and others, the American Recovery and Reinvestment Act included, among other initiative, $5 billion in TANF Emergency Contingency Funds.

Help Wanted: A Budget To Help People Earn And Learn Their Way Out Of Poverty.

In addition to the proposed reduction in the basic welfare grant, the executive budget's most glaring deficiency in the public benefits area is the substantial reduction in funding for subsidized jobs and similar programs. The Governor's proposal would reduce support in this critical area from approximately $70 million to less than $20 million. These proposed cuts would be in the jobs programs in which people get a chance to actually earn money while learning skills and gaining experience. Before last year, New York State was extremely reluctant to invest in subsidized jobs programs to help public assistance recipients earn and learn their way out of poverty. Historically less than 1% of New York State's $2.4 billion annual TANF block grant has been programmed for wage subsidy and similar jobs programs.

This past year, largely at the insistence of the Legislature, relatively small but important steps were taken to increase spending on real jobs programs. This year, unfortunately, and seemingly without any sound reasoning, the executive budget proposes to slash spending in this area, even as the unemployment rate climbs and low income New Yorkers find the job market particularly difficult to enter. Last year, we saw the small steps taken to begin investments in jobs programs as something to build upon. This year's executive budget, if enacted, would move in the opposite direction.

In this area we truly need more, not less. The Legal Aid Society supports the premise of the "Good Jobs New York" campaign, and a modest increase in spending on effective jobs and training programs -- from approximately $70 million to $100 million — is entirely feasible, particularly because New York has received or will receive in the next several months an extra billion dollars or more in federal support through the Contingency Fund and the Emergency Contingency Fund. Even at the $100 million level, jobs funding would still represent a very small fraction – less than 5% – of the combined TANF block grant and contingency funds available this year.

Support for these types of jobs programs, be they in areas of construction trades, "green jobs," health care, or other activities, should be an integral part of the programming administered through the agencies charged with helping New Yorkers survive on, and then transition off of, public assistance. With more than 800,000 unemployed New Yorkers, the jobs program should not be a mere afterthought as it appears to be based on the Governor's proposed budget.

We recognize that it will take time to get there from here to there, in terms of developing an infrastructure in which paid employment is an integral part of the State's safety net, rather than a collection of small pilot projects. Progress can be made incrementally, but the executive budget's proposed reduction is a serious step backwards. We can do better, and the Legislature can restore the cuts proposed in the Governor's budget and incrementally increase spending on jobs related programs that offer public assistance recipients a way to earn and learn their way out of poverty.

Promote Real Transparency In How The Stimulus And Recovery Funds Are Being Spent In The Human Services Area.

Budget making processes always reflect choices and priorities, with the interests of people, programs, and policies hanging on the decisions made. Everyone, including the Governor, speaks in favor of increased transparency these days. The call for transparency and accountability is particularly resonant in the area of the stimulus funding. Federal funds are being provided to the States with explicit expectations that they will engage in a transparent process of allocating the funds. Citizens should be able to evaluate how and where stimulus money is being spent; whose priorities are being addressed; whose interests protected or sacrificed; and which promises are being made, kept, or broken.

Deciphering the choices made and sometimes deeply embedded in the executive budget is challenging particularly for those of us not intimately familiar with some of the nuances and conventions of the State budget making process. To be fair to the Governor and his staff, this year advocates from Legal Aid and elsewhere have enjoyed meaningful assistance in interpreting the proposed budget from members of the executive, agency and Department of Budget staff, for which we are very appreciative.

We know much more than we did when the budget was first released. For instance, we have learned that more than $260 million of federal stimulus and recovery funds earmarked for low income families with children are, in the Governor's proposed budget, being used for general revenue relief. This is not illegal – the funds were or will be "earned" on projections of tax credits associated with the Earned Income, Empire State Child Care, and Tuition Tax credit programs. We have also learned that despite the cuts in the welfare grant, the jobs programs and summer youth programs, the Governor's budget has preserved tens of millions of dollars already set aside for future costs to offset the local share of the grant increase, some of which will not be incurred until 2014 under his proposal. These promises, also made last year, are being kept.

What we have learned in the past several weeks since the budget was released is that making important policy decisions on this magnitude are not easy, and public participation is hindered when the facts are difficult to discern. We do not question the Governor's intention to make improvements in this area. Transparency is something that has to be worked on, and, with so many moving parts, budget making in this area, like others, will never be simple. But New York can and must do better.

To provide greater transparency and accountability in stimulus spending in New York, we believe that it is essential to hold legislative hearings on this process. Our clients, and the people affected by spending in this area, have historically been isolated from the decision-making processes for allocating federal and State funds that are supposed to benefit them. Our expectation is that by holding a legislative hearing on the issue of transparency in the social services spending area, accountability can be advanced and processes improved. Ultimately New York should end up with a more informed and involved citizenry, and ultimately better policy choices for low-income New Yorkers, and the State as a whole.

Conclusion

Without making light of the very serious budgetary constraints facing New York, the influx of more than a billion dollars of federal support earmarked specifically to protect low income families with children from the impact of the recession and help them earn and learn their way out of poverty presents an opportunity to build upon, not reverse, the progress made last year. The scheduled grant increase should take place as promised. Jobs programs that offer public assistance recipients a wage, dignity, and responsibility should be preserved and expanded – this is the newer, truer, welfare reform we have been waiting for. Finally, the time has come to let the citizens, particularly those most marginalized by society's inequities, have access to the information and decision-making processes upon which their very subsistence depends.

Contact: **Adriene L. Holder, Esq. (212) 577-3355, aholder@legal-aid.org)**

Human Services Council

The Voice of the Human Services Community

New York State
Senate and Assembly
Budget Hearing on Human Services

February 10, 2010

Hearing on the Proposed FY11 Executive Budget

The Human Services Council of New York City (HSC) is an umbrella policy and advocacy organization for a network of over 160 not-for-profit human service federations, coalitions, advocacy groups, and direct service providers throughout New York City. As the coordinating body, HSC mobilizes these diverse groups to educate policy makers and the community on how budget and policy decisions affect New York City's social service providers and the poor and vulnerable individuals and families who depend on them for services. Our members provide community-based services including: alternatives to detention, child care, child welfare, early education, employment and training, domestic violence services, homeless shelter and prevention, supportive housing, health and mental hygiene, incarceration re-entry services, immigrant services, legal service, senior services, and youth services. These organizations partner with government through contracts to provide skilled, effective, and cost-efficient care in the neighborhoods they serve.

SUPPORT:

Overall, HSC is thankful that the FY11 Executive Budget:

- Took a more targeted approach taken in making reductions to human services rather than across-the-board cuts;
- Pursued revenue raising proposals, particularly the syrup and tobacco taxes;
- Preserved many programs serving high needs communities; and
- Developed efficiencies within State agencies through shared services and other initiatives.

Specific budget actions appreciated include:

- The continued rightsizing of juvenile detention and adult correction;
- Investments in addiction treatment to support drug law reform;
- Maintaining funding for the TANF portion of Child Care and funding it through a separate TANF appropriation rather than the Flexible Fund for Family Services.
- Maintenance of the Foster Care Block Grant;
- The increase to the Adoption Subsidy Program;
- The reauthorization of the exemption for social worker licensing requirements for an additional 4 years;
- Funding for child protective and preventive services, foster care for vulnerable children, and the completion of the Bridges to Health waiver initiative; and
- Mandate relief, including acceptance of video testimony by participants in some Family Court hearings.

OPPOSE:

MTA Mobility Tax

HSC opposes the inclusion of not-for-profits as employers eligible to be taxed under the Mobility Tax, which was hastily planned to cut the MTA's deficit last year. As part of his 21-day amendment, the Governor is now proposing to change the current flat tax structure (0.34 percent of payroll for all Metropolitan Commuter Transportation District (MCTD) counties) and increase the tax rate for New York City employers to 0.54 percent of payroll. He also proposes to cut the tax rate in half for employers outside of New York City in the MCTD to 0.17 percent. From the beginning, this plan failed to make a distinction between not-for-profits and businesses and the fact that most not-for-profits are funded primarily with public dollars. Taxing not-for-profit human service providers essentially reduces contract amounts, leaving fewer resources to deliver essential services to the public.

Delay of Human Services COLA

Amid the reality of low wages, the human services sector depends on regular COLAs to adequately recruit and retain the staff that keeps high quality services functioning and to ensure that the salaries of this mostly low-income workforce do not further erode. The human services sector sacrificed a COLA in FY10, and the Governor has proposed to delay a COLA to the sector again in FY11. This already low income workforce should not be asked to continue to have their COLA delayed as they bravely work in increasingly high stress environments and take on growing workloads to meet the needs of the most vulnerable New Yorkers.

$202 Million in Cuts to TANF Funding for Human Services

We seek the restoration of all $202 million in vital TANF-funded programs for needy New Yorkers and ask that you reconsider the approach taken to the application of these critical federal dollars. Without these critical supportive services we can expect to see an increase in the public assistance (PA) rolls and higher long-term costs for New York given the time limitations associated with the use of federal funds to support families receiving PA. The elimination of TANF funds for these programs would be an enormous disservice to the clients who benefit from them, as well as an economic blow to the communities, staff, and not-for-profit agencies that run these programs. Specific TANF funding priorities are listed below within the State agency restorations that we seek.

DOH

- Oppose parent fees for Early Intervention (EI) services and reject interim EI rate revisions until the proposed rates are publicized and analyzed for their impact.
- Oppose increased assessments on Home and Personal Care provider revenues from 0.35 percent to 0.7 percent.
- Oppose the AIDS Institute budget consolidation and instead continue to maintain separate budget line allocations for each program to preserve transparency.

OCFS

- Restore $35 million in TANF funding for Summer Youth Employment and $11.4 million in Advantage After School TANF funding.
- Restore $10.8 million in TANF funding for Alternatives to Detention and Alternatives to Residential Placement.
- Restore $18.8 million in TANF funding for Post Adoption and other Preventive Services.
- Restore TANF funding for SUNY/CUNY child care (total $3.4 million), migrant child care ($1.8 million), and child care demonstration programs ($10.9 million).
- Restore $5.8 million in TANF funding for Home Visiting.
- Restore $5 million in TANF funding to the Nurse Family Partnership program.
- Restore $3 million in TANF funding for Non-Residential Domestic Violence programs.

OMRDD

- Delay the implementation of an 18 percent cut to Medicaid Service Coordination (MSC) until a plan is in place to ensure that the restructuring of the program would not destabilize the funding for providers or lead to increased Medicaid disallowances.

OTDA

- Oppose changes in reimbursement requirements that would result in a projected $56 million loss in Adult Homeless Shelter Public Assistance.
- Restore $5 million in TANF funding for Supportive Housing for Families and Youth Adults.
- Fully funding SRO Support Services at $22.2 million.
- Restore $635,000 to both the NYS Refugee Resettlement Assistance Program and the Citizenship Program and well as $1.4 million in Refugee Resettlement TANF funding.
- Restore $10 million in TANF funding for Career Pathways, $14 million for the Wage Subsidy Program, and $3 million for Educational Resources programs.

SOFA

- Restore $600,000 to the Congregate Services Initiative.

CONCERNS:

Office of Medicaid Inspector General (OMIG)
HSC is concerned about increasing the Medicaid fraud and abuse target for OMIG by an additional $300 million. This target was just increased by $150 million in the Deficit Reduction Plan (DRP) passed by the Legislature in December 2009. In total, the State now authorizes OMIG to recoup $1.17 billion from paid Medicaid claims. We are concerned that additional auditing of not-for-profit providers will create an unnecessary and costly burden while also taking precious time away from service delivery at a time when need is growing. We are also fearful that providers may be heavily penalized for unintended clerical errors or be forced to spend time and resources proving they have spent funds appropriately.

Late Payments on Contracts
The issue of late payments on contracted services had a devastating impact in the FY10 Deficit Reduction Plan. Slow payment processes on the part of State agencies caused many not-for-profit program funds to appear "unspent." In an effort to close the current year gap, these "unspent" funds were eliminated from the budget and not-for-profit agencies that had already carried out the contracted service were forced to absorb the reduction. Timely payment for contracted services will prevent this from happening in the future and will ensure appropriate cash flow to not-for-profits charged with carrying out services on the State's behalf.

Current Financial State of Human Service Providers
During this period of economic downturn, not-for-profit human service organizations are facing great financial distress. This summer, HSC commissioned Baruch College's School of Public Affairs to conduct a survey and produce a report to document the actions not-for-profits have taken to maintain services while they deal with severe revenue losses and a growing need for their services. The results confirmed that the social services sector we rely on to care for our growing populations of needy individuals and families is struggling under enormous financial constraints. This report, "The Helpers Need Help: New York City's Nonprofit Human Services Organizations Persevering in Uncertain Times," is available on our website at: www.humanservicescouncil.org.

These findings are particularly timely, as our State considers what actions to take to address the budget deficit. Key findings of our report include the following:

- Sixty-two percent of the organizations have had a decrease in public funding.
- Seventy percent of the organizations rely on public funding for more than 40% of their operating budgets; and 44% of them get more than 80% of their funds from public sources.
- Government contracts cover 80% or less of the real costs for more than a third of those receiving public funds; this situation has gotten worse for 64% of respondents within the last year.
- As public funding is down, so is private funding, with 73% percent of the organizations experiencing reductions in their private funding and private fundraising returns having fallen for 64% within the last year.

The survey also found that not-for-profits are having a very difficult time coping with the drastic loss of funding and have had significant cash flow issues:

- Thirty-five percent reported that they have eliminated programs over the past year.
- Sixty percent are having difficulty managing their cash flow in comparison to previous years.
- Seventy-five percent of responding organizations lack financial reserves – either no endowments or lines of credit – with which to weather the uncertain economic climate.
- Fifty-three percent have laid off staff in the past year.
- In addition to laying off staff, respondents are reacting to the decreases in their financial resources by reducing planned salary increases (60%), using attrition to cut staff (45%), implementing hiring freezes (45%), reducing employee retirement benefits (25%), and reducing health care and other benefits (24%).

Beyond these measures of organizational stress, many organizations expressed concern for future reductions that could be more severe than those they have already experienced.

For questions or comments on the above testimony, please contact Chris Winward at: (212) 836-1644 or winwardc@humanservicescouncil.org

Testimony of Robert Anderson
Workers Compensation Law Judge

on behalf of

Public Employees Federation
AFL-CIO

To

Joint Assembly Senate Human Services Committee

On

The Funding of a Pilot Project to Replace
Stenographer Court Reporters With Digital
Recorders at Workers' Compensation Hearings

February 10, 2010
Albany, New York

Members of the committee, I thank you for allowing me to speak today. My name is Robert Anderson. I am a referee/law judge with the New York State Workers Compensation Board. I am speaking on behalf of the Public Employees Federation which represents over 500 employees at the Workers Compensation Board including supervising verbatim court reporters.

I am here today to ask that you not allow the Workers Compensation Board to proceed with its plan to divert monies it receives from assessments and use the monies to fund a pilot project to replace the Board's court reporters with digital recording devices. You are deciding more than whether a pilot project should be funded. You are deciding how injured workers that you represent should be treated by the Board. This pilot project is part of a larger plan by the Board to restrict the injured worker's access to a hearing before a law judge. The Board is gradually removing the people needed to hold a hearing for the injured worker. Already, the doctor who treats a represented injured worker does not appear at a hearing to testify on whether the injured man or woman has a work related injury or the degree of the injured worker's disability. Instead, the doctor is deposed by phone, without the worker being present at the deposition. The elimination of court reporters will be the removal of one more person who is needed to hold a hearing.

Management at the Board has clearly stated that its goal is to make more and more decisions affecting the injured worker without holding a hearing. Management has recently started a new program called the MAP program, in which many issues that affect the injured worker and that are now being decided at a hearing will be decided without the injured worker having had a hearing. In many cases, the injured worker will receive a written notice stating what the Board has decided. The injured worker will have 30 days in which to object to the proposed action. However, many injured workers may not have carefully read the notice or the proposed action may be buried in bureaucratic legalese. If the injured worker does not send an objection to the proposed action within 30 days, the decision becomes final.

Although the Board's plan to replace court reporters with electronic recording devices is called a "pilot project", it is unlikely that, after the Board has spent over two million dollars, it would ever find the project to be a failure. Labeling its plan a "pilot project" is a way for the Board to avoid entering into a meaningful discussion of the program's merits.

I urge you not allow the Board to proceed with its plan to fund this "pilot project" because it will lead to the removal of court reporters and further restrict the injured worker's right to a hearing. I also urge you, in your oversight capacity, to monitor the Board's actions in the current fiscal year. An example of why this is necessary is that a short time after Senator Onorato's Senate Labor Committee recommended that the Board not go forward with the pilot project because the pilot project was not authorized by law, would jeopardize the accuracy of transcripts, and would otherwise compromise workers compensation proceedings, the Board signed a million dollar contract with a Canadian company for the project.

Testimony of The Legal Aid Society

On

THE 2010 - 2011 EXECUTIVE BUDGET

TOPIC: HUMAN SERVICES Presented before:

The Senate Finance Committee
and
The Assembly Committee on Ways and Means

THE LEGAL AID SOCIETY

MAKING THE CASE FOR HUMANITY

Submitted by:

Tamara A. Steckler, Attorney in Charge
Juvenile Rights Practice
and
Adriene L. Holder, Attorney in Charge
Civil Practice

February 10, 2010

The Legal Aid Society welcomes this opportunity to submit testimony for the 2010-2011 Executive Budget hearing concerning the provisions affecting children involved in the juvenile justice and child welfare systems in New York State, and the hundreds of thousands of low-income New Yorkers who are affected by the budget and policy decisions regarding public assistance and related safety-net programs.

The Legal Aid Society is the nation's largest and oldest provider of legal services to poor families and individuals, providing legal representation in more than 300,000 legal matters for clients each year. Our perspective in submitting this testimony comes from our daily contacts with children and their families, and also from our frequent interactions with the courts, social service providers, and State and City agencies.

Legal Aid's Juvenile Rights Practice provides comprehensive legal representation to children who appear before the New York City Family Courts in all five boroughs, in abuse, neglect, juvenile delinquency, and other proceedings affecting children's rights and welfare. Last year, our Juvenile Rights staff represented some 34,000 children. Our Criminal Practice represents, among others, young people aged 13-15 who are charged as "juvenile offenders" and who may end up in Office of Children and Family Services (OCFS) facilities as well. In addition to representing many thousands of children each year in trial and appellate courts, Legal Aid also pursues impact litigation and other law reform advocacy on behalf of our clients.

The Society's Civil Practice has offices in every borough of New York City, handling more than 30,000 civil matters for its clients each year and wins over 92 percent of the cases that go to court or administrative hearing. An additional two million individuals benefit from our pending class action litigation. Our staff works tirelessly to improve the lives of needy New Yorkers by helping vulnerable families and individuals on a broad range of issues, including employment law and low-wage worker matters, health care, housing, employment and training, economic development, public assistance, immigration, domestic violence and disability-related issues. We represent a large number of clients who are forced to rely upon public assistance to get through difficult times that are often caused by a change of circumstances such as unemployment, disabling medical and mental health conditions, domestic violence, homelessness or even the need for child care. Our clients usually have two goals when they seek out public assistance. In the short-term, they seek to obtain and maintain subsistence income so they can keep a roof over their heads or end a period of homelessness and feed their children. In the long-term, they seek a path to a more stable income, whether through acquiring skills and education that will facilitate employment, finding paid employment directly or when necessary, securing disability benefits to which they are entitled from the Federal Social Security Administration.

I. JUVENILE JUSTICE AND CHILD WELFARE

Juvenile Justice Reform

We have long advocated on behalf of our young clients involved in the juvenile justice system for more community-based, service-intensive alternative to detention and incarceration options. Several recent investigations and reports, including that of the Governor's Task Force on reforming New York's approach to juvenile justice, have underscored the need, and the fact that the current system is simply not working. Placement in punitive Office of Children and Family Services facilities far from children's homes without badly-needed treatment services is costly and ineffective. The rate of re-arrest for young people after leaving OCFS placement is approximately 80%, as opposed to approximately 30% for youth who have participated in community-based alternative programs. At an annual cost of some $210,000 per child, as opposed to the $5000 - $17,000 annual cost of community-based programs[1], OCFS placement has a failure rate that is unacceptable as well as fiscally unwise.

We therefore support the proposals in the SFY10-11 Executive Budget to eliminate 180 beds from under-used OCFS residential facilities, and to allocate $18.2 million to improve staffing ratios in all of the facilities and address the shocking lack of appropriate mental health services for youth who so desperately need them. Our clients who are sent to "rehabilitative" placements in OCFS's residential facilities have long suffered from the physical abuses and lack of treatment described in the class action lawsuit filed by The Legal Aid Society late last year. *G.B., et al., v. Carrión, et al.,* 09 Civ. 10582 (S.D.N.Y.).

At the same time, however, the cuts in the Executive Budget to alternatives to detention, alternatives to incarceration, and youth programs, will impede the State's ability to work most effectively with this population of children and their families. Cutting the proposed $10.75 million from alternative to detention and alternative to incarceration programs, and $5 million from community reinvestment/alternative services, is unwise and will harm children and our communities. The proposed cut of $46.4 million in TANF funds for the Summer Youth Employment and Advantage After-School programs will reduce dramatically the already limited opportunities for teens to take part in productive and educational activities in their free time.

Kinship Guardianship Assistance Program

On October 7, 2008 the Fostering Connections to Success and Increasing Adoptions Act of 2008, P.L. 110-351, ("Fostering Connections") was signed into law. One of the provisions of this landmark piece of child welfare legislation provides federal Title IV-E dollars to States which choose to implement a kinship guardianship assistance program for children who are currently being raised by relatives in the foster care system. Such a program would provide a subsidy to those kinship foster parents who wish to provide permanent

[1] Governor Paterson's Task Force and the Vera Institute of Justice, *Charting a New Course: A Blueprint for Transforming Juvenile Justice in New York State*, December 2009.

homes for children who are unable to return to their biological families and for whom adoption is not an option. So far, thirty-nine states and the District of Columbia have implemented kinship guardianship assistance programs and achieved permanency for children formerly in foster care.

We applaud the creation of a subsidized kinship guardian program in the Executive Budget which will provide real permanency to so many children in foster care whose loving kinship foster parents simply cannot afford to care for them outside the foster care system without additional financial support.. Reunification with a parent or adoption are and will always remain the primary permanency goals for the majority of children who enter foster care. However, for a child who is unable to return to her parent and whose family caregivers wish to provide her with a permanent home but for a variety of reasons are unable to adopt her, kinship subsidized guardianship will enable that niece or nephew or grandchild to leave foster care and reside permanently with caring, committed family members.

While we fully support a kinship guardianship assistance program for New York State's children and families, we would like to suggest some modifications to the program currently proposed by the Governor:

1. Fostering Connections requires that return home or adoption must be ruled out as a permanency goal for a child in foster care and that placement with a legal guardian is the best permanency option for the child before a court can grant a petition for subsidized kinship guardianship. Moreover, the federal law requires that a child reside in a kinship caregiver's home for *a minimum of* six consecutive months before allowing that caregiver to apply for kinship subsidized guardianship but States are free to lengthen that period of time.

The Governor's bill mirrors the federal requirement of the six-month minimum, but in our experience, six months in foster care is usually not enough time to definitively conclude that neither return to parent nor adoption is the most appropriate permanency goal for a child. The Office of Court Administration ("OCA") has also proposed legislation that, in addition to requiring that a child reside in her caregiver's home for six months, would also require that a fact-finding hearing on the abuse or neglect case has taken place or a first permanency hearing has occurred, whichever is later, prior to entertaining an application for kinship subsidized guardianship. We suggest that these bills be amended to avoid a premature conclusion that return to parent and adoption are not viable permanency options.

2. The Governor's bill, like Fostering Connections, requires the consent of a child who is 18 or older and merely requires "consultation" with a child who is fourteen or older before granting a petition for kinship subsidized guardianship. There is nothing in the federal legislation that would prohibit a state from a) requiring consent from younger children nor b) requiring consultation with all children able to voice their wishes. We strongly support a modification to the Governor's bill that would require a child's consent at age 14 and age-appropriate consultation with all children. New York State currently requires the consent of a 14 year old child in order for an adoption to take place; if kinship subsidized guardianship is truly the permanent option we wish it to be for our children and families, then a 14 year-old's consent must be mandatory. Additionally, Family Court Act § 1089 (d) requires age-

appropriate consultation with a child who is the subject of a permanency hearing, and as this legislation deems kinship subsidized guardianship an appropriate permanency goal for some children, it is imperative that age appropriate consultation be mandatory.

3. Both Fostering Connections and the Governor's bill make youth exiting from foster care to legal guardianship, after age 16, eligible for federally-supported independent living services. Unfortunately, the Governor's bill only makes these services available to young people until age 18 if they are discharged to subsidized guardianship prior to turning 16 whereas the services will be available until age 21 if a young person is discharged to kinship subsidized guardianship after the age of 16. These benefits are crucial to young people as they begin to make the transition to adulthood and cutting them off at 18 for some children could result in a kinship caregiver waiting until her foster child reaches the age of 16 before petitioning the court for subsidized guardianship. Children might remain in foster care longer in order to receive these needed benefits and services. We suggest that all young people whose foster parents are awarded subsidized guardianships be eligible to receive independent living services until the age of 21.

4. The Governor's bill provides that State funding for the kinship guardianship assistance program is under the Foster Care Block Grant. We are concerned about this because kinship subsidized guardianships, like adoptions, are permanent solutions for children and their relative caregivers and so from a policy perspective alone, the monies should not be taken out of the foster care block grant, which is massively under funded and barely meeting the needs of children in the foster care system in New York State. Moreover, while there might be a short-term savings based on an anticipated reduction of administrative costs for children leaving foster care for kinship subsidized guardianships, we are concerned that in the long term, costs will increase if greater numbers of young people leave foster care but remain dependent on the block grant for longer periods of time.

Electronic Testimony

The SFY10-11 Executive Budget includes a proposal that would permit testimony or attendance by telephone, audio-visual means, or other electronic means, and would permit the submission of documentary evidence by electronic means, in a variety of Family Court proceedings relating to juvenile delinquency, child protection, termination of parental rights, and Persons in Need of Supervision (PINS). We think that the Governor's bill has the potential to enable individuals who might not otherwise be able to, to participate in Family Court proceedings, and to enable the Family Courts to make more informed decisions based upon more fully developed records in the proceedings before them. However, we are concerned that, as currently drafted, the bill has the potential to interfere with due process and with an individual's ability to determine, with the advice of counsel, how and to what extent s/he will participate in Family Court proceedings.

While we are not opposed to electronic appearances in all cases, we suggest the following modifications to the Governor's program bill:

1. The Governor's bill provides that a "court may permit a party or an interested person to attend, or a witness to testify" by electronic means at certain Family Court proceedings without specifying who may make an application to the court to permit a particular party, interested person or witness to appear or attend by electronic means. As such, the Governor's bill leaves open that possibility that one party may seek and obtain an order from the court directing that another party appear electronically, or that a party may be compelled to appear or testify by electronic means against his or her wishes.

The Statement in Support of this bill specifically states that the bill would reduce costs currently incurred by the State in transporting youth in OCFS facilities to and from court appearances. We cannot stress enough how important it is for youth in OCFS custody to be able to appear in court in person. In addition, we note that for a youth in OCFS custody, the court date is often the only time s/he meets with counsel in person as well as their family, and we question whether the projected cost savings of this measure would outweigh the loss in less tangible benefits associated with personal contact with counsel and the court.

We strongly suggest that the Governor's bill be modified to provide that any application to the court that a party, interested person or witness appear, attend or testify in any Family Court proceeding must be made exclusively by the attorney representing that party or calling that witness.

2. The Governor's bill allows, among other electronic means, testimony and attendance by telephone. We are concerned that testimony or attendance by telephone or other electronic means that lack a video component would impede the court's ability to observe and assess demeanor, or even to ascertain the identity of the person participating. As such, we support a modification to the Governor's bill that would limit participation via electronic means to those that include a visual or video component.

Conclusion

We are extremely grateful to the members of the Assembly and Senate for your leadership and ongoing commitment to children and families involved in the juvenile justice and child welfare systems in New York State. We look forward to working with you in this difficult economic climate, to find creative solutions to the challenges facing the needs of this vulnerable population.

Contact: **Tamara A. Steckler, Esq. (212) 577-3502, tasteckler@legal-aid.org)**

II. SOCIAL SERVICES and the OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE

There are many proposals in the executive budget for the social services area and in the related Article VII bills that are of great concern to our clients. We are focusing today on three that are of particular importance. We ask that the Legislature:

(1) reject the Governor's proposal to renege on last year's commitment to increase the basic welfare grant, which is still too low;

(2) increase investment in real jobs programs;

(3) promote transparency and accountability in how the federal stimulus and recovery funds that are earmarked for low-income families with children are being budgeted and spent.

Promises To Keep: Protect The Basic Welfare Grant

The Governor's proposed reduction of the scheduled grant increase by half, to only 5%, cannot be accepted. The promise made jointly by this Legislature and the Governor, to begin to redress the years of neglect with relatively small, incremental steps, is a promise to be honored, not broken – especially in the midst of the severe economic downturn when low income New Yorkers are suffering greatly.

Last year, we applauded the Legislature and the Governor for taking the first steps to reverse two decades of neglect, and begin raising the basic welfare grant. The budget agreement adopted last year established a schedule of three annual increases of 10% per year for a total of 30%. At the time, the real value of the grant had eroded to less than 50% of its purchasing power in 1990, the last year the grant was increased. Thus, even when implemented by 2012, the approved increases will still leave the most vulnerable New Yorkers living in deeper poverty and with at least 20% less resources than their counterparts two decades earlier.

In evaluating the Governor's proposal, it is important to note that the increases approved last year apply only to a portion, generally less than 50%, of the monthly assistance that each family receives to live on, commonly referred to as the "basic" welfare grant. This does not include the "shelter allowance," which was not increased at all, and which comprises over half the monthly grant for most families. In reality, the scheduled "10%" increase is only a 5% increase for most households in terms of the assistance they will receive.

To illustrate, a family of three in New York City is allowed a maximum of $400 per month in shelter costs, so, not surprisingly, most recipients of public assistance have to use all or a portion their "basic" welfare grant to pay for their housing. The "basic" welfare grant for the family would be $321, for a combined grant of $731. The scheduled 10% increase would net the household approximately $30 per month so they can look forward to a monthly subsistence allowance of $751 for a family of three – an increase of less than 5% -- if last year's promise is kept. Under the Governor's proposal, the grant would be reduced by $15, yielding an "increase" of $15 per month, little more than 2%, and barely enough to keep up with real inflation.

The shelter allowance levels are established by the Commissioner of the Office of Temporary and Disability Assistance, and were last increased – very modestly – in 2003. The combined inadequacy of the shelter grant and the basic assistance grant has contributed to a crisis of substandard, overcrowded and dangerous housing conditions, and homelessness, particularly in New York City, and leaves too many New Yorkers, including young children and seniors, living in abject poverty.

Despite the limitations of the increases approved last year, we welcomed the 2009-10 budget agreement because it offered not just vague promises to do better in future years when the picture was brighter, but instead committed to a specified, multi-year schedule of gradual increases. The 30% increase over three years would not close the inflation gap, but would at least put a modest dent in it. Equally important, it signaled what we hoped was a shift from nearly two decades in which the needs of the most vulnerable New Yorkers were rarely promoted in good budget years or protected in bad ones.

Even in the face of the current adversity, we need to continue the movement we began last year. More, not less needs to be done to close the inflation gap. The poorest New Yorkers cannot afford a decrease in the welfare grant. And despite the negative budget realities in many areas, the poorest New Yorkers can and should be more insulated from the ravages of the recession for practical, as well as moral reasons.

New York has received, or will receive, over $1.2 billion in federal recovery and stimulus funds through the he TANF Contingency and Emergency Contingency Fund in FFY 2009 and 2010.[2] There is also real possibility that the federal funding will be extended and increased this year.

Against this backdrop of an influx of over a billion dollars specifically earmarked for poor families with young children, the proposed rollback of the grant increase stands out as a singularly unnecessary budget cut. The Governor puts the price tag at reneging on last year's promise at $18 million in "savings" for SFY 2010-11. That is not a paltry sum, either in the aggregate or in what it means broken down to each of the nearly 160,000 families it is being taken from, for whom the small difference in the grant may perhaps mean enough to buy a metro card or pay for gas to take a sick child to see a doctor. But thanks to a billion dollar plus infusion of extra federal TANF funds for low-income families with children – rolling back the grant is simply not a matter of necessity. The executive budget proposal to take back the scheduled increase should be rejected by the Legislature as unacceptable with a simple message to the Governor: We will keep our promises, especially to the most vulnerable New Yorkers.

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[2] Giving the Governor credit where it is due, he lobbied personally and effectively for an inclusion of funds in the stimulus package to be earmarked for low-income Americans, and as a result of his efforts, and others, the American Recovery and Reinvestment Act included, among other initiative, $5 billion in TANF Emergency Contingency Funds.

Help Wanted: A Budget To Help People Earn And Learn Their Way Out Of Poverty.

In addition to the proposed reduction in the basic welfare grant, the executive budget's most glaring deficiency in the public benefits area is the substantial reduction in funding for subsidized jobs and similar programs. The Governor's proposal would reduce support in this critical area from approximately $70 million to less than $20 million. These proposed cuts would be in the jobs programs in which people get a chance to actually earn money while learning skills and gaining experience. Before last year, New York State was extremely reluctant to invest in subsidized jobs programs to help public assistance recipients earn and learn their way out of poverty. Historically less than 1% of New York State's $2.4 billion annual TANF block grant has been programmed for wage subsidy and similar jobs programs.

This past year, largely at the insistence of the Legislature, relatively small but important steps were taken to increase spending on real jobs programs. This year, unfortunately, and seemingly without any sound reasoning, the executive budget proposes to slash spending in this area, even as the unemployment rate climbs and low income New Yorkers find the job market particularly difficult to enter. Last year, we saw the small steps taken to begin investments in jobs programs as something to build upon. This year's executive budget, if enacted, would move in the opposite direction.

In this area we truly need more, not less. The Legal Aid Society supports the premise of the "Good Jobs New York" campaign, and a modest increase in spending on effective jobs and training programs – from approximately $70 million to $100 million — is entirely feasible, particularly because New York has received or will receive in the next several months an extra billion dollars or more in federal support through the Contingency Fund and the Emergency Contingency Fund. Even at the $100 million level, jobs funding would still represent a very small fraction – less than 5% – of the combined TANF block grant and contingency funds available this year.

Support for these types of jobs programs, be they in areas of construction trades, "green jobs," health care, or other activities, should be an integral part of the programming administered through the agencies charged with helping New Yorkers survive on, and then transition off of, public assistance. With more than 800,000 unemployed New Yorkers, the jobs program should not be a mere afterthought as it appears to be based on the Governor's proposed budget.

We recognize that it will take time to get there from here to there, in terms of developing an infrastructure in which paid employment is an integral part of the State's safety net, rather than a collection of small pilot projects. Progress can be made incrementally, but the executive budget's proposed reduction is a serious step backwards. We can do better, and the Legislature can restore the cuts proposed in the Governor's budget and incrementally increase spending on jobs related programs that offer public assistance recipients a way to earn and learn their way out of poverty.

Promote Real Transparency In How The Stimulus And Recovery Funds Are Being Spent In The Human Services Area.

Budget making processes always reflect choices and priorities, with the interests of people, programs, and policies hanging on the decisions made. Everyone, including the Governor, speaks in favor of increased transparency these days. The call for transparency and accountability is particularly resonant in the area of the stimulus funding. Federal funds are being provided to the States with explicit expectations that they will engage in a transparent process of allocating the funds. Citizens should be able to evaluate how and where stimulus money is being spent; whose priorities are being addressed; whose interests protected or sacrificed; and which promises are being made, kept, or broken.

Deciphering the choices made and sometimes deeply embedded in the executive budget is challenging particularly for those of us not intimately familiar with some of the nuances and conventions of the State budget making process. To be fair to the Governor and his staff, this year advocates from Legal Aid and elsewhere have enjoyed meaningful assistance in interpreting the proposed budget from members of the executive, agency and Department of Budget staff, for which we are very appreciative.

We know much more than we did when the budget was first released. For instance, we have learned that more than $260 million of federal stimulus and recovery funds earmarked for low income families with children are, in the Governor's proposed budget, being used for general revenue relief. This is not illegal – the funds were or will be "earned" on projections of tax credits associated with the Earned Income, Empire State Child Care, and Tuition Tax credit programs. We have also learned that despite the cuts in the welfare grant, the jobs programs and summer youth programs, the Governor's budget has preserved tens of millions of dollars already set aside for future costs to offset the local share of the grant increase, some of which will not be incurred until 2014 under his proposal. These promises, also made last year, are being kept.

What we have learned in the past several weeks since the budget was released is that making important policy decisions on this magnitude are not easy, and public participation is hindered when the facts are difficult to discern. We do not question the Governor's intention to make improvements in this area. Transparency is something that has to be worked on, and, with so many moving parts, budget making in this area, like others, will never be simple. But New York can and must do better.

To provide greater transparency and accountability in stimulus spending in New York, we believe that it is essential to hold legislative hearings on this process. Our clients, and the people affected by spending in this area, have historically been isolated from the decision-making processes for allocating federal and State funds that are supposed to benefit them. Our expectation is that by holding a legislative hearing on the issue of transparency in the social services spending area, accountability can be advanced and processes improved. Ultimately New York should end up with a more informed and involved citizenry, and ultimately better policy choices for low-income New Yorkers, and the State as a whole.

Conclusion

Without making light of the very serious budgetary constraints facing New York, the influx of more than a billion dollars of federal support earmarked specifically to protect low income families with children from the impact of the recession and help them earn and learn their way out of poverty presents an opportunity to build upon, not reverse, the progress made last year. The scheduled grant increase should take place as promised. Jobs programs that offer public assistance recipients a wage, dignity, and responsibility should be preserved and expanded – this is the newer, truer, welfare reform we have been waiting for. Finally, the time has come to let the citizens, particularly those most marginalized by society's inequities, have access to the information and decision-making processes upon which their very subsistence depends.

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