



**United Way  
of New York State**

Testimony Submitted By:  
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At the Joint Hearing of the  
New York State Assembly Committee on Ways & Means  
&  
New York State Senate Committee on Finance  
On the Executive Proposed Human Service Budget

February 4, 2015

Thank you for giving United Way of New York State the opportunity to submit testimony regarding this year's budget. United Way supports investments and policies that ensure access to needed services, advance economic security, prepare children for success in school, and address the ability of the charitable sector to serve New Yorkers. With these as priorities, we have provided some comments and some specific requests for the Legislature's attention with respect to the Governor's budget proposal.

## **2-1-1 New York**

2-1-1 is an essential, easy-to-remember phone number that connects callers to health and human care resources in their community. By simply dialing 2-1-1 from anywhere in New York, individuals can obtain information on food, housing and utility assistance, child care, health care, services for the elderly and more. The number leads to multiple call centers located throughout the state where trained operators answer the call and provide the caller with service information based on a large database that contains detailed information on the services available in the local area. Operators are trained as referral specialists and can offer help in a number of different languages. As you know, New York has a great network of services that includes state agencies, counties, and a multitude of nonprofit organizations that provide residents with the services they need. 2-1-1 is a quick way to navigate this network and get help. The information on services is also made publicly available by 2-1-1 on the web and is used by millions of people each year.

**After serving 93% of the state's population for numerous years, as of January, 2015, 2-1-1 is now available to 100% of New York State residents.** This expansion was possible in part thanks to a \$1.23 million appropriation added to the final 2014-15 budget that enabled 2-1-1 to provide services to the 10 remaining counties (Delaware, Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, Otsego and St. Lawrence Counties). We are truly grateful that now we are able to provide such a great service to all NYS residents.

*Taking into consideration this exciting expansion of services, United Way was disappointed that the 2015-16 Executive budget did not include funding for 2-1-1. In order to continue the success of 2-1-1 and support its expansion, United Way needs state support. In this regard United Way is urging the Legislature to include \$1.25 million for the 2-1-1 program for the following purposes:*

- *Ongoing System Support*
  - *\$1,000,000 to preserve the existing level of 2-1-1 services that are provided to all NYS residents.*
- *Service improvements*
  - *\$125,000 to further expand the service to provide for 24/7/365 2-1-1 coverage to all NY residents.*
- *System Efficiency*
  - *\$125,000 to increase access to and usage of 2-1-1 through community outreach and public education, to encourage the use of 2-1-1 as a cost-effective alternative to the establishment of single-purpose 1-800 numbers, and to improve mobile and digital pathways to 2-1-1.*

## **Nonprofit Infrastructure Capital Investment Program**

The 2015-16 Executive budget includes \$50 million for grants to eligible nonprofit human services organizations for a new Nonprofit Infrastructure Capital Investment Program. The program will provide funding through a competitive process for capital projects to improve the quality, efficiency, and accessibility of nonprofit human services organizations that serve New Yorkers. Investments include improvements to technology, renovations or expansions of space used for direct program services, and/or modifications to provide for sustainable energy efficiencies and cost savings.

Government funding for essential health and human services has steadily declined or been stagnant for several years, while at the same time we face an increasing demand for services to fill the gaps that have been created by reduced public spending. Funding for this sector has not kept pace with the demand. In these dire fiscal times, government funding to nonprofit agencies has gone to direct programs and services, ensuring that staff received paychecks, and keeping the lights on. Capital investments and improvements have been a last priority and thus they have suffered.

*United Way recognizes the current Nonprofit Capital Investment Program allocation, however the nonprofit sector is a multi-billion dollar industry in New York State and the \$50 million allocation is not sufficient. Given the size of the sector, the magnitude of need for these services, and the substantial funding cuts the sector has faced, we urge the Governor and the legislature to consider a \$550 million reinvestment in the nonprofit human services sector. The lingering effects of the 2008 financial crisis, combined with sharp increases in demands for services, have created significant strain as the sector continues to struggle to do more with less. Given the Governor's Opportunity Agenda and the prioritization he has placed on combatting poverty, the ongoing under-investment in the sector that the state relies on to deliver essential services to achieve his agenda poses a very real risk to efforts to reduce poverty. While the \$550 million requested is higher than the original allocation, the amount represents little more than ten percent of the State surplus.*

*We recommend \$550 million dollars to be allocated as follows: 1) \$500 million from the current New York State surplus to create a fund for nonprofit infrastructure, technology and business investments; 2) \$50 million to capitalize the existing State revolving loan fund so that organizations who contract with the state may access cash flow advance loans. This fund would be self-sustaining once funded.*

## **Cost of Living Adjustments (COLA)**

The 2015-16 Executive budget includes a 2% COLA from April 1, 2015 to March 31, 2016, that was promised in last year's budget and provides corresponding appropriations for the State Office for the Aging (SOFA), Department of Health (DOH), Office of Alcoholism and Substance Abuse Services (OASAS), Office of Mental Health (OMH), and Office for People With Developmental Disabilities (OPWDD). The Governor's budget proposes to partially fund the COLA for the Office of Child and Family Services (OCFS) out of the Foster Care Block Grant and increases the block grant by \$8.85 million for this purpose.

While United Way appreciates the Governor continuing the human services COLA that was added in last year's budget by the Legislature, one year of a COLA still does not address the multiple years of deferral and the flat rates that nonprofits have endured. The human services sector has seen no other cost-of-living adjustments for five consecutive years. Taking into account inflation, the lack of prior COLAs amounts to a State spending reduction of nearly 12% and has saved the state approximately \$354 million. While the two percent COLA increase is a promising development, it is still too low in relationship to inflation and to the nearly \$1 billion in funding cuts since 2009. This underinvestment continues to create an untenable operating environment for essential health and human services.

*United Way supports this one-year COLA but encourages the Governor and Legislature to look at additional solutions for the long term operational problems that human services organizations face including deficiencies with the state contracting procedure and rate methodologies*

### **Raise the Age**

The 2015-16 Executive budget includes language to raise the age of juvenile jurisdiction from 16 to 18 years of age as recommended by the Governor's Commission on Youth, Public Safety and Justice. In addition to the many statutory changes that are proposed, the 2015-16 Executive budget includes a \$25 million appropriation to allow for the implementation of this change, as well as \$110 million in capital investments to address the need for additional OCFS facility capacity.

United Way supports raising the age of juvenile jurisdiction. However we think more emphasis needs to be placed on the services for 16 and 17 that are going to be needed for such change. We are unsure at this moment if New York has the infrastructure and capacity to handle deferrals and placements of the 16 and 17 year olds who will no longer be placed in adult facilities.

*United Way supports raising the age of juvenile jurisdiction. Additionally, more focus is required on how the change will be implemented and supported, especially by nonprofits and community based services. We also urge the State to invest resources in practices with demonstrated effectiveness in reducing the numbers of youth in incarceration.*

### **Home Visiting Programs**

The 2015-16 Executive budget appropriates \$23.3 million for the Healthy Families/Home Visiting Program, \$3 million for the Nurse Family Partnership Program, and \$1.8 million for the Universal Prenatal and Postpartum Home Visitation Program, all of which are level funded from SFY 2014-15.

Home visiting programs improve positive maternal behaviors, reduce child maltreatment, and result in stronger, healthier moms, healthier kids and long-term savings to the locality and the State in health, social service and even criminal justice costs. Of 250,000 live births in NYS, 25% are deemed "high risk". Current home visiting programs only reach 10% of those high risk families. In addition to HFNY and NFP, there are other successful home visiting programs that support and strengthen families and improve child outcomes. Given the breadth of risk factors,

the demonstrated effectiveness of the home visiting model, and that such a small percentage of children at risk are currently served, all of these programs should be considered for additional increases.

*United Way supports the maintenance of the Healthy Families, Nurse Family Partnership, and Universal Prenatal and Postpartum Home Visitation Programs in the Executive Budget. At the same time we strongly encourage additional funding in final budget negotiations to account for the broader need, inflation, and program infrastructure support, and to fund additional proven and promising home visiting programs that expand the reach of services and address the diversity of needs of communities across the state.*

## **Hunger Prevention**

Food insecurity in NYS is a critical problem. Feeding America recently reported that 16.3% of the people in New York, and more specifically 22% of children in New York, endure food insecurity. That is approximately 2.9 million people and 920,000 children. New York needs sufficient funding to address current needs.

*United Way supports the inclusion of the following nutrition and hunger prevention programs and encourages the Legislature to maintain funding for these programs in the final budget, recognizing that because of inflation, level funding for any program constitutes a net decrease. We encourage the legislature to ensure that all funds for food allow providers to designate a percentage of funds to operations and infrastructure, to ensure capacity for high quality program delivery:*

- After-School Providers to Access CACFP. The 2015-16 Executive budget includes a new appropriation of \$250,000 designed to increase participation of afterschool, daycare, or other out-of-school care providers who are eligible to participate in the child and adult care food program (CACFP).
- Nutrition Outreach for Community Based Organizations. The 2015-16 Executive budget appropriates \$3.018 million for Nutrition Outreach and Public Education Program (NOEP). This represents level funding from SFY 2014-15.
- Hunger Prevention and Nutrition Assistance Program (HPNAP). The 2015-16 Executive budget appropriates \$34.547 million for HPNAP. This represents a \$6.5 million increase from SFY 2014-15.
- Woman, Infants & Children (WIC). The 2015-16 Executive budget appropriates \$26.225 million for this program. This represents level funding from SFY 2014-15.
- School Lunch and Breakfast Program. The 2015-16 Executive budget appropriates \$34.4 million (FY) to supplement Federal support for the provision of free and reduced-priced meals to low-income students. This represents level funding from SFY 2014-15.
- Summer Food Program. The 2015-16 Executive budget appropriates \$3.049 million (FY) in State funds is available to supplement Federal support for provisions of free and reduced-priced meals to low-income students. This represents level funding from SFY 2014-15.

## **Lead Poisoning Prevention Programs**

The 2015-16 Executive budget includes \$677,000 for the Lead Prevention Program, \$9,891,300 for the Childhood Lead Poisoning Primary Prevention Program, and \$4,035,700 for the Lead Poisoning Prevention Program.

Aside from physical and mental health, it is very important to ensure that children and families in our state are living in safe environments. According to the Department of Health, lead is the leading recognized environmental poison for children in New York State. It is very important to ensure that homes and early learning environments are lead free. Exposure to lead is associated with a range of serious health effects on children, including detrimental effects on cognitive and behavioral development with serious personal and social consequences that may persist throughout their lifetime.

*United Way supports the inclusion of funding in the 2015-16 Executive budget for critical lead poisoning prevention programs to ensure that our children are growing up in healthy and safe environments and encourages the Legislature to maintain this funding.*

## **Earned Income Tax Credit (EITC)**

The 2015-16 Executive Budget does not include an increased Earned Income Tax Credit.

United Way aided enactment the State's Earned Income Tax Credit and the gradual phase in to its current value of 30% of the federal credit. According to the NYS Department of Tax & Finance, in 2009, 1.6 million filers claimed \$997 million in state EITC. The EITC reduces the tax burden on low or moderate income workers, supplements wages, and provides an additional incentive for working. United Way of New York State supports policies that will help families achieve economic self-sufficiency by maximizing the value of work and enabling them to build assets to secure their and their children's futures.

*While the Executive budget includes many investments and new opportunities for families, United Way encourages the Legislature to raise the EITC to 40% of the federal benefit.*

## **Additional Child Welfare Appropriations**

*United Way supports the inclusion of the following OCFS programs and urges the Legislature to maintain funding for these programs in the final budget:*

- Hoyt Family Trust. The 2015-16 Executive budget appropriates \$621,850 for this program. This represents level funding from SFY 2014-15.
- Public/Private Partnership Pilot Program. The 2015-16 Executive budget appropriates \$3.409 million for this program. This represents level funding from SFY 2014-15.
- Youth Development Program. The 2015-16 Executive budget appropriates \$14.121 million for this program. This represents level funding from SFY 2014-15, minus the additional \$1.285 million that was added by the Legislature in the final budget.

- Community Optional Preventive Services (COPS). The 2015-16 Executive budget appropriates \$12.124 million for COPS. This represents level funding from SFY 2014-15.
- Advantage After School Program. The 2015-16 Executive budget appropriates \$17.255 million for this program. This represents level funding from SFY 2014-15; minus the additional \$500,000 in TANF funding that was included in the final budget.

### **Youth Employment Programs**

The 2015-16 Executive budget appropriates \$30 million for the Summer Youth Employment Program, a \$2.5 million increase from SFY 2014-15. The Executive budget continues the NY Youth Works Program but renames and rebrands this program as the Urban Youth Jobs Program. The change targets the program to youth in areas of high unemployment and poverty and allocates an additional \$10 million of tax credits per year for 2015-17 for employers.

New York State has a very high unemployment rate among its youth. This problem was recently highlighted by the Annie Casey Foundation that found 16% (847,000) of teens and young adults in New York are “neither in school nor in the workplace”.

United Way supports employment programs that connect youth to jobs and applauds the Governor for continuing and increasing the amount of tax credits available for businesses. This program has provided full and part time jobs for at-risk youth. Targeting the program to youth in areas of high unemployment and poverty will add much needed focus to these areas. However, no funding was allocated in the budget for nonprofit intermediaries to drive the programming, to track and measure results, or to assure that, as a result of the Urban Youth Jobs Program, youth from areas of high unemployment and concentrated poverty enter career pathways and ladders that result in workforce participation at self-sufficiency wages.

*United Way supports the increase for the Summer Youth Employment Program and the rebranding of the Urban Youth Jobs Program. However, United Way urges the Legislature to include a dedicated fund for the Urban Youth Jobs Program that would be open to any certified nonprofit or institution of higher education for the purposes of providing the job skills and wraparound supports for youth, as well as the role of ensuring accountability and oversight.*

### **Education**

United Way is committed to ensuring that children and youth enter school ready to succeed and are able to successfully transition along the education pipeline. This includes quality early childhood education, afterschool programming, having the tools to complete high school on-time and being college and career ready. The Governor’s own Education Reform Commission recognized the need for a “pipeline” of educational services to prepare children for success in school and beyond. Quality child care is part of the pipeline.

We appreciate the Governor’s recognition of the need for quality child care and early education but are concerned that the budget does not include new investment to meet his goal of providing full day pre-K to all the state’s four-year-olds. Sixty-one percent (61%) of New York State’s

four-year-olds are still waiting for full day pre-K and 78% of children eligible for subsidized child care are also still waiting for a slot.

*United Way supports the education programs below that are included in the 2015-16 Executive budget yet given the benefits, tremendous unmet need, and new federal Child Care Development Block Grant reauthorization requirements, it is imperative that funding for child care subsidies for children ages 0-4 grow over time, rather than remain flat. We therefore encourage the following enhancements:*

- **Pre-Kindergarten for 3 year olds.** The 2015-16 Executive budget appropriates \$25 million to expand high quality half-day and full-day pre-kindergarten programs to 3-year-old children in highest-need school districts that develop a plan to deliver. We urge an increase sufficient to serve at least 13,000 additional children who are eligible and waiting
- **QUALITYstarsNY.** The 2015-16 Executive budget appropriates \$3 million to support the implementation of QUALITYstarsNY, a quality rating and improvement system to support early childhood programs in meeting high quality standards. Evidence shows that higher quality programs enhance outcomes for children.
- **Pre-Kindergarten.** The 2015-16 Executive budget appropriates \$1.303 million for the remaining obligations for the 2014-15 school year for the operation of targeted pre-kindergarten programs and support for 2015-16 school year. This represents level funding. We urge the legislature to include an additional \$150 million to support access for 15,000 more four-year-olds in Full Day Pre-K outside New York City and at least \$70 million to support the city's plan to reach universal service in the 2015-16 school year.

On behalf United Way of New York State, thank you for the opportunity to submit testimony on these important issues. We look forward to working with you and the administration to ensure the welfare of children and families across New York State.