



FEDERATION OF PROTESTANT WELFARE AGENCIES

Submitting
not speaking

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and

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2012 - 13 Executive Budget Proposal for Human Services

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About FPWA

FPWA is a membership organization with a network of human service organizations and churches that operate over 1,200 programs throughout the New York City metro area. Together we serve over 1.5 million low-income New Yorkers of all ages, ethnicities and denominations each year. Our work with 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.

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. Support Human Services Organizations to Meet Vital Needs

Non-profit agencies are already under-funded and cannot adequately serve all of the individuals and families currently seeking their assistance. A survey conducted by the Human Services Council found that 80% of the non-profit organizations surveyed had major reductions in private funding and nearly two-thirds had seen decreases in their public funding. In the last two years, New York State has cut about \$800 million in funding for essential human services and about 27,000 human services sector jobs have been lost due to service cuts. Further reductions to these essential services would be devastating to both community-based organizations and the clients who depend upon these programs. In addition, the long-term costs of such cuts -- particularly those impacting infrastructure such as child care centers and senior centers -- would be much greater than the short-term savings produced in the fiscal year.

To support human services organizations to meet vital needs, we urge the State to do the following:

Do not further defer the Human Services Cost-of-Living-Adjustments (COLAs)

FPWA is very concerned about the Executive Budget proposal to eliminate human services COLAs for FY2013 which have been deferred for 3 years. The Governor's budget also proposes to institute a new program to "provide increases based on appropriate provider costs and meeting performance outcomes," a proposal which should involve strong input from the human services community.

Reinstate Discretionary Funding

Legislative Member Items to not-for-profit organizations are low-cost avenues to extend the resources of the state fairly across districts to meet needs that would otherwise go unmet in these difficult economic times. These funds provide important assistance to sustain programs for seniors, youth, and social services for vulnerable and underserved residents and struggling families. Flexible discretionary funds also provide critical economic development support; for example non-profits have invested in capital projects and workforce development programs which bring economic activity to the community.

II. Child Welfare

Restore funding to reimburse the full 65% State share for open-ended child welfare services funding stream, as a part of the language in the Child Welfare Financing Law.

The State Legislature is now considering the Governor's proposed legislation that would extend the authorization for the 62 percent open-ended reimbursement structure until June 30, 2017. In effect, the Governor is now proposing to permanently decrease the state's reimbursement for preventive and child protective services to 62%, rather than the 65% currently in statute.

In 2002, the state adopted Child Welfare Financing Legislation, which provides a match a 65/35 to local districts for the total cost of providing protective, preventive, aftercare, post-adoption, and independent living services. Overtime, this state match funding has been gradually reduced from 65% to approximately 61% (the 62% rate enacted in 2010 was once again reduced as part of the 1.1% across the board FMAP cut on state reimbursement for local assistance claims). The most recent two cuts have translated into a \$7 million state cut to New York City's preventive service system.

The current financing structure is set to sunset on June 30, 2012, which would mean that funding for foster care services would return to an open-ended 50/50 State/local share and funding for preventive services listed above would return to an open-ended 75/25 State/local share.

Since the original law was passed in 2002, the state's increased financial commitment to in-home and community preventive services, which are provided by FPWA member agencies, has resulted in the reduction of foster care placements and enabled many more children to remain safely at home. In 2002, there were almost 30,000 NYC children in foster care; today there are only 14,000. At present, New York City provides preventative services to over 22,000 families.

Unfortunately, the most recent state funding cuts have threatened to undermine progress at a time when many families are undergoing stress due to economic difficulties which tend

to lead to increased numbers of child protective reports. In simple terms, preventive services are community-based services that support families by tailoring their services to the families' individualized needs, and by assessing safety and reducing risk through home visits and casework contacts.

Without a doubt, the effect of legislating into state law the permanent reduction in preventive services will lead in the short-term to more families being involved in the costlier foster care system in the long-term. In New York City, preventive services cost a fraction of the price of foster care with an average annual cost of \$10,000 per family for preventive services and an average annual cost of \$36,000 per child for foster care.

In these difficult budget times, it is more important than ever that the cost-effective services that keep children safe and out of more costly foster care remain supported by state government. To that end, FPWA urges the Legislature to keep the State match for open-ended child welfare services at 65%.

Restore funding for reimbursing the full 75% State share for adoption subsidies, as a part of the language in the Child Welfare Financing Law.

As a part of the proposed legislation to change the state match for preventive and protective services, the Governor has also sought to maintain the state cut to the adoption subsidy by reauthorizing the state's share at 62%, rather than 75% as it is currently enumerated in the statute.

In FY 2011-12, the Governor proposed and the final budget adopted a reduced State share for adoption subsidies from 73.5% to 62% to align cost shares with preventive services. This fiscal year, the Executive Budget proposes \$184.6 million, the same allocation as last year's funding. The proposed budget also includes Article VII language to continue the funding formula for the state and local match at (62%/38%).

As an incentive for parents, the state's adoption subsidies provide critical support for children with special needs who are adopted from the foster care system. Subsidy agreements may include monthly maintenance payments, medical coverage, and other

services such as therapy and respite care. Unfortunately, the Governor has been reducing financial support for children adopted from the foster care system as a way to alleviate the continuing budget crisis.

FPWA urges the Legislature to restore the State match for the adoption subsidy for children adopted from the foster care system to 75%.

We urge the state to create a dedicated funding source for subsidized kinship guardianship as an alternate permanency option for youth in foster care.

The 2011-12 State Budget provided funding for KinGAP within the block grant for one year. A dedicated funding source is now needed. 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.

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.¹ Most importantly, kinship guardianship would provide foster youth with the chance to build a strong, supportive relationship with an adult caregiver.

Add revenue through the TANF contingency funding stream to create pilot program for a state-funded higher education scholarship program for older and former foster care youth.

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,

¹ Jacobs, et al, *supra* note 10.

criminal activity, homelessness, and unemployment.² 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.³ 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 A.4428 (Scarborough) which would help older and former foster care youth meet the total costs of attending an in-state undergraduate or vocational training program. If a pilot version is preferred, then we encourage the State to enact A.5401 (Robinson) / S. 371 (Montgomery), a pilot version of the higher education scholarship program, which targets a smaller group of foster care youth and has strong links to support services. A smaller pilot program 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.

Restore vital preventive services funding streams that were cut.

Preventive programs are an extremely cost-effective way to keep children safe and strengthen families in comparison to costly out-of-home placements. High quality, flexible

² 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>.

³ "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.

preventive programs are a sound investment for the child welfare system that should be fully supported.

In the 2011-2012 budget, the Community Optional Preventive Services (COPS) program was funded at \$12.1 million – a 50% reduction. 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.

In addition, the FY2011-2012 budget completely eliminated \$6 million 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.

FPWA urges the Governor and the legislature to restore vital preventive service funding streams that were eliminated or reduced in the proposed FY 2011-12 Executive Budget.

III. Early Childhood Education

Cost-Effectiveness: There is substantial evidence that high quality early childhood education has great benefit to individual families and society at large. A 2004 report by Legal Momentum and the MIT Workplace Center, “Early Childhood Education for All: A Wise Investment,” found that every dollar invested in early childhood programs saves taxpayers \$13 in future costs. A few benefits of making high quality programs available to all children include: reduced costs for remedial education, increased school performance, and a foundation that sets young students on the path to earning higher income levels as adults.

A 2010 study done by America’s Edge, a business leader sponsored organization, “Strengthening New York’s Businesses by Investing in Early Care and Education” found

that every \$1 spent in local early childhood programs generates \$1.86 in additional spending locally.

Along with our partners in Winning Beginning New York, 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 vital in helping families to find and maintain employment.

Invest in the subsidized child care system in New York State

FPWA applauds Governor Cuomo's budget action to offset \$93 million in federal funds for childcare that were discontinued. While this is a very critical step to stabilize subsidized childcare, there remains a loss of \$70 million since the 2009-10 budget. This loss is concretely felt throughout the state, especially as cost of providing childcare services has increase simultaneously. To date hundreds of low-income families across the state have lost critically needed subsidies that serve as a linchpin in parents' ability to secure and maintain jobs. Lack of funding has led counties to resort to restricting eligibility, increasing family co-payments, closing enrollment, and closing centers.

The Governor's budget calls for a state investment of \$215 million in child care preservation funds for fiscal year 2013-14. This is a significant step forward but we are at a critical economic situation and parents need services now. New York State should make an advance on the \$215 million promise in order to prevent further loss and erosion of capacity.

An additional cost-saving option is to provide a temporary waiver from welfare work requirements for single parents of infants and toddlers (A.8101/S.5586; S.5335). This would free up childcare and administrative funding to allow the state to stabilize the funding levels for the subsidized child care system until the economy recovers. This will enable low-income parents to keep the jobs that they have, and allow parents of young children who are receiving welfare the option to provide child care for their own infants and children in their homes. Parents receiving public assistance who are working outside of

the home or participate in an education or training program will be also be provided child care.

Child care subsidies need to be preserved for children's educational and social development and to support parents' ability to maintain their jobs. This past fiscal year, hundreds of low-income families lost critically needed subsidies that serve as a major component in parents' ability to secure and maintain jobs. These deep reductions further erode the capacity and quality of New York State's early care and education infrastructure. Moreover, thousands of children throughout the state will be at risk of losing vital care and educational services and their parents, many of whom are in tenuous work situations, will be at risk of losing their jobs.

Invest \$20 million in the Qualitystars NY, New York's Quality Rating and Improvement System (QRIS).

FPWA believes the State should invest \$20 million for one year implementation of QualityStars NY by providing financial supports and incentives to 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.

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

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 A.3612 (Titus), which caps the co-payment at 10% of the gross family income and eliminates co-payments for households with incomes 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 \$3 million in the Qualitystars NY, New York's Quality Rating and Improvement System (QRIS).

FPWA believes the State should invest \$3 million in QualityStars NY by providing financial supports and incentives for providers who implement quality improvements under the program. This modest investment would allow Quality Stars to reach 500 programs and build on the success of the community field test. 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.

IV. Income Security

Maintain the full 10% installment of the 2009 welfare grant increase for July 2012.

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. This very modest, long overdue increase should not be deferred. Even with the increase, the maximum allowable grant falls at approximately 50% below the federal poverty level at \$8,652 per year for a family of 3 in New York City. This is to meet all essential needs including: rents, utilities, clothing, school supplies, personal hygiene products, laundry, books, toys, and food. Households desperately need the assistance now.

Providing cash assistance to households with very low incomes is a core mission of TANF funding and should be prioritized. Much like Food Stamps, cash 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 SFY 2011-12 budget.

FPWA urges you to restore funding for all of the TANF programs eliminated or cut over the last several years. 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 programs that are slated to be zeroed out 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 TANF funding for these critical programs.

Access to Assistance Campaign Bills

Strengthen Protections from Wrongful Sanctions and End Durational Sanctions

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

Sanctions sink households more deeply into poverty and make it even more difficult to provide food, housing and other basic necessities. With more than 25 percent of the public assistance caseload currently being sanctioned, reform of the sanctioning rules needs to be made. The bias of the current policy and practice presumes recipients' guilt of willful non-compliance with program rules. Current policy is implemented with minimal acknowledgement of wide spread agency administrative error, inadequate assessments for determining "employability," and inflexible and onerous reporting requirements. Durational sanctions should be ended so that a sanction is lifted immediately upon compliance. Sanction prevention measures must be adopted.

Disabilities Screening and Evaluation

Many cash assistance applicants and recipients have disabilities that are never identified by the agency. These disabilities can prevent applicants from making it through the onerous application process without assistance (filling out the application, providing documentation, reporting to numerous appointments). In addition, because the disabilities are often not identified, they are not factored into the determination as to whether the applicant or recipient is able to participate in work requirements.

FPWA urges that the Office of Temporary and Disability Assistance be required to implement a screening and evaluation process and provide instructions for local departments of social services to screen cash assistance applicants and recipients for health problems, physical and mental health disabilities, and learning disabilities. By doing so, districts will have the information needed to exempt or accommodate cash assistance applicants and recipients in work activities and other program requirements.

Protect families needing childcare to fulfill public assistance application and/or work requirements.

Many parents applying for public assistance are not provided adequate information about childcare and instead are pressured to find the most immediately available care within a very short time frame, under threat of application rejection. The current practice leads to several direct problems including parents being pressured into care arrangements they do not feel safe or comfortable with, and a disproportionate number of children whose families receive public assistance end up in informal unregulated care, rather than regulated, center based care.

FPWA urges the state to ensure meaningful adherence to the federal parental choice requirements and protect applicants from adverse action as a result of child-care-related compliance issues.

V. Workforce Development

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

The Governor's Executive Budget maintains drastic cuts to workforce development programs from last year to the Temporary Assistance for Needy Families (TANF) program, creating further hardships for thousands of families with children.

The state receives an annual TANF block grant of \$2.4 billion from the federal government and can use the excess to fund supportive services. In prior years, the state used surplus funds from the TANF block grant to fund employment and training programs that help thousands of New Yorkers each year to prepare for and secure good jobs.

Using a combination of TANF block grant and contingency funds, the state allocated \$39 million in funds for these programs in state fiscal year 2009-10. This funding was reduced to \$14 million in the 2010-11 year, and was slated for total elimination in the 2011-12 Executive Budget. However, we are grateful that the State Legislature restored funding last year for some of these programs in the final enacted budget.

In this year's budget, we advocate that a more comprehensive long-term strategy be used, which is consistent with Governor Cuomo's priority focus on job creation. 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. State government needs to support families in maintaining jobs, regaining employment, and enhancing their education attainment.

To that end, we strongly urge 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:

- ACCESS - Welfare-to-Careers - \$250 million
- BRIDGE - \$1 million
- Career Pathways - \$5 million
- Transitional jobs - \$5 million
- Wheels for Work - \$409,000

Build on the success of the Green Jobs Corps Program by continuing to invest state resources.

In times of economic recession, it's 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. 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 was eliminated in the 2011-12 Executive budget. This 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.

Create a Young Worker Earned Income Tax Credit (EITC)

The State EITC is a valuable support for working poor families. For childless workers age 25 and over, the combined maximum federal and state EITC provides up to approximately \$594 for Tax Year 2010. 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 that 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 17-24 who are established as an independent household and do not have children equal to 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). The young worker EITC can help young people who are working in entry-level or low-wage jobs stay in New York.

VI. Youth Services

Strongly support a funding increase for the Summer Youth Employment Program.

FPWA is pleased that \$25 million has been allocated for the program for SFY 2012-13 as a result of the Extraordinary Session. 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. For the summer of 2011 in

New York City, over 28,000 teens worked in the SYEP which was 7,725 fewer jobs from the previous summer. In addition, over 131,000 youth applied for the program in 2011, making the demand for the program extremely high. New York State needs to invest in SYEP now more than ever. We urge the legislature to provide an increase so that 100,000 jobs may be provided to the youth of New York City.

Strongly support \$22.6 in funding for the Advantage Afterschool Program.

Cost-Effectiveness: After School programs can help save money over the long-term because of increased student retention and special education placements. As referenced in "Safe and Smart: Making After-School Hours Work for Kids," a publication developed by the U.S. Department of Education in 1998, preventing a youth from lifelong involvement in the criminal justice system saves \$1.3 million-\$1.5 million.

The Executive Budget proposes to fund the Advantage Afterschool Program at \$17.3 million for 2012-13 which is a \$5.3 million reduction from 2010-11 levels and a \$400,000 reduction from 2011-12. 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. More than 1,000,000 children across New York State do not have access to an after-school program but would participate if given the opportunity to do so. 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. Thank you for the opportunity to present this testimony.