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**Testimony of United Neighborhood Houses
Before the Joint Fiscal Committees of the New York State Legislature**

Human Services Budget Hearing for the Fiscal Year 2017-18

Honorable Catharine M. Young, Chair, Senate Finance Committee
Honorable Herman D. Farrell, Jr., Chair, Assembly Ways & Means Committee

Honorable Sue Serino, Chair Senate Committee on Aging
Honorable Donna Lupardo, Chair, Assembly Committee on Aging

Honorable Tony Avella, Chair, Senate Committee on Children & Families
Honorable Ellen Jaffee, Chair, Assembly Committee on Children & Families

Honorable James Tedisco, Chair, Senate Committee on Social Services
Honorable Andrew Hevesi, Chair, Assembly Committee on Social Services

Honorable Marisol Alcántara, Chair, Senate Committee on Labor
Honorable Michele Titus, Chair, Assembly Committee on Labor

**Submitted by Kevin Douglas, Co-Director of Policy & Advocacy
February 8, 2017**

United Neighborhood Houses of New York is New York City's association of settlement houses and community centers. Rooted in the history and values of the settlement house movement begun over 100 years ago, UNH promotes and strengthens the neighborhood-based, multi-service approach to improving the lives of New Yorkers in need and the communities in which they live. UNH's membership includes 37 organizations employing 10,000 people at over 600 sites across the five boroughs of New York City to provide high quality services and activities to over 500,000 New Yorkers each year.

Typical settlement house services range from pre-kindergarten and afterschool, to youth employment and college access, to adult education and workforce development, to behavioral health services, homelessness prevention and older adult services. Essentially, our members provide "one-stop" shopping for all community members—be they children, youth, immigrants, older adults or working families.

As New Yorkers assess what the new federal administration means for them and their loved ones, one thing remains clear: we will need the Governor and the NYS Legislature to stand up for all New Yorkers. It is critical that as forcefully as our state rejects xenophobia, intolerance, and discrimination, it also continues to invest in programs that allow individuals and families to succeed. Therefore, we

look at the Governor's FY 2018 Executive Budget proposal with a mix of encouragement and disappointment.

Among the positive aspects of Governor Cuomo's budget are policy proposals to Raise the Age of criminal responsibility, which would help juveniles in the justice system receive more age appropriate interventions; the DREAM Act, which would assist college-bound youth to access critical financial aid regardless of their immigration status; and a package of reforms to our voting system which will make voting easier for all New Yorkers. These forward-looking reforms will ensure that New York continues to build a fair and inclusive state, and we applaud the Governor for prioritizing them in his FY 2018 Executive Budget. In addition, we appreciate his proposed investments in the Summer Youth Employment Program, afterschool programs for youth in high-need areas, and Community Schools.

However, we are disappointed that in several other key areas the Governor's budget proposals fall short. UNH recommends that the Legislature work with the Governor to take the following actions in the FY 2017-18 budget:

Flexible Community Services

- **Restore and fund the Settlement House Program at \$4.0million**

Older Adults

- **Eliminate Executive Budget proposal to designate all local Title XX discretionary funds to childcare**
- **Increase Naturally Occurring Retirement Community (NORC) programs by \$5.95 million**

Immigrants

- **Increase Immigrant Legal Services programs by \$27.5 million**

Children & Youth

- **Increase Child Care Block Grant (CCBG) by \$100 million**
- **Increase Advantage After-School funding by \$10.5 million**
- **Restore and fund Career Pathways at \$2.85 million**
- **Increase Summer Youth Employment Program (SYEP) funding by \$8.86 million**
- **Fund Youth Apprenticeship and Training programs at \$41 million**
- **Pass Raise the Age legislation**

Nonprofit Human Service Providers

- **Restore and fund Nonprofit Infrastructure Capital Investment Program at \$100 million**
- **Modify all nonprofit human services contracts to reflect minimum wage costs**
- **Modify all nonprofit human service contracts to include a 15% indirect rate**

Additional information about each of these recommendations follows.

Flexible Community Services

The **Settlement House Program** provides flexible funding for innovative community-based child, youth immigrant, and older adult services in 48 settlement houses across the state, including Syracuse, Rochester, Buffalo and New York City. Examples of activities and services supported by the Settlement House Program include:

- Treatment and counseling services for sexually abused children under the age of five.
- A paratransit driver for adult day programming serving seniors with dementia and Alzheimer's disease.
- "Tween" programming for youth too old for child programming, but not yet old enough for traditional teen programs such as SYEP.
- Culturally competent domestic violence and prevention services to the Arab-American community.

The Settlement House Program remains one of the few sources of flexible funding for community-based organizations serving their communities and yet funding has fallen over the years. When the RFA for the Settlement House Program was first released in 2009, contract awards ranged from \$75k to \$160k based on organizational budget size, but as a result of reductions in funding, the most recent round of contracts ranged from just \$20k to \$45k. The Executive Budget unfortunately completely eliminates this funding.

UNH recommends the Legislature restore and fund the Settlement House Program at \$4.0m.

Older Adult Services

Title XX Social Services Block Grant (Title XX)

UNH opposes the proposal in the Executive Budget to restrict the Local Discretionary portion of Title XX funding to only support child care services. Currently, the discretionary portion of Title XX, \$27 million total, is allocated to counties in New York State to be used at their discretion within certain guidelines. New York City receives about \$17 million of this discretionary funding, and NYC Human Resources Administration allocates these funds to the NYC Department of the Aging (DFTA) to support senior centers. Changing the Title XX discretionary formula will result in a devastating loss of \$17 million in senior center services for older adults in New York City.

The Department for the Aging estimates that at least 65 centers—30 percent of the senior center network—would be forced to close if this funding change occurs. This means that 6,000 older adults would lose out on meals, social activities, exercise and educational classes, and housing and eviction prevention assistance. Annually, seniors across New York City will lose 1.5 million meals and 24,000 hours of case assistance from dedicated social workers and staff – most of whom will also find themselves out of a job. The effects of this move will be far-reaching.

Community-based senior centers are incredibly effective at helping older adults live healthy and vibrant lives. Those who attend and rely on senior centers are often those with the lowest incomes, the poorest health, the highest social isolation, and are most in need of food, resources, and assistance.

According to the New York City Department for the Aging (DFTA), neighborhood senior centers serve 26,000 people each day. They are hubs for the older adults in their communities and coordinate health and mental health services, provide healthy meals, and become cooling centers in the summer. Centers offer social activities, exercise and educational classes, and housing and eviction prevention

assistance, all aimed at keeping older adults healthy and in their own homes, rather than in hospitals, nursing homes, or homeless shelters. A recent study by DFTA and Fordham University found that senior center participants reported they had better physical and mental health, were exercising more, and were less lonely over a 12-month period.

We understand and support the need for increased child care funding to comply with federal mandates and preserve system capacity, but this funding must not be at the expense of older adults and other vulnerable populations throughout the State. Shifting these costs from one program to another does not fill the original deficit, and ultimately has a negative impact on community members. It is essential that the State fully commit to funding community-based programs rather than creating a competition for funding among vulnerable populations.

UNH recommends the legislature reject the Governor's proposed Title XX cost shift.

Naturally Occurring Retirement Communities (NORC)

NORCs are multi-age housing developments or neighborhoods that were not originally built for older adults, but now are home to a significant number of older people. NORCs leverage support from housing, social service, and health care providers to promote health and stability among older adults in concentrated apartment buildings and housing complexes, as well as in lower-density neighborhoods and rural areas.

The FY 2016-17 Budget changed the NORC-Supportive Service Program to include rural NORCs and allow NORCs to receive up to \$200,000 for programming. The New York State Office for the Aging (NYSOFA) has released a Request for Applications (RFA) for NORC-SSPs that reflect the statutory changes, but only plans to fund 12 classic NORCs and 12 neighborhood NORCs. There are currently 16 classic NORCs and 13 neighborhood NORCs supported by NYSOFA.

Without any changes, five existing NORC programs will be forced to close. The Executive Budget only allocates \$2,027,500 for NORCs (Naturally Occurring Retirement Communities) and \$2,027,500 for Neighborhood NORCs (NNORCs). This eliminates the additional \$350,000 for NORCs and \$350,000 for Neighborhood NORCs that was included in the FY 2016-2017 Enacted Budget. Furthermore, the RFA and the current budget allocation do not allow for expansion of the program, despite the fact that the legislation was updated last year with expansion in mind. Additional funding is vital to ensure that current NORCs can continue to provide services, particularly health care management services, and to grow the program to underserved areas with increasing aging populations.

Restoring \$700,000 from FY16-17 and investing an additional \$5.25 million in the NORC program (split evenly between the classic NORC and neighborhood NORC programs) will preserve the existing 29 NYSOFA-funded NORCs, and will allow for the creation of about 21 new NORCs across the State.

UNH recommends the State expand NORC funding by \$5.95m

Children and Youth Services

Child Care Block Grant

Early childhood education is an essential resource for families that not only makes it possible for parents to work and strengthen their families' financial future, but also provides a building block for their children's success in school. Demand for child care is incredibly high; throughout the State, only

17% of families who are eligible for child care subsidies have their children enrolled in care. In addition, some counties have had to lower eligibility thresholds and are serving fewer working families because of a lack of funding. Unfortunately, the Executive Budget does not contain any new funding for child care subsidies to support low-income working families.

New York State also remains out of compliance with requirements included the 2014 reauthorization of the Federal Child Care and Community Development Block Grant (CCDBG). As previously mentioned, we reject the Governor's proposed cost shift in Title XX local discretionary dollars to offset these child care costs as it would unfairly draw resources away from other populations, including older adults in NYC. The State must add funding to this budget to ensure that more families can access quality child care.

UNH recommends the State invest \$100 million in new child care subsidies.

Governor's After-school Expansion

The Executive Budget proposes investing \$35 million to create 22,000 new after-school program slots in 16 localities that have been designated as Empire State Poverty Reduction Initiative Areas. UNH strongly supports this proposal as demand for after-school programs remains high. A 2016 survey conducted by Campaign for Children of elementary school after-school programs in New York City found that 88% of programs had waitlists. At the same time, principals in the Bronx and throughout the City have reached out to local settlement houses in hopes of locating an after-school program in their schools.

UNH recommends the State to adopt this proposal and continue expansion of after-school programs both inside and outside Empire State Poverty Reduction Initiative Areas.

Advantage After-School

With over one million youth across the State eligible for, but not able to participate in afterschool, Advantage Afterschool is an important resource. Currently, Advantage offers approximately 15,000 elementary, middle school and high school students across the State with youth development programming in the three hours after the school day ends. Programs are operated in public school buildings by community-based organizations including many settlement houses. The Executive Budget reduces \$5 million from Advantage Afterschool, which will prevent OCFS from reprocurring contracts for programs serving approximately 5,000 youth when their current contracts expire on November 14th, 2017. UNH urges the state to instead renew and expand support for afterschool programs in order to expand the number of youth served to 20,000, and to increase the per student allotment from \$1,375 to \$1,600 (bringing it in line with Extended School Day / School Violence Prevention, 21st Century Community Learning Centers and the proposed Empire State After-School Program).

UNH recommends the State expand Advantage Afterschool by \$10.5m.

Career Pathways

Career Pathways provides young adults aged 16 to 24 with education and skill credentials in addition to job linkage and support services including tutoring, mentoring, career planning, case management and child care. It is a program that offers a pathway to the middle-class, and it is demonstrably successful.

Career Pathways participants work on earning credentials such as an HSE diploma or a job skills certification, as well as finding and retaining employment. In addition, community based organizations that have contracts to run Career Pathways provide ancillary services, such as career counseling, case management, and child care – services that allow high-needs individuals to cope both with the stresses of the work environment and their needs outside of work. Career Pathways providers are already on track to exceed OTDA’s stated goals for the program, with two years left still in the current contract terms. According to current OTDA accountability records for the program, OTDA set a goal of 889 participants working on career plans and 865 have already made those plans; the goal for credential attainment was 732 and 856 have done so. With two years to go until the end of the contract, more than 50% of participants have met OTDA’s goal of maintaining a job for 120 days. Despite this success, funding for Career Pathways was eliminated in the Executive Budget.

UNH recommends that the State restore and fund Career Pathways at \$2.85m.

Summer Youth Employment Project (SYEP)

SYEP provides youth ages 14 to 20 around the state with subsidized summer jobs. Program demand is high statewide, indicating the need for extra job slots. More than 6,000 youth across the state, outside of New York City, applied but were not able to take part in the program in the summer of 2015 (the year for which most recent data is available) due to insufficient funding. In summer 2016, approximately 80,000 youth who applied to New York City’s SYEP ultimately were not able to take part in the program. Not only is the program extremely popular with youth, their families and the worksites they are placed at, but research on SYEP in New York City has also shown that youth who participate in the program have decreased probabilities of mortality and incarceration, and higher rates of school attendance and passage of the NYS Regents examinations.

Despite the benefits of SYEP, the Executive Budget only proposes an increase from \$31m to \$36m, which just keeps pace with the increased State minimum wage. At \$36m, roughly 18,750 youth across the state would again be provided with a job in the coming summer, but the number of youth turned away would not decrease. An additional investment in SYEP of \$8.86m would increase the number of SYEP slots statewide by 5,000. By expanding the number of SYEP slots, more youth will be able help their families make ends meet, while also gaining critical exposure to the workforce and the soft skills required for success.

UNH recommends that the State increase the Summer Youth Employment Program by \$8.86m.

Immigrant Services

With the President’s recent executive orders regarding immigration policy, refugees and deportation, there is great anxiety in New York’s immigrant community, and a corresponding **need for legal services**. Investing in legitimate legal resources will help eligible legal immigrants naturalize and achieve citizenship, and will help improve outcomes for all immigrants who may qualify for immigration relief. In addition, it will protect all immigrants who are vulnerable to fraudulent schemes, as non-authorized providers often seek to fill that gap in the market.

Though the Governor pledged to create an Immigrant Legal Defense Fund this year in response to this need for legal services, there is no designated funding for it in the budget. Existing resources for affordable legal services are scarce, with suburban and rural areas suffering the most from this gap between need and aid. In New York, an estimated one third of all undocumented immigrants qualify

for immigration relief. However, there is currently only 1 non-profit lawyer/ BIA Representative for every 2,700 undocumented immigrants.

UNH supports the New York Immigration Coalition's proposed suite of expanded immigrant legal services to meet this need, including: an increase in the **Office of New Americans** (ONA) funding from \$6.4m to \$15m to create the Immigrant Legal Defense Fund, the launch a new \$15m pilot to expand access to justice in underserved areas across the State, and an increase NY Immigrant Family Unity Project (NYIFUP) funding from \$650k to \$4.5m million to provide assistance to individuals facing deportation.

UNH recommends the State increase immigrant legal services by \$27.5m.

Nonprofit Human Service Providers

New York's nonprofit human service organizations are on the front lines in defending and supporting all of the communities Governor Cuomo says he wants to help succeed. From delivering high-quality early childhood education, after-school programs, and youth employment programs, to offering behavioral health, substance abuse, and homelessness prevention services, to supporting older adults, building affordable housing, and running violence-prevention programs, nonprofits help New Yorkers reach their full potential. Yet, years of underfunding, late payments and onerous regulations threaten the stability of the sector, which in turn endangers their ability to be there for New Yorkers when they are needed most.

In FY2018 and beyond, there are several challenges the state should work to proactively mitigate including growing human service contract costs associated with increases in the minimum wage, inadequate and non-compliant indirect contract rates and the aging infrastructure of nonprofit program facilities.

Minimum Wage

While UNH supports the slated minimum wage increase to \$15.00/hr. by 2019 in NYC, nonprofit human services providers that rely on government contracts will not be able to pay these higher wages without commensurate contract adjustments to cover the costs, as well as funding to address the "wage compression" issue: the challenge of front-line staff wages rising to similar levels of their immediate supervisors. These supervisory staff will require wage adjustments in order to appropriately value and incentivize their work.

UNH recommends the State increase human service contracts to reflect the State minimum wage.

Indirect Contract Rates

In December 2013 the federal Office of Management and Budget issued guidance requiring states that utilize federal funds in pass through contracts with nonprofit providers, to include an indirect cost rate of at least 10% on those contracts. Though states were given one year to comply (December 2014), New York has still not acted to comprehensively address this issue and adjust all relevant contracts to the de minimis rate of 10%. In fact, the State Education Department recently released an RFP (21st Century Community Learning Centers) with an indirect cost rate of just 2.6%. Rates of less than 10% fail to cover the true cost of providing services – everything from paying the rent and utilities to an organization's finance and human resources functions.

UNH recommends the State implement a 15% indirect rate on all human service contracts.

Nonprofit Infrastructure Capital Investment Program (NICIP)

UNH was proud to have partnered with the Human Services Council, UJA Federation, the Governor's Office and the State Legislature to create the Nonprofit Infrastructure Capital Investment Program in the FY2015 budget. This initial investment of \$50m was designed to nonprofit human services providers make critical upgrades to program sites, ranging from roof and brickwork, to boiler replacement to accessibility enhancements. Unfortunately the funding excluded providers located in government-owned sites from applying. While in FY2016 the program was modified to allow such providers apply for technology enhancements, they are still barred from physical infrastructure improvements, despite having the same needs as those located in privately owned spaces.

Over 635 applications were submitted to the NICIP program, and though 580 were deemed eligible for scoring by DASNY, just 237 were awarded funding. The total value of applications - \$300m – far exceed the \$100m available in NICIP. Unfortunately, the Governor's executive budget eliminates funding for the NICIP altogether.

UNH recommends the State renew NICIP funding at \$100m and expand eligibility guidelines.

Thank you for the opportunity to submit this testimony. UNH looks forward to working with the New York State legislature to build a budget that strengthens neighborhoods and supports all New Yorkers. I am available for questions at 917.484.9321 or kdouglas@unhny.org.