



FEDERATION OF PROTESTANT WELFARE AGENCIES

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of the

Assembly Ways And Means Committee

and

Senate Finance Committee

on the

2009 - 10 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 exhausted unemployment benefits, 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 needs.

FPWA applauds the Executive Budget's proposal to increase the Public Assistance Grant and to increase funding for the Hunger Prevention and Nutrition Assistance Program (HPNAP), two vital programs for the unemployed and poor in our state. However, two priorities that we have are the removal of child care funding from the Flexible Fund for Family Services (FFFS) and the proposal in the Executive Budget to consolidate current youth programs and juvenile detention services funding into a \$90 million Youth Programs Block Grant.

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

- Child Welfare
- Early Childhood Education
- Elderly Welfare
- HIV/AIDS
- Income Security
- Workforce Development
- Youth Services

I. Child Welfare

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 2009 2% budget cut by reimbursing the full 65% State share for open-ended child welfare services.

FPWA commends the Governor's proposed FY 2010 Executive Budget for extending the 65/35 open-ended child welfare services funding stream for three years and for increasing the amount allocated to this by \$16.9 million. However, we urge 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 2009 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, and in particular the 65/35 match, encourages counties to invest in high-quality services that strengthen families, improve child safety, decrease the use of costly foster care, and save the State money in the long run.

Restore funding for a cost-of-living adjustment (COLA) for preventive services workers.

Although the severe budget situation has forced the Governor to propose eliminating the human services COLA in FY 2010, FPWA is pleased that the Executive Budget continues the COLA in the out-years, including an extension through 2013. However, we are extremely disappointed to see that funding for a COLA for preventive services workers was eliminated altogether in the FY 2010 Executive Budget. Preventive services are an essential part of the State's efforts to support families, and workers in these programs are dedicated to helping parents and protecting children. **FPWA urges the State to recognize the valuable role of these workers, as well as the importance of a COLA for them and their families during these difficult economic times.**

Add revenue 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.11810, sponsored by Assemblymember William 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

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. Out of the 810 youth across the State who received an ETV award in FFY 2006-2007, 46% received awards of less than \$4,000.³

FPWA urges New York to create a State-sponsored higher education scholarship program like that proposed by Assemblymember William Scarborough (A.11810), 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.11810, which targets a smaller group**

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.

³ Data obtained from OCFS.

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.

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 at ACS and 6.2 hours per child in the other districts. 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

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.

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.

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

Restore funding for kinship care programs and the Kinship Information and Referral Network.

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. 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.

Research shows that kinship care works for children and families. Studies of relative foster care versus non-relative foster care show that children living with relatives are in stable family arrangements and experience fewer school or home placement changes. Children living with relatives are also more likely to maintain ties to community-based, cultural, and religious traditions, as well as siblings and extended family.⁷ The option of kinship guardianship is especially important for older youth and communities of color. In situations where their parents are unable to care for them, older youth who are difficult to

⁶ Ibid.

⁷ Tiffany Conway and Rutledge Q. Hutson, "Is Kinship Care Good for Kids?," Center for Law and Social Policy, March 2, 2007; Leah Jacobs, Kimberly Lucas, Christy Moulin, Lauren Nadler, and Katherine Rollins, "Subsidized Guardianship in New England: An Analysis for Casey Family Services," April 23, 2006; "Time for Reform: Support Relatives in Providing Foster Care and Permanent Families for Children," The Pews Charitable Trusts, 2007.

place or who do not want to be adopted are at risk of simply aging out of the system. Kinship guardianship presents these youth with the opportunity for a stable placement and a caring relationship with an adult. In communities of color, including African American, Hispanic, and Native American communities, kinship guardianship builds upon deeply embedded cultural norms which already support caregiving for children by extended family members.⁸

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.⁹ 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.

In addition, FPWA urges the State to restore the funding streams for Kinship Care programs and for the Kinship Information and Referral Network, both of which were reduced by 50% in the proposed FY 2010 Executive Budget. These programs provide vital support services for grandparents and others who provide loving homes for related children. In New York State, the need for these programs is great. According to 2000 U.S. Census data, there are nearly 300,000 children "living in grandparent-headed households" in New York State, and approximately 112,000 in "households headed by other relatives." In addition, 143,014 grandparents in the State are "responsible for their grandchildren living with them."¹⁰

⁸ Ibid.

⁹ Jacobs, et al, *supra* note 10.

¹⁰ "GrandFacts, A State Fact Sheet for Grandparents and Other Relatives Raising Children: New York," compiled by the AARP Foundation, the Brookdale Foundation Group, Casey Family Programs, Child Welfare League of America, Children's Defense Fund, and Generations United, March 2008. Available at <http://www.grandfactsheets.org/doc/New%20York%2008%20New%20Template.pdf>.

II. Early Childhood Education

Remove child care funding from the Flexible Fund for Family Services and transfer \$356 million to the child care block grant.

FPWA was disappointed to see that the Governor's proposed FY 2010 Executive Budget seeks to re-insert \$356 million in child care funding into the Flexible Fund for Family Services (FFFS). We again urge New York State to remove child care funding from the FFFS and instead transfer this \$356 million to the child care block grant.

In FY 2006-07, child care was included in the FFFS, a TANF-funded block grant. Money from the FFFS was distributed to local social service districts, which were then left to decide whether to spend money on child care or on other important services such as child welfare and youth services. Leaving counties with this difficult choice contributed to the significant decline in the availability of child care funding. In FY 2008 and 2009, the State Legislature rightly recognized the importance of ensuring that this money was reserved to meet the child care needs of low-income families across the State by carving-out child care funding from the FFFS and shifting it to the child care block grant. We strongly urge the Legislature to again demonstrate their commitment to supporting child care by transferring \$356 million from the FFFS to the child care block grant.

Restore funding for child care subsidies by adding \$30 million.

Research has shown that participation in a preschool program can have a significant and positive impact on a child's future development. Children who have the benefit of a preschool education are more likely to achieve academic success, graduate from high school, attend college, participate in the work force, and experience positive family life. They are also less likely to enter the criminal justice system or smoke or use drugs.¹¹

However, despite these well-documented benefits, New York has failed to invest the resources necessary to ensure that every child has access to early care and education. Child care funding has dropped over the years, resulting in the loss of 46,000 slots

¹¹ Schulman and Barnett, "What Impacts Does Preschool Education Have on Personal Responsibility and Related Social Behavior?," National Institute for Early Education Research, 2006. Available at <http://nieer.org/resources/research/ImpactsOfPreKOnLifeChoices.pdf>.

between FFY 2003-2004 and 2007. An additional 10,000 slots may be lost this year due to reduced federal child care funds and an increase in market rates.¹² In New York City, the availability of subsidized child care falls far short of the need. ACS child care programs currently serve only 27% of potentially eligible children.¹³ Although the Governor has included \$510 million in child care block grant funding in his proposed budget for FY 2010, we urge New York State to restore funding for subsidies by adding \$30 million, which would restore lost funding and help counties serve more children.

As the economic crisis worsens and more families find themselves in need of assistance, we cannot emphasize enough the importance of providing working parents with child care. Without subsidized care, parents are forced to place their children in the only care they can afford, which may mean a compromised level of safety and a learning experience that falls short of high-quality, developmentally appropriate care. They must also shoulder the entire cost of these services, causing serious emotional and economic stress for their families.¹⁴ Furthermore, parents are left without the reliability of a subsidized care arrangement for their children, which can jeopardize their job security and the financial security of their families.

Support level funding for Universal Pre-Kindergarten as proposed in the Executive Budget.

Increase flexibility for districts utilizing Universal Pre-Kindergarten funding.

FPWA strongly supports the FY 2010 Executive Budget's proposal for Universal Pre-Kindergarten (UPK) funding, which would maintain UPK funding at the FY 2008-09 level for the next two years. The Governor's consistent dedication of funds towards UPK services illustrates his commitment to ensuring that New York's children have access to crucial early learning opportunities.

¹² Data obtained from Winning Beginning New York coalition.

¹³ Melanie Hartzog, Sara Vecchiotti, and Kate Tarrant, "Charting the Course for Child Care and Head Start: Community Needs Analysis of Early Care and Education in New York City (Summary Report)," New York City Administration for Children's Services, Revised August 2008. Available at http://www.nyc.gov/html/acs/downloads/pdf/childcare_needs_assessment_summary.pdf.

¹⁴ Coltoff, Torres, and Lifton, "The Human Cost of Waiting for Child Care: A Study," The Children's Aid Society, December 1999. Available at <http://www.childrensaidsociety.org/media/file/humancost.pdf>.

Although we greatly value the State’s support for UPK funding, FPWA urges the Governor and the Legislature to also increase *the flexibility* that districts have in utilizing UPK money. With greater freedom to spend this money on UPK-related needs beyond just the provision of half-day pre-K services at the State’s established per-child rate, districts will have the ability to develop high-quality UPK programs that best meet the varying needs of the children and families they serve.

In New York City, more flexibility would greatly contribute to the City’s ability to support pre-K providers and build strong UPK programs that promote child development and cater to working parents. In the State advocacy agenda put forth in the City’s preliminary FY 2008-09 budget, the City outlined three key UPK-related funding needs for which it did not have the flexibility to use UPK money: (1) higher per-child reimbursement rates that help fund providers at the level needed to support quality pre-K programs, (2) start-up expenses that help providers implement the facility and program modifications necessary for satisfying regulatory requirements, and (3) full-day pre-K programs that better serve the needs of working parents, many of whom cannot utilize UPK without a full-day option.¹⁵ As the City noted, increased flexibility is needed “to more efficiently and effectively use the State allocation for the UPK program[.]”¹⁶

In addition to these valuable uses of UPK funding, districts should have the flexibility to spend UPK dollars on other service delivery improvements, including the provision of developmentally-appropriate transportation for pre-K students, professional development opportunities for staff, and technical assistance and support that encourages districts with high-need, at-risk children to participate in pre-K. Therefore, we urge the State to grant districts the spending flexibility they need to implement and expand UPK in ways that meet the unique needs of the populations they serve.

Rescind the child support requirement for families seeking subsidized child care.

In addition to increasing child care subsidy funding, FPWA strongly supports eliminating a serious barrier to child care access for low-income families: the child support requirement.

¹⁵ “January 2008 Financial Plan, Fiscal Years 2008-2012,” The City of New York, January 24, 2008. Available at http://www.nyc.gov/html/omb/pdf/tech1_08.pdf.

¹⁶ Ibid.

This regulation requires parents who are not on public assistance to actively pursue court-ordered child support as a condition for receiving subsidized child care assistance. Although child support collection should be encouraged, there are many reasons why it should not be required, including:

- Missing days of work to appear in court and engage in the process of pursuing a child support order can compromise the job security of low-income parents, many of whom do not have the benefit of paid leave.
- Pursuing court-ordered support may disrupt existing informal or voluntary support arrangements and place an unnecessary strain on relationships with the absent parent.
- Parents with a history of domestic violence are wary of contacting non-custodial parents for fear of opening up their families to potentially abusive situations. Although there is a good cause exemption for situations in which the pursuit of child support would “adversely affect the health, safety or welfare” of the child or other persons in the child’s household, the application of this exemption is extremely complicated for both child care workers and parents to understand. The result is that parents are scared away from accessing subsidized child care assistance.

The application of this requirement also makes it difficult for parents to access care. A parent must pursue child support for all children in the household under age 13, even if he or she is not seeking subsidized child care for every child. Moreover, a parent who fails to cooperate for one child loses child care assistance for all children in the household.

In New York City, the child support requirement has had a negative impact on the ability of low-income families to access subsidized care. According to data collected by the Administration for Children’s Services, from March 2006 to October 2008, an estimated 640 families in New York City withdrew their applications for subsidized child care because of this requirement. Approximately 71% of these families were from Brooklyn or the Bronx.¹⁷

¹⁷ Data obtained from ACS.

An inability to access child care assistance can be devastating for single parents in New York State. For example, according to data from the National Association of Child Care Resource & Referral Agencies (NACCRRRA), a single parent in New York with one four-year-old child and one infant in center-based care would pay an “annual average price” of \$23,910, a staggering 101.8% of the state median income for single parents.¹⁸ We call on New York State to rescind the child support requirement for families seeking subsidized child care.

Cost Savings Reinvested

FPWA supports the Governor’s proposal in the FY 2009-10 Executive Budget to close and downsize certain juvenile justice facilities operated by the Office of Children and Family Services (OCFS). These centers are not only under-utilized, but are also far less beneficial for youth than community-based services. The money saved from these facility closures should be re-invested in community-based services that promote youth development.

In light of new 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. 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.¹⁹

Long-term Effects/Unintended Costs

While we understand that the State must make very difficult choices in order to deal with a gaping budget shortfall and worsening economic crisis, we urge the Governor and Legislature not to lose sight of the damaging long-term impact of cutting services to save money. The money we invest today in essential human services will actually place the

¹⁸ “Parents and the High Price of Child Care: 2008 Update,” National Association of Child Care Resource & Referral Agencies. Available at http://issuu.com/naccrra/docs/price_report_2008?mode=embed&documentId=080804140003-bbe790955515407da7e25ef36c3bdef1&layout=white

¹⁹ Leah Jacobs, Kimberly Lucas, Christy Moulin, Lauren Nadler, and Katherine Rollins, “Subsidized Guardianship in New England: An Analysis for Casey Family Services,” April 23, 2006.

State in a better, stronger position to emerge from this downturn and enter a period of economic recovery. For example:

- Several rigorous studies, including the High/Scope Perry Preschool Project, show that participation in an early childhood education (ECE) program yields tremendous, long-term benefits for young children and society as a whole. With the calculated “return on investment” ranging from \$3.78 to \$16.14 for every dollar spent, society more than recoups its investment in ECE through the success of participating individuals, who are more likely to earn higher wages, pay more in taxes, stay out of the criminal justice system, and stay off of public assistance.²⁰
- Investing in post-secondary education for foster youth will ultimately benefit the State by preparing potentially disconnected youth for job opportunities that offer higher wages and room for advancement. Research shows that workers with an associate’s degree or a bachelor’s degree experience less unemployment and earn higher wages than workers who have only graduated from high school. Nationally, the unemployment rate for high school graduates in 2006 was 4.3%, compared to 3.0% for workers with an associate’s degree and 2.3% for workers with a bachelor’s degree. As for wages, workers with a high school diploma could expect a 28.7% increase in earnings with an associate’s degree and a 61.5% increase with a bachelor’s degree.²¹
- Investing in preventive services that support and strengthen families in need can help reduce the cost of child abuse and neglect. According to an analysis by Prevent Child Abuse America, “the estimated annual cost of child abuse and neglect is \$103.8 billion in 2007 value” in the United States. This includes “direct costs,” such as the provision of health and mental health care services to abused and neglected children, and “indirect costs” to society, including increased spending on the special education and criminal justice systems.²²

²⁰ Mohammed Murad, Masahiro Sakurai, Sookhee Kim, Cate Lumpp, Molly Merriman, and Krisda Chintakananda, “Human Services are a Sound Investment.” Power point presentation obtained from the Human Services Council.

²¹ “Education and Training Pay,” Postsecondary Education Opportunity. Available at <http://www.postsecondary.org/archives/Posters/EducationTraining.pdf>.

²² Ching-Tung Wang and John Holton, “Total Estimated Cost of Child Abuse and Neglect in the United States,” Prevent Child Abuse America (2007). Available at http://www.preventchildabuse.org/about_us/media_releases/pcaa_pew_economic_impact_study_final.pdf.

III. Income Security

Strongly support 30% increase in Basic Public Assistance Grant over a 3-year period

We strongly support the Governor's proposal, which mirrors the Assembly proposal put forth in recent years, to increase the grant by 10% for each of the next three years effective January 1, 2010. After a multi-year advocacy campaign urging for an increase in the basic public assistance grant, we are very excited to see an increase in the SFY 2009-10 Executive Budget. The basic grant, which has not been increased since 1990, is woefully inadequate to cover the costs of a family's basic needs at the current level of \$291 per month for a family of three. While a 30% increase does not reflect the full rise in the cost of living between 1990 and 2009, we are supporting the current proposal with the goal of achieving continued annual cost of living increases in the future. Given the reality of the economic crisis, more families are turning to public assistance after losing a job. In addition, families in poverty are struggling even more to make ends meet with increasing competition for low-wage positions and funding cuts to non-profit agencies providing food, housing assistance, and other social services.

Furthermore, the basic grant is long overdue to be increased for the following primary reasons:

1. Housing costs have risen in New York to the point of exceeding the shelter allowance, and in some cases, the basic grant as well.
2. Families must be able to meet their immediate basic needs, including the costs of all work-related expenses, in order to obtain and maintain employment and to participate in education and training programs.
3. Welfare benefits have decreased from 110% of the Federal Poverty Level (FPL) to 50% of FPL, which leaves many families, especially children, receiving welfare trapped in a cycle of poverty.

Increasing the grant level will do more than prevent families from falling deeper into poverty. It will also empower families to achieve long-term economic security by ensuring that they have the basic financial stability necessary to succeed in education, training and

employment activities. We strongly urge the Legislature to accept the Governor's proposal to increase the public assistance grant in the SFY 2009-10 Enacted Budget.

Strongly support increase in Child Support Pass-Through for custodial parents receiving Public Assistance

We are very pleased that the Governor's Executive Budget continues the amount of child support payments that can be passed through to custodial parents on public assistance at \$100 per month maximum and to increase this to \$200 per month beginning January 2010 for families with two or more children. Child support is a crucial form of financial assistance for many families receiving welfare, which should be passed through to the parents providing care for their children. We are glad that the State has sought to take advantage of the federal financial incentives to increase the child support pass-through. Therefore, we fully support the implementation of this proposal.

Strongly support increase in Hunger Prevention and Nutrition Assistance Program (HPNAP)

We are very happy to see an increase of \$4.4 million for HPNAP, for a total of \$30.9 million in the Governor's SFY 2009-10 Executive Budget. HPNAP currently provides funding to approximately 2,500 Emergency Food Relief Organizations (EFROs) throughout the State, including food banks, food pantries, soup kitchens and emergency shelters. This funding supports staffing, rent, utilities, food transportation, assistance in gathering and distributing food, along with nutrition and health information that is provided to families in need. In SFY 2008-09, HPNAP was cut by 16% compared to the funding allocated in the previous year – a devastating reduction for these EFROs. Struggling families are now experiencing the combined impact of rising food, energy and housing costs; reductions in public and private funding for food assistance programs; and the reduced purchasing value of Food Stamps (a direct result of the rising food costs). In its SFY 2008-09 Mid-Year Budget modification, the State cut an additional 6% (\$1.2 million) to HPNAP, resulting in even further harmful impact. FPWA supports the Food Bank of NYC's Anti-Hunger Policy Platform for New York State and City to increase funding by 6.8% per year for HPNAP to adjust for inflation, increased need, and the rise in the statewide poverty rate since 2002.

Eliminate the 185% Standard of Need (SON) income eligibility requirement for Public Assistance (A.7551 of 2008)

Current State Social Services Law makes families ineligible for public assistance once their income reaches 185% of the SON for their household size and county of residence. Therefore, since this measure now falls below FPL in all counties, families cannot earn their way up to the poverty level before they become ineligible for public assistance. Furthermore, since FPL is adjusted upward every year to reflect the rise in inflation, the gap between the income eligibility level (fixed at 185% of SON) and the poverty level increases each year. This means that each year there are more families who fall below the poverty level, yet are ineligible for public assistance. The State should eliminate the 185% SON eligibility rule, which would also improve the work incentive created by the Earned Income Disregard.

Provide State funding to support NYC Housing Authority (NYCHA)

The NYCHA deficit is currently \$183.1 million in FY2008 and \$177.5 million in FY2009. Although NYCHA has implemented many actions to reduce spending and generate new sources of revenue, these actions cannot fully compensate for chronic federal underfunding and increases in non-discretionary costs. The NYCHA deficit is having a disastrous ripple effect on other critical services provided to New York City residents, not only those residing in NYCHA housing developments. Many low-income individuals rely upon the NYCHA network of community and senior centers for nutritious meals, educational activities, and other programs that foster healthy development and positive socialization. In addition, NYCHA partners with employment training providers that accept referrals to offer NYCHA residents job skills training, job placements, paid apprenticeships and other job readiness and educational services. To meet the costs of operating the 15 State-built NYCHA developments and to prevent further harm to those who rely upon NYCHA-sponsored services, the State should provide additional funding in operating assistance to cover the current NYCHA shortfall.

Areas where Delivery of Social Services can be made More Effective and Efficient

Increase percentage of welfare recipients participating in Vocational Educational Training to 30% maximum allowable under Federal TANF Law

While the State has recently taken steps to expand access to education and training by requiring local social services districts to increase enrollments in vocational education, job skills training, and education related to employment by 20% by January 2009,²³ there remains only a very small percentage of welfare recipients currently engaged in these activities. According to the most recent comprehensive statewide data we have received from the Office of Temporary and Disability Assistance (OTDA), as of September 2007, only 14% of the population was engaged in any type of education and training activity, and only 9% was engaged in vocational education as a core work activity. It is important to note that under federal TANF rules, we can place an unlimited number of participants in job skills training and education related to employment as a non-core activity and up to 30% of the caseload in vocational education (which includes 2-year college degree programs) at any given time. Therefore, increasing the numbers of individuals participating in these activities could increase our overall work participation rate. Furthermore, based on a preliminary analysis, it is clear that access to education and training has the effect of increasing earnings and tax revenues, while decreasing the costs associated with public benefits. For example, by supporting a welfare recipient's participation in an Associate's degree program, the cumulative 10-year value of this investment for a single parent with two children would be approximately: 1) earnings of \$307,000²⁴, 2) tax revenues of \$9,800²⁵, and 3) savings of \$460,000 in reduced need for public benefits, including public assistance, Food Stamps, child care, and Medicaid.²⁶

²³ OTDA 07-LCM-13 (October 18, 2007). 2008-09 Temporary Assistance and Food Stamp Employment Plan, Section 3.6 Available at: <http://www.otda.state.ny.us/main/directives/2007/LCM/07-LCM-13.pdf>.

²⁴ U.S. Bureau of Labor Statistics, Current Population Survey (2007). "Education Pays." Available at: <http://www.bls.gov/emp/emptab7.htm>.

²⁵ Tax revenue estimates are based on the 2008 NYS Tax on Taxable Income [Gross Income – (Standard Deduction + Dependent Exemptions)] for each income level *before* other tax credits are applied. NYS Department of Tax and Finance, Combined Instructions for 2008 Full-Year Resident Income Tax Returns, available at: http://www.tax.state.ny.us/pdf/2008/inc/it150_201i_2008.pdf.

²⁶ A Baseline Family of three receiving public benefits for 10 years with no earnings would receive approximately: \$82,000 in public assistance, \$51,000 in Food Stamps, \$209,000 in child care, and \$237,000 in Medicaid benefits.

IV. Workforce Development

Use TANF Funds to expand education and training opportunities

We are very disappointed that the Governor's Executive Budget reduces TANF "surplus" resources (i.e. TANF funds that are available to the State after public assistance benefits are paid) invested in education, training and career pathways programs that have proven effective in New York State and elsewhere. Perhaps now more than ever, 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 Legislature to add TANF funding at a minimum level included in SFY 2008-09 for the following programs which are so important to help people build skills and earn credentials needed to obtain living wage employment and make subsequent earnings gains:

- Career Pathways (\$2.5 million)
- Adult & Family Literacy (\$500,000)
- Basic Education (\$500,000)
- Language Immersion/ESL (\$1 million)
- Technology Training/ATTAIN (\$7 million)
- ACCESS Welfare-to-Careers (\$250,000)

We are pleased that the following programs were included in the Executive Budget, and we urge the Legislature to maintain funding in the Enacted Budget:

- BRIDGE
- Wage Subsidy
- Transportation

Alternatives to Mitigate Proposed Cuts to TANF Programs

Re-Direct funding for Intensive Case Services (ICS) to education and training programs

While we strongly support the concept and legislative intent in providing Intensive Case Services (ICS) to sanctioned families, we are disturbed by the reality of how this program has been implemented in *some* counties, particularly New York City. Although other counties, such as Tioga Co. and Albany Co. have taken a positive approach to conducting outreach, learning about the unique needs of each family, and linking sanctioned clients to supportive services, this is not the case in all areas of the State. The NYC Human Resources Administration (HRA), which is the largest social services agencies in the United States, has used ICS funding to impose harsher requirements and close cases (i.e. “back door” full-family sanctions). For the contract period July 1, 2008 – December 31, 2008, New York City contacted (served) a total of 2346 non-compliant clients in the ICS program. Of those, 1583 (67%) cases were closed because district was “unable to locate,” “failure to respond to outreach,” or “other reason.” This disappointing result is NOT what the Legislature intended in establishing the program for local districts to provide barrier removal services to sanctioned clients so that they can become fully engaged in work activities.

Therefore, we urge the Legislature to re-direct \$3 million in TANF funding included in the SFY 2009-10 Executive Budget for ICS into the Career Pathways program. In addition, we urge for a \$3 million match in Workforce Investment Act (WIA) funds. Included for the first time in the SFY 2008-09 Enacted Budget, the Career Pathways program is unique in blending TANF and Workforce Investment Act (WIA) funding to offer sector-based training in high-demand industries to low-income families facing significant barriers to work. It is essential as new programs are implemented in 2009, that they are assured funding will be available to sustain these programs for the long-run. Furthermore, these types of job training programs offer a positive approach to connecting public assistance recipients to living wage jobs with career advancement opportunities. We suggest that programmatic language be added to require local districts to conduct targeted outreach to offer

sanctioned clients the opportunity to come into compliance by participating in a Career Pathways program.

Long-Term Effects of Proposed Cuts

As noted previously, it is far more costly to government to limit access to education and training in terms of public benefits paid to clients over time. Furthermore, there are other un-quantified benefits that result from increased access to education and training for families in poverty. Some of these benefits include: 1) better educational outcomes for children, 2) increased job stability, 3) reduced likelihood of involvement with the criminal justice system, and 4) increased participation in civics and community. Therefore, the long-term effect of these proposed cuts to TANF-funded welfare-to-work programs is not only to increase the financial costs imposed on government, but also to severely restrict positive family outcomes.

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 \$569 for Tax Year 2008. Yet, there are many young low-income workers between the ages of 17 and 24 who are not eligible for the EITC, simply because of their age and the fact 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. Furthermore, in New York City alone, there are approximately 200,000 disconnected youth who would receive a strong incentive to enter the workforce by becoming eligible for the EITC. The State should 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). In the first

year of operation, we project that this would cost approximately \$1.4 million in General Fund dollars.²⁷

V. Youth Services

Strongly support increasing funding for programs included under the Youth Programs Block Grant Proposal

FPWA is greatly concerned about the proposal in the Executive Budget to consolidate current youth programs and juvenile detention services funding into a \$90 million Youth Programs Block Grant. This allocation represents a reduction of \$28 million in funding. Services included in this new block grant include Detention Services, Youth Development and Delinquency Prevention (YDDP), Special Delinquency Prevention Program (SDPP), Runaway and Homeless Youth Act (RHYA), Alternatives to Detention and Alternatives to Residential Placement. FPWA asks that the Legislature increase the allocation for the proposed block grant since the juvenile justice programs that are included are mandated and the consolidation may mean devastating reductions to critical youth development programs.

Strongly support a funding restoration for the Advantage Program

We are concerned the Governor has proposed reducing funding for the Advantage Program in the Executive Budget from \$27.2 million to \$19.2 million. Advantage After School Programs (AASP) provide quality youth development opportunities to school-age children and youth for three hours directly after school. These programs are supported by school, community, public and private partnerships. AASP offer a broad range of educational, recreational and culturally age-appropriate activities that integrate school day experiences for youth. The critical programs also provide support and peace of mind to the working parents. We urge the Legislature to restore funding for this important initiative to \$27.2 million so programs may remain intact.

Thank you for the opportunity to submit this written testimony.

²⁷ A full cost estimate developed by FPWA in collaboration with Community Service Society is available at: http://www.fpwa.org/binary-data/FPWA_BINARY/file/000/000/81-1.pdf.