



The Federation of Protestant Welfare Agencies (FPWA) is deeply disturbed about the impact of continuing budget cuts on vital services for New York's struggling families. At the state level, there have been numerous rounds of funding cuts to a broad range of important social services, including youth and child welfare programs, services to seniors and individuals with HIV/AIDS. For New York City's budget there have been nine rounds of PEG cuts (Program to Eliminate the Gap) since 2008 totaling \$5 billion and a recent announcement of two additional rounds of PEG cuts of 2% for FY2012 and 6% for FY2013 totaling an additional \$2.5 billion in cuts.

We realize that multiple rounds of budget cuts are part of New York State and City's efforts to responsibly address a slow economic recovery and budget deficits. However, these government cuts disproportionately impact children and families who are increasingly vulnerable during these difficult economic times. Furthermore, these essential programs prevent more severe and much more costly problems from arising in the future:

- * Each child welfare preventive services slot costs about \$9,500 and serves an entire family; whereas foster care costs about \$36,000 per child.
- * Every \$1 invested in early childhood programs saves taxpayers \$13 in future costs.
- * The average annual cost per person in nursing home facility is \$123,420. This cost can be drastically reduced, and delayed, if we invest in raw food for meals, senior center operations, adult day and other senior services as opposed to more costly, premature, nursing home placement.
- * Each prevented HIV infection saves an estimated \$303,000 in discounted lifetime medical cost.
- * Afterschool programs that help prevent a youth from lifelong involvement in the criminal justice system saves \$1.3 million-\$1.5 million.

With large numbers of our families and communities impacted by the Great Recession and 75,000 New Yorkers pushed into poverty in 2010, what kind of communities are we building by decimating child care programs and shuttering 29 of our senior centers? These cuts are not only effecting current clients but are wiping out critical service infrastructure. Once closed, these child care and senior centers will not be re-opened considering that building sites, leases, staff, and start-up costs are particularly difficult to find in New York City. The 2011-12 state budget added even more severe cuts including large cuts to youth programs; the near total elimination of funding for TANF Initiative funded programs for jobs, training and other vital programs; and failed to address the \$55 million structural child care budget gap.

Though we understand the fiscal challenges faced by the state, we also recognize the economic challenges faced by New Yorkers who have lost their jobs, exhausted their unemployment benefits, are at the verge of losing their homes, and have to turn to essential services to feed their families, clothe their children, and pay for heat, medicine and other essentials. There are nearly 800,000 unemployed New Yorkers and the unemployment rate is projected to remain high for the next several years. Given these inordinately high unemployment rates and the needs of jobless New Yorkers, FPWA adamantly opposes any further reductions in funding for human services.

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 in the last year, and nearly two-thirds had seen decreases in their public funding. Further reductions to these essential services could be devastating to both community-based organizations and the clients who depend upon these programs. In addition, the long-term costs of such cuts would be much greater than the short-term savings produced in the fiscal year.

We urge New York State and City to preserve services that are essential to supporting struggling families by averting cuts to key human services funding streams in the Fiscal Year 2012-13 budgets, including:

- Life saving resources such as HIV/AIDS prevention, education, outreach, treatment and care, housing, case management and supportive services.
- Services that protect and support vulnerable children such as child care, Universal Pre-Kindergarten, foster care and open-ended child welfare services.
- Essential public benefits for individuals and families living in poverty.
- Access to education and training opportunities that are vital to increasing earnings and making advancements on a career path.
- Services that help elderly individuals maintain their independence so that they may remain in their homes and communities, including social adult day services, senior transportation, and geriatric mental health programs.
- Programs for youth such as afterschool initiatives that provide a broad range of educational, recreational, and culturally appropriate activities essential to a young person's development.

In addition to preserving essential human services programs, FPWA recommends that the state use any public funds available to make strategic investments in programs that will stimulate recovery, job growth, and sustainable economic expansion. The new Green Jobs programs are an excellent example of the type of investment that can produce these outcomes in the long-run by investing today for tomorrow's workforce.

We urge the city and state to address the annual structural budget deficits by ensuring that we have a fair approach to balancing the budget that includes having enough revenue to meet our human and infrastructure needs.