



Federation of Protestant Welfare Agencies

Statement Prepared for the March 1, 2007 Hearing

of the

Assembly Ways And Means Committee

and

Senate Finance Committee

on the

2007- 08 Executive Budget Proposal

Prepared By

Jillynn Stevens – Director of Policy, Advocacy & Research

**Caitlyn Brazill – Senior Policy Analyst
Kathleen Fitzgibbons – Senior Policy Analyst
Vani Sankarapandian - Senior Policy Analyst**

Federation of Protestant Welfare Agencies, Inc.

281 Park Avenue South
New York, New York 10010
Phone: (212) 777-4800
Fax: (212) 533-8792

Fatima Goldman

Executive Director/CEO

Good afternoon. My name is Caitlyn Brazill and I am a senior policy analyst for the Federation of Protestant Welfare Agencies (FPWA) in New York City. Thank you for the opportunity to testify before you today. FPWA is an alliance of more than 300 human service agencies and churches providing social services to some 2 million New York City residents of every age, religion and race. Our diverse membership includes child care centers, youth development programs, foster care agencies, senior day care centers, health and mental health clinics, and settlement houses.

This is our 85th anniversary year. Throughout the years, FPWA has championed humane health and social welfare policies and fought for expanded resources for the City's most disenfranchised communities. Our mission is to promote the social and economic well-being of greater New York's most vulnerable by strengthening human service organizations and advocating for just public policies.

FPWA applauds the Executive Budget's investments in human services programs. We support the Governor's proposed expansions of Universal Pre-Kindergarten and Child Health Plus, investments in child welfare funding and summer youth employment, cost of living increases for various human services programs, and expansion and streamlining of Medicaid and Family Health Plus. We also welcome the inclusion in the Executive Budget appropriations that have traditionally been carried by the Legislature. Finally, we were relieved to find that this Budget contains no cuts in public benefits for low-income families and individuals. This Budget strengthens the State's commitment to its most vulnerable residents and sets the stage for new approaches to help lift them out of poverty. We appreciate the Governor's recognition of the value of human service investments and his respect for programs for which the legislature has advocated for many years.

Today's testimony will address the Governor's budget proposals in the areas of: 1) Child Welfare, 2) Early Childhood Education, 3) Income Security, 4) Workforce Development, and 5) Youth Services.

I. Child Welfare

1. Implement child welfare caseload guidelines recommended by OCFS and reform child welfare funding.

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. Caseloads for caseworkers providing child protective, foster care, and preventive services must be lowered to ensure that New York State's most vulnerable children receive the quality of services they deserve. The study suggests caseloads of 11-12 children per foster care caseworker per month and 12-16 families per preventive services caseworker per month. Currently, estimated

caseloads are much higher, forcing overwhelmed caseworkers to devote a significant portion of their time to administrative duties as opposed to working with the children and families they serve.¹

In order to achieve this reduction in caseloads, additional funding beyond the \$36.3 million increase to the foster care block grant proposed in the Governor's budget is essential. Localities already facing fiscal constraints cannot afford to hire caseworkers without supportive funding from the State. Furthermore, to maintain these caseload standards, it is imperative that local social service districts have the flexibility in funding needed to accommodate unexpected influxes into the foster care system without burdening caseworkers with excessive caseloads. We urge the Governor and the Legislature to consider an open-ended shared state and local responsibility for foster care services.

2. Increase the state match for open-ended child welfare funding from 65% to 75%.

In addition, FPWA urges the Legislature to increase the State match for protective, preventive, aftercare, and adoption services from 65% to 75%. These services, including substance abuse and domestic violence counseling, parenting skills, and education and employment training, help families create safe and supportive homes for their children. Increasing the State match would provide counties with a greater incentive to invest in high quality services that keep families out of foster care and ultimately save money for the State.

3. Provide an education tuition waiver for foster care youth.

New York State must also invest in the expansion of services aimed at helping older foster care youth transition into adulthood. Unlike their peers, foster care youth who age out of the system have few supports and little to no guidance. They experience higher rates of mental health illness, criminal activity, homelessness, and unemployment.² Current and former foster care youth who successfully navigate the difficulties of growing up in the child welfare system and graduate from high school must be encouraged to pursue postsecondary education. To that end, New York State should follow the lead of 16 other states and provide free tuition for foster care youth in the SUNY and CUNY systems.³

¹ "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>.

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 States that provide tuition waivers are: Alaska, Connecticut, Florida, Kansas, Kentucky, Maryland, Maine, Minnesota, North Carolina, New Jersey, Oklahoma, South Carolina, Texas, Utah, Virginia, and West Virginia.

Currently, foster youth in post-secondary education or a vocational training program in New York have access to Federal Education and Training Vouchers (ETVs) for up to \$5,000 per year, which can be used to cover tuition and fees, room and board, books, computers and other school-related costs. However, this is generally insufficient to cover the expenses of attending college. According to the National Center for Education Statistics, the average price in 1999-2000 of attending a public four-year college for full-time dependent students, which includes tuition and fees, supplies, and living expenses, was \$12,400 per year.⁴ New York State has a moral imperative to provide for the well-being of children in its legal custody, and a college education should be financially realizable for all foster youth who overcome the tremendous barriers to completing high school.

II. Early Childhood Education

1. Increase funding for child care subsidies by \$140 million.

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 avoid involvement in the criminal justice system.⁵ However, child care funding decreased by over \$70 million from Fiscal Year 2004-05 to Fiscal Year 2006-07, resulting in the loss of over 14,000 slots for low-income children. This loss is due to a combination of declining federal Child Care Block Grant funding, and an estimated \$27 million decrease in TANF funding for child care at the county level as a result of the Flexible Fund for Family Services.

To ensure that New York State can meet the needs of an increasing number of low income working families, we ask the Governor and the legislature to **increase funding for subsidies by \$140 million** and allocate at least **\$352 million in FFFS funding to the child care block grant**.

In addition to the long-term benefits for child development, this would provide a greater number of working parents in low-income and public assistance families with the security of knowing their children are in safe, nurturing early care programs while they are at work. Without access to subsidized child care, parents may be forced to place their children in unregulated settings, which can offer compromised levels of care. They must also shoulder the entire cost of these services, which can cause serious emotional and economic stress for their families.⁶ This is particularly

⁴ "Special Analysis 2004 – Paying for College: Changes between 1990 and 2000 for Full-Time, Dependent Undergraduates," National Center for Education Statistics, 2004. Available at <http://nces.ed.gov/programs/coe/2004/analysis/sa03b.asp>.

⁵ 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>.

⁶ 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>.

critical now, given that more low-income mothers are entering the workforce. In New York City, the percentage of single mothers with a high school degree or less in the labor force grew from 40% in 1996 to 57.8% in 2005.⁷ Moreover, increased work participation requirements for families on TANF mean that the demand for subsidized child care will be even greater. As more public assistance and low-income parents join the workforce in New York, the State must step in to ensure that their children receive the care they need.

2. Invest \$15 million in recruitment and retention initiatives for the early care and education workforce.

Attracting a highly-qualified workforce is an integral component of creating a positive, nurturing environment for children in early care and education programs. Research shows that early childhood teachers with more education and training provide higher quality teaching and foster improved “social, emotional, linguistic, and cognitive development for the child.”⁸ However, due in part to low pay and inadequate benefits, the educational levels of New York’s center-based early childhood educators has fallen in recent years, with only 23% of staff in 2000-2004 holding a four-year college degree, compared to 42% in 1980. Meanwhile, the percentage of center-based early childhood educators with a high school degree or less rose from 32% in 1980 to 44% in 2000-2004. In “home-based” early childhood programs in 2000-2004, 61% of staff had a high school degree or less.⁹

Professionals in the early care workforce in New York State are drastically underpaid in comparison to their kindergarten counterparts, making it difficult for programs to recruit highly-trained staff members. Child care workers and preschool teachers earn mean annual salaries of \$20,700 and \$26,420 respectively, compared to kindergarten teachers who earn \$60,450.¹⁰ This pattern of poor teacher compensation not only affects the recruitment of qualified teachers, but also has a negative impact on the quality of early childhood education by lowering teacher morale and causing high teacher turnover that is disruptive to the learning environment.¹¹ Therefore, New York State should invest \$15 million in workforce development opportunities for early care

⁷ Betsy Gotbaum and Nancy Rankin, “The Other Mothers,” May 14, 2006. Available at

<http://pubadvocate.nyc.gov/news/ReadGotbaumsNewYorkTimesOp-EdonLow-IncomeWorkingMothers.html>

⁸ Barnett, “Better Teachers, Better Preschools: Student Achievement Linked to Teacher Qualifications,” National Institute for Early Education Research, Issue 2, December 2004. Available at <http://nieer.org/resources/policybriefs/2.pdf>.

⁹ Herzenberg, Price, and Bradley, “Losing Ground in New York Early Childhood Education: Declining Workforce Qualifications in an Expanding Industry, 1980-2004,” Economic Policy Institute, Issue Brief #216-E, September 2005. Available at <http://www.epinet.org/issuebriefs/216/ib216e-ny.pdf>. (Note: Early childhood educators in center-based care refers to directors, teachers, assistant teachers, and teacher aides.).

¹⁰ “Current Data on the Salaries and Benefits of the U.S. Early Childhood Education Workforce,” Center for Child Care Workforce, 2004. Available at: www.ccw.org/pubs/2004compendium.pdf.

¹¹ Barnett, “Low Wages = Low Quality: Solving the Real Preschool Teacher Crisis,” National Institute for Early Education Research, Issue 3, March 2003. Available at <http://nieer.org/resources/policybriefs/3.pdf>.

professionals, including release time, reimbursements for tuition and other expenses, reward bonuses based on educational attainment, mentoring services, and loan forgiveness up to a certain amount. A portion of this funding should be used to establish an Early Childhood Teacher Equity Compensation Fund that would address differences in compensation between teachers with comparable credentials, regardless of the early education setting in which they work. The State can be assured that a significant investment in the professional development of our early care teachers will lead to improved outcomes for New York's youngest students.

III. Income Security

With over 2.5 million New Yorkers living in poverty, it is imperative that the state provide a solid safety net and supports for low income families. To that end, FPWA recommendation four reforms to reduce poverty and provide assistance for those in need.

1. New York State should increase the public assistance grant from \$291 for a family of 3 to \$435.

The basic grant for a family of three is \$238, plus \$53 for heat assistance. The maximum monthly benefit for a family of three is \$577. The cost of living has increased nearly 60% in the 17 years since the grant was last increased.¹² Currently, the grant equals 55% of the federal poverty level for a family of 3; in 1990, it was 110% of the poverty level.

Since 1996, 19 other states have increased their welfare grant, including California, Massachusetts and Texas. Further, the maximum public assistance grant in neighboring states is considerably more generous than New York. In Massachusetts, New Hampshire and Vermont, the grants ranged from \$618 to \$639 per month, compared to \$577 in New York. California's maximum monthly benefit is \$704 for people not exempt from work requirements and \$780 for those who are.¹³

2. New York State should increase the Earned Income Disregard to 100% of wages below the federal poverty level and 50% up to 135% of poverty.

Public assistance recipients with children who have wage-paying jobs currently have 47% of their monthly earnings disregarded in determining their grant. One hundred percent of the first \$90 of earned income is disregarded.

¹² "Consumer Price Index: Northeast Urban 1990-2007," U.S. Bureau of Labor Statistics. Accessed February 2007 at <http://data.bls.gov/PDQ/servlet/SurveyOutputServlet>.

¹³ Rowe, Gretchen and Versteeg, Jeffrey, "Welfare Rules Databook: State TANF Policies as of July 2003." The Urban Institute and the U.S. Department of Health and Human Services." Washington, DC, April, 2005.

While New York's earned income disregard is more generous than other states, it is still phased out before families reach the federal poverty level – meaning that working families who are in poverty are ineligible for cash assistance. Our proposal would supplement wages with the full public assistance grant until earnings reach the federal poverty level, and then phase out at 135% of poverty, creating better financial incentives for work. Further, it would improve conditions for NYC families in the Housing Stability Plus program, ensuring that their housing subsidy would not be eliminated until families reached 135% of poverty.

3. New York State should create a State Food Stamp Supplement of \$100 per month.

Over 700,000 New Yorkers experience food insecurity, and nearly 1.8 million receive Food Stamps. Roughly half of Food Stamp recipients are children, and 16% are elderly. The average *monthly* benefit for a household is less than \$200, while the average grocery bill for a family of 3 is over \$125 *per week*.¹⁴

A Food Stamp Supplement will enable New York State to provide greater assistance to low income families without decreasing their eligibility for federal food stamp assistance. Adding a Food Stamp Supplement will encourage working poor families to participate in the Food Stamp program, increasing federal dollars flowing in to New York State. New York has one of the lower Food Stamp participation rates in the nation, with only 53% of eligible families receiving benefits in 2004.

Because Food Stamp eligibility levels are higher than public assistance, a Food Stamp Supplement can help working poor families otherwise ineligible for TANF. If TANF funds are used, beneficiaries of the new supplement could be included in participation rate calculations, thereby dramatically increasing the work participation rate by extending assistance to already-working families.

4. Create a Young Worker Earned Income Tax Credit (EITC)

The NYS Earned Income Tax Credit (EITC) is a valuable support for poor working families, providing them as much a refundable credit of up to \$1,300, depending on income and family size. New York State also became a national leader in 2006 by creating an EITC for non-custodial parents, which will benefit thousands of families this year.

¹⁴ "Household Food Spending by Selected Demographics in the 1990's," U.S. Department of Agriculture, 1998. Accessed February 2007 at: <http://www.ers.usda.gov/publications/aib773/aib773e.pdf>.

We urge New York State to demonstrate national leadership again by creating an Earned Income Tax Credit for independent workers under the age of 25. There are nearly 1.3 million workers in New York State under that age of 24, most of whom are also attending school.¹⁵ These hard-working young adults contribute to the economy in the same way as their older counterparts and should not be excluded from this benefit based on age. The Young Worker EITC would also help incentivize work for the 200,000 New York youth who are currently disconnected from work and school.

IV. Workforce Development

1. Maximize opportunities for education and training.

New York State also needs an educated and trained workforce to compete successfully for high wage jobs and capture emerging industries. To ensure that all New Yorkers can participate in our expanding economy, we must invest in workforce development for the lowest-skilled New Yorkers.

The Office of Temporary and Disability Assistance (OTDA) should **maximize the number of public assistance recipients participating in education and vocational training**. Engaging public assistance recipients in education and training activities will help NYS meet its work participation rates and avoid federal penalties, allow families receiving welfare to move into stable jobs with family-supporting wages and improve the overall quality of New York State's labor market.

Vocational educational training and basic education for parents under 20 can be maximized because they are core activities under US Department of Health and Human Services interim final regulations. Thirty percent of each state's caseload may be engaged in these two activities, while NYS has only 11% so engaged. New York State should actively encourage and assist public assistance recipients to access vocational educational training resources through local workforce development boards, the SUNY and CUNY system, unions and the many private training programs available in New York State.

2. Enhance education and training opportunities by not exceeding federal work participation requirements.

FPWA urges OTDA to require localities to not exceed federal work requirement. New York City and many counties require a 35 hour work week from public assistance recipients, while State and Federal regulations require only 30 hours for single parents with children age 6 or over, and 20

¹⁵ "Table 26 State/Areas: Employment status of the civilian non-institutional population ages 16-24 by school enrollment status, race, Hispanic or Latino ethnicity, and gender, 2004," Bureau of Labor Statistics, 2005.

hours for parents with children under 6. Reducing the number of hours allows parents additional time to attend classes, and would dramatically help students on public assistance successfully complete their studies. Exceeding federal work requirements also leaves families vulnerable to harmful and destabilizing sanctions.

3. New York State should create a publicly-funded transitional jobs program.

A transitional jobs program is needed for public assistance recipients and others with limited experience in the labor market, such as disconnected youth and formerly-incarcerated people. Transitional jobs pay participants real wages for work where they gain valuable skills, make connections to potential permanent employers and adapt to workplace norms. Successful transitional jobs programs also provide intensive case management services to help ensure participants are able to overcome barriers to work, such as transportation or familial obligations and are also complimented by training and education.

A transitional jobs program could be easily incorporated into New York State's TANF plan under the new federal regulations. Time participants spend in subsidized employment could be considered core work activities, while time in jobs skills training and education could account for 10 hours of non-core activities. Further, transitional jobs have been demonstrated to be considerably more effective at increasing employment and earnings compared to traditional workfare programs, which are most commonly used in New York State.

V. Youth Services

1. Increase funding for Youth Development Programs

FPWA is pleased the Governor has increased funding for Advantage After-School programs by \$700,000. Since the program's inception, the Office of Children and Family Services (OCFS) has received more applications than it can fund. We ask the legislature to increase the allocation by \$12 million to help meet the demand for this critical support for youth. This increase would bring the funding level to \$40 million and narrow the gap between demand and supply.

FPWA is also pleased that the Governor included funding for Youth Development/Delinquency Prevention (YDDP) programs, which include an array of services including creative arts, educational achievement and remediation programs, and job readiness and training initiatives to at-risk and disconnected youth. Unfortunately, the \$28.5 million for proposed for YDDP is \$7.5 million less than the statutory budget per capita formula. We ask the legislature to fund an

additional \$7.5 million for these essential programs and request an amendment to the per capita formula to account for inflation and other areas of cost escalation.

Thank you for the opportunity to testify.

15010930.1