



Federation of Protestant Welfare Agencies

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and

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on the

2008 - 09 Executive Budget Proposal for Human Services

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The Federation of Protestant Welfare Agencies (FPWA) is an alliance of almost 300 human service agencies and churches providing services to more than 1.5 million New York City and State 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. Throughout the years, FPWA has championed humane health and social welfare policies and fought for expanded resources for the 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. In a very challenging fiscal environment, Governor Spitzer has demonstrated a continuing commitment to our most vulnerable and disadvantaged citizens and we would strongly urge the Legislature to reaffirm its commitment to the economic security, health care and social services needs of our poorest communities. We support the Governor's proposed expansions of Universal Pre-Kindergarten and Child Health Plus, automatic extension of Medicaid eligibility to former foster youth, investments in child welfare funding and cost of living increases for various human services programs.

There is, however, as always, room for improvement in the proposed budget. While we recognize the budgetary choices were extremely difficult this year, we are particularly disappointed that the Executive Budget does not include, for the eighteenth year in a row, an increase in the Public Assistance grant and we are also concerned that the budget proposes to place child care funding back into the Flexible Fund for Family Services.

This written 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

Preserve the 65/35 State match for open-ended child welfare funding.

FPWA was pleased to see the Governor's commitment in his proposed budget to maintaining the 65% State match for protective, preventive, aftercare, adoption, and independent living services. 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. Maintaining the State match at 65% provides 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.

Create a state-funded higher education scholarship program for foster care youth attending college in the SUNY or CUNY system or participating in a vocational training program.

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 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 post-secondary education.

Despite the demonstrated link between education and later success, former foster care youth struggle to access the same educational opportunities available to their peers. Foster youth who age out simply do not have the financial resources or family support, encouragement, and guidance that many children rely on as they advance through high school and contemplate options for higher education. While nearly two-thirds (64%) of former foster care youth in a Chapin Hall study had graduated from high school or obtained a GED, less than 12% were enrolled in a two or four-year college.²

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 adds up to over \$17,000 per school year.³ Foster care youth with any hope of affording a post-secondary education are forced to piece together numerous grants or 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 \$4,000.⁴

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 Mark Courtney, Amy Dworsky, Gretchen Ruth, Tom Keller, Judy Havlicek, and Noel Bost, "Midwest Evaluation of Adult Functioning of Former Foster Youth: Outcomes at Age 19," Chapin Hall Working Paper, May 2005.

³ "2007-08 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.

⁴ Data obtained from OCFS.

Investing in post-secondary opportunities for foster youth will ultimately benefit the State. 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.⁵

Seventeen states currently offer some form of education tuition waiver assistance to foster care youth.⁶ A State-sponsored higher education scholarship program that provides assistance with both tuition and living expenses would allow New York foster care youth to eliminate cost as yet another barrier to their pursuit of higher education and a better life.

Support the Governor's proposal to automatically extend Medicaid eligibility to former foster youth until age 21.

FPWA applauds the Governor for his proposal to automatically extend Medicaid eligibility to youth aging out of foster care until age 21. Although we are still awaiting the release of the Governor's 21-day amendments, which should clarify Article VII language associated with this proposal, we strongly support the intention of this important initiative. These youth represent an extremely vulnerable population, many of whom are coping with serious health and mental health issues as they fight to establish themselves as self-sufficient adults. Automatic Medicaid eligibility until age 21 would ensure that youth aging out have access to the medical care they need.

Research shows that this population struggles with intense and unique health care needs. Health and mental health services are vital to youth leaving foster care in New York State, many of whom struggle with mental illness and trauma recovery. One study found that youth leaving care experience a higher rate of post-traumatic stress disorder than Vietnam and Iraq veterans.⁷ Research in New York City indicates that in 2000, more than half of youth in foster care suffered from mental health problems.⁸

⁵ "Education and Training Pay," Postsecondary Education Opportunity. Available at <http://www.postsecondary.org/archives/Posters/EducationTraining.pdf>.

⁶ The states are: Alaska, Connecticut, Florida, Kansas, Kentucky, Maryland, Massachusetts, Maine, Minnesota, North Carolina, New Jersey, Oklahoma, South Carolina, Texas, Utah, Virginia, and West Virginia.

⁷ "Assessing the Effects of Foster Care: Mental Health Outcomes from the Casey National Alumni Study," Casey Family Programs. Available at http://www.casey.org/NR/rdonlyres/CEFBB1B6-7ED1-440D-925A-E5BAF602294D/303/casey_natl_alumni_study_mental_health.pdf.

⁸ Freundlich, "Time Running Out: Teens in Foster Care," Children's Rights, Inc., Juvenile Rights Division of the Legal Aid Society and Lawyers for Children, 2003.

Regular access to reproductive health services and prescription coverage are also crucial for this young adult population, which is at high risk for pregnancy. In one study of current and former foster care youth, over a third (37.4%) of women, age 19 at the time of the second interview, reported being pregnant at least once in the roughly two-year time period since the first interview.⁹

Lack of health care coverage can result in higher levels of costly emergency room and inpatient care, the progression of chronic disease, and thousands of dollars of medical debt, which can be devastating for foster youth attempting to establish independent lives once they have left the foster care system.¹⁰ Across the country, states have recognized the importance of providing foster youth with access to health insurance. According to a survey conducted by the American Public Human Services Association and published in 2007, seventeen states at the time of survey had enacted legislation to automatically extend Medicaid coverage under the federal Foster Care Independence Act of 1999, and five other states reported having plans to do the same.¹¹

For these reasons, FPWA again commends the Governor for his proposal to automatically extend Medicaid eligibility to former foster youth until age 21, and we look forward to reviewing the details of the initiative in the amended Article VII language. This is an important step towards assisting youth aging out of care in accessing critical health and mental health services, while preserving their economic security.

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. According to this report, the caseloads for caseworkers providing child protective, foster care, and preventive services must be lowered in order to ensure that children receive the quality of service 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.¹²

⁹ Mark Courtney, et al., *supra* note 2.

¹⁰ Benjamin Shors, "More like family: Bills aim to give hand up to teens who 'age-out' of child welfare system," THE SPOKESMAN-REVIEW, January 19, 2006. Available at http://www.spokesmanreview.com/tools/story_pf.asp?ID=112086.

¹¹ "Medicaid Access for Youth Aging Out of Foster Care," American Public Human Services Association, 2007. The 17 states are AZ, CA, FL, IN, IA, KS, MA, MS, NV, NJ, OK, RI, SC, SD, TX, UT, and WY. The five states with plans to do so are MD, MO, NC, NM, and WI.

¹² "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>.

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.¹³

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 with children and families, but spent almost 31% of their time on documentation activities.¹⁴ 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.

II. Early Childhood Education

Increase funding for child care subsidies by \$140 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.¹⁵ 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 dropped from \$929 million in FY 2004-05 to \$858 million in FY 2006-07, resulting in the loss of \$71 million and over 14,000 slots for low-

¹³ Ibid.

¹⁴ Ibid.

¹⁵ 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>.

income children.¹⁶ Although the Governor has included \$540 million in child care block grant funding in his proposed budget for FY 2008-09, we urge New York State to increase funding for subsidies by \$140 million over last year, which would restore the money lost since the 2004-05 budget and provide additional funding for children in need of subsidized care.

We cannot emphasize enough the importance of providing families 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.¹⁷ 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.

This is particularly 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 2005.¹⁸ As more low-income parents join the workforce in New York, the State must step in to ensure that their children receive the care they need.

Remove child care funding from the Flexible Fund for Family Services and transfer a minimum of \$367 million to the child care block grant.

FPWA again urges New York State to remove child care funding from the Flexible Fund for Family Services (FFFS) and transfer a minimum of \$367 million to the child care block grant. This represents the amount of funding carved-out from the FFFS and devoted to the child care block grant last year, as well as the amount of TANF funding dedicated to facilitated enrollment, a program that has been cut in the Governor's proposed budget for FY 2008-09.

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. Last year, the State rightly recognized the importance of ensuring that this money was reserved to meet the child care needs of low-income families across the State

¹⁶ Data obtained from Winning Beginning New York coalition.

¹⁷ 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>.

¹⁸ Betsy Gotbaum and Nancy Rankin, "The Other Mothers," May 14, 2006. Available at <http://pubadvocate.nyc.gov/news/ReadGotbaumsNewYorkTimesOp-EdonLow-IncomeWorkingMothers.html>.

by carving-out child care funding from the FFFS and shifting it to the child care block grant. We strongly urge the Governor and the Legislature to again demonstrate their commitment to supporting child care by transferring a minimum of \$367 million from the FFFS to the child care block grant.

Increase flexibility for districts utilizing Universal Pre-Kindergarten funding

FPWA was pleased to see the Governor continue his support for expanding Universal Pre-Kindergarten (UPK) by proposing an increase of \$79 million for the program, amounting to a total of \$452 million in FY 2008-09 to support 120,000 students statewide. The Governor's consistent dedication of funds to the goal of providing all four-year-olds with UPK services illustrates his commitment to ensuring that New York's children have access to crucial early learning opportunities.

Although we support the increase in UPK funding, FPWA urges the State 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 outlines three key UPK-related funding needs for which it currently does 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.¹⁹ As the City's preliminary budget notes, increased flexibility is needed "to more efficiently and effectively use the State allocation for the UPK program[.]"²⁰

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-

¹⁹ "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.

²⁰ Ibid.

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.

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.”²¹ 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.²²

Professionals in the early care workforce in New York State are drastically underpaid in comparison to kindergarten teachers as well as early care teachers in public school settings, making it difficult for child care 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 \$60,450.²³ In New York City, research shows a significant salary gap between early care teachers in “community-based” settings and their “school-based” counterparts, with community-based teachers earning an average salary of \$36,000 compared to nearly \$63,000 for school-based teachers.²⁴ This pattern of poor teacher

²¹ 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>.

²² 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.).

²³ “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.

²⁴ “Learning About the Workforce: A Profile of Early Childhood Educators in New York City’s Community- and School-Based Centers,” NYC Early Childhood Professional Development Institute and the Cornell University Early Childhood Program, 2007. Available at <http://www.earlychildhoodnyc.org/pdfs/eng/FinalReport.pdf>.

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.²⁵

New York's poorly compensated early care professionals must be given the resources to pursue education and training if we expect the State to create a highly-qualified early care workforce. FPWA urges New York State to invest \$15 million in workforce development opportunities for early care 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.

Eliminate child care co-payments for families under the federal poverty level.

High co-payments for families serve as a tremendous barrier to accessing subsidized care. Child care fees of any amount are particularly burdensome for families living under the federal poverty level (FPL), many of whom struggle with a multitude of problems, including employment, housing, transportation, and food security. With such limited family resources at their disposal, child care fees cut into a family in poverty's ability to obtain basic necessities.

Depending on the county in which they reside, New York families are charged a certain percentage of the difference between their annual gross income and the FPL in yearly child care fees. For families in poverty who have no marginal income over the FPL, State regulation requires a "minimum weekly family share of one dollar."²⁶ In New York City, families under the FPL are charged \$3 per week for full-time child care.

This may not seem like a lot, but paying \$3, or even \$1, per week for child care is an enormous burden for families living in poverty. Consider, for example, a family of two living in New York City. The FPL for this family is \$13,690. In New York City, where the costs of living are so expensive, \$13,000 does not even begin to cover the costs of a family of two. In fact, according to the

²⁵ 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>.

²⁶ 18 NYCRR Part 415.3(f).

Economic Policy Institute, which attempted to calculate basic family budgets in 2004 that would more accurately capture the costs of modest living, a family of two (one parent, one child) in New York City would need \$44,724 annually to live.²⁷ That is roughly \$31,000 over what is considered “poverty” for this family. The \$156 that a family under the FPL in New York City pays in yearly child care fees for subsidized care could be spent on basic necessities such as food, clothes, and shelter.

Given that families that fall under the FPL are so far from having the resources to cover even the costs of modest living, FPWA urges New York State to eliminate child care co-pays for families below the poverty level. Parents in these families should be encouraged to dedicate their income to securing their family’s financial stability, rather than being asked to devote scarce family resources to child care fees.

III. Income Security

Increase the Public Assistance Grant from \$291 to \$435 for a Family of Three.

With a renewed focus on the inadequacy of the welfare grant in recent months, we were hopeful that the Governor would include an increase in the SFY 2008-09 Executive Budget. Although this was not included, we thank the Assembly for supporting an increase during last year’s budget negotiations. We strongly urge the Legislature to add an increase in the basic welfare grant during this year’s negotiations to be included in the final enacted budget.

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. The basic grant amount has not been increased in nearly 18 years. Since then, its value relative to the actual costs of living has shrunk tremendously.
3. 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.
4. Welfare benefits have decreased from 110 percent of FPL to 50 percent of FPL, which leaves many families, especially children, receiving welfare trapped in a cycle of poverty.

²⁷ “Basic Family Budget Calculator,” Economic Policy Institute. Available at http://www.epi.org/content.cfm/datazone_fambud_budget.

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. Studies of other states that have increased their welfare grant have shown that total welfare caseloads declined more (53%) in those states compared to states that did not increase their welfare grant (47%). We urge the Legislature to increase the public assistance grant in the Enacted Budget.

Increase Child Support Pass-Through for Custodial Parents receiving Public Assistance.

We are very pleased that the Governor's Executive Budget includes an increase in the child support pass-through for certain custodial parents receiving public assistance from \$50/month to \$100/month. 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 which become effective on October 1, 2008. Therefore, we fully support the implementation of this proposal. To take full advantage of the federal incentives offered to states, we urge the Legislature to approve the Governor's Executive Budget proposal and extend the increase to \$200/month for families with two or more children in the Enacted Budget. This will provide additional child support to the families who need it most and will lift more families with children out of poverty.

Increase the Earned Income Disregard; Extend the full Earned Income Disregard to all families, including households *without* children.

We are disappointed that the Governor's Executive Budget does not provide for an increase in the Earned Income Disregard (EID) percentage that is currently 48% and is applied to families with children receiving public assistance. The EID encourages work by ensuring that earnings will actually increase the income of families receiving public assistance and help them achieve economic security more quickly and permanently. For households without children, there is only a meager \$90 work expense disregarded. We urge the Legislature to increase the EID to 100% of wages below the Federal Poverty Level and to extend the full EID to all public assistance households.

Eliminate the 185% Standard of Need (SON) Eligibility rule.

We are disappointed that the Governor's Executive Budget does not provide for the elimination of the current income eligibility standard which prevents families receiving welfare from being able to earn up to the Federal Poverty Level (FPL). Since 185% of SON is below FPL in all counties throughout the State, families lose eligibility for public assistance before their earnings bring them up to poverty. Furthermore, since FPL is adjusted upward every year to reflect the rise in the cost of living, the gap between the income eligibility standard and FPL increases each year, leaving more working families in poverty ineligible for cash assistance. We urge the Legislature to eliminate the current income eligibility rule, so families remain eligible until they reach poverty.

IV. Workforce Development

Use TANF Funds to expand Education and Training opportunities.

While we are pleased that the Executive Budget generates some Temporary Assistance for Needy Families (TANF) savings by shifting some programs previously funded with TANF dollars to the General Fund, a significant portion of these essential TANF "surplus" resources (i.e., TANF funds that are available to the State *after* public assistance benefits are paid) should be spent on developing and expanding innovative education, training, and career pathways programs that have proven to be effective elsewhere. While the Earned Income Tax Credit (EITC) is an important work support for low-income families, it should not substitute for the other essential programs that empower poor families to achieve economic security. The use of Federal TANF dollars to offset State General Fund expenditures for the EITC should absolutely NOT be increased, and instead should be gradually decreased in coming years.

The Executive Budget includes \$718 million in the use of TANF funds for this purpose – representing a \$115 million increase over SFY 2007-08. The use of TANF dollars to offset State costs of providing the EITC severely depletes the amount of federal dollars available to support these initiatives. Particularly in the current budget climate when the State faces a \$4.4 billion budget gap, the TANF block grant should be maximized to support programs and services that help families in poverty overcome barriers to employment and pursue a career path.

We are pleased that the following TANF-funded programs were included in the Executive Budget and urge the Legislature to increase the funding allocated for the programs:

- Adult & Family Literacy
- Basic Education
- Language Immersion/ESL
- Wage Subsidy
- Transportation
- BRIDGE

We urge the Legislature to include funding in the Enacted Budget for:

- Technology Training/ATTAIN
- EDGE

Use TANF and State funding to create Transitional Jobs programs.

FPWA requests that funding be used to create Transitional Jobs programs that combine work experience with ongoing education, training, and supportive services specifically for welfare recipients. Transitional Jobs are time-limited, wage-paying jobs that combine meaningful work, skill development and support services. As opposed to unpaid workfare positions, workers earn a real wage, subsidized with public funds, in paid work experience programs for up to 12 months, with a possible extension up to 6 months. In addition to work experience, programs offer job readiness, basic education, vocational skills and other barrier-removal services. Successful models provide incentives for adult education providers, community colleges, workforce intermediaries, and employers to develop partnerships and innovative approaches to place low-income individuals on a path with gradual wage increases and continuing job skill development. Transitional Jobs are also an excellent solution to meeting federally required TANF work participation rate. Time spent in “subsidized employment” counts as a core work activity, and time spent in “job skills directly related to employment” counts as a non-core work activity.

In addition, the State should encourage local districts to use part of the Flexible Fund for Family Services (FFFS) to support Transitional Jobs programs.

V. Youth Services

Increase funding for Youth Development Programs

FPWA is pleased the Governor has allocated \$28 million for Advantage After-School programs. Since the programs' 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 \$10 million to help meet the demand for this critical support for youth. This increase will bring the total statewide funding for Advantage After School programs to \$38 million and help narrow the gap between demand and supply.

FPWA is also pleased the Governor included funding for Youth Development/Delinquency Prevention (YDDP) Programs. YDDP provides localities with funds to design programs and services that meet the needs of local youth and their families including recreation centers, after-school programs, summer camps, sports, performing and visual arts activities, and computer and technology training. Unfortunately, the \$28.5 million proposed for YDDP is \$6.5 million less than the statutory budget per capita formula. We ask the Legislature to fund an additional \$6.5 million for these essential programs and request an amendment to the per capita formula to account for inflation and other areas of cost escalation, in addition to an overall increase in the State's youth population.

FPWA requests that the Legislature maintain \$13.925 million in after-school program funding. In 2007, due to a crisis in the loss of after-school slots, the Assembly added \$13.925 million for after-school programs. Through this measure, school districts and former 21st Century Community Learning Center programs were able to keep many programs open for an additional year.

Thank you for the opportunity to submit this written testimony.