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**Testimony before the
Joint Legislative Budget Committee
Senate Finance and Assembly Ways and Means**

**Human Services
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**Legislative Office Building
Albany, New York**

Introduction

Good afternoon Senator Young, Assemblyman Farrell, and members of the Committee. My name is David McNally and I am the Director of Government Affairs and Advocacy for AARP in New York. AARP is a social mission organization with a membership of over 2.6 million members in New York State. I would like to submit the following testimony regarding the Human Services portion of the Executive Budget and issues facing older New Yorkers and their families.

Title XX Funds: Senior Centers

New York State receives \$98 million in annual Federal Title XX funding that is allocated to counties. Of this amount, \$66 million is set aside for Adult Protective and Domestic Violence Services, \$5 million supports training activities for county and State staff, and \$27 million goes for all other services, which counties can use at their discretion.

Unfortunately, the Executive budget would require that discretionary \$27 million to support Child Care subsidy costs, enabling the State to maintain the current level of child care subsidies while reducing General Fund costs for the program. It is our understanding that the hardest hit by this shortsighted budget proposal would be New York City senior centers.

Federal Title XX funds have been used to support senior centers in New York City for decades. New York City will lose \$17 million in Title XX funds, which could force 65 senior centers to close in virtually every Assembly and Senate district within the five boroughs. This represents almost 30% of New York City's Neighborhood Senior Centers. Six thousand seniors per day would lose their local senior center and access to vital nutrition, socialization and health promotion activities. They would lose a half million meals per year. There would be 24,000 lost hours of case work assistance for benefits, housing

and other needs. Simply put, this proposal cannot go through. This is not the first time the Legislature has seen this proposal.

AARP Recommendation: The Legislature should reject the Governor's change to Title XX and allow discretionary spending to continue and be allowed to fund much-needed senior center services.

Caregiving – Help For Middle Class New York Families

The Governor's FY 2017-2018 Executive Budget does not provide sufficient funding for the New York State Office for the Aging's (SOFA) non-Medicaid funded home- and community-based programs for older persons and their family caregivers. These programs are vital for keeping older persons out of expensive taxpayer-funded institutions and are a great value to the millions of caregivers in our state.

Caregivers are the backbone of the long-term care system. According to SOFA, there are approximately 3 million caregivers in New York who provide more than 2.6 billion hours of care to loved ones each year. The annual economic value of this care is \$32 billion.

Unfortunately, there is a statewide waiting list of 17,000 people seeking non-Medicaid-funded home- and community-based services through programs such as the Expanded In-home Services for the Elderly Program (EISEP), senior transportation services, and home-delivered meals. Many counties do not keep waiting lists, and there are an unknown number of eligible people who are not even aware of these programs.

Family support is a key factor in determining an older person's ability to remain in his or her home and community and out of taxpayer-funded institutional care settings such as nursing homes.

However, the care provided by family members comes at a cost, both to the caregiver and to their families.

A recent survey conducted by Siena College shows that the majority of New York State Generation Xers and Baby Boomers would prefer to receive long-term care services at home rather than in a long-term care facility. It is clear from "Countdown: New York's Vanishing Middle Class," a survey conducted by Siena for AARP, that middle class New Yorkers face a looming crisis. They are ill-prepared to pay for long term care services and may require Medicaid-funded nursing homes or home care. This current situation is indicative of the need for public policy changes and funding that will help people age and be cared for at home.

New York State should make an additional investment in non-Medicaid home- and community-based care that not only assists older persons but their family caregivers as well. New York State's lack of commitment to older residents and their caregivers comes at the wrong time – as our population ages - leaving fewer caregivers to care for more frail elderly.

AARP Recommendation: An additional \$25 million investment in non-Medicaid home- and community-based care would not only assist older persons but their family caregivers as well.

Spousal Refusal

We oppose proposed changes that would eliminate the right of spousal refusal. This provision protects the community spouse from financial ruin, as anti-spousal impoverishment laws were enacted to ensure.

AARP Recommendation: The legislature should again reject the Executive Proposal and protect the community spouse.

Senior Financial Exploitation

Unfortunately, many older adults fall victim to financial exploitation when an individual misuses a vulnerable person's wealth and assets for their own personal gain. This can result in older adults losing their often limited income, and with that, their ability to pay for necessities such as food, rent and health care costs.

Financial exploitation of older adults is a growing problem in New York State and across the country. According to a 2016 study by the New York State Office of Children and Family Services (OCFS), approximately five million older adults are exploited every year nationwide. In New York State, the number of reported cases of financial exploitation increased by more than 35% between 2010 and 2014.

We also know that financial exploitation is widely underreported. A Lifespan study estimates that 260,000 older New Yorkers fall victim every year, and for every one case that is brought to the authorities, approximately 23 cases go undetected. The OCFS Bureau of Adult Services estimates that elder financial exploitation in New York costs a total of \$1.5 billion dollars, which is a cumulative figure of the damage done to victims and the state.

The Executive budget proposal includes an initiative to train and legally authorize bank employees to place a hold on the bank account of a vulnerable adult if there is a reasonable basis to believe that the adult is a victim of actual or attempted financial exploitation. This would enable banks to act quickly when they suspect a case of financial exploitation, while still allowing the account holder to access funds for housing and emergency expenses. Training and educating financial institutions to

further prevent instances of financial exploitation would be carried out by the Department of Financial Services (DFS).

AARP Recommendation: AARP supports this initiative and recommends that the Legislature include this Executive budget language in a final state budget. In addition, since elder abuse prevention and intervention responses can be very complex - AARP strongly recommends that DFS and SOFA chair a task force on elder exploitation to lead a multi-disciplinary approach that could bring a more concerted approach across service systems and agencies as well as create an emphasis on cross-system collaboration to ensure that limited resources are used wisely to identify and serve elder abuse victims.

Access to Retirement Savings Programs

To further empower New Yorkers in their retirement, AARP supports a proposal championed by Senator Savino and Assemblyman Rodriguez to create a state-facilitated retirement savings option, known as the Secure Choice Savings Program Act, to help many of the more than 3.5 million private sector workers who have no way to save for retirement through their employer. That leaves more than half the state's 18- to 64-year-old private sector workforce without access to a retirement savings plan at all at the workplace.

The probability of having a workplace retirement plan also differs considerably by workers' earnings level, education, employer size, race and ethnicity. According to the U.S. Census Bureau's Current Population Survey data, access to a plan differs substantially by race and ethnicity: About 67 percent of Hispanic workers, 52 percent of African Americans, and 60.5 percent of Asian Americans in New York lack access to an employer-provided retirement plan.

In addition, workers are 15 times more likely to save for retirement if their employer offers a plan, according to the Employee Benefit Research Institute. That's why it is vital that all workers in the state have access to payroll deduction plans.

According to the U.S. Government Accountability Office, 52 percent of households age 55 and older have no retirement savings, and Social Security provides most of the retirement income for about half of households age 65 and older. The average annual Social Security benefit in New York State is \$15,580 according to the Social Security Administration.

Clearly, something must be done to bridge the gap that has been created by fundamental changes in our economy.

New York State can help New Yorkers save for their future through Secure Choice, which establishes the highly-effective automatic enrollment option that has been shown to result in a participation rate of around 90 percent. By establishing automatic payroll deduction with the option for employees to opt out, Secure Choice would provide a convenient way for people to save on the job and continue saving if they change jobs. This program gives employees control over their own financial future – they choose if they want to contribute, and how much they will contribute.

It is a cost-effective solution for business owners, many of whom want to offer such a benefit to their employees but find it too costly or burdensome to administer on their own. In fact, a recent AARP survey showed two thirds of small businesses across New York, defined as those with up to 99 employees, support the idea behind Secure Choice. Furthermore, four out of five (80%) agree that New York lawmakers should support a state retirement savings plan.

Not only does Secure Choice offer a safe, portable investment option for people who lack a way to save through their place of employment, it would not rely on any ongoing state costs. Further, by

making it easier for more people to save for retirement, fewer will be in need of taxpayer-funded services down the line.

AARP Recommendation: AARP strongly recommends the legislature include language in a final state budget that includes the Secure Choice Savings Program Act.

Kinship Care

Kinship care refers to nonparents - grandparents and other relatives - who care for children when parents are unavailable. The major cause of kinship care is parental drug abuse. Fewer than 5,000 kinship children are in foster care. The rest, nearly 300,000, are living with kinship caregivers who have little or no support. Many of these families need access to additional resources especially when they first take on the responsibility of caring for children. Grandmothers usually assume the role of raising their grandchildren.

Last year, the legislature added \$1.9 million to the Governor's \$338,750 allocation for local kinship programs. The funds allowed the Office of Children and Families Services to fund 22 local kinship programs in FY 2016-17, up from 13 programs in FY 2015-16, and 8 programs in FY 2014-15. The legislature also added \$100,000 to the Governor's \$220,500 budget line for the statewide Kinship Navigator.

Currently, the 22 OCFS-funded kinship care programs cover 22 counties, with the Navigator covering the remaining 40. The local programs and the Kinship Navigator are vital to the local kinship communities, enabling new kinship families to care for children, especially those whose parents have succumbed to drug/opioid abuse.

The Governor's proposed FY2017-18 budget once again only provides \$338,750 for local kinship programs and \$220,500 for the navigator program, which greatly hampers the ability of these programs to carry out their missions.

AARP Recommendation: In order to maintain the progress the state has made in the last 3 years in kinship care services and to address the opioid crisis in rural New York, it is important for the state to maintain level funding for kinship support services at \$1.9 million and add \$89,500 for Kinship Navigator outreach to rural counties.

An Age-Friendly New York State

New York State is leading the way in how a state can become more livable and sustainable for people of all ages. In his State-of-the-State address, Gov. Andrew Cuomo proposed implementing actions to make New York the first state in the nation to join the AARP-World Health Organization Network of Age-Friendly communities. AARP's Age Friendly Network provides an effective framework to create a sustainable environment that will continue to help the state thrive for all generations. Membership in the network means a commitment to make our communities a great place for people of all ages by increasing park space, walkability and places for social participation and inclusion, and improving transportation, housing, opportunities for civic participation and community and health services.

By establishing New York State as the first ever age-friendly state in the nation for ALL ages, New York sets the standard. We urge you to support the successful implementation leading to the first Age-Friendly state in the nation.

Conclusion

Thank you again for allowing me to testify on behalf of AARP and our 2.6 million New York State members regarding the Human Services Budget in New York State. The programs I have highlighted will not only help thousands of New Yorkers and their families, but will undoubtedly save taxpayer money now and in the future.