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TESTIMONY: UJA-FEDERATION OF NEW YORK

Before the Joint Fiscal Committees of the New York State Legislature Human Services Budget Hearing for the Fiscal Year 2017-18

Honorable Catharine M. Young, Chair, Senate Finance Committee
Honorable Herman D. Farrell, Jr., Chair, Assembly Ways & Means Committee

Honorable Sue Serino, Chair Senate Committee on Aging
Honorable Donna Lupardo, Chair, Assembly Committee on Aging

Honorable Tony Avella, Chair, Senate Committee on Children & Families
Honorable Ellen Jaffee, Chair, Assembly Committee on Children & Families

Honorable James Tedisco, Chair, Senate Committee on Social Services
Honorable Andrew Hevesi, Chair, Assembly Committee on Social Services

Submitted by:

Hillary Stuchin, UJA-Federation of New York

February 8, 2017

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TESTIMONY: UJA-FEDERATION OF NEW YORK
Before the Joint Fiscal Committees of the New York State Legislature
Human Services Budget Hearing for the Fiscal Year 2017-18

Submitted by:
Hillary Stuchin, UJA-Federation of New York
February 8, 2017

On behalf of UJA-Federation of New York, our network of nonprofit partners and those we serve, thank you for the opportunity to submit testimony on the importance of maintaining and expanding support for the human services sector.

Established 100 years ago, UJA-Federation of New York is one of the nation's largest local philanthropies. Central to our mission is to care for those in need. We identify and meet the needs of New Yorkers of all backgrounds and Jews everywhere. We connect people to their communities and respond to crises in New York, Israel and around the world. We support nearly 100 nonprofit organizations serving those that are most vulnerable and in need of programs and services.

SUPPORTING NEW YORK'S NONPROFITS

New York's nonprofits deliver programs, services and resources such as food security, subsidized and supportive housing, and access to benefits that support the wellbeing of all New Yorkers across their lifespans. However, static or reduced funding has forced nonprofit program budgets to adjust, leaving them unable to expand service delivery to meet the needs of New Yorkers.

Over the long term, expanded investment in the nonprofit sector will allow for contracts that cover the real cost of providing services; appropriate, competitive compensation for the workforce, and investments in core programs necessary to lift up communities.

The state can make the following immediate investments to respond to the needs of nonprofits and ensure stability in the sector.

- First, fund the minimum wage increase by amending all human services contracts, both direct and Medicaid reimbursed. This would cost \$12 million for FY2018 for human services with direct contracts.
- Second, support the implementation and funding of a minimum 15 percent overhead rate or acceptance of the federally negotiated indirect rate of individual nonprofits, for both Medicaid reimbursed and direct contracted nonprofits.
- Third, continue to invest \$100 million in the Nonprofit Infrastructure Capital Investment Program (NICIP) that will enable targeted investments in capital projects to improve the

quality, efficiency, accessibility, and reach of nonprofit human services organizations that serve New Yorkers.

These three immediate investments will promote a healthy, stable nonprofit sector capable of delivering high-quality, efficient and effective services to its residents.

Nonprofit Infrastructure Capital Investment Program

In 2015, the Nonprofit Infrastructure Capital Investment Program (NICIP) was established to address the long unmet capital needs of the State's nonprofit human services sector. This funding is now helping nonprofit providers deliver safer and improved services, as they are able to upgrade and maintain their spaces and bring in enhanced technology where needed.

As more New Yorkers rely on crucial programs and resources provided by human services nonprofits, we urge the state to continue its investment in the sector by including an additional \$100 million in the SFY 2017-2018 budget. There were 635 applications submitted for the NICIP procurement, amounting to more than \$300 million in requested funding and demonstrating nonprofits' overwhelming need for capital investment.

We applaud the Legislature's support for NICIP during SFY 2016-2017, leading the charge to make sure these funds were increased to better meet the needs of the sector. It is in the state's interest to have a healthy, stable nonprofit sector capable of delivering high quality, efficient, and effective services to its residents, and we respectfully request the support of the Legislature in renewing NICIP funding for the upcoming fiscal year. Renewed funding will continue to support the nonprofit sector so they can deliver critical services, provide resources to those in need, uplift communities and bring New Yorkers out of poverty.

Human Services Workforce Support

There are hundreds of thousands of human services workers through New York State responsible for caring and supporting fellow their New Yorkers. Case managers, teachers, administrators, social workers, direct care professionals, and many more are committed to providing high quality services. Over 80 percent of this workforce is women, and more than half are people of color—two groups that are overrepresented in poverty and economic insecurity.

Many of these jobs, based on the skill and dedication required, should not be minimum wage jobs. Even above the lowest wage workers, professionals are chronically underpaid. Turnover is also extremely expensive to organizations in terms of hiring and training new staff, impeding service delivery. To ease this burden we urge you to support the following:

- Create a mechanism for New York nonprofits to access cost effective and high quality health and retirement benefits for their employees.
- Provide spillover funding to address the minimum wage (i.e. bringing up those who are in supervisory positions, as the wages of those they supervise rise)
- Ensure that wages and salary are fair and competitive, and keep pace with increased cost of living, beyond minimum wage.

CARING FOR ALL NEW YORKERS

Federal Social Security Act Title XX Social Service Block Grant

Governor Cuomo's SFY 2017-2018 executive budget restricts the Local Discretionary portion of Title XX exclusively to child care services. While we support and understand the need for increased child care funding to comply with federal mandates and preserve system capacity, it should not come at the expense of older adults and other vulnerable populations throughout the state.

As it stands now, a portion of Title XX funding—\$27 million—is allocated to counties to be used at their discretion within broad guidelines. New York City receives about \$17 million of this discretionary pot of funding and New York City Human Resources Administration allocates this funding to the NYC Department of the Aging (DFTA).

Restricting Title XX discretionary formula will result in a devastating loss of \$17 million in senior center services for older adults in New York City. The Department for the Aging estimates that at least 65 centers—30 percent of the senior center network—would be forced to close if this funding change occurs. This means that 6,000 older adults would lose out on services, with an annual loss of 1.5 million meals and 24,000 hours of case assistance for benefits, housing issues and other concerns.

Shifting these costs from one program to another does not fill the original deficit, and ultimately has a negative impact on community members. Given the great uncertainty that New York City neighborhoods face at the moment, it is essential that the State fully commit to funding community based programs rather than creating a competition for funding among vulnerable populations.

We urge you to reject the governor's proposed restrictions and maintain the local discretionary funding in the Federal Social Security Act Title XX Social Service Block Grant, using the same funding formula that has existed for many years.

Supportive Housing & Affordable Housing

Many organizations within UJA's network of nonprofits provide subsidized and supportive housing through various government programs. Their clients demonstrate the critical need for additional housing. Affordable or supportive housing allows low income individuals to stay stable to their communities, which would be nearly impossible without this resource.

As the need for affordable living options increases daily, we are encouraged by the Governor's proposal to continue funding of 6,000 new supportive housing units and his inclusion \$125 million for senior housing, both to be built over the next five years.

We respectfully urge the state to continue to consider policies and funding to create additional opportunities for supportive, low income, affordable and extremely low income housing units. We look forward to assisting the state in its planning and execution efforts.

Naturally Occurring Retirement Communities

Classic NORCs and neighborhood NORCS—collectively known as N/NORCs—are multi-age housing developments or neighborhoods that were not originally built for older adults, but now are home to a significant number of older people. N/NORCs leverage support from housing, social service, and health care providers to promote health and stability among older adults in concentrated apartment buildings and housing complexes, as well as in lower-density neighborhoods and rural areas. As New Yorkers age, an increasing number of residents will require the special health and social services facilitated by N/NORCs. These vital programs and resources help enable low-middle income New Yorkers age in place and thrive in their communities.

The FY 2016-17 Budget saw changes to the N/NORC program, including expanding definitions to include programs in rural areas, allowing classic NORCs to receive up to \$200,000 and neighborhood NORCs to receive no less than \$60,000 to support programming. An additional \$700,000 was also invested in the program. The New York State Office for the Aging (NYSOFA) has released a Request for Applications (RFA) for N/NORCs that reflect these statutory changes, but NYSOFA plans to fund only 12 classic NORCs and 12 neighborhood NORCs due to limited funding. There are currently 16 classic NORCs and 13 neighborhood NORCs supported by NYSOFA.

Without additional funding, existing N/NORCs will not be able to sustain programming and up to five programs will be forced to close. This lack of funding also prevents growth and expansion of the model to new areas in New York State. Additional funding is vital to ensure that current N/NORCs can continue to provide services, particularly health care management services, and to grow the program to underserved areas with growing aging populations.

We respectfully request your support for the restoration of \$700,000 and the investment of an additional \$5.25 million in N/NORC programs. These investments will preserve the existing 29 NYSOFA-funded N/NORCs, and will allow for the creation of 21 new N/NORC programs across the State.

New York State's population is aging rapidly; for the first time ever, 20 percent of NYS residents are age 60+; this number is projected to grow to 25 percent of residents by 2025. A majority of older adults prefer to age in their homes rather than in a nursing home, and N/NORCs enable older adults to remain at home with appropriate social and health supports.

Holocaust Survivor Initiative in New York

New York State is home to nearly 60,000 Holocaust survivors—just over half of the 110,000 survivors in the United States. While the majority of this population lives downstate, the Mid-Hudson Valley, Western and Central New York regions are also home to survivors.

The SFY 2016-2017 budget saw the state's first financial investment in New York's Holocaust survivors, funding the program at \$200,000. This funding supports specialized case management, caregiver training, mental health, transportation, socialization and legal services statewide, as well as end of life care. To maintain and expand these supports, we respectfully request that New York State fund the Survivor Initiative at \$500,000 in the SFY 2017-2018 budget.

Survivors experience complications beyond the normal scope of aging, and the needs of this group can be more complex than those of the senior community at large. They live with the aftermath of trauma and experience higher rates of depression, anxiety and distrust of others. Childhood malnutrition and inadequate medical care has resulted in brittle bones and poor oral health. Some will not shower and must keep food close by at all times.

Many survivors live in poverty, subsisting on fixed incomes that do not adequately cover the cost of care or basic necessities such as housing, food, utilities or medications. More than half of New York's survivors live at 200% percent below the federal poverty guidelines; and nearly 35% are coping with chronic illness and require assistance with both activities of daily living and instrumental activities of daily living.

Specialized programs and services are required to best care for this population. Increased assistance for aging survivors in our state is critical so that we may enhance the quality of life for Holocaust survivors as they live out their remaining years.

SYEP (Summer Youth Employment Program)

UJA recognizes the commitment in the Executive budget to provide a \$5 million increase in funding for SYEP, bringing the state's total investment to \$36 million. It will cover the costs associated with the increase in minimum wage and allow 18,746 employment opportunities to be funded. To further enhance the incredible impact of SYEP and ensure additional youth can benefit from the program, we request an additional \$8.86 million, adding 5,000 slots.

After School

The Executive budget's \$5 million cut to Advantage After School will not allow for OCFS to issue a new round of funding for programs whose contracts are up at the end of this school year. This will shut down services at 42 program locations throughout New York State. Restoring \$5 million for the Advantage After School budget will allow New York State's providers to continue to offer elementary school-aged children academic, youth development and enrichment activities.

Childcare

The cost of childcare in New York is the highest in the nation, causing working families to make difficult choices about how their children will be cared for. There are not enough childcare subsidies to assist all the low-income eligible families causing 83% of those who apply to be turned away. The Governor's Enhanced Middle Class Child Care Tax Credit would provide no support to families making less than \$50,000 a year. An additional \$100 million in childcare subsidies would ensure more low-income families served through UJA programs would be able to pay for childcare.

Pre-Kindergarten

UJA recognizes the positive impact of Pre-K education, provided by nonpublic schools and community based organizations, on children of all backgrounds. We note that it is important that the state continue to ensure the availability of funding for half-day programs and a five hour program so that providers can meet their community's needs. Also, it is essential that the state ensure that nonpublic schools and community based organizations continue to have a right to apply directly to the state for funding if they are turned down for inclusion in their local school district's application.

Furthermore, to ensure UJA's network of nonprofits can continue to help provide high quality Pre-K education programs, we urge the state to add \$150 million for Pre-K programs. This funding would bring the state's investment in early childhood education to \$962 million, allowing for expansion of Pre-K for three and four year olds and protecting funding for New York City's Pre-K for All Initiative.

Safe Harbor Funding

The Safe Harbor Act was established to address the widespread sexual exploitation and commercial trafficking of thousands of children occurring in New York State. The Executive budget proposal for SFY 2017-2018 does not appropriate any funds for this important program. In conjunction with a broad coalition, UJA supports full funding of the Safe Harbor Act.

Adult Literacy Education

ALE funds English for Speakers of Other Languages (ESOL), Adult Basic Education (ABE) and High School Equivalency (HSE) preparation classes. In New York City alone, there are an estimated 2.2 million adults that lack English proficiency, a high school diploma or both. There are 15,000 New York City residents are on a waitlist for adult literacy classes. Each of these programs strengthens the abilities of adults to compete in the job market and improve their financial well-being across New York State. An additional \$9.9 million would raise ALE funding to \$17.2 million and allow an additional 4,000 adults to benefit from these programs.

CONCLUSION

UJA-Federation of New York respectfully urges your consideration and support of these vital programs that assist our state's most vulnerable and neediest individuals and the organizations that serve them.