

TESTIMONY
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ST. CATHERINE'S CENTER FOR CHILDREN
PRESENTED TO THE
NEW YORK STATE SENATE FINANCE COMMITTEE
AND
NEW YORK STATE ASSEMBLY COMMITTEE ON WAYS AND MEANS
REGARDING THE
NEW YORK STATE EXECUTIVE BUDGET PROPOSALS FOR
HUMAN SERVICES
STATE FISCAL YEAR 2016-2017
FEBRUARY 9, 2016



Good afternoon. My name is William Gettman and I am the Executive Director of St. Catherine's Center for Children. Founded as an orphanage in Albany in 1886, St. Catherine's has a long and rich history in the Capital Region. From the start, St. Catherine's has prided itself on the ability to create new programs and services to meet the changing needs of the community. We've grown from a home for sick orphans to a multi-service agency offering residential services, a special education elementary school, therapeutic foster care, homeless services, and community-based prevention programs. Today, St. Catherine's is a leading regional provider of human services in the Capital District servicing 25 counties.

I would like to thank Chairman Farrell and Chairwomen Young and members of the Assembly Ways and Means and Senate Finance Committees for this opportunity to testify on the Governor's Executive Budget for State Fiscal Year 2016-2017. Governor Cuomo's \$145.3 billion Executive Budget in conjunction with prior enacted budgets and one time revenue closes structural billion dollar deficits, while aiming to strengthen our State's education system, improve the infrastructure, increase county and education efficiency and improve our economy. St. Catherine's Center is grateful for many of the measures the Governor and the Legislature have taken over the past few years to stabilize the State's economy and help to build a better New York. **Despite these improvement, more needs to be accomplished to make NYS a great place to live, raise a family, and operate a business.**

We all understand the challenges we face today. Economic challenges are forcing critical conversations and new approaches to innovation at the state, local, and not-for-profit sector level. These conversations and innovative approaches can help us meet the complex needs of families and children and achieve improved outcomes.

The Governor's Executive Budget takes some notable steps to improve the lives of children such as maintaining preventive services funding for at risk families, expanding Homeless Housing programs, increased support for education and Pre-K education on a statewide basis, implementing managed care for adults and children and continuing to reform the juvenile justice system.



Below please find specific recommendations in regard to the proposed budget.

Investment in Not-for-Profit Workforce

There have been many challenges to New York's families in the past seven years - the down economy, joblessness, homelessness, substance abuse, and violence in already plagued communities. When families are in crisis and children are at risk, New York's network of not-for-profit children and family services providers are on the job. **The NFP workforce are the Human Service First Responders for at-risk and vulnerable families, children, and individuals**

Throughout the state, not-for-profit human services and child welfare agencies are responding to family crises around the clock and our workers are not immune from the trauma that affects victims. They too are under stress. The expectations are unrelenting. We must support these front line workers who play critical first responder type roles when a family is in crisis.

Today not-for-profit workers represent 13% of the total workforce in NYS. The not-for-profit sector is an economic engine that is nimble and responsive to emerging needs and crisis. The success of many state and local programs is based on the not-for-profit sector. We must support this relationship and ensure that the front line staff are prepared and supported.

Over the past several years, not-for-profit agencies have worked with government on countless new initiatives to reduce costs, focus on outcomes, use of evidence based practices, and improve quality services. These efforts come in a climate where the rates and contracts our agencies receive are frozen, or lower. These staff, who we expect to do such vital work, are facing staff cutbacks, frozen salaries, reduced health benefits, and little or no contributions to their pensions. Not-for-profit agencies have always raised private dollars to supplement government resources.

In this environment, there has been a growing movement to increase the **NYS Minimum Wage**



The Executive Budget includes provisions to increase the minimum wage to \$10.50 in New York City and \$9.75 in the remainder of the state, effective July 1, 2016, gradually increasing the minimum wage to \$15.00 in New York City on December 31, 2018 and across the rest of the state on July 1, 2021.

This is a significant proposal, aiming to help raise low-wage working families out of poverty. At the State's current minimum wage of \$9.00 per hour, a person working full-time and year-round (40 hours per week, 52 weeks) earns \$18,720, far less than the amount necessary to provide for a family, and barely enough to simply cover median housing costs (rent and utilities).

The minimum wage impacts a significant portion of the human services, health care, and child welfare sectors and should be granted to the staff that serve the hundreds of thousands of workers who care for some of our state's most vulnerable residents, including children, seniors, and people with special needs. These caretakers—the workers who provide personal care, home care, child care, care for seniors and disabled people—are a large and important part of our statewide workforce that desperately need a wage increase.

A wage increase for these (and all) workers is particularly essential now that the minimum wage for fast-food and tipped workers has been increased, leaving health and human service employers at a competitive disadvantage.

The special challenge here is that, in many cases, employers in this sector are non-profit organizations funded to care for people through State programs or public contracts. For these non-profit employers to be able to cover the wage increase without cutting hours or services, New York State will need to increase rates, fees and contracts associated with the provision of these services. In addition, an increase in the minimum wage creates a "compression" impact on other staff positions. Any wage increase must reflect the compression impact.

We urge the Legislature to support an increase to the minimum wage commensurate with state mandated rate and contract increases for health and human services entities to bring wages up in those sectors and ensure viability of the sector. Failure to provide the revenue to pay for the increased wages will result in program closures, reduced client service, and job layoffs.

Other workforce actions must also be supported to ensure that the most vulnerable members of our community are prepared for a life of success and self-sufficiency. These proposals include:

- **Support the principals of fair and equitable rate setting for private child welfare agencies and 853 schools (including an increase to the state issued rates for 2016-17)**
- **Support an investment of \$1 million to create opportunities for our workforce to achieve higher education.** The child welfare workforce provides stability, trust, and



confidence to the children and youth in our care that have often experienced profound trauma during their lifetime. We support the COFCCA Cares policy including:

- \$500,000 for the NYS Child Welfare Worker Incentive Scholarship to provide current employees a scholarship to obtain a degree that would enhance their ability to work in such agency and continue to work in the child welfare field on a full-time basis, for five years.
- \$500,000 for the NYS Child Welfare Worker Loan Forgiveness Incentive Program to encourage recent college graduates or incentivize current employees to pursue careers in the not-for-profit child welfare sector in New York State by providing loan forgiveness awards if they agree to work in the field on a full-time basis, for five years.
- **Support a total of \$30 million to be available for 2 years to support the capital needs of foster care.** Due to years of stagnant rates, COFCCA agencies have not been able to financially support maintenance and repairs to the 60 residential facilities that provide shelter and therapeutic services for children and youth in care, let alone investments or enhancements.
- **Support language in the 2016-17 Executive budget recommendations to provide liability protections for foster parents and child caring facilities who implement the reasonable and prudent parenting standard, extension of the Social Worker exemption for five years, and a tax credit for classroom teachers that expend personal funds for their teaching.**

Support Foster Care Transition to Managed Care:

The Governor's previous budget included funding to support voluntary foster care agencies in their efforts to transition foster care youth from Medicaid fee-for-service to managed care. The proposed budget does not include this level of support. The funds will support training and consulting services for voluntary agencies to prepare for the transition of foster care youth into Medicaid managed care, including the ability to use health information technology.

Given the importance of ensuring a smooth transition to improve the outcomes for vulnerable children, we recommend second year funding of this critical investment!



Promoting Housing and the Reduction of Homelessness:

The Executive Budget proposes significant increases to deal with the homeless housing crisis, including the essential programs that prevent homelessness and provide shelter for homeless youth and families.

The House NY 2020. Initiative will provide \$10 billion over the next five years to create and preserve 100,000 units of low to moderate income housing across the state. It will include: \$9.7 billion to establish 94,000 units of affordable housing; \$2.6 billion for 6,000 units of supportive housing; and the creation of 1,000 new emergency shelter beds.

We recommend passage of the funding request to reduce homeless housing!

Expansion of Anti-Poverty Program.

The Executive Budget includes \$25 million in new funding for the Governor's anti-poverty initiative. The new funding would be used to expand the program to Albany, Oswego, Troy, Buffalo, Jamestown, Syracuse, Utica, and Oneonta. In conjunction with housing, community schools, and economic development effort, this initiative is critical to improvements for the families and individuals in our urban settings.

We recommend passage of the funding request to expand anti-poverty interventions.

Strengthen and Expand Evidence-Based Maternal, Infant and Early Childhood Home Visiting

Maternal, infant and early childhood home visiting has emerged across the nation as a promising and proven way to engage new and expecting parents and their children with services that support the family and lead to positive health and other outcomes—and public cost savings—in the short, medium- and long-term.



Funding for the Healthy Families NY program has been held at \$23.3 million for the past eight years and the Executive Budget continues that funding level for another year. Continued flat funding is resulting in an erosion of services and staff reductions at home visiting programs that have either not been able to keep up with cost increases or have suffered because of funding instability. An additional appropriation of \$4.5 million will stabilize and increase capacity at -3-existing sites and provide needed workforce development and service enhancement (mental health, fatherhood initiatives and community coordination). It will also allow for some additional expansion to unserved areas.

The Executive Budget again proposes \$3 million for the Nurse Family Partnership (NFP). Last year the Legislature added another \$1 million resulting in \$4 million for NFP. We urge the Legislature to restore the \$1 million added last year and an additional \$1 million to fund service expansion around the state. NFP is an evidence-based home visiting program serving 11 counties across the state, including parts of New York City. It is a program that gets results: stronger, healthier moms; healthier kids; and long-term savings to localities and the State in health, social service and even criminal justice costs.

Continue Juvenile Justice Reform

St. Catherine's Center for Children appreciates the Governor and the Legislature's continued commitment to improving New York's Juvenile Justice System. The past few Executive Budgets have eliminated costly and empty beds; enabled youth placed in non-secure facilities to be placed close to home; created a statutory funding mechanism for alternatives to detention and placement programs, and led to the expansion of these more cost-effective and more effective alternatives to detention and incarceration/placement.

We recommend continued innovation and reform of the State's Juvenile Justice System. We also recommend passage and timely completion of the Raise the Age recommendations including detailed implementation plans to support the development of an implementation and resource plan to treat young people in a manner that promotes long-term youth



development and public safety. In this regard, thoughtful planning at all levels of government and the judiciary and the provider community are needed to ensure that the implementation is successful.

Conclusion:

In closing, we urge the Legislature to negotiate a budget with the Governor that ensures that the state remains committed to the programs that produce positive outcomes for children, families, and individuals and ultimately saves the state money on more expensive interventions such as foster care, unnecessary medical care, homeless shelters, and the juvenile justice system. We also strongly encourage the Legislature to closely assess the impact of proposed minimum wage proposals upon the not for profit sector. Failure to fund an increase in the minimum wage reimbursement for not for profit agencies will have a significant negative impact on the ability of individuals and families to receive services. Last, we recommend investments in our workforces and communities that yield positive outcomes for all New Yorkers. We must make New York State a great place to live, raise a family, and operate a business.

Thank you for the opportunity to testify.