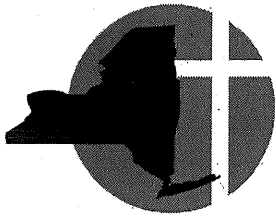


Submitted Testimony



New York State Catholic Conference

465 State Street • Albany, New York 12203-1004 • Tel. (518) 434-6195 • Fax. (518) 434-9796
www.nyscatholic.org • info@nyscatholic.org

RICHARD E. BARNES
Executive Director

Testimony
of the
New York State Catholic Conference
regarding the
2016 – 2017
Human Services Budget

Submitted by:

Michael A. Lawler
Director of Catholic Charities
NYS Catholic Conference

Hearing Room B
Legislative Office Building
Albany, N.Y.

February 9, 2016

In the human services arena, the expertise, experience and advice of the Council of Catholic Charities Directors guides the New York State Catholic Conference. Catholic Charities programs exist in all eight dioceses and all 62 counties of the state to provide services to people in need, Catholic and non-Catholic alike.

Our Catholic tradition compels us to be active participants in the civic life of our community, to fashion a more just world that upholds the dignity of every individual and to serve those in need. The Catholic Church in New York State fulfills its mandate to care for the most vulnerable through its vast network of Catholic Charities agencies.

The needs of the poor and vulnerable must not be ignored. A key measure of any society is how the most vulnerable members are cared for; those with the greatest need are due special attention. There is a long history in New York State of government and not-for-profit provider collaboration to deliver services in a cost-effective manner. This public/private partnership in support of the poor and vulnerable must be maintained.

Across the state, Catholic Charities provides food and nutrition programs, adoption and foster care services, housing programs, immigrant and refugee services, emergency assistance, counseling, child care, behavioral health services, developmental disabilities programs, prison ministry, and more. Our partnership with the state in serving the poor and vulnerable provides obvious benefits, both to those we serve and to the state.

Governor Cuomo's sixth Executive Budget totals \$145.3 billion, an increase of \$1.71 billion, or 1.2 percent over current levels. This is the sixth budget proposal in which spending growth is kept below 2 percent.

Given the fact that spending is limited on a year-to-year basis, it is important to recognize and advocate for those commitments that are included in the Human Services portion of this year's spending plan.

For example, for the first time in several years, this Executive Budget includes a 0.2 percent cost-of-living-adjustment. For years, the COLA was deferred. So we are appreciative that this nominal amount is included in this year's plan. Human service providers have worked diligently over the past number of years to make ends meet and continue providing critical services while not receiving increases to their operating budgets. We would have preferred to see a higher COLA, but 0.2 percent is better than 0 percent!

In the human services section of the budget narrative, we commend the Administration for recognizing that high concentrations of poverty exist throughout the Empire State, especially in upstate New York. The FY 2017 spending plan proposes the Empire State Poverty Reduction Initiative (ESPRI). This initiative identifies 10 upstate cities with high concentrations of poverty and offers each of them \$500,000 to develop strategic plans to reduce poverty in their communities. The 10 cities are: Syracuse, Oswego, Utica, Binghamton, Oneonta, Buffalo, Elmira, Jamestown, Troy, and Albany. According to the public narrative, the cities selected for the program will soon launch planning processes, complete with a needs assessment and evaluation of existing plans, priorities and strategic objectives. The state will provide access to a dedicated team of state agency officials who will partner with the community to provide data, review various program models that address the community's

priority needs, help develop proposals or applications for state funding based on needs and opportunities for intervention

Furthermore, according to the narrative, “ESPRI will focus on *using existing resources* more effectively and purposely to end poverty, strengthen relationships between the business, public and nonprofit sectors in each community, and ensure greater coordination between state and local government to expand opportunity for all New Yorkers.” (emphasis added) Translation, study the problem, recommend change, but allocate no new resources to implement change. This is not surprising given the fact that spending cannot increase by more than 2 percent on an annual basis. As this budget demonstrates, after accounting for 4 percent growth in Medicaid and 4-6 percent growth in education, there is very little left to invest in human service priorities.

Additionally, there is no budget language outlining a structure for this initiative. This proposal is modeled after the Rochester-Monroe Anti-Poverty Initiative (RMAPI). Catholic Charities personnel from the Diocese of Rochester have played a significant role in RMAPI to date and have dedicated countless hours to this effort. The Mayor of Rochester, the Monroe County Executive, and Assembly Majority Leader Joseph Morelle are all to be commended for coming together to acknowledge they have a problem and the need to engage the entire community in formulating recommendations for change. We fear that unless there is buy-in from the other communities, the Rochester-Monroe model will be difficult to replicate.

We must raise a very significant concern with this body as you look to reshape the Executive Budget. The largest issue that needs to be addressed is the Governor’s minimum wage proposal. Under that proposal, the state’s minimum wage would increase from \$9 an hour to \$15 an hour. This budget does not recognize the costs that not-for-profits will have to incur if such a proposal goes through the legislative process unchanged. There is no money in the proposed budget to support a minimum wage increase. A 67 percent increase in the minimum wage without additional state resources for our state contracts/state-authorized payments/state payment rates is unacceptable and unsustainable. After going six or seven years without an across-the-board cost-of-living-adjustment, human services agencies have fallen further and further behind. We have gone too long without increases in our contracts, and to be required to absorb this cost is unrealistic. We will be forced to close programs and reduce services.

We respectfully suggest that a minimum wage increase must include additional resources for the not-for-profit sector, beginning this fiscal year. Otherwise, the NYS Catholic Conference and the Council of Catholic Charities Directors CANNOT support the minimum wage proposal.

Another priority area for Catholic Charities is child care. The Council of Catholic Charities Directors proposed an additional \$190 million be invested in child care (\$90 million to meet new federal mandates; and \$100 million to support an additional 13,000 child care slots). The FY 2017 fiscal plan falls well short of that request. The Executive Budget includes \$902 million for child care subsidies, the same amount of funding as FY 2016. The only change to child care is an additional \$10 million in state operations funding to support the inspection of all day care providers as required under the 2014 reauthorization of the Federal Child Care Development Block Grant. We are appreciative of this funding but it falls well short of the costs associated with the new federal mandates. We are hopeful

that the recently issued regulations may amend some of the new requirements facing the child care system and reduce the \$90 million price tag to a more manageable amount. We are also aware that our block grant award may be increased by a very modest amount. Until the regulations are finalized and the state receives its final award letter, we are very concerned that existing child care slots will need to be reduced to meet these new federal requirements. The risk of losing child care slots in the very year that the Administration announces step to confront and reduce poverty is unfortunate and unacceptable. If you look at the 10 cities that have high rates of poverty, you will find that there is a very high percentage of female head of households with children under the age of 18 living at home. If you want to reduce poverty and put able bodied people back to work, you need child care slots. This budget does not allow for that to happen.

In conclusion, it is our hope that humane and wise budget decisions will be made that do not add further stress and hopelessness to those already struggling with great burden. The State Legislature has a history of identifying services that are essential to their constituents and finding a way to address these needs. We can and must find a way to arrive at a result that does not further jeopardize the poor and vulnerable members of our society – a budget that affirms the dignity of all our state's people.

Thank you.