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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 6, 2018**

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

Established over 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**

UJA's nonprofit partners deliver programs, services and resources such as access to food, educational and after school programs, mental health services, workforce development training, 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 bring communities from crisis to stability.

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 for state contracts not yet adjusted to reflect the increased cost of service provision, keeping nonprofits from filling the gap of another unfunded mandate. This would cost \$23 million for FY2019 for human services providers with direct service contracts.
- Second, provide salary increases for workers who have not seen an increase in over eight years, and were not covered by the FY18 increases for direct care workers at an equivalent 3.25 percent per year for two years. This would cost \$65 million per year for two years.
- 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 clients.

## **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 innovative 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. We appreciate the leadership that the legislature has taken in securing this investment, but the need for capital funding continues to far exceed the initial \$100 million appropriation and the \$20 million that was allocated in FY18.

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 2018-2019 budget. In the initial round of funding, 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.

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 throughout the state who are responsible for caring and supporting their fellow 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.

While a portion of the sector's direct care agencies contracted with the Office for Persons with Developmental Disabilities (OPWDD), Office of Mental Health (OMH), and Office of Alcoholism and Substance Abuse Services (OASAS) secured \$55 million in the last budget to provide a 3.25 percent salary increase per year for the next two years to specific direct care titles, this leaves out many human services workers, including those contracted through State agencies like the Office of Children and Family Services (OCFS) and Office of Temporary and Disability Assistance (OTDA). Through this, we estimate the 3.25 percent increase to the workers left out of last year's investment would cost \$65 million, which we are advocating to be included in this year's budget.

In addition to salary adjustments, we must address the gap in organizational stability created by the unfunded minimum wage increase. It is the responsibility of the government to fund mandates relating to the nonprofit sector and their contracts. While nonprofits were included in the minimum wage mandate, contracts were not adjusted appropriately to account for funding the new minimum wage bracket. We are asking the State to include \$23 million to fund the

minimum wage. Without this funding, nonprofits will be forced to make tough decisions regarding benefits for their employees, closing programs, or even laying off staff. Nonprofits should not have to fundraise to pay their workers through this unfunded mandate.

### **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 in 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 of \$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.

### **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 health and social services facilitated by N/NORC Supportive Service Programs. These vital programs and resources help enable low-middle income New Yorkers to age in place and thrive in their communities.

The Executive Budget Proposal includes \$4.055 million for N/NORC programs, cutting the \$2 million added by the legislature in the FY2018 Enacted Budget. Without additional funding, existing N/NORCs will not be able to sustain programming or offer enhanced services. 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 so the state can develop the program in underserved areas with rapidly growing aging populations.

We respectfully request your support for the restoration of \$2 million and the investment of an additional \$1 million for N/NORC programs. These investments will help preserve the existing 29 NYSOFA-funded N/NORCs, and potentially allow for program expansion statewide.

We are concerned that investments made by the legislature are not considered a stable funding source for program contracts that are longer than one year, which poses challenges for expansion of the N/NORC program when NYSOFA releases a future RFA. As you know, enhanced funding is vital to ensuring that N/NORCs can continue to provide services and grow their programs to meet the needs of a rapidly aging population. We ask that the legislature works with the Governor to ensure funding is baselined into the out-years of N/NORC program contracts. Older adults across New York rely on NORC services to remain healthy and stably housed;

without these services, their options for receiving appropriate community-based care would be diminished.

### **Holocaust Survivor Initiative in New York**

New York State is home to nearly 50,000 Holocaust survivors—almost half of the total population of survivors living in the United States. While the majority of this population lives downstate, the Hudson Valley, Western and Central New York regions are also home to survivors.

The SFY 2017-2018 budget saw a \$200,000 investment in New York's Holocaust survivors and the Governor's Executive Budget Proposal includes the re-appropriation of this funding. 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 supportive services, we respectfully request that New York State fund the Survivor Initiative at \$1 million in the SFY 2018-2019 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. Forty percent of New York's survivors live at or below 150% of the national poverty level; 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 appreciates the commitment in the Executive Budget to provide a \$4 million increase in funding for SYEP, bringing the state's total investment to \$40 million. This will cover the costs associated with the increase in minimum wage for state funded SYEP slots. UJA recommends an additional \$4 million be included in the SYEP budget resulting in 3,000 additional jobs for youth across the state.

### **Advantage After School**

Three of our UJA nonprofit partners receive funding through Advantage After School. Using this funding they provide after school programming for youth in areas not covered by the Empire State After-School initiative. The Executive Budget funded the Advantage After School program at \$17.2 million which is a \$2.5 million cut from the 2017-2018 Enacted Budget. This is also \$5 million less than the program was funded at in FY 2016-2017. If the funding remains

at \$17.2 million, the OCFS will be unable to fund a new round of Advantage After School grants. Fifty six programs' Advantage After School grants expire in June 2018 and their programs will be in danger of closing if they are unable to apply for a new round of funding. UJA strongly recommends the Advantage After School Program be funded at \$22.3 million in order to protect at least 1,800 students from losing access to after school programs in their communities.

### **Childcare**

Childcare is not only critically important in that it gives working parents stability, allowing them to earn a living for their family and boost the economy, but it also provides the basis for quality learning for young children. However, the cost of childcare in New York is among 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 four out of five of those who apply to be turned away. UJA appreciates the \$7 million added to the funding for child care subsidies in the Executive Budget restoring this line item to its SFY 2016-2017 funding level of \$806 million. We further urge the state to consider fully addressing the rising cost of childcare in the SFY 2018-2019 budget.

### **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 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.

However, the Governor's Executive Budget Proposal cuts the addition \$1 million added by the Legislature in the FY2018 Enacted Budget, funding ALE at \$6.2 million. We respectfully request your support for the restoration of \$1 million and the investment of an additional \$8 million in ALE programs. This additional investment would raise ALE funding to \$15.2 million. Expanding ALE will allow for approximately 16,000 students to be served in New York State and counter the State's anticipated loss of Federal WIOA Title II funds. The current number of students served is about 5,700.

### **Innovative approaches to increasing access to culturally appropriate food**

Governor Cuomo's executive budget includes the creation of the "No Student Goes Hungry" program. UJA-Federation supports the creation of programs to ensure that students have access to healthy school meals regardless of income, resulting in healthy development and the ability to learn.

Our nonprofit partners provide vital services and supports to all New Yorkers, including access to food. Proposed funding cuts to SNAP will further tax already limited resources and result in the inability of our agencies to respond to the increased nutritional needs of the individuals with which they work. We urge the State to consider innovative approaches to increasing access to

food, especially culturally appropriate food, for vulnerable individuals and families throughout the state.

**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.

Thank you for the opportunity to testify.