



**UNITED
NEIGHBORHOOD
HOUSES**

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**Testimony of United Neighborhood Houses
Before the New York State Assembly and New York State Senate
Joint Legislative Public Hearing on the FY 2020-FY 2021 Executive Budget
Topic: Human Services**

**New York State Assembly Committee on Ways & Means, Honorable Helene Weinstein, Chair
New York State Senate Committee on Finance, Honorable Liz Krueger, Chair**

**New York State Assembly Committee of Social Services, Honorable Andrew Hevesi, Chair
New York State Senate Committee on Social Services, Honorable Roxanne J. Persaud, Chair**

**New York State Assembly Committee on Children and Families, Honorable Ellen Jaffee, Chair
New York State Senate Committee on Children and Families, Honorable Velmanette Montgomery,
Chair**

**New York State Assembly Committee on Aging, Honorable Harry Bronson, Chair
New York State Senate Committee on Aging, Honorable Rachel May, Chair**

Submitted by Nora Moran, Director of Policy & Advocacy

January 30, 2020

Thank you for the opportunity to testify on the FY 2020-2021 Executive Budget and Human Services. United Neighborhood Houses (UNH) is a policy and social change organization representing 43 neighborhood settlement houses that reach 765,000 New Yorkers from all walks of life.

A progressive leader for more than 100 years, UNH is stewarding a new era for New York's settlement house movement. We mobilize our members and their communities to advocate for good public policies and promote strong organizations and practices that keep neighborhoods resilient and thriving for all New Yorkers. UNH leads advocacy and partners with our members on a broad range of issues including civic and community engagement, neighborhood affordability, healthy aging, early childhood education, adult literacy, and youth development. We also provide customized professional development and peer learning to build the skills and leadership capabilities of settlement house staff at all levels.

Settlement House Program

The Settlement House Program provides flexible funding for innovative community-based child, youth, immigrant and older adult services in settlement houses across the state,

including in Albany, Syracuse, Rochester, Buffalo, Westchester, Utica, and New York City. The majority of these services are provided through UNH's membership of 40 New York City settlement houses and three upstate affiliate members. Sample activities and services include:

- Job training and placement programs for the unemployed;
- A paratransit driver for adult day program serving seniors with dementia and Alzheimer's disease;
- Treatment and counseling services for sexually abused children under the age of five;
- Culturally competent anti-domestic violence services and counseling for immigrant communities; and
- Intake and referral services for youth requiring medical services, HIV information, mental health counseling, and drug prevention education.

The Settlement House Program remains one of the few sources of flexible funding for community-based organizations serving their communities. With this support, each settlement house is able to respond to the unique needs of its neighborhoods. At a time of diminishing local, state and federal resources, the Settlement House Program is the critical glue that holds together the holistic service model of settlement houses.

In 2020, the Settlement House Program will be reprocured, so this is a critical year to ensure the program is able to meet the need across the State. **UNH urges New York State to increase and baseline State funding for the Settlement House Program in FY 2020-2021 at \$5 million.** A baselined investment of \$5 million will allow settlement houses across the state to respond to evolving needs in their communities and ensure stability of the funding for years to come.

Nonprofit Contracting

New York State's nonprofit human services sector is a critical partner in delivering services on behalf of the State in a more effective and cost-efficient manner than the State itself could deliver. From early childhood education to homelessness prevention to case management for older adults, the provision of these services keeps New Yorkers healthy, thriving, and engaged in the civic and economic life of their communities.

UNH is part of Strong Nonprofits for a Better New York, a statewide coalition of more than 350 nonprofit human services organizations working together to combat the State's historic divestment in the human services sector. The State relies heavily on nonprofit organizations to provide vital services including early childhood education and youth development programs, health and mental health services, employment and training services, and programs for seniors, immigrants, people with disabilities, and individuals involved in the justice system. However, investment in the sector is lower than it was in the 1980s despite a growing demand for our services, creating a state of crisis.

Despite the fact that New York's economy has been growing steadily since 2008, State funding for the human services sector has been cut by 26% resulting in 68% of New York's human services providers anticipating not being able to meet the needs of their communities. To combat this stark reality, UNH calls on the State to invest in the human services sector by

including a 3% increase on all human services contracts and rates for the next 5 years. We stand with over 40 associations and coalitions in an unprecedented partnership to come together to ask for this crucial funding for all human services organizations contracting with the State.

Nonprofit Infrastructure Capital Investment Program (NICIP)

UNH was proud to have partnered with the Human Services Council, UJA-Federation of New York, the Governor's Office, and the NYS Legislature to create the Nonprofit Infrastructure Capital Investment Program (NICIP) in the FY 2015-2016 budget. This initial investment of \$50m was designed to allow nonprofit human services providers to make critical upgrades to program sites, ranging from roof and brickwork, to boiler replacement, to accessibility enhancements.

Unfortunately, the funding excluded providers located in government-owned sites from applying, such as those based in the New York City Housing Authority. While in FY 2017-2018 NICIP was modified to allow such providers to apply for technology enhancements, they were still barred from physical infrastructure improvements, despite having the same needs as those located in privately-owned spaces. Funding was again renewed in FY 2017-2018, but at the reduced level of \$20 million. Over 635 applications were submitted to the NICIP program, and though 580 were deemed eligible for scoring by DASNY, just 237 were awarded funding. The total value of applications—\$300 million—far exceeded the \$120 million available in NICIP. Unfortunately, this critical program was not funded in the FY 2019-2020 Enacted Budget and has not been proposed for renewal in the FY 2020-2021 budget.

Funding for nonprofit infrastructure is a critical unmet need, particularly as nonprofits continue to play a growing role in providing services in struggling public housing developments. **UNH recommends that the State renew and expand funding for NICIP at \$100 million in the FY 2020-2021 budget and lift the restriction barring nonprofit human services providers located in publicly owned buildings from applying.**

Early Care and Education

Early care and education is crucial to both New York's economy and to keeping our promise to our children of a world-class education. Early care and education programs keep parents in the workforce by providing a safe, nurturing and educational environment for their children during the workday. And these early care and education programs are an investment in communities because the jobs created by investing in child care subsidies cannot be shipped out of State. Also, early care and education programs employ a workforce that is 97% female and creates leadership opportunities for women.

Moreover, early childhood education has profound positive impacts on cognitive development, student achievement, and even the lifelong earnings of the children who participate.

UNH appreciates that the Governor in his Executive Budget and Budget Briefing Book acknowledges the financial strain facing families of young children and makes an investment in a child tax credit.

However, given New York families' growing need for child care and the increasing costs of quality programs, much more must be done to increase the availability of quality early care and education in communities throughout New York State.

UNH urges New York State to increase State funding to counties for child care subsidies and program operations to expand equitable access to quality child care to more working families and invest in the following:

- \$40 million to create a fund to increase compensation for the early childhood workforce and improve program quality;
- \$60 million to increase guaranteed eligibility levels so that more low-income working families can access child care and decrease the co-pay that parents are required to pay.

Advantage After-School Programs

There is an incredible need for State investment in after-school programs. As in early care and education programs, after-school programs are a key support for working families and are also the place where children can participate in activities that contribute to their social-emotional development while being both outside a classroom and in a safe, supervised environment.

UNH appreciates the investments proposed in the Executive Budget for after-school programs including:

- A \$10 million increase to the Empire State After-School Program which will allow for more than 6,250 additional children to participate;
- A renewed \$10 million investment in the Advantage After-School Program to address the increased costs associated with the rise of the State's minimum wage.

However, these actions are incomplete, and New York State must take additional action in the FY 2020-2021 Budget to strengthen the Advantage After-School Program including:

- **Restoring the \$5 million investment from FY 2019-2020 to support after-school programs for 3,600 children.** The \$10 million increase addresses only the funding needed for new minimum wage salaries and not the programs that would close if this funding is not restored;
- **Invest \$5.12 million to increase Advantage After-School rates to improve program quality.** Advantage After-School Programs are funded at \$2,000/child, less than similarly State funded programs such as Empire State After-School Program and Extended Day/School Violence Prevention. New York State should **increase Advantage rates to at least \$2,320/child in addition to the minimum wage funding** to bring programs to parity with other State funding streams for After-School programs.

Summer Youth Employment Program (SYEP)

SYEP provides youth and young adults across New York State important early exposure to the workforce and the opportunity to earn income over the summer. The program allows young people to acquire skills they can use in school and beyond. Research has even shown that certain SYEP participants demonstrate higher rates of school attendance and passage of the NYS Regents examinations.

UNH applauds the Governor for including an additional \$1 million in the FY2020-2021 Executive Budget proposal to cover the increase in the minimum wage for areas outside of New York City. The State's commitment funds approximately 19,000 summer jobs for youth across the State and helps to supplement the funding offered by localities to ensure an even wider array of youth are able to participate. Now, thanks to S.6443 (Persaud) and A.6753A (Eichenstein), even more youth will be able to participate in the program as the income will not count towards the family income calculations used to determine eligibility for public benefits such as Temporary Assistance for Needy Families (TANF) for youth over the age of 21 who remain eligible for SYEP. Thank you to this committee for your work on that bill.

Home Delivered Meals for Older Adults

Home delivered meal programs are a key component of community-based supportive services for older adults, with New York's providers ensuring that homebound seniors have access to both healthy food and social supports. As the older adult population continues to grow, it is critical for the State to invest in a robust home delivered meals system that keeps older adults in their homes and allows for increased capacity.

Unfortunately, many of the State's contracted home delivered meals programs are massively underfunded. In New York City, the average per-meal reimbursement rate paid to nonprofit providers by the NYC Department for the Aging is 25% less than the national average cost of a home delivered meal,¹ while costs are even higher in New York due to the minimum wage and cost of living. Meanwhile, programs outside of New York City have previously reported wait lists for home delivered meals clients, unable to meet the demonstrated community need due to low funding.

Low meal reimbursement rates and funding cause significant financial damage to the nonprofit providers who prepare and deliver meals. Settlement house contractors and subcontractors have individually reported losing *hundreds of thousands of dollars* each year on their home delivered meals contracts. Despite losing so much money, settlement houses continue to operate these programs because they are mission-driven, in many cases have worked with their clients for years, and recognize that this delivered meal may be the only nutritious food the available to many vulnerable homebound seniors.

¹ Mathematica Policy Research report, "Older Americans Act Nutrition Programs Evaluation: Meal Cost Analysis," September 2015: <https://www.acl.gov/sites/default/files/programs/2016-11/NSP-Meal-Cost-Analysis.pdf>; compared to NYC budget, FY 2019.

The time is ripe for the State to make a sizable investment in home delivered meals programs. This can be accomplished most effectively through the Wellness In Nutrition (WIN) budget line under NYSOFA, which is currently funded at \$27.483 million and has remained relatively flat for at least 20 years. We are pleased to see an \$800,000 increase to WIN proposed in the FY 2020-2021 Executive Budget proposal. However, we believe **NYSOFA should increase funding to the WIN program by up to \$13.5 million to fully fund these programs across the State.** This number considers the slow growth in this budget line despite cost escalators, inflation, and the increased number of meals served over the last several years.

Naturally Occurring Retirement Communities (NORCs)

NORCs are housing developments or neighborhoods that were not originally designed as senior housing but have naturally become home to a significant number of older adults over time. NORCs receive contracts to coordinate support from housing, social services, and health care providers to promote the health and stability of older adults living in apartment buildings and housing complexes, as well as in slightly lower-density neighborhoods and rural areas (Neighborhood NORCs or NNORCs)². Currently, the New York State Office for the Aging (NYSOFA) contracts with 43 NORCs throughout the State, which includes 14 new programs that were added through a 2019 procurement.

Thank you to the Legislature for all of its attention and support for the NORC program over the last several years. We are pleased that the Governor's Executive Budget Proposal includes \$8.055 million in support for NORC programs, but unfortunately, the Executive Budget fails to include \$325,000 that the Legislature added in FY 2020-2021 to support nursing services in NORCs. This year, **we are asking for \$1 million to be added to the NORC budget, for a total of \$9.055 million.**

Healthcare Savings

While the state faces a daunting \$6.1 billion budget gap, much of it spurred by Medicaid, NORC programs continue to serve residents on relatively small budgets while defraying more substantial costs to the State. For example, the annual cost of a nursing home stay for one individual in New York State can be as high as \$142,000 per year;³ this amounts to nearly the value of an entire NORC program contract, generally serving hundreds of older adults and helping them remain in their homes. Without the NORC, older people might require nursing home placement or increased visits to the emergency room, adding even more costs. Nursing homes can often be prohibitively expensive, as few individuals can afford to pay out of pocket for care. As a result, nursing home residents become reliant on State and Federal support and subsidies such as Medicaid. Investing in NORCs can help limit these increased costs to the Medicaid system. NORC nurses also divert countless people from more serious healthcare visits through preventative care such as falls prevention workshops and individual counseling.

Pro-Bono Nursing Challenges

Unfortunately, many NORCs are facing a growing challenge as they struggle to meet requirements for on-site nursing hours, which are mandated in NYSOFA contracts in the

² Throughout this testimony "NORC" refers to both NORC and NNORC programs.

³ NYS Department of Financial Services: www.dfs.ny.gov/consumer/ltc/ltc_about_cost.htm

healthcare management and healthcare assistance and monitoring categories. The vast majority of NORCs fill these requirements with nurses. While no two programs are identical, the average NORC program utilizes 22 nurse hours per week.⁴ These nurses provide important services that would not otherwise exist in the community, such as medication education, diabetes testing, flu shots, mobility and balance screenings, and helping clients get in touch with doctors. Many residents rely on these nurses as their main source of health care and truly value the care they provide.

At many NORC sites, providers have traditionally secured pro-bono nursing services using hospitals, students, retired volunteers, and other means. These in-kind nursing services maintain the NORC program's founding principle of community-based partnerships and supports. However, these arrangements are becoming unstable in the wake of recent Medicaid Redesign and billing changes, in addition to the growing need for health care as New York's population ages. Many nursing services have been cutting back on their pro-bono hours, and of those that remain, nursing providers and NORC programs are worried about being able to maintain these arrangements. From 2015-2018, NORC programs reported an average loss of 50% of their pro bono hours, from about 12 to 6 hours each week. Further, in July 2019 the largest provider of NORC nursing services (Visiting Nurse Services of New York) eliminated all of their pro-bono hours. Consequently, NORC contracts do not fully fund the services required by NYSOFA. In effect, nursing hours represent an unfunded, though important, mandate in NYSOFA contracts.

An additional \$1 million would sufficiently cover the reduction in pro-bono nursing hours over the last several years. It is important that this money not impact unit of service requirements (which require a certain number of service hours depending on the funding range).

Thank you for the opportunity to testify. We are happy to answer any questions and can be reached at (212) 967-0322 or by email at nmoran@unhny.org.

⁴ According to a survey of NORC Program Directors completed in November 2018 – note all additional data in this section was compiled from this survey.