



**Testimony of United Neighborhood Houses  
Before the New York State Assembly and New York State Senate  
Joint Legislative Public Hearing on the FY 2021-FY 2022 Executive Budget  
Topic: Human Services**

**Assembly Committee on Ways & Means, Assemblymember Helene Weinstein, Chair  
Senate Committee on Finance, Senator Liz Krueger, Chair**

**Assembly Committee of Social Services, Assemblymember Linda Rosenthal, Chair  
Senate Committee on Social Services, Senator Roxanne J. Persaud, Chair**

**Assembly Committee on Children and Families, Assemblymember Andrew Hevesi, Chair  
Senate Committee on Children and Families, Senator Jabari Brisport, Chair**

**Assembly Committee on Aging, Assemblymember Ron Kim, Chair  
Senate Committee on Aging, Senator Rachel May, Chair**

**February 9, 2021**

Thank you for the opportunity to testify on the FY 2021-2022 Executive Budget and Human Services. United Neighborhood Houses (UNH) is a policy and social change organization representing 44 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.

COVID-19 has ravaged New York's safety net and has underscored the significant racial and economic disparities that have impacted New York State for decades. Just as they did through other crises that our state has faced, settlement houses have been on the front lines of the COVID-19 emergency response by continuing to deliver essential services to New Yorkers—services like housing assistance, mental health services, home care, workforce development, early childhood education, food assistance, youth programming, and case management. In a short period of time, settlement houses have started new programs, pivoted existing ones, and carried out significant emergency relief programs in their neighborhoods.

At the same time, New York's human services sector is facing severe financial instability due to revenue shortfalls. Despite being a lifeline for vulnerable New Yorkers, human services are often

the first programs to be cut during budget reductions. Economic recovery from the COVID-19 crisis will only be possible if settlement houses are able to continue serving their neighborhoods. UNH looks to our State Legislative leaders to preserve and strengthen the programs outlined below, and to develop a comprehensive, long-term plan for ensuring the economic security of all New Yorkers going forward. Specifically, we outline budget priorities for the Settlement House Program, after school, Adult Literacy Education (ALE), home delivered meals for older adults, Naturally Occurring Retirement Communities (NORCs), and nonprofit contracting issues.

### **Settlement House Program**

The Settlement House Program provides flexible funding for innovative community-based child, youth, immigrant, and older adult services in 48 settlement houses across the state, including in Albany, Syracuse, Rochester, Buffalo, Utica, and New York City. The majority of these services are provided through UNH's membership of 44 settlement houses.

Settlement House Program funding is particularly urgent given the massive increase in community needs due to COVID-19. Since the beginning of the crisis, New York's settlement houses have gone to tremendous lengths to provide essential services to their communities, providing emergency food, counseling, shelter, youth and family supports, and more. At the same time, settlement houses are bearing the brunt of unstable state and local budgets. The Settlement House Program remains one of the few sources of flexible funding for settlement houses, allowing each one to respond to the unique needs of its neighborhood.

For example, Settlement House Program funds support COVID-19 relief in the following ways:

- A settlement house in Syracuse uses Settlement House Program funds to support a basic needs pantry that provides fresh produce and personal care items, which has seen a massive increase in demand throughout COVID-19.
- A settlement house in Manhattan uses funds to support an eviction prevention counseling program, which has become a particularly urgent issue as more low-income New Yorkers face severe economic hardship due to the pandemic.
- A settlement house in Albany uses the funds to provide job readiness workshops and placements for young people who are more at-risk of being disconnected because of COVID, and will serve as essential workers as our economy recovers from the pandemic.

### *Contracting Issues*

While the Settlement House Program allows settlement houses to adapt funding to meet local needs, programs must comply with strict contracting rules set forth in a multi-year procurement process led by the Office of Children and Family Services (OCFS), as well as provide consistent outcome reports throughout the contract period. The most recent five-year contract period ended on August 31, 2020, and due to COVID-19 the next Request for Applications (RFA) was delayed. This resulted in the program stopping this past fall, despite the fact that the Legislature had funded it for the full year.

UNH extends our sincere thanks to the Legislature: thanks in large part due to your support and advocacy, this January OCFS extended Settlement House Program contracts retroactively for one year, from September 1, 2020 until August 31, 2021. A new RFA is anticipated later this year to continue the program.

In recent years, new organizations have committed to the settlement house model of serving individuals and families in their communities and will likely apply for the next round of contracts and funding.

### *Funding Needs*

The Legislature has supported this program at various levels over the last decade, reaching as high as \$8.4 million at the height of the last economic recession in FY 2009-2010 and as low as \$2.45 million in FY 2020-2021. At another time of great economic struggle, a modest investment of \$5 million into the Settlement House Program will allow New York's settlement houses to ensure vulnerable people have the tools they need to recover from the COVID-19 pandemic.

### **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. COVID-19 has only underscored the crucial role that afterschool programs play for young people and their families.

UNH appreciates the investments proposed in the Executive Budget for after-school programs. However, these actions are incomplete, and New York State must take additional action in the FY 2021-2022 Budget to strengthen the Advantage After-School Program by restoring the \$5 million investment from FY 2020-2021 to support after-school programs for 3,600 children.

We also urge the state to utilize funds committed to expanded learning programs in the FY2021-2022 State Budget and any remaining funds from FY2020-2021. New York must streamline the current contract process for a timely execution of contracts and payments to awarded afterschool grantees. This includes streamlining the current contract process for a timely execution of contracts and payments to awarded afterschool grantees. With the grave impact of COVID-19 and unexecuted contracts, many afterschool programs had to close or bear the brunt of running their programs at unsustainable levels.

### **Adult Literacy Education (ALE)**

The Adult Literacy Education (ALE) program funds community-based adult education services across New York State. Many of the positive outcomes we see ALE participants achieve occur because ALE providers are trusted, local nonprofits with strong ties to their community, culturally competent staff, and wrap-around support services.

Students in adult education programs have been hit hard by the pandemic not only because many are excluded from COVID-19 relief but also because the majority work on New York's front lines as essential workers. Since ALE providers shifted their lessons online to protect the health of their community members, these programs continue to be a lifeline for those students whose lives have been most disrupted by the pandemic.

Over 3.4 million adults in NYS lack English language proficiency or basic literacy and numeracy skills. Yet, funding for adult literacy is so inadequate that fewer than 4% of these adults are able to secure seats in publicly funded classes in any given year. Given that demand for literacy services has far surpassed the state's supply, the time for an increased investment in adult literacy is now. Yet the governor's Executive Budget cuts ALE funding down to \$6.3 million, which puts the future of thousands of students' literacy education at risk.

UNH calls on New York State to restore ALE funding to its current level of \$7.8 million. Looking ahead, UNH supports a larger call from the statewide adult literacy sector to triple ALE funding from \$7.8m to \$25 million over the course of the next three years to provide more students and program staff with the wrap-around support they need to succeed.

### **Home Delivered Meals for Older Adults**

Home delivered meal programs are a key component of community-based supportive services for older adults, ensuring that homebound seniors have access to both healthy food and social supports. As demand for these services have skyrocketed during the COVID-19 pandemic, nonprofit providers grapple with insufficient funding, and the older adult population continues to grow statewide, 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.

#### *The Need for Home Delivered Meals: COVID-19 and Beyond*

Statewide, there has been a huge uptick in demand for home delivered meals throughout COVID-19 as New Yorkers face greater financial insecurity and older adults in particular are advised to stay indoors. Advocates estimate **there is now a waitlist of 11,500 older adults waiting for meals and case management services across New York.**<sup>1</sup> This follows a \$15 million investment in EISEP in the FY 19-20 State budget, which cleared previous waiting lists. While emergency federal funding has supported these programs to an extent, it is neither sufficient nor stable. As the virus continues to rage, it is likely that needs will continue to grow.

In NYC, providers indicated a 20-30% increase in demand for home delivered meals early in the pandemic. Notably, matters became more complicated in the City as the NYC Department for the Aging (DFTA) instructed providers to stop signing up new people in May and instead to refer them to the broader emergency feeding program (GetFood NYC), which does not include a social service component and has faced quality challenges. The City also re-procured its home delivered meals system in the midst of the pandemic and faces strong ongoing criticism for chronically underfunded contracts. Notably, the average per-meal reimbursement rate paid to nonprofit providers by DFTA is 20% less than the national average cost of a home delivered meal in urban areas,<sup>2</sup> leaving nonprofits with significant financial damage where contracts do not cover the full cost of the program. Despite losing money, settlement houses continue to operate these programs because they are mission-driven, in many cases have worked with their clients for

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<sup>1</sup> Analysis by Association on Aging in New York. Note that case management programs for older adults provide access to home delivered meals and other critical benefits and supports.

<sup>2</sup> NYC budget, FY 2021; 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>

years, and recognize that this delivered meal may be the only nutritious food available to many vulnerable homebound seniors.

### *Funding Needs*

These services are funded in large part through the NY State Office for the Aging (NYSOFA), primarily through the Community Services for the Elderly (CSE), Expanded In-Home Services for the Elderly (EISEP), and Wellness in Nutrition (WIN) budget lines. To clear existing wait lists and ensure programs are sufficiently funded, an investment of \$27 million is needed. **The State must make a significant investment in FY 2021-2022, upwards of \$10 million, as a down payment for \$27 million that is needed to clear wait lists and support home delivered meals and case management services for older adults.**

### **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)<sup>3</sup>. Currently, the New York State Office for the Aging (NYSOFA) contracts with 43 NORCs throughout the State.

Despite closing physical spaces to older adults and suspending in-person programming during COVID-19, NORCs have continued to work remotely throughout the pandemic. For example, staff provide frequent wellness calls to monitor health and safety and to reduce social isolation. The case management services provided by NORCS continue to assist older adults in accessing food, medical supplies, in-home healthcare, and more. NORC nurses are providing remote support over the phone, particularly focusing around COVID-19 concerns. Other activities include creating a local information sharing system where residents can disseminate news to their peers, posting flyers to ensure people know about NORC services and events, and providing virtual healthcare workshops run by the NORC nurse. In this remote environment, NORCs serve as essential services for older adults, helping them stay safe, healthy, and connected.

### *Healthcare Savings and Avoiding Institutional Care*

Given the vast crisis in New York's nursing homes due to the spread of COVID-19, NORCs provide a proven community-based alternative that allows older adults to stay safe and healthy in their homes for longer. In many cases, NORC programs help older people avoid or delay entering institutional settings like nursing homes or emergency rooms.

NORCs are also cost-effective for the State: NORC programs 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;<sup>4</sup> 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 for longer. Nursing homes can often be

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<sup>3</sup> Throughout this testimony "NORC" refers to both NORC and NNORC programs.

<sup>4</sup> NYS Department of Financial Services: [www.dfs.ny.gov/consumer/ltc/ltc\\_about\\_cost.htm](http://www.dfs.ny.gov/consumer/ltc/ltc_about_cost.htm)

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. While no two programs are identical, the average NORC program utilizes 22 nurse hours per week.<sup>5</sup> 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 - and they continue to operate many of these services remotely during the pandemic. 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.

### *Funding Needs*

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 2019-2020 and FY 2020-2021 to support nursing services in NORCs. **An additional \$1 million is needed to sufficiently cover the reduction in pro-bono nursing hours in NORCs over the last several years**, for a program total of \$9.055 million. 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).

### **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

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<sup>5</sup> According to a survey of NORC Program Directors completed in November 2018 – note all additional data in this section was compiled from this survey.

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.

Overall, the State must honor contracts and pay for services already delivered to New York State residents and communities. New York should pay all nonprofit contracts immediately, register late contracts, and halt the 20 percent "withholding" on reimbursements. If it does not, nonprofits will have to lay off workers, cut programs and services, and potentially close their doors, causing our residents and communities to suffer further hardship and potentially dire consequences.

Furthermore, since the outbreak of COVID-19, human services workers have been on the frontlines to keep our communities safe and alive and are the key to recovery in the coming months. These workers are also some of the lowest paid workers in New York State. It is time for the State to recognize human services workers as essential workers and utilize a portion of any federal aid received to allow them to get emergency pay for their crucial services throughout the coronavirus pandemic.

Thank you for the opportunity to testify. We are happy to answer any questions and can be reached at [nmoran@unhny.org](mailto:nmoran@unhny.org).