New York Public Welfare Association

NYPWA Testimony on the Executive Budget for SFY 2023-24 for the

Joint Legislative Budget Committee on Human Services

Paul Brady, Executive Director

February 13, 2023

The New York Public Welfare Association (NYPWA) represents all fifty-eight local departments of social services statewide. Our members are dedicated to improving the quality and effectiveness of social welfare policy so that it is accountable to taxpayers and protective of vulnerable people.

Governor Kathy Hochul's 2023-24 Executive Budget proposal offers an ambitious roadmap of fiscal investment and policy priorities during a time of economic uncertainty. As we continue to step out of the shadow of a global pandemic, it is obvious a toll was taken on some of the most vulnerable members of our communities. It is for these families and individuals that the Governor and the Legislature must strive to protect as we stand to meet new and longstanding human services challenges. To echo our budget comments from last year, the world today is different than what it was just a few short years ago and we need to recalibrate and reimagine how we care for our fellow citizens in their time of need.

Local Departments of Social Services (LDSS) are at the very heart of what it takes to keep adults, children, and families safe at home. When people are hungry, homeless, and need help they come to local social services offices or staff go to them. When there is a crisis, local districts are there to assist.

[LDSS] are at the very heart of what it takes to keep adults, children, and families safe at home. When people are hungry, homeless, and need help they come to local social services offices or staff go to them. When there is a crisis, local districts are there to assist.

Our budget testimony will focus on areas primarily covered under OTDA and OCFS—but first we must address proposed changes to Medicaid, which would have a devastating ripple effect on LDSS operations and the services provided to our communities.

The Executive Budget monopolizes eFMAP funding and jeopardizes local investments in human services for children and families and other vital programs.

The NYPWA welcomes the Governor's decision to maintain local district Medicaid Administration caps in the proposed budget. Unfortunately, the Executive Budget would also assume the entire enhanced Federal Medicaid Assistance Percentage (eFMAP) savings that had been shared with localities—an unexpected financial hit to counties the Executive estimates at $624 million, but which could be much higher.

Medicaid is the largest expense in a county's budget—and the administrative cap and eFMAP savings have helped keep local Medicaid costs and property taxes in check. Local departments of social services have been active partners with the State during the ongoing evolution of the State's takeover of Medicaid Administration. We have a shared interest in both controlling rising Medicaid costs and in serving our communities—especially since counties still handle the most complex Medicaid cases and have been assigned additional responsibilities in long term care. The Medicaid rolls have risen because people are eligible based on the criteria established by Federal and State government. In addition, despite the cap on Medicaid Administration, the county local share of Medicaid remains among the highest in the nation.

Now is not the time to shift additional Medicaid costs onto counties—and we urge the Legislature to OPPOSE the Executive's effort to assume full eFMAP savings. Local investments in human services for children and families and other vital programs will be jeopardized if these additional costs are shifted to counties.

Now is not the time to shift additional Medicaid costs onto counties—and we urge the Legislature to **OPPOSE** the Executive's effort to assume full eFMAP savings. Local investments in human services for children and families and other vital programs will be jeopardized if these additional costs are shifted to counties.

Housing and Temporary Assistance

The Executive Budget includes a bold plan to add 800,000 new homes over ten years. Any discussion surrounding 'affordable' housing must include the availability of housing for low-income earners and those who are homeless or at risk of homelessness—including expanded accessibility for supportive housing centered around individuals living with substance abuse, developmental disabilities, or mental health issues. The emergency housing crisis growing across the state cannot be ignored and demands a new approach.

When people live without shelter, or in a temporary shelter, their circumstances are exacerbated by antiquated funding policies that keep them trapped in poverty. The fact that people are surviving with minimal cash assistance, and no other source of income, demonstrates personal tenacity and fortitude. But these qualities alone are not enough to lift them out of poverty and into stable homes and jobs where they can support themselves and their families. What we need is system-wide change.

It was roughly two decades ago when the public assistance rental allowance was last increased in 2003. A pandemic, high inflation, and soaring housing costs should be indication enough to that we have some catching up to do. A temporary infusion of Federal dollars prevented many evictions. This stability helped keep people safe and from falling deeper into poverty during a severe public health crisis. Now we need to focus on long-term solutions. Everyone has a role to play, and counties do their part, but the State sets the rules and those rules need to adapt.

Restore the 50/50 State-Local Safety Net Assistance Share and SNAP Administration Contributions

We need the State to return to the table as our funding partners by restoring Safety Net Assistance (SNA) to 50/50 instead of 29/71 state/local shares—and restoring its contribution to SNA administration and Supplemental Nutrition Assistance Program (SNAP) administration so that there are enough staff to process the growing applications for assistance. For example, the annualized county savings under a 50/50 state and local share model would have been roughly $347.6 million for 2022 alone.

Focus on the Standard of Need

The last time the standard of need was increased was in 2012. Rent has increased significantly since then. Therefore, we must raise the Family Assistance and Safety Net Assistance allowances for shelter, basic needs, and home energy. There are multiple reasons why this matter should be addressed. After all, the NYS Constitution Art. XVII, states that "aid care and support of the needy are public concerns and shall be provided by the state...and its subdivisions, and in such manner and by such means, as the legislature may from time to time determine." It is unacceptable that people are expected to find housing with so little money and such a low housing supply. In addition, supportive housing with services and treatment is out of reach for most people who struggle with mental illness and addictions and end up living in temporary shelters.

Consider how difficult it is for someone on a low-income to find suitable housing. For perspective, let's break down benefits an individual from Albany County may receive: a) a basic grant for a single of $158; b) a shelter allowance of $214 (varies county by county); and c) a home energy allowance of $25.10. That's total assistance of only $397.10 (exclusive of Medicaid and SNAP) for an area where the average HUD fair market rent for a one-bedroom apartment is $1,079[1].

Avoid Over-Reaching Hotel/Motel Temporary Housing Regulations

Most counties in New York State are rural and rely on hotel and motels for temporary housing. Even large urban districts with multiple shelters use motels and hotels especially during Code Blue conditions in the cold winter months. Although the NYPWA fully supports the Executive's decision to increase Code Blue funding by $7 million, any new regulations that would further burden motels and hotels would threaten to drive these owners out of providing desperately needed emergency housing and increase the risk of people living on the street.

Prioritize Child Care in New York State

The NYPWA supports the Executive Budget's intention on making child care a priority. Access to quality, affordable child care is essential for every family—especially those living on low incomes and tight budgets. In fact, accessible child care is needed more than ever to help overcome issues directly related to dire shortages in the labor market.

In recent years, lawmakers have focused on expanding subsidized child care eligibility for more people—buoyed, in part, by the influx of temporary, federal pandemic dollars. It was time to act and New York State did—and the Governor continues this approach in her Executive Budget. However, increasing eligibility is just one side of the child care coin. The other half is making sure there is an adequate supply of qualified, well-paid child care providers and workers.

[I]increasing eligibility is just one side of the child care coin. The other half is making sure there is an adequate supply of qualified, well-paid child care providers and workers. Without this, we will not be able to meet the current and future demand for child care created by expanded eligibility.

[1] https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2023_code/2023summary.odn

Without this, we will not be able to meet the current and future demand for child care created by expanded eligibility. That's why the NYPWA respectfully recommends the following:

- Address the loss of child care providers and counteract the growth of "child care deserts"
- Double state child care funding to bring staff wages closer to public teacher payrates and attract more skilled people to the field
- Provide the appropriate technology for implementation of changes in child care eligibility and program policy (i.e., building efficiencies to the state claiming system)

Children's Services and Foster Care

Restore Open-ended Funding to 65% Under Child Welfare Funding

The proposed $290 million child welfare funding increase in the Executive Budget is a welcomed change—as is the effort to better align state appropriations with Federal fiscal years. The NYPWA also recommends that the state return to open-ended 65 percent state reimbursement, as required by existing statute, for the non-federal share of child protective services, preventive services, independent living, aftercare, and adoption administration services. This restoration to 65 percent is fully aligned with the state's goals for supporting children at home and preventing placement. Local districts and voluntary agencies use this funding stream to support children and families through a wide range of effective services. Returning to a 65 percent would clearly demonstrate the state's long term commitment to our children and families.

Ensure Sufficient State Foster Care Funding

Last year's enacted 2022-23 State budget included language regarding a change to MSAR methodology associated with foster care maintenance payments. The change was in response to a 2021 lawsuit settlement[2] and mandated that district pay 100 percent of the MSAR for children in regular, therapeutic, special needs, and emergency foster boarding homes. The entire cost of future MSAR increases is a local responsibility. In addition, the State has yet to develop a new "extraordinary" rate category through regulation—leaving districts unclear as what will qualify a child for this rate, whether a new level of care will be created, and what will make up the new rate methodology. Each of these details would bring fiscal implications. Unfortunately, the proposed

[2] https://affcny.org/press-release-coalition-wins-groundbreaking-increase-in-state-foster-family-support/

2023-24 Executive Budget keeps the Foster Care Block Grant (FCBG) funding flat—apart from a $4.8 million increase related to a 2.5 percent Human Services COLA.

Saying 'Yes' to Children with Complex Needs

Districts often face cobbling together a patchwork of local services for cross-systems children with complex needs. They provide a band-aid approach to help kids with developmental disabilities, psychiatric disorders, emotional disturbances, and aggressive behaviors. Social services departments offer multiple preventive programs, child protective services, foster care, and adoption as well as financial assistance and other public benefits to families. Youth are boarded in hospital ERs because they do not meet the criteria for inpatient admission. They are rejected from other programs, often due to behavioral concerns, and they have no place else to go. Powerful local collaborations are in place to help assist, but collaboration does not equal resources and services.

Shared cross-systems responsibility means that we all bring tangible resources to the table. Until the child receives a "yes" response, and has access to services, our collective work is not done.

Many developmental centers, psychiatric institutions, residential care facilities, and congregate care settings have closed. Some children find support at home, but not everyone. Hospitals, detention centers, and street corners are seeing the kids with complex needs that would have previously been placed in residential care. Moving forward, we need coordinated open-ended funding from OPWDD, OMH and OCFS and to tap Medicaid for eligible treatment. Shared cross-systems responsibility means that we all bring tangible resources to the table. Until the child receives a "yes" response, and has access to services, our collective work is not done.

Fund KinGap Apart from FCBG

The subsidized guardian assistance program, known as in KinGap, should be funded outside of the FCBG. Unlike foster care, KinGap and adoption are both permanency options and should not be funded as a temporary program. KinGap provides children with a permanent relative caretaker when neither a return home to parents or adoption is an option.

Support Funding for IMD

The NYPWA supports the Governor's $17 million allocation to support foster care agencies meet the Federal definition of an Institution for Mental Disease (IMD)—allowing providers to better offer needed care to Medicaid-eligible youth.

In closing, we wish to thank the NYS Assembly Ways and Means and NYS Senate Finance Committees for your leadership in bringing attention to the challenging fiscal and policy issues affecting social services.

For additional information, contact:

Paul Brady, Executive Director
Rick Terwilliger, Director of Policy & Communications
New York Public Welfare Association
info@nypwa.org ● 518-465-9305