

TESTIMONY
Joint Budget Hearing
Senate Finance & Ways and Means Committee

Re: Funding for NORC Programs

Grand St. Settlement
80 Pitt Street
New York, New York

February 5, 2026



Testimony of Grand St. Settlement
To the New York City Council Committee on Education
Regarding Child Care Site Closures

February 5, 2026
Aaron M. Sanders

Thank you to Chair Kreuger, Chair Pretlow, and members of the Senate Finance & Way & Means Committees for the opportunity to provide testimony on the impact of health and human service programs in New York State, particularly those that support older adults in their communities. My name is **Keh-yueh Chen, Program Director, Baruch Elders Services Team**, and my testimony will focus on the important supportive service programs that Naturally Occurring Retirement Communities (NORCs) and Neighborhood NORCs provide for older New Yorkers.

Grand St. Settlement (Grand Street) is a 109-year-old multi-service Settlement House. We serve over 18,000 New Yorkers through vital early childhood, youth, and older adult programs infused with impactful benefits assistance on the Lower East Side, Manhattan, and the Bronx.

Thank you to the Legislature for its continued support for NORCs. Because of your enthusiasm for this program, we have been able to bring resources and attention to the needs of a large and rapidly growing older adult population. The Governor's recent commitment to double N/NORC funding, bringing the total value to \$16.055 million, is a testament to the Legislature's long-standing support for this program.

We ask that the Legislature continue to champion NORCs in the FY26-27 State Budget, by supporting this historic increase— \$4 million for NORCs and \$4 million for Neighborhood NORCs— and including an additional \$1 million to address increasing healthcare costs. Furthermore, the Legislature must invest in the human services workforce with a 2.7% Targeted Inflationary Increase (TII) and ensure all nonprofit human services workers are

eligible for this funding, as laid out in S.1580A. A bill sponsored by Senator Persaud, and Assembly bill number 2590A, sponsored by Hevesi.

NORCs are integrated care models bringing together social services and health care to support older adults in their homes and communities, promoting aging in place with dignity. NORCs were founded with the ultimate goal of transforming residential complexes and neighborhoods to meet the needs of a growing cohort of older residents and enable them to remain living independently in their homes, thrive in their communities, and delay hospitalization or nursing home placement. N/NORC programs provide case management services; health and nursing services; recreational, social, and cultural activities; volunteer opportunities; and ancillary services tailored to meet the needs of each community. Programs actively encourage healthy aging by providing access to health care, promoting health and wellness activities, addressing disease prevention, and responding to chronic health conditions.

The BEST Program currently serves 489 older adults in the Baruch community, with 459 residents receiving priority services such as case management, information and assistance, and healthcare navigation. As a NORC program, BEST is dedicated to supporting seniors aging in place by increasing access to resources, strengthening community connections, and promoting overall well-being.

BEST partners with key healthcare and community organizations, including VNS Health, CUNY Nursing School, NYU Dental, Mt. Sinai Hospital, Betances Health Center, Concerts in Motion, CUNY Guttman and John Jay, Moving for Life, NY Connects, GSS Benefits Assistance, University Settlement, and City Harvest/NY Common Pantry.

Program Impact Highlights

- 120+ residents supported annually with benefits, entitlements, and self-advocacy skills
- 1,000+ individual counseling sessions each year
- 600+ individual mental health screenings each year
- Robust food distribution, legal assistance, health education, and social/recreational programming
- Counseling groups that reduce isolation, build coping skills, and strengthen peer support among seniors
- 4,011 attendances for education and recreation services each year
- 5,116 attendances for health promotion services each year
- 2,136 attendances for support groups each year

Our social service and social work team use a strength-based approach to help residents build resilience, address loneliness, and connect with peers. Participants consistently report feeling more supported, less isolated, and more empowered to manage challenges as they age.]

A key component of the NORC program model is health care management and assistance, and most programs employ nurses to fulfill this requirement. Nurses provide services to NORC

residents that might 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 services as a main source of health care and value the consistent, quality care they provide. Despite this service being required by NYSOFA contracts, it remains an unfunded mandate.

NORCs were previously able to secure nursing hours pro bono by partnering with hospitals, retired nurses, or supervised student nurses. However, following Medicaid Redesign and billing changes, these arrangements are now unstable, and many nursing service providers have cut their pro-bono hours. With many of these partnerships greatly diminished or fully terminated, N/NORCs must find funding to pay for hours that were previously free, essentially spending more to maintain the same level of service. In addition, rising nursing labor costs and workforce pressures have further increased the cost of providing these required services.

Healthcare Support and Health Coaching

The program partnered with VNS Health to provide on-site nurses and a trained health coach. The Health Coach Program offers individualized guidance, helping residents set and achieve personal health goals. Through regular check-ins, coaching sessions, and monitoring, residents are empowered to proactively manage chronic conditions, improve daily health habits, and reduce avoidable emergency room visits and hospitalizations.

Health Screenings and Early Intervention

Routine blood pressure screenings were offered to identify early signs of hypertension or other health concerns. When elevated readings or symptoms were observed, staff made immediate referrals to the nurse or health coach for follow-up. This rapid-response model supports early intervention and reinforces preventive care.

Counseling and Health-Related Support

The program's social worker provided daily individual and group counseling, addressing emotional well-being, stress management, and health-related concerns. When health issues surfaced during counseling sessions, internal referrals were made promptly to ensure coordinated care and timely support.

Wellness Education and Ongoing Engagement: Residents received ongoing education on:

- Chronic disease management
- Medication adherence
- Healthy lifestyle practices
- Stress reduction and mental wellness
- Navigating healthcare systems and appointments

These services were delivered through one-on-one sessions, group discussions, and informal education during program activities and formation educational sessions. Together, these strategies created a supportive, accessible, and proactive health education environment that strengthened residents' ability to maintain independence, improve health outcomes, and remain engaged in their community.

Program-Specific Impact and Financial Challenges

The BEST NORC program has been fortunate to maintain stable pro bono nursing support, but this resource is not guaranteed. If nursing hours were reduced or eliminated, seniors would face major gaps in preventive care, chronic disease monitoring, medication management, and early intervention. Many residents rely on on-site nurses because they struggle to navigate the healthcare system independently.

Losing nursing coverage would increase avoidable emergencies, hospitalizations, and health complications—especially for those with mobility limitations or limited support. If the program had to fund nursing hours directly, rising labor costs and workforce shortages would place significant strain on the budget and threaten the continuity of essential services.

Since FY19–20, the Legislature has provided additional funding specifically to support nursing services in N/NORCs, most recently at \$1 million. Each N/NORC receives \$23,256 from this funding, and crucially, it is not subject to unit-of-service-hour increases. We respectfully urge the Legislature to continue this investment by including \$1 million for N/NORC nursing supports in the FY 26–27 budget to help address the reduction in pro-bono nursing hours, rising nursing costs, and the growing demand for health care services in N/NORCs as the State's population grows older.

N/NORC programs are incredibly cost-effective for the state as compared to alternatives. In New York, a private room in a nursing home can cost nearly \$159,000 a year, according to Genworth's 2021 Cost of Care Survey. Meanwhile, NYSOFA estimates the average cost of serving an older adult in a New York State N/NORC program is just \$480 a year. If the N/NORC were not there, that person might require nursing home placement or increased visits to the emergency room, adding even more costs. Few individuals can afford to pay out of pocket for nursing home care. As a result, nursing home residents become reliant on State and Federal support and subsidies such as Medicaid. Investing in N/NORCs limits these increased costs to the Medicaid system.

There is a high demand for the State to increase the number of N/NORCs to help older adults continue living in their homes and communities. The NORC program last underwent an expansion in 2019, adding 14 new programs to NYSOFA's portfolio of 43 total N/NORCs. At that time, there were more applicants to the program than the State could afford to fund. With this significant investment, as proposed by the Governor, NYSOFA will be able to open several new N/NORC programs across the State, which will serve hundreds, if not thousands, of older adults. Notably, in 2023, the Governor signed S.3392 (May)/A.5915 (Kim), which updates the NORC statute to increase flexibility on building height restrictions that limited eligibility for the

program in the past. This update is especially relevant for upstate cities, where certain buildings have expressed interest in becoming NORCs or Neighborhood NORCs in the past but were ineligible.

To sustain critical N/NORC programs, the Legislature must also invest in the human services workforce with an 2.7% targeted inflationary increase (TII) in the FY26–27 budget, and ensure that all human services workers can receive the TII, as laid out in S.1580A/A.2590A. The TII (formerly known as a COLA) is one essential tool to provide the necessary resources to address rising costs from inflation, such as food, supplies, and utilities, and ensure livable wages for human services workers, such as case managers who are integral to N/NORC programs. For many years, the TII was deferred, and while recent TII increases have been a step forward, they have not kept pace with rising costs across the human services sector. More significantly, when the State does provide a TII, N/NORCs are never included. There is no justification for this exclusion. This means N/NORC budgets have remained flat for years, which has contributed to an industry-wide staffing crisis and high turnover that negatively affects the consistency of care for older adults.

Older adults across New York State rely on N/NORC services to remain healthy and stably housed, while defraying millions in Medicaid costs to the State. Thank you for your consideration.

For further questions, you may contact Aaron Sanders, Deputy Director of Government & Community Relations at Asanders@grandsettlement.