

Human Services

Office of Children and Family Services
Homes and Community Renewal
Division of Human Rights
Department of Labor
Office of National and Community Service
Office of Temporary and Disability Assistance

Overview

The Executive Budget provides funding for core supportive services for needy populations, maintains current funding for child care subsidies that allow low-income individuals to seek or maintain employment, increases the State minimum wage, expands the availability of affordable housing across the State, limits spending growth to address the State's fiscal challenges, and authorizes an innovative new Pay for Success initiative to leverage private sector resources.

New York's human services programs promote the safety and well-being of the State's most vulnerable residents.

Programs funded through the Office of Temporary and Disability Assistance (OTDA) and the Office of Children and Family Services (OCFS) include financial assistance to elderly and disabled persons who are unable to work, supportive services to public assistance recipients to prepare for and secure employment, child support enforcement, child care subsidies to assist low-income working families, juvenile justice, and child protective and adult protective programs.

Programs funded through the Department of Labor (DOL) protect workers and promote workforce development. DOL also operates the State's Unemployment Insurance System.

Programs funded through the Division of Homes and Community Renewal (HCR) preserve and create affordable housing.

Programs funded through the Division of Human Rights (DHR) protect civil rights in the areas of employment, housing, public accommodations, education and credit.

Programs funded through the Office of National and Community Service (NCS) support community service grants that provide youth education, assistance to individuals with disabilities, public health services, and disaster preparedness.

Providing Opportunity for All New Yorkers

Since the enactment of landmark Federal welfare reform of 1996, the State's public assistance caseload has declined by approximately one million recipients. The 2013-14 caseload is estimated at 554,000 recipients. The phased increase to the public assistance benefit enacted in 2009-10 was completed in 2012-13, increasing the maximum monthly grant by between \$46 and \$179 depending on family size (a \$98 increase for a family of three in New York City).

New York's Supplemental Security Income (SSI) program supplements Federal SSI benefits to low-income elderly, blind, and disabled persons. The 2013-14 caseload is estimated at 707,000 recipients. The State supplementation program is currently administered by the Federal government at significant cost to

the State. Expenditures for the State supplementation program have grown from \$656 million in 2006-07 to a projected \$766 million in 2013-14 as caseload and Federal administrative fees have increased. The 2012-13 Budget enacted a State takeover of Federal administration, which will achieve recurring annual savings of over \$90 million upon full implementation in 2014-15.

New York State's child welfare programs are monitored by OCFS and administered by 58 local social services districts (LSSDs). The LSSDs are responsible for conducting direct investigations of alleged child abuse, as well as providing services to prevent foster care placements for at-risk youth and families, and foster care services when out-of-home placement is necessary.

The Child Welfare Services program supports approximately 168,000 child protective services investigations and more than 40,000 mandated preventive services cases. Federal funds support approximately \$472 million of statewide program costs. The State supports 62 percent of remaining costs, and local social services districts finance the remaining 38 percent. This funding approach, authorized in 2002-03 through Child Welfare Financing Reform, provides an incentive to use preventive services to keep families safely intact and to avoid unnecessary foster care placements. This front-end investment is paying dividends, as the foster care caseload has dropped by 33 percent since 2002-03 – from 34,900 to an estimated 23,369 in 2012-13.

The Executive Budget proposals increase the State minimum wage, provide for core supportive services for needy populations, limit spending growth to address the State's fiscal challenges, and implement measures to improve program performance.

In Juvenile Justice, the 2013-14 Executive Budget builds upon the 2012-13 Close to Home initiative for youth from New York City to include youth from additional counties who would otherwise be placed in OCFS non-secure settings. Under this proposal, such youth would be placed in facilities administered by voluntary agency providers that can offer more appropriate and cost-effective care closer to their home communities. Consistent with these changes, the Executive Budget proposes to reduce capacity in OCFS operated youth facilities.

Summary of Spending (All Funds)

Category	2012-13 (\$ in millions)	2013-14 (\$ in millions)	Change	
			Dollar (in millions)	Percent
Human Services	9,287	8,923	(366)*	(3.9)
OTDA	5,409	5,031	(378)*	(7.0)
OCFS	2,951	2,996	45	1.5
DOL	680	660	(20)	(2.9)
HCR	247	236	(11)	(4.5)

* Year to year decrease reflects timing of disbursements. 2013-14 Public Assistance caseload and benefit payments are expected to be consistent with 2012-13 levels.

Gap-Closing Actions

Proposal	2013-14 (\$ in millions)	2014-15 (\$ in millions)
Juvenile Justice Reform		
Expand Close to Home	(3)	(5)
Close/Downsize OCFS Facilities	1	6
Human Services		
Defer 2013-14 Cost of Living Adjustments (COLAs) and Trends	13	19
Utilize Mortgage Insurance Fund Resources to Support the Neighborhood and Rural Preservation Programs and the Rural Rental Assistance Program	32	32
Total	43	52

Proposed 2013-14 Budget Actions to Implement the Governor's State of the State and Other Initiatives

Labor

- Increase the Minimum Wage.** The Executive Budget includes provisions to increase the minimum wage from \$7.25 to \$8.75 an hour, bringing it more in line with the cost of living. A reasonable minimum wage increases the standard of living for workers, reduces poverty, and incentivizes fair and more efficient business practices. Nineteen states currently have a higher minimum wage than New York. The current minimum wage represents only about one-quarter of the average hourly wage in the State, which is \$28. Since low-income individuals spend a larger percentage of their income than higher-income earners, salary increases in low-wage occupations lead to increased demand for goods and services and help spur economic growth. The change would take effect July 1, 2013.
- Reform Unemployment Insurance.** New York State's Unemployment Insurance (UI) system is insolvent, the cost to employers is unpredictable, and UI benefits for workers are insufficient. The Executive Budget proposes substantial reforms that will decrease costs to employers, modernize the UI system by making it sustainable and increase benefits for workers. These reforms will allow New York to pay off its Federal debt two years sooner than would otherwise occur – by 2016, rather than 2018 – bringing an end to interest payments that unnecessarily burden employers. The reforms would provide for an appropriately financed UI Trust Fund. For UI claimants, reforms will increase both minimum and maximum weekly benefit rates. For employers, reforms will lower total costs, with a savings of \$400 million over ten years. Finally, improved measures to prevent and detect UI fraud and abuse will safeguard employer tax dollars.

Housing

- Expand Affordable Housing Opportunities.** There is a significant shortage of quality affordable housing in New York State – 2.9 million households are financially insecure in their homes, paying over 30 percent of their income on housing. The Executive Budget proposes a new House NY program that would invest \$1 billion of additional resources over five years to preserve and create 14,300 affordable housing units statewide. This would create significant economic benefits for the State, including long-term stabilization of distressed neighborhoods and the creation of jobs during construction. This multi-year initiative would include the revitalization of 45 Mitchell Lama affordable housing projects that suffer from significant physical

deterioration (\$706 million), the creation and preservation of over 5,000 affordable housing units through various housing and community development programs (\$231 million), and other initiatives.

- **Utilize MIF Resources to Support the NPP/RPP and the RRAP.** The Executive Budget proposes to utilize \$64 million in excess reserves from the Mortgage Insurance Fund (MIF) to support the Neighborhood and Rural Preservation Programs (NPP/RPP) and the Rural Rental Assistance Program (RRAP) through the Housing Trust Fund Corporation for a two year period. Additionally, the Budget proposes to consolidate the NPP and RPP into a single “Community Preservation Program” and implement reforms to encourage greater accountability and performance. (2013-14 Value: \$32 million; 2014-15 Value: \$32 million)
- **Streamline Administration of Homeless Housing Development.** Homes and Community Renewal (HCR) administers an array of capital housing development programs, including over \$1.2 billion of Federal Low Income Housing Tax Credits. The Office of Temporary and Disability Assistance (OTDA) separately administers the Homeless Housing and Assistance Program (HHAP), a \$30 million program to develop homeless housing. On average, 32 percent of HHAP projects also receive funding through HCR. Having two State agencies involved in the same capital housing projects creates inefficiencies for both developers and the State in terms of duplicative applications, underwriting, and compliance monitoring. Transferring HHAP to HCR would create a more streamlined process for developers, further encouraging supportive housing development, and would also create a more efficient process for the State, reducing duplicative efforts and increasing the effectiveness of the State’s housing programs. OTDA HHAP staff would be transferred to HCR, preserving programmatic expertise; HCR and OTDA would work closely on service components of HHAP projects, with OTDA providing input regarding project applications and program administration.

Human Services

- **Pay for Success.** Also known as “Social Impact Bonds,” “Pay for Success” contracts are an innovative program to achieve better Human Services outcomes while saving taxpayer money. Program ideas will attract private funding for preventative programming with a promise to investors of a return on investment based on savings the programming achieves. Such programs share common characteristics including: rigorous measurement of outcomes; payments to service providers only when pre-determined outcomes have been successfully achieved as measured by an independent monitor; and creative private sector financing that helps proven service providers fund their operations with minimal risk to government budgets. The Executive Budget authorizes the State to undertake up to \$100 million of Pay for Success initiatives over the next five years. The initiative will offer the opportunity to invest in programs in the areas of health, education, juvenile justice, and public safety.
- **Merge the Office of the Welfare Inspector General (OWIG) into the Office of the Inspector General (OIG).** Combatting welfare fraud saves taxpayer money and helps ensure the most efficient use of resources available to serve those in need. The Executive Budget proposes to merge OWIG into OIG. With focused leadership, a full complement of staff, and support resources from OIG, the State will complete more investigations and refer more cases for prosecution to eliminate and deter fraudulent welfare payments. This is expected to increase recoveries over the next several fiscal years.

- **Combine Youth Delinquency Prevention Programs.** To improve and streamline youth delinquency prevention efforts, the Executive Budget combines the Youth Development Delinquency Prevention Program and the Special Delinquency Prevention Program into a single Youth Development Program. Funding would be allocated to counties based on specific risk factors and youth population to help ensure the most efficient and effective use of resources.
- **Defer 2013-14 Cost of Living Adjustments (COLAs) and Trends.** Currently, COLAs and trend factors increase State spending without any link to actual cost growth or performance outcomes. The Executive Budget defers the planned 1.4 percent COLA scheduled to take effect in 2013-14 for OCFS programs. This proposal would also defer administrative trends in various programs including Foster Care. (2013-14 Value: \$13 million; 2014-15 Value: \$19 million)

Juvenile Justice

- **Expand the Close to Home Initiative.** Close to Home will be expanded to include youth from counties outside of New York City who would otherwise be placed in non-secure OCFS facilities. Youth will be provided more appropriate placements and services closer to their home communities. When fully implemented, this expansion of Close to Home, which provides a more effective alternative to inefficient facilities, will provide mandate relief and cost savings for both the State and localities. This action reflects State investment to expand the Close to Home initiative. (2013-14 Value: \$3 million; 2014-15 Value: \$5 million)
- **Rightsize the OCFS System.** The OCFS juvenile justice system capacity will be reduced by 88 beds and 15 after care slots to reflect the impact of expanding the Close to Home initiative to counties outside of New York City. Youth from counties outside of New York City who would otherwise be placed in non-secure youth facilities will be placed in residential settings that, in most cases, will be closer to their home community. To assist staff affected by this action, the State will implement a number of measures to place individuals in other vacant State positions, or provide re-training assistance if suitable State positions are not available. (2013-14 Value: \$1 million; 2014-15 Value: \$6 million)