

9. HUMAN SERVICES

The FY 2017 Executive Budget increases the minimum wage, makes an unprecedented \$20 billion investment in affordable housing, homeless housing and homeless services, provides funding for core supportive services for needy populations, and provides funding for child care subsidies that allow low-income individuals to seek or maintain employment.

Overview

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

The Office of Temporary and Disability Assistance (OTDA) and the Office of Children and Family Services (OCFS) oversee programs that support and provide assistance for 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 and adult protective services.

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 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.

Programs funded through the Division of Veterans' Affairs (DVA) connect veterans, members of the armed forces, and their families to various economic, medical, and social benefits and services available as the result of active duty military service.

Providing Opportunity for All New Yorkers

Since the enactment of the Federal Welfare Reform Act of 1996, the State's public assistance caseload has declined by approximately one million recipients. The FY 2017 caseload is estimated at 557,000 recipients.

New York's Supplemental Security Income (SSI) program supplements Federal SSI benefits to low-income elderly, blind, and disabled persons. The FY 2017 caseload is estimated at 712,000 recipients.

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 by keeping them with their families, and for foster care services when out-of-home placement is necessary.

The Child Welfare Services program supports approximately 156,000 child protective services investigations with more than 45,000 cases receiving protective and preventive services. Federal funds support approximately \$486 million of statewide program costs. The State supports 62 percent of non-

federal costs, and LSSDs finance the remaining 38 percent. This funding approach, authorized in FY 2003 through Child Welfare Financing Reform, provides an incentive to use preventive services to keep families safely intact and to avoid unnecessary foster care placements. The front-end investment is paying dividends, as the foster care caseload has dropped by 47 percent, from 34,900 to approximately 18,500 in FY 2016.

The Executive Budget proposals provide for core supportive services for needy families, while limiting spending growth and implementing measures to improve program performance.

In Juvenile Justice, the State continues implementation of the Close to Home initiative. Under this initiative, in FY 2013, New York City youth requiring a non-secure placement were transferred from OCFS to New York City custody to receive services closer to their home community. New York City also worked with OCFS on a plan to take custody of its youth that require a limited secure placement. The limited secure phase of Close to Home began in November 2015 and will be fully implemented in FY 2017.

Summary of Spending (All Funds)

Category	FY 2016 (millions)	FY 2017 (millions)	Change	
			Dollars (millions)	Percent
Human Services	8,899	8,837	(62)	(0.7)
OTDA	4,989	5,024	35	0.7
OCFS	3,162	3,016	(146)*	(4.6)
DOL	492	467	(25)	(5.1)
HCR	210	286	76	36.2
DVA	17	15	(2)	(11.8)
NCS	15	15	0	0
DHR	14	14	0	0

*\$100 million of this change reflects a decrease in General Fund support for child care subsidies that results from an equal increase in Temporary Assistance for Needy Families (TANF) fund support for child care subsidies in OTDA.

Proposed FY 2017 Budget Actions

Labor

- Increase the Minimum Wage.** Governor Cuomo has consistently fought to increase the minimum wage in New York State. The FY 2014 Budget increased the minimum wage from \$7.25 to \$8.00 effective December 31, 2013; to \$8.75 effective December 31, 2014; and to \$9.00 on December 31, 2015. The Executive Budget builds upon these previous increases and includes provisions to further increase the minimum wage to \$10.50 in New York City and \$9.75 in the remainder of the State, effective July 1, 2016, gradually increasing the minimum wage to

\$15.00 in New York City on December 31, 2018 and across the rest of the State on July 1, 2021. This would bring the minimum wage more in line with the cost of living and the wage required to lift a family out of poverty. The Budget reflects that the phased-in increase towards a \$15 minimum wage has already been put in place for the State workforce and SUNY employees.

The current minimum wage represents less than one-third of the average hourly wage in the State, which is almost \$29. Eight states and the District of Columbia currently have a higher minimum wage than New York. A reasonable minimum wage increases the standard of living for workers, reduces poverty, and results in fairer business practices. Since low-income individuals spend a larger percentage of their income on basic needs than higher-income earners, salary increases in low-wage occupations lead to increased demand for goods and services and help spur economic growth.

- **Paid Family Leave.** Bonding with a new child or caring for a seriously ill family member should not cost employees their entire savings or job. The Budget includes legislation creating a paid family leave program. Under this program, employees will be eligible for twelve weeks of paid family leave when caring for an infant or ill family member. The maximum paid benefit will grow to 50 percent of the State's Average Weekly Wage by 2021. This program will be funded entirely through a nominal payroll deduction on employees.

- **Workers' Compensation Reforms.** New York's Workers' Compensation program delivers medical and lost wage benefits to thousands of injured workers. As currently structured, this \$7 billion program is complicated and cumbersome, delaying claim settlements and payments, and increasing costs to employers. The Budget includes legislation to reform the program to benefit both workers and employers. Major reforms will:
 - Redesign current operations to ensure the system will provide more timely and appropriate medical and wage replacement benefits to workers;
 - Create a new pooling agreement freeing employers' committed reserves;
 - Provide broader and more accessible options for medical care by expanding the list of eligible providers;
 - Make hearings more accessible through flexible scheduling and use of virtual hearings; and
 - Continue support for the World Trade Center Volunteer Fund.

Housing

- **100,000 Unit Affordable and Homeless Housing and Services Initiative.** The Executive Budget establishes a \$20 billion, comprehensive five year investment in affordable housing and housing opportunities and services for the homeless. The program will invest \$9.7 billion to establish 94,000 units of affordable housing, \$2.6 billion for 6,000 units of supportive housing and

will also establish 1,000 new emergency shelter beds. Over 15 years, the plan will result in 20,000 units or shelter beds, including 18,000 new supportive housing units.

Human Services

- **Raise the Age of Juvenile Jurisdiction.** New York is one of only two states in which the age of juvenile jurisdiction ends on a youth's 16th birthday. This means that all 16 and 17 year olds are processed in the adult criminal court system, and not through the Family Courts, regardless of the nature of their offense.

On December 22, 2015, as part of the continued efforts to protect youth involved in the criminal justice system, the Governor issued Executive Order #150 directing the Department of Corrections and Community Supervision (DOCCS), in collaboration with OCFS, to implement a plan to gradually remove minors from adult prisons in the State.

Beginning in August 2016, 16 and 17 year olds will be housed at Hudson Correctional Facility, currently a DOCCS operated facility that is undergoing transformation to appropriately house and serve younger offenders. Youth will receive specialized programming geared toward younger offenders and individuals presenting with mental health needs will have access to services provided by staff from the Office of Mental Health.

The FY 2017 Executive Budget reflects the next steps to juvenile justice reforms by advancing legislation to raise the age of juvenile jurisdiction to age 17 on January 1, 2018 and to age 18 on January 1, 2019. Additional reform measures include comprehensive diversion, probation, and programming services for 16 and 17 year old youth who will be involved in the juvenile justice system.

- **Empire State Poverty Reduction Initiative.** The Budget includes \$25 million of new funding to significantly expand the anti-poverty initiative, begun in 2015. Planning grants totaling \$5 million will be available in ten communities with high concentrations of poverty. In addition, \$20 million will be available for grants to match private sector and foundation funding.
- **Increase Support of Child Care Provider Inspection Activities.** The Budget includes a \$10 million State Operations appropriation to support child care provider inspection activities necessary to comply with the Federal Child Care and Development Block Grant Act of 2014.
- **Implementation of the Human Services Cost of Living Adjustments (COLA).** The Budget includes \$1.4 million to support the 0.2 percent statutorily required Cost of Living Adjustment at OCFS not-for-profits, for foster and adoptive parents, and the Nutrition Outreach and Education Program (NOEP) administered by OTDA.

- **Invest Annual Adoption Savings in Post-Adoption and Preventive Services.** In accordance with Federal law, the Budget will invest adoption assistance savings of \$5 million into post adoption and preventive services for children at risk of entering foster care. The \$5 million savings results from a greater Federal share of adoption assistance costs as income is no longer a factor in determining eligibility for Federal adoption assistance.