

The FY 2018 Executive Budget continues the unprecedented \$20 billion investment in affordable housing, homeless housing, and homeless services. As the minimum wage begins its rise to \$15 an hour, the Budget builds on the Governor's commitment to expand opportunity while funding core supportive services for needy populations. It also protects youth involved in the criminal justice system by raising the age of juvenile jurisdiction. It executes all of these measures while limiting spending growth and improving program performance.

## Overview

New York's human services programs promote the safety and well-being of the State's most vulnerable residents, safeguard workers' rights, and support New York's veterans and their families.

The Office of Temporary and Disability Assistance (OTDA) and the Office of Children and Family Services (OCFS) oversee programs that support and provide: financial assistance to elderly and disabled persons who are unable to work; services to public assistance recipients to prepare for and secure employment; child support enforcement; child care subsidies to assist low-income working families; protective services for children and adults; and services to at-risk youth in the community, local detention centers, and State operated facilities.

Homes and Community Renewal (HCR) preserves and creates affordable housing. The Office of National and Community Service (NCS) supports community service grants that provide youth education, assistance to individuals with disabilities, public health services, and disaster preparedness.

The Department of Labor (DOL) protects workers and promotes workforce development. DOL also operates the State's Unemployment Insurance System. The Division of Human Rights (DHR) protects civil rights in the areas of employment, housing, public accommodations, education and credit.

The Division of Veterans' Affairs (DVA) connects 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.

### Budget Highlights

**\$20 Billion Affordable and Homeless Housing and Services Initiative.** This initiative will create or preserve 100,000 units of affordable housing and 6,000 units of supportive housing.

**Affordable New York Housing Program.** This new program will create about 2,500 new units of affordable housing per year.

**Raise the Age of Juvenile Jurisdiction.** Raises the age of juvenile jurisdiction and provides for additional reform measures, including comprehensive diversion, probation, and programming services for 16 and 17 year old youth who will be involved in the juvenile justice system.

**New York Youth Jobs Program.** The Program is extended with a \$50 million annual allocation over the next five years.

**Summer Youth Employment Program.** The Budget increases funding for the Summer Youth Employment Program by \$5 million.

## Performance Profile

**Public Assistance.** The FY 2018 public assistance caseload is estimated at 559,000 recipients, a decrease of approximately one million since enactment of the Federal Welfare Reform Act of 1996.

**Foster Care.** The foster care caseload declined from 37,000 in FY 2003 to 17,500 in FY 2017 due to the State's emphasis on preventative services.

**Jobs for Youth.** Since 2012, the Governor's Urban Youth Jobs program has incentivized the employment of 45,000 young adults at nearly 1,700 businesses in areas of New York with high youth unemployment. The FY 2018 Executive Budget extends the program five years and renames it the New York Youth Jobs Program, recognizing the availability of this opportunity throughout the State.

## Providing Opportunity for All New Yorkers

Restoring economic justice and fairness has been a centerpiece of the Governor's effort to create sustainable economic growth into the 21<sup>st</sup> Century, helping to open doors of opportunity to all New Yorkers.

This sweeping effort provides New York's most vulnerable residents with affordable, safe and secure housing, raises the minimum wage to \$15 per hour to help restore fairness to hard work, and supports families tending to sick loved ones and their newest arrivals with a new paid family leave policy. It also gives the State's youth every opportunity to work and succeed while protecting 16 and 17 year olds from the adult justice system.

In 2016, New York set a record for financing the creation or preservation of more than 17,000 affordable homes and apartments, and was the number one affordable housing bond issuer in the nation with \$2.5 billion. The achievement was the beginning of the Governor's unprecedented \$20 billion investment in affordable housing, which will provide 100,000 units of affordable housing and 6,000 units of supportive housing.

In April 2016, Governor Cuomo signed into law the nation's first statewide \$15 minimum wage plan. The phased-in plan, enacted in the FY 2017 Budget, marks a major milestone in Governor Cuomo's efforts to restore economic justice and fairness to working families in New York State. An estimated 2.3 million people will be affected by the increases in the minimum wage.

Establishing Paid Family Leave marks a pivotal next step in the pursuit of equality and dignity in both the workplace and home. When fully implemented, New York's Paid Family Leave program will provide the most comprehensive benefits in the nation. New York workers will receive 12 weeks of paid leave when caring for an infant or a family member with a serious health condition.

As part of ensuring that juveniles have a better opportunity to turn their lives around, the State continues to implement the Close to Home Initiative. Under this program, New York City youth requiring non-secure placement were transferred from OCFS to New York City custody to receive services closer to their home community. OCFS and New York City also fully implemented a plan in FY 2017 to include youth requiring a limited secure placement in the program.

At the end of 2015, Governor Cuomo issued Executive Order #150, directing the Department of Corrections and Community Supervision (DOCCS) to create a correctional facility exclusively for youth. The Hudson Correctional Facility was transformed and now houses 16 and 17 year olds. The Executive Budget builds on this effort by including legislation that would raise the age of juvenile jurisdiction and provide for additional reform measures, including comprehensive diversion, probation, and programming services for 16 and 17 year olds.

**Table 10: Summary of Spending (All Funds)**

Category	FY 2017 (millions)	FY 2018 (millions)	Change	
			Dollars (millions)	Percent
Human Services	9,079	9,160	81	0.9
OTDA	5,067	5,163	96	1.9
OCFS	3,118	2,959	(159)	(5.1)
DOL	586	575	(11)	(1.9)
HCR	262	417	155	59.2
DVA	17	16	(1)	(5.9)
NCS	15	16	1	6.7
DHR	14	14	0	(0.0)

## Proposed FY 2018 Budget Actions

### Labor

- **Expanding Employment Opportunities for Youth.** Since 2012, the Urban Youth Jobs program has incentivized the employment of 45,000 young adults at nearly 1,700 businesses in areas of New York with high youth unemployment. This highly successful program, which connects youth with stable, well-paying jobs, was expanded in FY 2016, providing \$30 million for the original 13 targeted areas – including Albany, Brookhaven, Buffalo, Hempstead, Mount Vernon, New Rochelle, New York, Rochester, Schenectady, Syracuse, Utica, White Plains, and Yonkers – and an additional \$20 million for young people across the State who live outside of those areas.

The FY 2018 Budget extends this program with a \$50 million annual allocation over the next five years, through 2022, and formally changes the name to the New York Youth Jobs Program, recognizing the availability of this opportunity throughout the State.

## Housing

- **Affordable New York Housing Program.** Under the Affordable New York Housing Program, developers of new residential projects with 300 units or more in certain areas of Manhattan, Brooklyn and Queens would be eligible for a full property tax abatement for 35 years if the project creates a specific number of affordable rental units and meets minimum construction wage requirements. The units must remain affordable for 40 years. For all other affordable developments in New York City, the period of affordability and abatement eligibility would be tied to the number of affordable units. This new program will create about 2,500 new units of affordable housing per year.
- **Affordable and Homeless Housing and Services Initiative.** The Budget continues the \$20 billion, comprehensive five-year investment in affordable housing, supportive housing and related services to provide New Yorkers with safe and secure housing that began in FY 2017. This investment will create or preserve 100,000 units of affordable housing and 6,000 units of supportive housing. Funding includes \$3.5 billion in capital resources, \$8.6 billion in State and Federal tax credits and other allocations, and \$8 billion to support the operation of shelters and supportive housing units and to provide rental subsidies.

To ensure that the progress will continue to be made, the Budget fully appropriates the additional capital resources needed for the following:

- Supportive Housing. \$950 million for the construction of 6,000 supportive housing units throughout the State;
- New Construction. \$601 million for new construction or adaptive reuse of rental housing affordable to households that earn up to 60 percent of area median income (AMI);
- Senior Housing. \$125 million for developing or rehabilitating affordable housing targeted to low-income seniors, aged 55 and above;
- Rural and Urban Community Investment Fund (CIF). \$45 million for mixed-use affordable housing developments that may include retail, commercial or community development components;
- Middle Income Housing. \$150 million for new construction, adaptive reuse, or reconstruction of rental housing affordable to households that earn up to 130 percent of AMI;
- Affordable Housing Preservation. \$177 million for substantial or moderate rehabilitation of affordable multi-family rental housing currently under a regulatory agreement;

- Mitchell-Lama Rehabilitation. \$100 million to preserve and improve Mitchell-Lama properties throughout the State;
- Public Housing. \$125 million for substantial or moderate rehabilitation and/or the demolition and replacement through new construction of public housing authority developments outside of New York City;
- Small Building Construction. \$62.5 million for rehabilitation and/or the demolition and replacement through new construction of buildings of 5 to 40 units;
- Home Ownership. \$41.5 million for promoting home ownership among families of low and moderate income and stimulating the development, stabilization, and preservation of New York communities;
- Mobile and Manufactured Homes. \$13 million for mobile and manufactured home programs;
- Main Street Programs. \$10 million for stimulating reinvestment in properties located within mixed-use commercial districts located in urban, small town, and rural areas of the State;
- New York City Housing Authority (NYCHA). \$100 million for projects and improvements related at housing developments owned or operated by NYCHA.

## 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 have been housed at Hudson Correctional Facility, currently a DOCCS operated facility that has been transformed to appropriately house and serve younger offenders. Youth are receiving specialized programming geared toward younger offenders, and individuals with mental health needs will have access to Office of Mental Health services.

The FY 2018 Budget advances principles of social justice and affirms New York's progressive values by advancing legislation to raise the age of juvenile jurisdiction to age 17 on January 1, 2019 and to age 18 on January 1, 2020. 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. These reforms will give juveniles the best chance at turning their lives around while ensuring public safety.

- **Summer Youth Employment Program.** The Budget increases funding for the Summer Youth Employment Program by \$5 million, to \$36 million, to ensure that the State can continue to create job opportunities. In 2016, approximately 18,750 youths were employed through the program.
- **Protect Runaway and Homeless Youth.** Runaway and homeless youth face a lack of affordable, safe and stable housing. To provide Runaway and Homeless Youth Act (RHYA) programs with increased flexibility so they can improve services, the Budget proposes policy reforms that, at county option, double the allowable length of stay in short-term RHYA crisis programs to 120 days and extend long-term RHYA transitional and residential independent living programs from 18 months to 24 months. The reforms also allow for, at county option, increasing the maximum permissible age for youth in long term RHYA programs to 24 years of age.
- **Reauthorize the Child Welfare Financing Structure.** The Budget extends for five years the current child welfare financing structure, which has helped to incentivize reductions in the foster care population by providing open-ended 62 percent State reimbursement for child protective and preventive services, and a fixed block grant for more expensive foster care placements. In addition, this proposal maintains the 62 percent open-ended State share for adoption administration and independent living. It also extends the financing structure for residential placements by the Committee on Special Education, which is being restructured for New York City placements under a separate proposal.
- **Maintain Child Care Funding.** The Federal Child Care Block Grant Development Act of 2014 enacted new requirements related to health and safety and subsidy eligibility that imposed unfunded mandates on New York with estimated new annual costs that are well greater than the \$300 million level of total Federal support for New York's child care programs. The Budget includes \$806 million to maintain current levels of child care subsidies. The State will work aggressively to secure additional funding or sensible regulatory relief from this unprecedented, unfunded Federal mandate.
- **Restructure Funding for Children with Special Needs in NYC.** The Budget proposes to restructure funding for residential placements of children with special needs made by the Committee on Special Education in New York City to better align fiscal responsibilities with the entity that makes the placement decisions. The City would pay tuition costs associated with New York City Foster Care placements.

- **Balance the Foster Care Block Grant.** The Foster Care Block Grant (FCBG) currently provides State reimbursement for local social service districts' costs for children in foster care. The State share has increased from 46 percent to 54 percent since 2011, and is projected to reach 57 percent by FY 2021. At the same time, the local share has decreased from 39 percent to 33 percent since 2011. This proposal would balance State and local shares at an estimated 50 percent, net of Federal funding.
- **Require Federal Title XX funding to be used for Child Care Subsidy Costs.** New York State receives \$98 million in annual Federal Title XX funding that is allocated to counties. Of this amount, \$66 million is set aside for Adult Protective and Domestic Violence Services, \$5 million supports training activities for county and State staff, and \$27 million for all other services, which counties can use at their discretion to fund certain services. The Budget would require the \$27 million for all other services to be used to support Child Care subsidy costs, enabling the State to maintain the current level of child care subsidies while reducing General Fund costs for the program.
- **Public Assistance Lottery Intercept.** Currently, Social Services and Tax Law allow the State to recoup 50 percent of lottery winnings from public assistance recipients with winnings over \$600 in order to pay back any cash assistance received by the recipient in the last 10 years. The Executive Budget would authorize the State to recoup the remaining 50 percent of such winnings over \$600, up to the amount of cash assistance provided.