



# HUMAN SERVICES



The Executive Budget refocuses the effort to make New York more affordable and livable for people across the income spectrum by encouraging housing growth and continues support of the expansion of child care availability and access. The Budget takes further action to address the asylum seeker crisis by providing resources, support, and humanitarian aid, and it enhances programs that are a lifeline for vulnerable New Yorkers, bolstering social and economic justice, and opening doors to opportunity.

## NEW YORK'S HUMAN SERVICES

New York's human services agencies provide holistic support across a variety of program areas designed to ensure the safety and well-being of the State's most vulnerable residents, advance housing stability, connect families to child care, provide Unemployment Insurance benefits, safeguard workers' rights, and support New York's veterans and their families.

## OFFICES AND PROGRAMS

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 for public assistance recipients to prepare for and secure employment; child support enforcement; child care assistance to assist low-income working families; protective services for children and adults; and services for at-risk youth in communities, local detention centers, and State operated facilities.

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

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

The **Department of Veterans' Services (DVS)** connects veterans, members of the armed forces, and their families to the economic, medical, and social benefits and services they've earned through active-duty military service.

## EXPANDING HOUSING AND CHILD CARE AFFORDABILITY

### Housing Affordability

Governor Hochul has shone a much-needed and long overdue spotlight on the oversized impact the housing crisis is having in New York. In communities across the State, there are families and individuals at all income levels, all ages and phases of life, struggling to find or remain in a stable, affordable home.

Seventy-three percent of New Yorkers Statewide report that housing affordability is a major problem in their communities. An analysis by the Regional Planning Association found that since 1990 the share of homeowners and tenants that are cost burdened by mortgages and rents has increased by approximately 68 percent and 29 percent, respectively. These statistics reflect that housing has become the single largest expense category for most New Yorkers, and its high cost profoundly impacts the State's livability.

The fundamental cause of the housing crisis is lack of supply – there are more people that wish to live in New York than there are homes. New York's dynamic economy has created more than 1.2 million jobs in the past decade, but for every three jobs created only one housing unit has been added. The single most important thing New York can do to alleviate the housing crisis is to create more homes.

Governor Hochul has taken bold steps to encourage housing growth. The \$25 billion, five-year Housing Plan is on track to create and preserve 100,000 affordable homes by the end of FY 2027, including 10,000 homes with support services for vulnerable populations, and electrify an additional 50,000 homes. Funding includes \$5.7 billion in capital resources, \$8.8 billion in State and Federal tax

credits and other Federal allocations, and \$11 billion to support the operation of shelters and supportive housing units and to provide rental subsidies. This investment represents the largest, broadest housing plan in New York State history.

Innovative plans have also been launched that will turn hotels, commercial buildings, and unused State-owned facilities into housing. Reflecting the State's geographic and demographic diversity, the State is investing in mobile and manufactured homes, small rental buildings, accessory dwelling units, and other varied forms of housing. The Governor has taken action through Executive Orders to spur housing growth, including through the Pro-Housing Communities Program which provides priority consideration for up to \$650 million in State discretionary funds to localities committed to housing growth.

These creative solutions and historic investments are making an impact, but they alone cannot solve the crisis. Understanding this, Governor Hochul has worked tirelessly to advance the conversation about the root causes of our housing shortage and the steps communities must take to reverse restrictive land use policies and remove entrenched barriers to housing production.

The FY 2025 Executive Budget takes the next step to address the crisis by making new tools and incentives available to local governments as they work to increase housing supply, and by encouraging housing development on State-owned land.

### **Child Care Affordability**

New York State has taken sweeping measures the last two years to expand access to child care and improve affordability for young families, investing over \$7 billion over four years.

Eligibility for the Child Care Assistance Program has increased from 200 percent of the Federal Poverty Level – \$60,000 for a family of four – to the Federal maximum, 85 percent of the state median income – \$99,250 for a family of four. More than half of young children in New York are now eligible for child care assistance, based on income. Co-pays for families

receiving child care assistance were also capped at one percent of family income above the poverty level. Previously, co-pays could be as high as 30 percent.

Families now have improved access to child care – the maximum subsidy amount increased to cover the cost of child care at 80 percent of providers, up from 69 percent of providers prior to recent actions. Families also have greater stability, as a new requirement ensures subsidies are available for a minimum of twelve months.

To support the child care industry, expedite its recovery from the pandemic, and position it for growth, child care providers were provided more than \$1.4 billion for stabilization and workforce retention since 2021.

To leverage private sector support for child care, the FY 2024 Budget established the New York State Employer-Supported Child Care (ESCC) pilot program. In the ESCC pilot, employers will contribute a third of the cost of care for families between 85 percent and 100 percent of median income, and the State will match it, reducing out-of-pocket costs for these families and generating millions of dollars in new financial support for child care.

The FY 2024 Budget also established the Business Navigator program in each of the 10 Regional Economic Development Council regions to help interested businesses identify options to support employees' child care needs.

Together, these record investments are making child care fairer, more accessible, and more affordable across New York State. Throughout FY 2025 and beyond, more and more families will benefit from the Child Care Assistance Program, more providers will be on solid financial footing, and more employers will take steps to support their employees' child care needs.

### **Addressing The Asylum Seeker Crisis**

Since asylum-seekers first began arriving in New York in numbers, Governor Hochul has taken significant action to provide resources, support, and humanitarian aid.

The State has devoted substantial resources to helping New York City manage the brunt of and navigate this potentially crippling crisis. The FY 2024 Financial Plan included \$1.9 billion to support the migrant crisis, including the cost of shelter, social services, and resettlement.

In May, the Governor issued an Executive Order declaring a State of Emergency in New York, allowing the State to expedite resources to address this urgent crisis.

The State is covering the cost of the Humanitarian Emergency Response and Relief Center (HERRC) at Floyd Bennett Field and has also made multiple State-owned sites available for use as shelters, such as the former Lincoln Correctional Facility in Manhattan, JFK Building 197, and the Creedmoor Psychiatric Center parking area.

The State has staffed personnel at City emergency response centers and deployed hundreds of National Guard members to aid in the crisis response and provide logistical support. The State's operational teams continue to have frequent contact with their counterparts in the City, with a level of cooperation that has led to multiple improvements in response efforts.

The State is conducting infectious disease testing, providing vaccines, and extending Medicaid services where qualified.

The Migrant Relocation and Assistance Program (MRAP) encourages voluntary relocation of migrants throughout the State to participating counties, at the State's expense. Through MRAP, the State subsidizes rent for asylum applicants who have voluntarily relocated outside of New York City.

The State is providing case management services to migrants and asylum seekers trying to attain legal work status so they can begin living independently as generations of immigrants have done throughout New York's history.

Governor Hochul has also been clear that New York cannot do this alone. She has and will continue to

advocate for the people of New York to the White House and Congress, and call upon the Federal government to provide assistance, resources, and solutions to this distinctly Federal problem.

As the migrant crisis continues, the FY 2025 Executive Budget extends an additional \$2.4 billion to continue to support efforts in New York City and elsewhere in the State to safely manage the influx with the appropriate humanitarian response.

## PROPOSED FY 2025 BUDGET ACTIONS

**Increase the Housing Supply.** The FY 2025 Executive Budget takes the next steps to add housing, remove barriers to development, and encourage local governments to pursue smart, sustainable growth strategies. By focusing on the fundamental cause of the housing crisis – lack of supply – the Budget will make housing more affordable for New Yorkers across the income spectrum.

- **Develop Housing on State Property.** The State of New York and its public authorities own properties that are no longer necessary for the purpose for which they were acquired. Pursuant to Governor Hochul's Executive Order No. 30, Empire State Development (ESD), the Office of General Services, and HCR have worked together with the help of other State agencies to identify opportunities to repurpose such properties for housing development. Some sites, such as former correctional facilities and the Creedmoor Psychiatric Center, are already on a path to redevelopment. At other sites, advance work must be accomplished to unlock development potential, such as demolition, remediation, or infrastructure improvements. The FY 2025 Executive Budget makes available \$250 million as the first installment of \$500 million dedicated capital under the management of ESD to support such improvements, and legislation to authorize the repurposing of certain sites.
- **Prioritize State Funding to Pro-Housing Certified Communities.** To incentivize local governments to be active partners in the State's efforts to ameliorate the housing crisis, Governor Hochul's Executive Order No. 30

directed State agencies and authorities to prioritize communities who have taken steps to be pro-housing for certain discretionary funding that cumulatively represents \$650 million in competitive programming. The Executive Budget further encourages participation by making the pro-housing designation a requirement to receive such discretionary funding, including through the Downtown Revitalization Initiative (DRI), the NY Forward program, the Regional Council Capital Fund, capital projects from the Market New York program, the New York Main Street program, the Long Island Investment Fund (LIIF), and the Public Transportation Modernization Enhancement Program (MEP). To be considered, communities must become certified under the State's Pro-Housing Communities Program overseen by HCR.

- **Provide New York City with Tools to Increase Housing.** The City of New York shares the goal of adding new housing supply and has asked for targeted State legislation that will assist in the achievement of that goal. In partnership, the FY 2025 Executive Budget puts forth legislation specific to New York City to reverse an antiquated State law that restricts maximum density of residential floor area, bolster local tax incentives to allow for affordable housing in office-to-residential conversions, and authorize the City of New York to create a pathway to legalize basement apartments. The Budget also authorizes a new residential construction tax incentive in New York City and extends the completion deadline for the expired 421-a program to ensure the City does not lose out on tens of thousands of units of housing under projects that are currently vested in that program.

**Stand Up for Tenants and Homeowners.** The Division of Human Rights will strengthen efforts to enforce State law prohibiting a housing provider or a real estate professional from discriminating against an individual seeking housing because of their use of a Section 8 Housing Choice Voucher. Legislation submitted with the Budget will also prohibit insurance companies from refusing to cover affordable housing and ensure safeguarding against deed theft and other real property fraud.

**Strengthen Storm Resiliency.** The Budget dedicates \$40 million for the Resilient and Ready Fund to anticipate and respond to emergencies through rapid home repairs and permanent retrofits. This will allow the State to respond more quickly in the wake of disasters and to help a wider spectrum of homeowners and victims. The Budget also advances the Blue Buffers Buyout Program to encourage voluntary home buyouts in areas most prone to flooding.

**Bolster Child Care Affordability and Access.**

Continuing the State's more than \$7 billion four-year plan to expand access to child care and improve affordability for young families, the FY 2025 Budget provides nearly \$1.8 billion in resources towards child care assistance – more than double the \$832 million provided in the FY 2022 budget. This funding supports the recent expansion of family eligibility, which is now at the Federal maximum, 85 percent of the state median income, or \$99,250 for a family of four. It also supports the new cap on co-pays for families receiving subsidy at one percent of family income above the poverty level. Funding included in the Budget bolsters recent improvements to child care as follows:

- **Reimburse Child Care Providers for Quality Improvements.** To support more child care providers in efforts to increase program quality, OCFS will create an increased differential payment rate for high-quality providers that are accredited by a nationally recognized child care organization, participate in New York's Quality Rating & Improvement system, or have completed training and are an active participant in the OCFS Non-Patient Epinephrine Auto-Injector Initiative.
- **Pilot Family Child Care Networks.** The State will pilot staffed Family Child Care Networks (FCCNs) in regions around the State, with a focus on supporting and growing the capacity of family and group family child care providers. These types of providers operate small programs out of their homes for children and care for a large portion of children in families participating in the Child Care Assistance Program (CCAP). FCCNs will expand business and operational support for these types of providers. The Budget provides \$5 million for

this purpose.

- **Expand Early Childhood Mental Health Consultations.** The Budget increases funding to double the amount of early childhood mental health consultations across the State. Currently, there are Infant Toddler Mental Health Consultants (ITMHCs) located at seven regional infant and toddler resource centers. The additional funding will go to these resource centers to expand mental health consultants to providers across the State. The Budget provides \$1.7 million for this purpose.

**Provide Support for Migrant Services and Assistance.** As the State faces the ongoing crisis precipitated by the arrival of thousands of migrants and asylum seekers, the Budget continues to devote substantial resources to helping New York City navigate the situation. The FY 2024 Financial Plan included \$1.9 billion to support the migrant crisis, including the cost of shelter, social services, and resettlement.

The FY 2025 Executive Budget provides an additional \$2.4 billion to provide shelter and basic services to migrants and asylum seekers and assist with resettlement. This funding will support:

- Humanitarian aid for the City of New York, including short term shelter services for migrant individuals and families.
- Costs associated with operating humanitarian emergency response and relief centers (HERRCs) at Creedmoor Psychiatric Center, Randall's Island, and Floyd Bennett Field.
- Legal and case management services to help asylum seekers file paperwork to receive work authorization.
- Programs to provide communicable disease testing, immunizations, and other health services.
- Programs to assist in relocation of migrant individuals and families.
- Expenses related to the deployment of the National Guard and other facets of the State's response.

**Provide More Intensive Support to Families in Need.** Local departments of social services play an important role in connecting New York families to public benefits for which they are eligible. To offer greater support to families as a unit and help address any larger challenges to their well-being or their ability to attain financial stability beyond access to benefits, the Executive Budget invests more than \$17 million to provide wrap-around services and case management in local departments of social services.

**Support Anti-Poverty Efforts in Rochester, Syracuse, and Buffalo.** Nine of the top ten New York State zip codes with the highest child poverty rates are in Upstate cities. More than half of children in these zip codes are in families living below the federal poverty line, and these cities rank among those with the highest child poverty rates nationwide. To support efforts to address the immediate needs of these children and families, the Executive Budget invests a total of \$50 million in one-time Federal TANF resources in locally driven anti-poverty initiatives in Rochester, Syracuse, and Buffalo, where this poverty is most concentrated.

**Reduce The Risk of Sudden Unexpected Infant Deaths (SUID).** Safe sleep environments are crucial for reducing the risk of sleep-related deaths among infants. The Budget provides \$2 million for the distribution of portable cribs for under-resourced New Yorkers at no cost.

**Improve Afterschool Programming.** To consolidate and bolster afterschool programming and to reduce administrative burdens for providers, the FY 2025 Executive Budget combines the Advantage and Empire State After-school programs into a single program. The Budget includes a \$17.7 million increase to overall afterschool funding to standardize funding and eligibility, bringing the total to over \$100 million.

**Continue Investments in Youth Employment Programs.** Continuing the efforts included in the FY 2024 Enacted Budget, the FY 2025 Executive Budget invests an additional \$4.7 million to provide year-round employment opportunities for at-risk youth through the Summer Youth Employment Program (totaling \$50 million) and the Youth Opportunities Program (totaling \$38.8 million). This additional

funding will ensure that State-supported youth employment opportunities are maintained at existing levels.

**Provide Summer Food Benefits to Students.** During the COVID-19 pandemic, Congress provided 100 percent Federal funding for States to operate a summer food benefit program called Pandemic EBT (P-EBT) for low-income students who had been unable to receive free school meals while schools had been closed. The Federal government has since made this program permanent and now requires a 50 percent State match to administer. The FY 2025 Executive Budget invests approximately \$13 million to support the administration of the program that is estimated to provide over \$200 million in benefits to over 2 million children.

**Expand the Office of Just Transition.** The Executive Budget bolsters the Office of Just Transition by \$25 million to support legislation enacted in the FY 2024 Budget targeting workforce training and retraining to prepare workers for employment in the renewable energy field.

**Ensure Paid Breaks for Breast Milk Expression in the Workplace.** The Budget advances legislation to require all break time up to 20 minutes for breast milk expression be paid.

**Expand Recovery Tools for Stolen Wages.** The Budget proposes legislation to enable DOL to exercise additional enforcement powers if an employer has violated wage payment provisions. Seizure of assets could be used to satisfy debt owed to employees.

**Implement Mandatory Federal Child Support Changes.** Legislation submitted with the Budget will ensure New York maintains compliance with Federal rules and regulations regarding child support as changes take effect.

**Limit Liquidated Damages in Certain Frequency of Pay Violations.** Legislation submitted with the Budget limits plaintiffs' recovery of liquidated damages for violations of the frequency of payment provisions in the Labor Law where employees were paid regularly on at least a semi-monthly basis.

### **Sunset the State's COVID-19 Sick Leave Law.**

Legislation submitted with the Budget sunsets the law which required employers to provide sick leave and other benefits for employees subject to a mandatory or precautionary order of quarantine or isolation due to COVID-19 law because its applicability to new employers is unclear and quarantine requirements have changed.

**Direct More Federal Funds to Child Welfare.** Local districts currently must use 40 percent of their combined \$964 million in TANF Flexible Fund for Family Services (FFFS) on child welfare activities. The Executive Budget permanently increases the amount local districts must spend on child welfare by \$75 million, yielding \$46.5 million in savings for the State and \$28.5 million in savings for local districts on child welfare costs. This requirement diminishes Federal funds available to local districts for other purposes by \$46.5 million, but the impact is offset in FY 2025 by a \$50 million increase to TANF/FFFS funds.

**Extend and Make Permanent the Current Structure of Financing Committee on Special Education Placements.** The room and board costs for children with severe disabilities placed by Committees on Special Education are shared between local social services districts and school districts. There is no State share for New York City placements, and the former 18.42 percent State share for placements outside of New York City was eliminated in the FY 2021, FY 2022, FY 2023, and FY 2024 Enacted Budgets. For statewide consistency, the Executive Budget makes the current funding structures permanent, thereby aligning the fiscal responsibility with the school district responsible for the placement.

<b>SUMMARY OF ALL FUNDS SPENDING</b>				
<b>CATEGORY</b>	<b>FY 2024 (MILLIONS OF DOLLARS)</b>	<b>FY 2025 (MILLIONS OF DOLLARS)</b>	<b>Dollar Change (MILLIONS OF DOLLARS)</b>	<b>PERCENT CHANGE (%)</b>
OTDA	7,113	7,674	561	7.9%
OCFS	4,050	4,737	687	17.0%
DOL*	812	779	-33	-4.1%
HCR	1,419	1,679	260	18.3%
DVS	27	21	-6	-22.2%
NCS	18	18	0	0.0%
DHR	21	25	4	19.0%
<b>TOTAL</b>	<b>13,460</b>	<b>14,933</b>	<b>1,473</b>	<b>10.9%</b>

\*Does not include benefit payments under DOL's Unemployment Insurance program



