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The Federation of Protestant Welfare Agencies (FPWA) is an alliance of almost 300 human service agencies and churches providing services to more than 1.5 million New York City and State residents of every age, religion and race. Our diverse membership includes child care centers, youth development programs, foster care agencies, senior day care centers, health and mental health clinics, and settlement houses. Throughout the years, FPWA has championed humane health and social welfare policies and fought for expanded resources for the most disenfranchised communities. Our mission is to promote the social and economic well-being of greater New York's most vulnerable by strengthening human service organizations and advocating for just public policies.

This testimony will address FPWA's top priorities in the areas of Income Security, Workforce Development, Early Childhood Education, Child Welfare, Elderly Welfare, Youth Services and HIV and AIDS. In addition, FPWA proposes the extension of the current multi-year not-for-profit (NFP) human services cost-of-living adjustments for another three year-year period.

I. Income Security

Increase the Public Assistance Grant from $291 to $435 for a Family of Three.

The public assistance grant, which has not been increased since 1990, is long overdue to be increased for the following reasons:

1. Housing costs have risen in New York to the point of exceeding the shelter allowance, and in some cases, the basic grant as well.
2. The basic grant amount has not been increased in nearly 18 years. Since then, its value relative to the actual costs of living has shrunk tremendously.
3. Families must be able to meet their immediate basic needs, including the costs of all work-related expenses, in order to obtain and maintain employment and to participate in education and training programs.
4. Welfare benefits have decreased from 110 percent of FPL to 50 percent of FPL, which leaves many families, especially children, receiving welfare trapped in a cycle of poverty.

Increasing the grant level will do more than prevent families from falling deeper into poverty. It will also empower families to achieve long-term economic security by ensuring that they have the basic financial stability necessary to succeed in education, training and employment activities. Studies of
other states that have increased their welfare grant have shown that total welfare caseloads declined more (53%) in those states compared to states that did not increase their welfare grant (47%). We urge the Division of Budget (DOB) to include an increase in the public assistance grant in the SFY 2008-09 Executive Budget.

II. Workforce Development

Create a State-funded Earned Income Tax Credit (EITC) for Working Young Adults.

The EITC has been promoted by State officials as one of the most important work supports for low-income families and individuals. However, the Federal, State, and New York City EITC for childless workers is only available to those at least 25 years old. New York should recognize the value of youth workers’ productivity to our State’s overall economic growth and the additional resources that should be made available to them to help these workers cover basic expenses.

For childless workers age 25 and over, the combined federal and state EITC provides up to approximately $560 for the current tax year.\(^1\) New York should become one of the first states to create an EITC for childless workers aged 17 to 24 (who are not listed as dependents of other tax filers). The State should provide an EITC to working young adults equal to 1.3 times the amount of the federal EITC that the worker would be eligible for, except for the minimum age requirement. This credit should be refundable and linked to the federal income eligibility and maximum earnings rules. For Tax Year 2007, the EITC increases up to maximum creditable earnings of $5,590. After annual earnings of $7,000, the EITC gradually phases out to zero at earnings of $12,590 per year.

An EITC for working young adults would provide an incentive for approximately 200,000 youth throughout the State who are disconnected from work and school to obtain employment. By rewarding the 1.2 million youth workers in our State, this EITC expansion would not only benefit those youth already working, it would also create a new financial benefit to be gained by youth who enter or re-enter the workforce.

Currently, childless youth workers pay a higher percentage of their earnings in taxes than any other low-income group. To address this inequity, FPWA proposes to expand eligibility for the EITC to youth who meet the following qualifications:

• Are resident taxpayers who are not claimed as dependents of another tax filer.
• Have attained age 17.
• Are not the custodial or non-custodial parents of a minor child or children.
• Have annual earned income within the range that would otherwise qualify the taxpayer for the Federal and State EITC for a childless worker, but for requirement of being at least 25 years of age.

We urge DOB to create a State-funded EITC for youth between ages 17-24 equal to 130% of the Federal EITC for childless workers. This would ensure that eligible youth receive the same EITC amount that other childless workers now receive as a combined Federal and State credit.

Use TANF Surplus Funds to Expand Education and Training Opportunities.
Federal Temporary Assistance for Needy Families (TANF) surplus dollars should NOT be used to offset State General Fund expenditures on the EITC. More than $500 million in TANF funds were used in SFY 2007-08 to offset the State costs of providing the EITC to low-income families. This amount should be reduced in SFY 2008-09, and some of this TANF funding should be re-directed to expand and develop education and training opportunities for welfare recipients and other families near the poverty level.

Funding for the following TANF-funded programs should continue to be lined out separately and funding should be increased in the SFY 2008-09 Executive Budget:

• Adult & Family Literacy
• Basic Education
• Language Immersion/ESL
• Wage Subsidy
• Technology Training
• Transportation
• BRIDGE
• EDGE
• Build NY

TANF and State funding should be used to create Transitional Jobs programs.
FPWA requests that funding be used to create Transitional Jobs programs that combine work experience with ongoing education, training, and supportive services specifically for welfare recipients. Transitional Jobs are time-limited, wage-paying jobs that combine meaningful work,
skill development and support services. These opportunities should be offered as an alternative to unpaid workfare positions that often prevent welfare recipients from gaining the skills necessary to rise above poverty and sustained economic security. In Transitional Jobs programs, workers earn a real wage, subsidized with public funds, in paid work experience programs for up to 12 months. In addition to work experience, programs offer job readiness, basic education, vocational skills and other barrier-removal services.

Successful models that have been implemented in other states and here in New York provide incentives for adult education providers, community colleges, workforce intermediaries, and employers to develop strategic partnerships and innovative approaches to place low-income individuals on a path with gradual wage increases and continuing job skill development.2 In New York City, the Job Training Participant (JTP) program, which combines several days of paid work experience with several days of job training, has demonstrated more positive employment and earnings outcomes, compared to unpaid workfare positions.3 Transitional Jobs are also an excellent solution to meeting federally required TANF work participation rate. In Transitional Jobs programs, time spent in “subsidized employment” counts as a core work activity, and time spent in “job skills directly related to employment” counts as a non-core work activity.

If fewer TANF Surplus funds are used to support the State EITC, these funds could be re-directed to local social services districts to create Transitional Jobs programs. Alternatively, the State could encourage local districts to use part of the Flexible Fund for Family Services (FFFS) or to divert TANF funds that currently provide the cash grant to welfare recipients into a paycheck for those participating in Transitional Jobs programs.

III. Early Childhood Education

Increase funding for child care subsidies by $140 million.

Research has shown that participation in a preschool program can have a significant and positive impact on a child’s future development. Children who have the benefit of a preschool education are more likely to achieve academic success, graduate from high school, attend college,

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participate in the work force, and experience positive family life. They are also less likely to enter the criminal justice system or smoke or use drugs.\textsuperscript{4} However, despite these well-documented benefits, New York has failed to invest the resources necessary to ensure that every child has access to early care and education. Child care funding dropped from $929 million in FY 2004-05 to $858 million in FY 2006-07, resulting in the loss of $71 million and over 14,000 slots for low-income children.\textsuperscript{5} In FY 2007-08, funding increased by only $4 million. In this year’s budget, New York State should increase funding for subsidies by $140 million, which would restore the money lost since the 2004-05 budget and provide additional funding for children in need of subsidized care.

We cannot emphasize enough the importance of providing families with child care. Without subsidized care, parents are forced to place their children in the only care they can afford, which may mean a compromised level of safety and a learning experience that falls short of high-quality, developmentally appropriate care. They must also shoulder the entire cost of these services, causing serious emotional and economic stress for their families.\textsuperscript{6} Furthermore, parents are left without the reliability of a subsidized care arrangement for their children, which can jeopardize their job security and the financial security of their families.

This is particularly critical now, given that more low-income mothers are entering the workforce. In New York City, the percentage of single mothers with a high school degree or less in the labor force grew from 40% in 1996 to 57.8% in 2005.\textsuperscript{7} As more low-income parents join the workforce in New York, the State must step in to ensure that their children receive the care they need.

**Eliminate child care co-payments for families under the federal poverty level.**

High co-payments for families serve as a tremendous barrier to accessing subsidized care. Child care fees of any amount are particularly burdensome for families living under the federal poverty level (FPL), many of whom struggle with a multitude of problems, including employment, housing, transportation, and food security. With such limited family resources at their disposal, child care fees cut into a family in poverty’s ability to obtain basic necessities.

\textsuperscript{5} Data obtained from Winning Beginning New York coalition.
Depending on the county in which they reside, New York families are charged a certain percentage of the difference between their annual gross income and the FPL in yearly child care fees. For families in poverty who have no marginal income over the FPL, State regulation requires a “minimum weekly family share of one dollar.” In New York City, families under the FPL are charged $3 per week for full-time child care.

This may not seem like a lot, but paying $3, or even $1, per week for child care is an enormous burden for families living in poverty. Consider, for example, a family of two living in New York City. The FPL for this family is $13,690. In New York City, where the costs of living are so expensive, $13,000 does not even begin to cover the costs of a family of two. In fact, according to the Economic Policy Institute, which attempted to calculate basic family budgets in 2004 that would more accurately capture the costs of modest living, a family of two (one parent, one child) in New York City would need $44,724 annually to live. That is roughly $31,000 over what is considered “poverty” for this family. The $156 that a family under the FPL in New York City pays in yearly child care fees for subsidized care could be spent on basic necessities such as food, clothes, and shelter.

Given that families that fall under the FPL are so far from having the resources to cover even the costs of modest living, FPWA urges New York State to eliminate child care co-pays for families below the poverty level. Parents in these families should be encouraged to dedicate their income to securing their family’s financial stability, rather than being asked to devote scarce family resources to child care fees.

**Address inequities in the New York State child care co-payment system.**

FPWA urges New York State to examine the wide county-by-county disparities in child care co-payments and to develop a co-payment system that is both affordable and equitable. To determine child care co-pays in accordance with New York State regulations, local social service districts must select a percentage between 10% and 35% and then apply that percentage to annual gross family income over the federal poverty level (FPL). Given that counties can charge families between 10 and 35% of their marginal income over the FPL in yearly child care fees, families living in different counties end up paying highly variable amounts. For example, a family of three at 200% of poverty pays annual child care fees of $1717 in Ostego County, $2575 in

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8 18 NYCRR Part 415.3(f).
Westchester County, $3434 in Allegany County, and $6010 in Broome County.\textsuperscript{10} Although the stated rationale for allowing counties to choose such variable percentages in determining yearly child care fees is that counties need this flexibility “[d]ue to the wide disparity of per capita income, consumer price levels and the cost, availability and accessibility of child care among geographic jurisdictions,” research by the Empire Justice Center shows no correlation between co-payment amounts and these factors across New York State counties.\textsuperscript{11}

Families in need of subsidized child care should not be faced with such differing amounts of child care fees simply because they reside in a particular county. In order to ease statewide co-payment disparities and to ensure that low-income families have access to the care they need without risking their financial security, the State should cap the amount a family pays towards child care co-pays at 10% of annual family income. A 10% cap would not only make child care more affordable for low-income families struggling to make ends meet, but would also ensure that similarly situated families across the State are treated equally.

\textbf{Invest $15 million in recruitment and retention initiatives for the early care and education workforce.}

Attracting a highly-qualified workforce is an integral component of creating a positive, nurturing environment for children in early care and education programs. Research shows that early childhood teachers with more education and training provide higher quality teaching and foster improved “social, emotional, linguistic, and cognitive development for the child.”\textsuperscript{12} However, due in part to low pay and inadequate benefits, the educational levels of New York’s “center-based early childhood educators” has fallen in recent years, with only 23% of staff in 2000-2004 holding a four-year college degree, compared to 42% in 1980. Meanwhile, the percentage of center-based early childhood educators with a high school degree or less rose from 32% in 1980 to 44% in 2000-2004. In “home-based” early childhood programs in 2000-2004, 61% of staff had a high school degree or less.\textsuperscript{13}

\textsuperscript{10} Susan Antos, “Co-payment Disparities by County for a Family of Three with an Income of $34,340/year,” Empire Justice Center.


Professionals in the early care workforce in New York State are drastically underpaid in comparison to their kindergarten counterparts, making it difficult for programs to recruit highly-trained staff members. Child care workers and preschool teachers earn mean annual salaries of $20,700 and $26,420 respectively, compared to kindergarten teachers who earn $60,450.\textsuperscript{14} This pattern of poor teacher compensation not only affects the recruitment of qualified teachers, but also has a negative impact on the quality of early childhood education by lowering teacher morale and causing high teacher turnover that is disruptive to the learning environment.\textsuperscript{15}

FPWA urges New York State to invest $15 million in workforce development opportunities for early care professionals, including release time, reimbursements for tuition and other expenses, reward bonuses based on educational attainment, mentoring services, and loan forgiveness up to a certain amount. A portion of this funding should be used to establish an Early Childhood Teacher Equity Compensation Fund that would address differences in compensation between teachers with comparable credentials, regardless of the early education setting in which they work. The State can be assured that a significant investment in the professional development of our early care teachers will lead to improved outcomes for New York’s youngest students.

\textbf{IV. Child Welfare}

\textbf{Increase the State match for open-ended child welfare funding from 65\% to 75\%.}

FPWA urges the State to increase the State match for protective, preventive, aftercare, adoption, and independent living services from 65\% to 75\%. These services, including substance abuse and domestic violence counseling, parenting skills, and education and employment training, help families create safe and supportive homes for their children. Increasing the State match would provide counties with a greater incentive to invest in high quality services that keep families out of foster care and ultimately save money for the State.

\textbf{Create a state-funded tuition scholarship program for foster care youth attending college in the SUNY or CUNY system.}

Unlike their peers, foster care youth who age out of the system have few supports and little to no adult or family guidance. They experience higher rates of mental health illness, criminal activity,
homelessness, and unemployment. Current and former foster care youth who successfully
navigate the difficulties of growing up in the child welfare system and graduate from high school
must be encouraged to pursue post-secondary education.

The expense of attending college is out of reach for most foster care youth. In New York’s public
university system, tuition, fees, and living expenses at SUNY’s four-year baccalaureate program
adds up to over $17,000 per school year. Foster care youth with any hope of affording a post-
secondary education are forced to piece together numerous grants or take on loans, a process that
can be extremely daunting without family help, guidance counselors, or the many other supports
upon which non-foster youth rely. Even the maximum award amounts under tuition assistance
programs like New York State’s TAP, the Federal Pell Grant, the Federal Supplemental
Educational Opportunity Grant, and Federal Education and Training Vouchers (available
specifically for foster care youth) are insufficient to cover tuition, fees, and living expenses in a
degree-granting program.

Seventeen states currently offer some form of education tuition waiver assistance to foster care
youth. A State-sponsored tuition scholarship program in New York would allow foster care youth
to eliminate cost as yet another barrier to their pursuit of higher education and a better life.

**Automatically extend Medicaid eligibility to independent foster youth until age 21.**

In 2006, 2,096 youth, age 18 and older, were discharged from the foster care system in New York
State. Currently, New York youth aging out of foster care are only eligible for Medicaid if their
incomes are under the federal poverty level, which is far below a subsistence level for youth in
many areas of the State. Automatic Medicaid eligibility until age 21 would guarantee that youth
aging out have access to the medical care they need. Seventeen other states have enacted

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16 Mark Courtney, “Youth Aging Out of Foster Care,” Network on Transitions to Adulthood: Policy Brief, Issue 19,
17 “2007-08 Typical Expenses for Undergraduate Students at a SUNY College,” The State University of New York;
Living expenses include room and board (assumes SUNY student lives on campus), books and supplies, transportation,
and personal expenses. Available at http://www.suny.edu/Student/paying_tuition.cfm.
18 The states are: Alaska, Connecticut, Florida, Kansas, Kentucky, Maryland, Massachusetts, Maine, Minnesota, North
Carolina, New Jersey, Oklahoma, South Carolina, Texas, Utah, Virginia, and West Virginia.
20 Note: Youth typically age out of the foster care system at age 18, but can remain in the system until age 21 if (1) they
consent and (2) they are in school, college, regularly attending vocational or technical education or (3) are unable to live
independently.
legislation to automatically extend Medicaid coverage under the federal Foster Care Independence Act of 1999, and five other states have plans to do the same.21

Health and mental health services are vital to youth leaving foster care in New York State, many of whom struggle with mental illness and trauma recovery. One study found that youth leaving care experience a higher rate of post-traumatic stress disorder than Vietnam and Iraq veterans.22 Research in New York City indicates that in 2000, more than half of youth in foster care suffered from mental health problems.23

Lack of health care coverage can result in higher levels of costly emergency room and inpatient care, the progression of chronic disease, and thousands of dollars of medical debt, which can be devastating for foster youth attempting to establish independent lives once they have left the foster care system.24 Extending Medicaid eligibility until age 21 would assist foster youth aging out of care in accessing critical health and mental health services, while preserving their economic security.

V. Elderly Welfare

Increase funding for Geriatric Mental Health Services by $4.5 million.

We appreciate the Governor’s commitment to appropriate $2 million for demonstration programs under the Geriatric Mental Health Act. Due to the steady increase of the older adult population, additional funding is needed to address the mental health needs of older adults who are presently unable to access services. We urge New York State to invest an additional $4.5 million in geriatric mental health services. Specifically, funding is needed for:

- The establishment of a Center for Excellence that would disseminate best practices in geriatric mental health and provide technical assistance for mental health, health and aging services personnel throughout New York State,
- The creation of state-of-the-art service demonstration programs that would provide innovative geriatric mental health services,

21 “Medicaid Access for Youth Aging Out of Foster Care,” American Public Human Services Association, 2007. The 17 states are AZ, CA, FL, IN, IA, KS, MA, MS, NV, NJ, OK, RI, SC, SD, TX, UT, and WY. The five states with plans to do so are MD, MO, NC, NM, and WI.  
• The establishment of a Medicare optimization initiative to ensure that New York State is obtaining all the Medicare funding for mental health services that it is entitled to, and
• The establishment of an education and training program for primary care physicians in the identification and treatment of depression among older adults.

Increase Funding for Senior Transportation Operating Expenses by $8 million.
A total of $2 million has been allocated previously for vehicle transportation operating expenses for elderly service providers; however, a total of $10 million is the amount needed to adequately fund these escalating costs. In addition to meal delivery to homebound seniors, these vehicles transport the elderly to important services and activities including senior centers, adult day services, medical appointments and food shopping. Operating expenses include costs for insurance, maintenance, and fuel.

VI. Youth Services

Increase Funding for After-School Programs by $30 million.
After school programs are highly beneficial to students, families and communities. Students who attend these programs get better grades, have higher school attendance rates and behave better. Participation in after school services exposes students to an enriching array of arts, music programming and sports activities, and reduces the likelihood of risky youth behavior.

The $30 million funding request will replace the 34,000 slots lost through the reduction of 21st Century Community Learning Centers (CCLC) funding. This allocation will be used to fund after school slots within a number of programs including Advantage After School, Youth Development/Delinquency Prevention, and Extended Day/School Violence and Prevention. There overall need for after school slots in New York State totals 600,000.

VII. HIV and AIDS

Increase funding for HIV prevention and education in communities of color
Recognizing the drastic reduction of federal funding as a result of the reauthorization of the federal Ryan White Care Act, New York State will need to invest more to sustain HIV and AIDS services in its fight against the epidemic, which has disproportionately affected communities of color, especially women and young men who have sex with men. In FY 07-08, an additional $563,000 was appropriated for CBOs to support permanency planning and support services for families
affected by HIV and $575,000 was appropriated for additional grants to community service programs. Furthermore, a total of $6.5 million was included in the budget to support the Communities of Color Initiative. FPWA urge the Governor and the Division of Budget to continue this investment in the FY 08-09 budget and enhance resources for critical programs such as prevention and education programs for adolescent and young women of color, harm reduction, HIV testing and housing.

VII. Cost of Living Adjustments for Not-for-Profit Human Services Sector

FPWA is grateful that the FY07-08 Enacted Budget included the provisions for a three-year Consumer Priced Indexed (CPI) COLA effective October 1, 2006, and each April 1st for the two succeeding years, 2007 and 2008. Recognizing that COLAs enable NFPS to remain competitive in the job market and also ensure that services are delivered efficiently and produce the best outcomes, we ask the Division of Budget to ensure the current multi-year cost-of-living adjustments (COLAs) are again provided to the human services sector this year and that they be extended for an additional three years to prevent a lag in the provision of COLAs to this critical sector.

While we are thankful for the many service areas already covered, several key areas did not benefit from the FY06-07 Enacted Budget adjustments. To ensure that workers across the human services sector are treated equitably, the following additional program areas necessitate COLA investments this year, in addition to the continuation of the current COLAs in future years:

- OCFS: Runaway and Homeless Youth, Youth Development and Delinquency Prevention, and Special Delinquency Prevention programs – a 3% COLA for these programs is estimated to cost $1.4 million for the current fiscal year.
- SOFA: Social Adult Day Care and NORCs – a 3% COLA for this program is estimated to cost $168,000 for the current fiscal year.
- OTDA: SRO and Family Homeless Services – (With the expectation that the City of New York will implement COLAs which call for a State match, an estimate of the State’s share of this COLA is not known at this point.)

Additionally, Early Intervention (EI) programs have not received the first two years of the three-year COLA that was approved in the FY06-07 budget. COLAs should be provided to EI programs for the past two fiscal years, as well as the current year. Please consider extending the current multi-year COLAs for an additional three years and include human service programming previously left out.