

**Testimony before the NYS Division of the Budget
Public Hearing Regarding the 2008-2009 NYS Budget
November 27, 2007**

**Presented by Denise L. Harlow, Chief Executive Officer
New York State Community Action Association, Inc.**



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Good evening. My name is Denise Harlow and I am the CEO of the New York State Community Action Association (NYSCAA). Thank you for this opportunity to address you and share our comments. NYSCAA is the state association representing the 52 Community Action Agencies serving all 62 counties in New York State. Our members include Mohawk Valley Community Action Agency serving Utica and Rome, CEO for the Capital Region in Troy, and EOC of Nassau County to name just a few. For more than 40 years, New York's Community Action Agencies have been the proven local, grassroots, federally-designated network of anti-poverty agencies in New York State. We empower struggling families and individuals and encourage them along the path to self-sufficiency. With a network that can reach every New Yorker, Community Action Agencies form a statewide service delivery system that connects individuals and families to the services they need to achieve economic security. I will be addressing issues related to low-income New Yorkers and will be covering only a portion of my testimony verbally given the time limit. Please see my written remarks for additional information.

NYSCAA's members provide a wide variety of programs that reflect the needs of individual communities across the state. We see families every day that are struggling to maintain stability, while working hard to improve their lives and circumstances. While we applaud the Governor's announcement last week of \$5 million in additional funds to help support emergency food programs, we believe that New York State can do more to help New York's struggling families and hope that the 2008-2009 NYS Budget will be a step forward.

New York continues to have the highest poverty rate of all of the northeastern and mid-western states. According to the Census Bureau data for 2005-06, New York's poverty rate was 14.3%, 12th among the 50 states and well above the national average (12.5%). According to the American Community Survey (ACS) (US Census Bureau), poverty rates in New York's major upstate cities are extraordinarily high. The four upstate cities covered by the ACS all had child poverty rates in the 40 percent range: Syracuse 40.2%, Rochester 40.9%, Albany 41.6% and Buffalo 42.6%. New York can and should do more to support these families.

Support the Basic Needs of the Neediest New Yorkers. New Yorkers living the furthest from the lower rungs of the middle class need strong, basic supports that will sustain them while they work to build skills and assets that will move them forward. It is extremely difficult to focus on job training, substance abuse treatment, nutrition, and your children's school performance if you are unsure of where you will be living tomorrow or how you will be putting food on the table tonight. Asking families to survive on a level of income that itself spawns crisis does not provide the stability necessary to help families break the cycle of poverty.

- **Raise the basic assistance grant from \$291 to \$475 for a family of three to reflect cost-of-living increases since the last increase in 1990.** The needs of families in crisis are immense. In order to stabilize these families and give them a fair chance to move forward, we urge you to increase the basic grant. The stagnated income at the current level leaves families far behind the federal poverty rate and at risk for slipping further behind.
- **Increase in the State's share of the the Home Energy Assistance Program (HEAP) to reduce the energy burden on low-income families.** Low-Income families are dramatically impacted by the increasing cost of energy. Low-income families living at 50% of the federal poverty level face a 55% energy burden, meaning 55% of their income goes to energy expenses. Low-income households with income between 50% and 74% of the

federal poverty level faced an energy burden of 22.5% and those between 75% to 99% face an energy burden of 16.1% compared to other households of about 4%. It is estimated that there are between 2.2 and 2.5 million New York households which meet the state eligibility standards for regular HEAP benefits, but in 2006 New York provided regular heap benefits to slightly more than 40% of potentially eligible households. While we appreciate the State's work on this issue, oil at \$100/barrel calls for the State to do more. The need for these services is clear and it is essential that funding for HEAP be significantly increased to meet the demands created by the new energy world we live in.

- **Increase shelter allowances for families receiving public assistance.** Current shelter allowances are inadequate to place families into housing in many parts of the state as low-end rental rates far exceed the current shelter allowances. We ask that the State prevent family homelessness and frequent family relocation by providing shelter allowances for low-income families that actually cover the costs of housing across the state. Investing in housing over shelter costs saves the State 3:1 for high need populations, a smaller yet still significant return is possible for housing for low-income families.
- **Increase shelter supports for low-income pregnant women.** Currently, homeless pregnant women (without children) are considered a household of one in determining shelter assistance. This results in a small allowance that is inadequate and makes renting close to impossible. Many of these women, therefore, give birth while staying in a shelter.
- **Mandate Local Involvement in Planning for the Flexible Fund for Family Services.** While the impact of the Flexible Fund for Families is significant at the community level, there is currently no mandated transparency to the process. If these vital funds are continued to be funded via a block grant, local counties should be required to partner with local communities and community service provider in a transparent process to plan for the distribution of these funds. Local community-based organizations have significant

knowledge of community needs and should be welcomed as a partner in the planning for these funds.

Support New York's Struggling Working Families. Families that work should be able to maintain and support themselves. As the public assistance rolls shrink, participation in other assistance programs continues to increase with wages stagnant. Working New Yorkers need your help.

➤ **Raise the minimum wage to \$8.50 to reflect 1970 levels and join 10 other states by indexing it to the Consumer Price Index.** While the minimum wage increased in January, it is still not at a level that will support a family at or even near the federal poverty rate. As a result, more and more families that work find themselves requiring assistance of some sort. Recent reports show that while Public Assistance participation has decreased since welfare reform, participation in support programs has increased. Make work pay. Raise and index the minimum wage to inflation as other states have done and plan to do.

➤ **Increase Child Care Subsidies to Make Child Care Affordable for All Working Families.** All working parents need affordable, high quality day care for their children. As New York has renewed its commitment to building economic security via the Governor's Economic Security Cabinet, child care must be a priority. We recommend increasing funding for child care subsidies by \$140 million, in order to restore subsidies to 14,000 children who have lost care since 2004, as well as to expand capacity to an additional 14,000 children. This will allow more parents to place their children in safe and regulated child care settings, giving them a level of comfort and their children a safe environment in which to thrive. Also, many low-income working parents find the increasing co-pays that accompany any increase in wages to be unmanageable. Often, this leads parents to decrease their work hours (and correspondingly, household income) to maintain their daycare slots. We urge that you mandate all counties to charge no co-pays for families with incomes less than the federal poverty level.

- **Require all housing developers to develop affordable housing units as part of community development projects.** Too many redevelopment projects price long-term residents out of their housing. When these projects gentrify specific areas beyond the affordability of current residents, they displace families and their corresponding support systems. Many Mid-Hudson Valley communities have experienced this with large geographic areas lacking affordable housing for low and moderate income workers. Many of these families are being priced out of their homes and apartments and are facing increased transportation costs to travel to/from their employment in these areas or are forced to find new employment along with new housing. Developers should be required to include housing levels across the continuum of affordability to assure a diverse mix of housing availability in communities.
- **Invest in Improving New York's Housing Stock through Weatherization.** Energy costs for low-income New Yorkers continue to increase, imposing a significant financial burden on the budgets of low-income families. New York should increase its investment in weatherization programs that improve energy efficiency, decrease energy bills, and directly contribute to families remaining in their homes.

On behalf of New York's Community Action Agencies and the 650,000 families we work with each year, I thank you for the opportunity to testify before you today and invite you to turn to us as a statewide resource for reaching and supporting those looking to break the cycle of poverty.

Thank you.