TESTIMONY OF THE NEW YORK STATE CATHOLIC CONFERENCE

REGARDING THE 2014-2015 HUMAN SERVICES BUDGET

PRESENTED ON BEHALF OF THE COUNCIL OF CATHOLIC CHARITIES DIRECTORS

 \mathbf{BY}

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Albany, New York February 4, 2014 Good Afternoon! I am Joseph Slavik, Executive Director of Catholic Charities of the Diocese of Syracuse. With me today is Earl Eichelberger, Director for Catholic Charities at the New York State Catholic Conference. I currently serve as the chair of the NYS Council of Catholic Charities Directors. It is on behalf of the Council that we appear before you today. In the human service arena, the expertise, experience and advice of the Council of Catholic Charities Directors guides the New York State Catholic Conference. The Conference represents the Bishops of the eight dioceses of New York State in matters of public policy. The Catholic Church is the largest non-profit provider of education, health care and human services in the state. Catholic Charities programs exist in all eight dioceses and all 62 counties of the state to provide services to people in need, Catholic and non-Catholic alike. Our Catholic tradition compels us to be active participants in the civic life of our community, to fashion a more just world that upholds the dignity of every individual and to serve those in need. The Catholic Church in New York State fulfills its mandate to care for the most vulnerable among us through its vast network of Catholic Charities agencies.

The needs of the poor and vulnerable must not be ignored. A key measure of any society is how the most vulnerable members are cared for; those with the greatest need are due special attention. There is a long history in New York State of government and not-for-profit providers collaborating to deliver services in a cost-effective manner. This public/private partnership in support of the poor and vulnerable must be maintained.

Background

In 1917, recognizing the significant role of the Catholic Church's charitable efforts to serve the poor in our State, the New York State Legislature passed a Special Act formally incorporating Catholic Charities agencies in each of the eight Dioceses in New York State. Catholic Charities in New York State provides total services valued at more than \$1.6 billion per year. Last year, we provided approximately 1.3 million services to persons of all faiths and all age categories. We have a long-term commitment to both inner-city and rural communities. Catholic Charities employs more than 22,500 people, and utilizes the services of more than 18,000 volunteers.

As the charitable human services arm of the Catholic Church, Catholic Charities works closely with the 1,500 parishes (with some 7.3 million parishioners) located in every community throughout the state. Parish communities are important resources in the delivery of emergency and community-building services. New Yorkers in need regularly come to Catholic parishes with requests for assistance when they feel they have no place else to turn, and the parishes are serving as the true safety net for these individuals and families.

Across the state Catholic Charities provides food and nutrition programs, family support services, disaster relief case management, housing programs, immigrant and refugee services, emergency assistance, counseling, child care, behavioral health services, developmental disabilities programs, prison ministry and more. My diocese, the Diocese of Syracuse, through a regional system of agencies provides direct services to people in need in the seven counties it covers in Central New York and the Southern Tier. We have included along with this written testimony a brochure we developed to describe services provide by Catholic Charities across New York State. We need your help to continue to do our job.

Proposed Executive Budget

The Executive Budget that was presented by Governor Andrew M. Cuomo on January 21, 2014, for the most part calls for essentially flat funding for human service programs. The proposed overall spending of \$137.2 billion represents an increase of \$1.8 billion or 1.3 percent over last year.

Once again the Executive budget calls for deferral of the anticipate 2 percent Cost of Living Adjustment for most human services contracts. Many of the direct care human services employees are among the working poor and would have benefited from the scheduled COLA. This supplement has been delayed too long as is and in most cases would go right back into the economy at a time that it is much needed. Human services employees tend to be at the lower end of the wage scale compared to their colleagues in other fields and as a result this deferral hits them very hard. It is our position that the increase is more than justified and in fact the increase should be significantly greater than the previously promised 2 percent. This is a matter of justice for the human services workforce, but it is also critical in assuring quality care to the people these workers serve.

The Executive Budget would maintain funding for child-care slots at the same level as last year. While the Child Care Block Grant will be increased by \$21 million, the total allocation of \$863.1 million will maintain current level of subsidies at approximately 234,000 slots. The current demand for child-care subsidies to allow parents to work and/or meet their public assistance work requirement far exceeds the slots available. Demand could be further reduced by exempting those receiving public assistance who are caring for young children from the current work requirement. Parenting classes or other supportive options that would include their children could be substituted as an alternative.

The Office of Children and Family Services' proposed budget calls for continuing reforms of the Juvenile Justice System. We continue to support the concept behind the "Closer to Home" initiative. We again stress the importance of making sure necessary programs are in place to provide services to these youth as this transition moves forward at a rapid pace. The delay of Phase II of the

"Closer to Home" initiative that would transfer responsibility for those placed in limited secure facilities from the State to New York City seems prudent.

The Executive Budget proposes the expansion of the "Pay for Success" program, also known as "Social Impact Bonds," by \$95 million, from \$30 million to \$125 million. The first project was only begun a couple of months ago, and in our opinion it is too early to evaluate how well this initiative will work. The program that was announced in December 2013 is scheduled to train and employ 2000 formerly incarcerated individuals. The additional funding will focus on early childhood development and child welfare, health care, public safety, homeless housing and preventive services projects. All of these are worthy areas to receive funding and hopefully this new approach will pay dividends.

The Office of Temporary and Disabilities Assistance (OTDA) is projecting a reduction in the Public Assistance caseload of more than 16,000, approximately 2.8 percent below current year estimates of 580,260 cases. This reduction in caseload size will results in what has been called the Temporary Assistance for Needy Families (TANF) surplus. TANF Funding traditionally provides support services to eligible families. The Executive Budget proposes to increase the appropriation for the Summer Youth Employment program from \$25 million to \$27.5 million, an increase of \$2.5 million. It, however, calls for the elimination of funding for many other TANF surplus initiatives, including Caretaker Relative/Kinship Care (\$101,000), Child Care Demonstration Projects (\$5.9 million), ESL/Adult Literacy (\$250,000), Emergency Homeless Housing (\$500,000), Nurse Family Partnerships (\$2 million), Wheels for Work (\$144,000) and others. These programs have demonstrated their effectiveness and ultimately safe money.

The Executive Budget looks to improve Fair Hearings by authorizing a chargeback to local services districts for failing to meet performance standards. This will hopefully reduce the number of Fair Hearings scheduled and then cancelled, but doesn't apparently address the harm done to assistance recipients who are subject to these inappropriate administrative practices.

The Executive Budget also proposes an appropriation of \$63 million for the Homeless Housing and Assistance Program, an increase of \$33million. These funds are capital funds for the acquisition, construction and rehabilitation of housing for a wide range of homeless persons. We are pleased by this recommended increase. This program is a great source of funding for affordable and supportive housing for people who have been homeless. It has been especially helpful in upstate communities and in the development of smaller projects. One of the other very positive things about this program is that it is administered by OTDA that also administers funding for many of the services in supportive housing. We have found this connection to be effective and important.

A Commission on Youth, Public Safety and Justice is proposed in the Executive Budget. This commission will be charged with making recommendations on how best to raise the age of adult criminal responsibility, improve outcomes for youth and promote safety. New York is only one of two states that treat 16 -18 year olds as adults in the criminal justice system. We support this initiative.

We continue to see individuals and families who rely on parish and community food pantries and soup kitchens to make ends meet. Our vast network of emergency food programs provides millions of New Yorkers with healthy nutritious meals every day. We look forward to the day when every New Yorker has enough to eat and no child goes to bed hungry at night. We know you share this vision of the state we desire to become. Seeing to it that the estimated 3,000 local food pantries receive adequate funding to assist in this effort is necessary and important.

Catholic Charities provides assistance to immigrants to legally reunite with their families, obtain work authorization, and learn English and civics to prepare for citizenship. We also provide critical protection and counsel to thousands of families in order for them to avoid exploitation on immigration matters. We operate the NYS New Americans Hotline for the Office of New Americans; this has given us the opportunity to work closely with them. We appreciate the good work they do.

Catholic Charities has been a partner with government in providing disaster relief for many years. Our presence in communities across the state and our ongoing services to communities in need positions us well to respond in these circumstances. Support for "Super-storm" Sandy recovery and rebuilding efforts, as well as the earlier need to address the impact of Hurricane Irene and Tropical Storm Lee, have been a real challenge. As the state recognizes the need to gear up to address future disasters, we stand ready to assist. In addition to rebuilding structures and infrastructure there is a human services side to disaster relief that is also important.

The continuing partnership between non-profit service providers and state government is essential to the well-being of the state and its residents. When government payments do not cover the cost of providing services we attempt to fill the gap. However, there are limits to the resources we have at our disposal. Individuals and families in need suffer when this essential partnership breaks down. We encourage a renewed commitment between government and not-for-profit providers in all parts of the state. The focus on cost-effective, quality services is supported by us. We are committed to providing the best possible services with appropriate accountability measures. And we need the collaboration of government to do so.

Several years ago (2007) the state reduced its share of prevention services from 65 percent to 62 percent. This effectively reduced the funds available to localities for these important services. When the change was made it was presented as a temporary austerity measure. It may be time to return to the traditional level of reimbursement that will make these services more readily available and will also reduce the need for utilization of more costly alternatives.

The Governor's proposed budget calls for the elimination of the Maternity and Early Childhood Foundation as a specific line item in the budget. However, it also calls for a consolidation of numerous "maternal and child health programs" to be funded at a level of \$4.5 million and states that "funding priority shall be given to the renewal of existing programs." We are in support of a discrete appropriation for this program that has demonstrated its effectiveness over time. Last year MECF funding totaled \$533,300 with \$250,000 of that amount coming from the Legislature and \$283,300 coming from the Executive branch. MECF funding has been steadily decreasing over the years while the need to promote and provide early pre-natal care and healthy lifestyles for pregnant and parenting mothers continues to increase.

Catholic's from across the state will be visiting the Capitol en masse on Wednesday, March 19, 2014 for the NYS Catholic Conference's Catholics at the Capitol public policy advocacy day, (about the time we anticipate you will be reaching final agreement on the budget). We will, between now and then be advocating for funding for programs that provide necessary services for the poor and vulnerable, making clear the impact the absence of sufficient funding for these programs will have.

Conclusion

It is our hope that humane and wise decisions will be made to deal with the current budget-balancing effort; decisions that do not add further stress and hopelessness to those already struggling with great burdens. The State Legislature has a history of identifying services that are essential to their constituents and finding a way to address those needs. We can and must find a way to arrive at a result that does not further jeopardize the poor and vulnerable members of our society -- a budget that affirms the dignity of all our state's people. We stand ready to work with you in achieving this laudable goal.

Thank you for the opportunity to share our thoughts and concerns as the Legislature reviews the difficult choices that are ahead.