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**Testimony of United Neighborhood Houses
Before the Joint Legislative Fiscal Committees of the New York State Legislature**

Human Services Budget Hearing for the Fiscal Year 2015-2016

Honorable John A. DeFrancisco, Chair, Senate Finance Committee
Honorable Herman D. Farrell, Jr, Chair, Assembly Ways & Means Committee

Honorable Sue Serino, Chair, Senate Committee on Aging
Assembly Committee on Aging

Honorable Simcha Felder, Chair, Senate Committee on Children & Families
Honorable Donna Lupardo, Chair, Assembly Committee on Children & Families

Honorable David Carlucci, Chair, Senate Committee on Social Services
Honorable Michele Titus, Chair, Assembly Committee on Social Services

Presented by Kevin Douglas, Deputy Director for NYS Policy & Advocacy

Good morning, my name is Kevin Douglas and I am here on behalf of United Neighborhood Houses, New York City's federation of settlement houses and community centers. Rooted in the history and values of the settlement house movement begun over 100 years ago, UNH promotes and strengthens the neighborhood-based, multi-service approach to improving the lives of New Yorkers in need and the communities in which they live. UNH's membership includes 38 agencies employing 10,000 people at 525 sites across the five boroughs to provide high quality services and activities to over 500,000 New Yorkers each year.

Typical member agency services range from pre-kindergarten and afterschool, to youth employment and college access, to adult education and workforce development, to mental health counseling, homelessness prevention and senior centers. Essentially, our members provide "one-stop" shopping for all community members—be they children, youth, immigrants, older adults or working families.

Settlement House Initiative – Restore and Expand to \$3.0m (\$0 in Exec; \$2.45m in FY15 Enacted)

Out of the multitude of city, state, federal and private funding streams our members draw on to provide services, the Settlement House Initiative is consistently identified by our Executive Directors as among the most valuable given its flexibility. With many Settlement Houses operating since the late 1800's, they have become experts in braiding together disparate funding sources to create programming that is responsive to the needs of their particular communities. However, the narrow and sometimes conflicting parameters and objectives of various contracts often create gaps in services. This is particularly true

when migration patterns and economic and social challenges evolve at a faster rate than governments can respond to.

With grants ranging from \$30,000 to \$70,000 in locales as diverse as the five boroughs of New York City, to Rochester, Syracuse, and Albany, the Settlement House Initiative allows agencies to fill these gaps in services with innovative programming. Examples include culturally-sensitive domestic violence services for Arab-American women, mentoring and support for at-risk youth, paratransit for older adults with Alzheimer's or dementia, and treatment for sexually abused children under the age of five.

At just \$2.45m, the Settlement House Initiative is small, but powerful. While we certainly appreciated the increase from \$1.45m to \$2.45m last year, it falls far short of the \$7m available in the FY2010 round. Reductions in this funding over the years has meant decreased programming and fewer individuals served, despite ongoing community needs. UNH recommends a \$550,000 increase to \$3m in FY2016 to restore and expand services.

Child Care- Increase from \$308.7m to \$408.7m

We are thrilled to see the growing national consensus around the importance of high quality early care and education. In his State of the Union address, President Obama spoke passionately about the need for child care for working families, saying:

"During World War II when men like my grandfather went off to war, having women like my grandmother in the workforce was a national security priority. So this country provided universal child care."

"In today's economy, when having both parents in the workforce is an economic necessity for many families, we need affordable, high-quality child care more than ever."

"It's not a nice-to-have: it's a must-have. So it's time we stop treating child care as a side issue, or a women's issue, and treat it like the national economic priority that it is for all of us."

However, we cannot wait for a gridlocked federal government to act to increase its investment in child care. New York's families are already struggling to find affordable child care and because of shortfalls in funds available to social service districts, far too many are being turned away. Several counties have reduced eligibility standards making a family of three earning as little as \$39,000 a year ineligible for subsidized child care. In NYC alone, the child care system is only serving 30% of eligible children; statewide the figure is just 22%.

UNH urges New York State to act this year by investing an additional \$100m in child care subsidies. This investment will serve 13,000 children who are currently being denied access to subsidized child care.

After-school- Restore Cuts to YDP (\$1.4m) & Advantage (\$450k)

Last year, we took a tremendous step forward in after-school when New York City utilized State school aid to create the SONYC program (School's Out New York City). SONYC dramatically expanded after-school programs for middle school students and met a large unmet demand for educational and recreational services for this age group.

New York State should continue moving in the direction of expanding high quality after-school programs. Expanded middle school after-school programs are needed outside of New York City, and expanded elementary school programs are still needed within New York City. The demand for after-school

programs across the State is enormous, with 1.1 million students without safe, quality options in their schools or communities.

Ensuring that children have educational opportunities after the school day ends is a critical part of ensuring that a quality continuum of engagement and support services exists for students and their families as they advance through the K-12 system. Despite the most recent RFP competitions leaving 75% of State applications unfunded, the Executive Budget proposes \$1.8m in further cuts to afterschool. UNH urges the restoration of \$1.4m to the Youth Development Program (YDP) for a total of \$15.5m, and a restoration of \$450,000 to Advantage Afterschool for a total of \$17.7m.

Summer Youth Employment Program- Increase from \$30m to \$49.3m

For decades the Summer Youth Employment Program (SYEP) has been one of the most effective ways to give young people the opportunity to gain work experience. However, in New York City, historically over 100,000 youth lose out in the lottery-style application system since there are just too few jobs to meet demand. These youth often report unproductive summers and express a strong desire to be meaningfully engaged. Research has demonstrated that youth engaged in employment have better long-term employment and earnings rates, and research specific to NYC has found increased rates of school attendance as well as increased rates of taking, and passing Regents exams among at-risk SYEP participants.

UNH appreciates the initial \$30 million commitment in the Governor's Executive Budget for the Summer Youth Employment Program, a \$2.5 million increase over last year. However, this modest enhancement does not fully cover the cost of the transition from the state's previous minimum wage of \$8.00/hour to the new \$8.75/hour rate. We encourage the legislature to include an additional \$19.31 million in SYEP in order to not only maintain job levels and wages for youth, but to create an additional 10,000 job slots statewide.

Community Services for the Elderly- Increase from \$25.3m to \$46.3m

Community Services for the Elderly (CSE) is one of the most effective state funding streams for meeting the needs of older adults as it allows localities to direct investments to those programs within their system that are most needed. The variety of in-home and congregate services supported by this funding include senior centers, Naturally Occurring Retirement Communities (NORCS), case management services, personal care, home-delivered meals, transportation, respite care and many others. It is both more dignified for the older adult, and less costly to the State, to permit them to remain in their home with services, than it is for that person to lose their home, relationships and their independence by being placed into an institutionalized setting.

We estimate there are currently 4,500 older adults on waiting lists for CSE services around the State and we urge the legislature to enhance this funding by \$21m to ensure each of these individuals can access the supports they need.

Solutions to End Homelessness Program- Increase from \$15.3m to \$20.3m

The NYS Solutions to End Homelessness Program (STEHP) funds 70 programs statewide to provide homelessness prevention services, including anti-eviction services, legal representation, entitlement advocacy and emergency payments that keep at-risk families and individuals housed. In the recent STEHP RFP competition, all awardees were only awarded 75% of their proposed contracted amounts due to insufficient funds necessary to fully fund and meet the need of communities for these services.

With homelessness continuing to rise in New York, there is a clear and present need for expanded services to maintain and stabilize the housing of vulnerable communities. UNH urges the State to increase STEHP funding by \$5m to assist in preventing homelessness where possible and shortening its duration when unavoidable.

Nonprofit Human Services Infrastructure- Increase from \$50m to \$500m using State surplus

One of the aspects of nonprofit operations that presents the greatest difficulty is that of maintaining up-to-date physical infrastructure and technology. The narrow administrative margins on contracts, escalating costs of doing business, including finding and retaining qualified staff, leaves little room in budgets for the purchase, maintenance or upgrade of capital needs. With dated, unappealing spaces, and non-functioning technology systems, the ability of nonprofits to provide quality human services is compromised. Agency communications and operations suffer, and opportunities to create or expand services are forgone due to a lack of appropriate programming space. In order to address this problem, UNH, along with our partners UJA-Federation of New York and the Human Services Council, proposed the creation of a \$500m statewide, nonprofit human services infrastructure fund.

The fund would be available to providers to meet their physical and technological infrastructure needs such as replacing leaky roofs and unreliable boilers, creating accessibility enhancements to allow individuals with disabilities to have full access to program sites, weatherization and “greening” of buildings to promote energy efficiency, installation of commercial-grade kitchens to enhance food preparation and storage capacity, replacement of dated computers, mobile devices and other electronic technology needed to maintain agency operations in the modern era, and various other needs. We were pleased to see the Governor propose seeding this fund with \$50m in his Executive Budget, but it is far short of the \$500m out of the State’s \$5bn + surplus we proposed as necessary to truly allow human service providers from around the state to participate in a meaningful way.

Nonprofit Human Services Cost of Living Adjustment- Implement Statutory Increases of \$354m

One of the other major drivers leading to nonprofit instability is the lack of consistent and fair cost-of-living adjustments (COLA) for staff. While discussions of human services programs often rightly center on the general inadequacy of State investments to meet community needs, as is the case in this testimony today, of perhaps greater importance, is to ensure that when the State acts to actually fund services, it does so in a fair and sustainable fashion. Just as the State’s minimum wage to be indexed to meet predictable and upward pressure on the cost of living, so too should contracts for nonprofit human services.

While a \$5m contract for a program in 2005 might be reasonable, in no circumstance can \$5m be expected to deliver the same services and outcomes in 2015 given increased wage, health care, space rental, technology and other costs. Yet, this is the expectation at all levels of government, and with little recourse, nonprofits continue to accept these contracts that actually yield losses, because of their commitment to serve their communities. Over time the cumulative effect of underfunded contracts can lead to dangerous fiscal instability within these agencies and/or a compromised quality of service.

State law includes statutory increases for human services contracts, but these have largely been deferred. UNH recommends a \$354m investment—the equivalent savings NYS achieved in deferring COLAs in recent years—in order to stabilize the sector and promote high-quality services.

Thank you for the opportunity to testify. We look forward to working with the Assembly and Senate to build a budget that reflects the needs of New Yorkers and empowers them to succeed.