

# New York Public Welfare Association

NYPWA Testimony on the Executive Budget for SFY 2015-16 for the Joint Legislative Budget Committee Public Hearing on Human Services

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**February 4, 2015**

The New York Public Welfare Association represents all fifty-eight local departments of social services statewide. Our members are dedicated to improving the quality and effectiveness of social welfare policy so that it is accountable to taxpayers and protective of vulnerable people. The State and counties are partners in carrying out the State's commitment for social services.

**We SUPPORT, with MODIFICATIONS, the following Executive Budget Proposals:**

- Funding for Housing Initiatives (with further actions to address homelessness)
- 100% State funding for Raising the Age of Juvenile Jurisdiction (with added language)
- Cap on OCFS Facility Chargeback Rates (with added language)
- Support Funding for Children's Services (with changes)

## **RECOMMEND Further Actions to Take on the Challenge of Homelessness**

We support the funding provided in the executive budget for the continuation and expansion of valuable housing initiatives. However, homelessness will continue to be a struggle in the years ahead. It is a statewide problem in both rural and urban settings. When every other door closes, the path goes to the local department of social services (DSS) entrance. As people are discharged from prisons, hospitals, and rehabilitation facilities with nowhere to go, they end up at social services in search of shelter. In addition, people who have mental health issues and substance abuse problems, who have dropped out of programs, find their way to DSS. Desperate families walk through the door. Temporary emergency housing can be compared to using a hospital emergency room. It is important to have help available in a crisis, but it is better to provide stability and prevent emergencies.

We recommend the following actions:

### **1. Restore the Partnership on State/Local Funding for the Safety Net Assistance Program**

We recommend a return to a 50/50 State/local share of costs for the population on Safety Net Assistance as we pursue strategies to address homelessness. Often, local districts are the last resort for those seeking housing and are required to find individuals and families safe shelter.

The cost of the Safety Net Assistance (SNA) Program is growing as more families exceed their TANF five-year limit. In addition, the number of single adults in receipt of Safety Net Assistance

is increasing in many parts of the State. The cost per case is also rising. While we continue to support the federalization of family assistance payments, we are concerned that the State is not adequately supporting the Safety Net. Starting in SFY 2011-12, the State lowered its share of payment for SNA from 50 percent to only 29 percent, shifting a greater burden to counties while maintaining the same eligibility rules. To address this inequity, the State should re-commit to a 50 percent share of this state mandated program. Article XVII (Social Services) of the New York State Constitution is the basis for our Safety Net Assistance program.

**2. Re-evaluate the definition of hardship to include homelessness and to determine how we might reallocate the TANF block grant accordingly consistent with existing federal rules.** It is worth taking a fresh look at federal funding options to consider allowing homeless Safety Net/MOE families to be covered under TANF.

**3. Support efforts to utilize Medicaid for supportive housing and health homes initiatives to better serve people who face homelessness.** We are encouraged by the activities of the Medicaid Redesign Team's Social Determinants of Health workgroup, which has identified affordable housing as a priority.

**4. Develop strategies that lead people from temporary to permanent housing without creating conditions that significantly lengthen time on public assistance.** When public assistance does not cover the minimum fees for rent, people enter the temporary housing system at a higher cost. We need to examine the unintended consequences created by inadequate funding policies and develop constructive solutions

**5. Provide flexible funding models to help individuals and families who are the most at-risk of chronic homelessness.** While there has been an infusion of dollars to expand housing programs in New York State, it is not keeping pace with the rising need. The availability of rooming houses and multiple use properties has greatly diminished over the years. Local districts focus on preventing homelessness, and a significant amount of work is done on a local level with landlords and community groups to acquire housing and to prevent evictions. Homelessness creates trauma in children. There has been research on the impact of homelessness on child development. Some studies have shown developmental delays, poor school performance, more acute and chronic illnesses, and emotional and behavioral problems that interfere with learning. There are implications for permanency for children in foster care whose families of origin do not have a stable home. Families need housing in order to provide stability for their children in order for reunification to occur.

**6. Establish a comprehensive housing first model that prevents people from being stuck in emergency housing and sets the expectation for providers to have "no eject, no reject policies" when serving the homeless population.** Local districts have become the housing option for persons with behavioral health/mental health issues, particularly single men and single women. The mentally ill who are not engaged in treatment are at the highest risk of losing supportive housing and becoming homeless. The homeless who are on SSI who are mentally ill but also have a substance abuse problem are very difficult to serve and they cannot be mandated to treatment. Many of the single homeless are Adult Protective Services clients with high needs and new vulnerabilities as the managed care system adjusts to address their complex issues. They often require representative payee or guardianship, but there are not enough resources or staff to

handle the volume. Special needs housing stocks are grossly lacking for the behavioral health and substance abuse populations. Section 8 is lacking sufficient capacity to serve those who are financially eligible, thus extending the stay of families and singles in emergency housing.

### **SUPPORT for 100% State Funding of Raising the Age of Juvenile Jurisdiction to 18 with Our Recommendations for Additional Language in Statute**

The Commission on Youth, Public Safety & Justice delivered their report and recommendations regarding juvenile justice reforms in January—specifically the issue of raising the age of juvenile jurisdiction in New York State to age eighteen. The Executive Budget proposal accepted these recommendations with a promise for the state to cover 100 percent of all costs associated with making such a historic change in juvenile justice policy. The NYPWA urges the Legislature to ensure that the State fully funds the expansion of preventive services and facility expansion that will be needed to accomplish the goals of this Raise the Age initiative. In the past, the State has stepped back from its original financial support for programs serving the needy—including lowering the State share for Safety Net Assistance, foster care, probation services and countless other program and administrative funding streams. Therefore statutory language needs to be added holding counties harmless for the costs (now and in the future) associated with the Raise the Age initiative. This must include removing the fiscal cap from the Foster Care Block Grant and from detention services.

### **SUPPORT Cap on Youth Facility Chargeback Rates with Additions in Statute**

The Executive Budget includes a cap on OCFS youth facility billings to local social services districts at \$55 million per year through 2019. Districts are cautiously optimistic about this proposed change in state law which has allowed the state to retroactively charge counties for the cost of placing youths in state facilities. This has led the State to bill districts based upon prior year estimates that are later adjusted in final rate determinations—a practice that has left counties uncertain how to budget for these costs. In addition to capping costs on districts, the budget proposal ends the practice of retroactive billing for prior years. The NYPWA urges the State to share rate setting formulas, make future rates more predictable and limit cost fluctuations to enable districts to budget appropriately and avoid going over the state-mandated property tax cap. In addition, we recommend that the changes be made in statute rather than only in the 2014-15 budget bill, to ensure that counties are not charged retroactively for these costs in the future.

### **SUPPORT Child Welfare Funding with Changes to State Share**

Raising the age of juvenile jurisdiction from 16 to 18 years in New York State will shift the burden of care to the child welfare system. It will be all the more important to fund preventive services to contain that expense and to keep children from harm. That is why the NYPWA supports the continuation of open-ended funding for child preventive and protective services and a return to its prior 65/35 formula, instead of today's formula of 62/38 (state/local share). This funding is needed for existing as well as for new programs in order for local governments to free up the funds to invest in additional services.

After years of declining foster care caseloads, some counties are now experiencing sharp increases due to the opiate epidemic and increases in mental illness. The widening statewide opiate epidemic alone is affecting young parents and forcing more and more infants and young children into the foster care system. The entire at-risk population would benefit from a return to a 65 percent state share in child welfare funding.

The executive proposal includes a two percent COLA for Foster Care. We are surprised to see that 50 percent of cost of this COLA is being placed on local districts, without local input and after counties' calendar year budgets for 2015 have been adopted. The State should take on the entire cost of the proposed increase.

*With respect to the Department of Health Budget, which also covers social services, we –*

**SUPPORT Continued Efforts to Lower Local Medicaid Expenses**

The NYPWA supports continued efforts to lower local Medicaid expenses including the following: preserving the State's cap on local Medicaid costs, avoiding cost shifts as the state takes over local Medicaid administrative functions, and the new executive budget language which clarifies that counties are not responsible for costs related to a recent court decision (*Konstantinov v. Daines*) on presumptive eligibility for immediate temporary personal care.

*In closing*, we wish to thank the NYS Assembly Ways and Means and NYS Senate Finance Committee for your leadership in bringing attention to the challenging fiscal and policy issues affecting social services.

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