



New York State Catholic Conference

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RICHARD E. BARNES
Executive Director

TO: Senator John DeFrancisco
Assembly Member Herman D. Farrell
Distinguished Members of Senate Finance and Assembly Ways and Means Committees

FROM: Michael A. Lawler, Director of Catholic Charities
New York State Catholic Conference

RE: Commentary and Analysis of 2015-16 Executive Budget Proposal

DATE: February 10, 2015

The New York State Catholic Conference represents the Bishops of the eight dioceses of New York State in matters of public policy. In the human services arena, the expertise, experience and advice of the Council of Catholic Charities Directors guides the Conference.

The Catholic Church is the largest non-profit provider of education, health care, and human services in the state. Catholic Charities programs operate 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.

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.

The Council of Catholic Charities Directors, through its six program committees (Behavioral Health; Criminal Justice; Developmental Disabilities; Family and Community Services; Housing; and Immigration) has reviewed the 2015-16 Executive Budget presented by Governor Andrew Cuomo on January 21, 2015. Attached is our analysis of the Governor's spending plan in the areas of behavioral health, criminal justice, developmental disabilities, housing, and human services.

As you review our analysis, you will find many areas that we are in agreement with the Governor's plan. In other areas, we believe that modifications are necessary.

My office and our committees stand ready to work with the Fiscal Committees in developing a final State budget that cares for the most vulnerable among us.



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ISSUE IN BRIEF

Governor Cuomo's 2015-2016 Executive Budget And Its Impact on Behavioral Health

Summary

For both OMH and OASAS, funding is included to support the two percent salary and fringe benefit increase for direct support professionals and direct clinical staff, effective April 1, 2015.

There continues to be a need for an across-the-board cost-of-living-adjustment in the human services agencies, and this COLA should not be deferred beyond this year.

Office of Mental Health

The Office Mental Health budget totals nearly \$3.4 billion, an increase of \$47.1 million or 1.4 percent.

The spending plan includes:

- \$68 million in federal BIP funds to: assist in the transition to managed care; expand health home capacity; support 250 additional Home and Community Based Services (HCBS) waiver slots for children; provide additional funds for community residences; and support an increase in the Personalized Recovery Oriented Services (PROS) Program.
- A total of \$22 million has been set aside for at-risk individuals to: provide additional in-prison assessments and treatment for high risk inmates, to provide more community-based services, for additional Assertive Community Treatment (ACT) teams, and supportive housing.
- A total of \$20 million is budgeted to supported apartments to move 400 individuals from Adult Homes and 100 Nursing Home residents into the community as well as 1,200 congregate beds through NY/NY III to reduce homelessness.
- This budget also includes \$10 million in JP Morgan Settlement funds for each of the next five years to increase rental subsidy amounts (roughly \$750 annually) for some 13,000 supported housing units.
- Reinvestment funds (\$44 million full annual) from State Psychiatric bed closures into community-based services.

NYS Catholic Conference Position: The Conference **supports** OMH's continuing efforts to reinvest State savings into community-based services.

Office of Alcoholism and Substance Abuse Services

The OASAS budget totals \$600.6 million, an increase of \$22.5 million or 3.9 percent over current year levels.

The budget includes the \$2.8 million added in 2014-15 to address the heroin and opiate epidemic, and adds \$5 million to this effort.

To pay for ongoing community services, the agency is reducing its state-operated inpatient Addiction Treatment Center (ATC) capacity by five percent.

NYS Catholic Conference Position: We support the efforts to address the heroin and opiate crisis and believe that if the State-operated capacity is going to be reduced, that savings be reinvested into community-based services (i.e. community-based inpatient detox and additional supportive housing).

Study to further integrate OMH and OASAS Functions:

Over the next year, OMH and OASAS will be working with the major stakeholders to identify opportunities to further integrate their services. The NYS Catholic Conference and its behavioral health care network believe that their input needs to be included in this process.



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ISSUE IN BRIEF

Governor Cuomo's 2015-2016 Executive Budget And Its Impact on Criminal Justice

Summary

Spending for public safety agencies is projected to be \$4.8 billion, an increase of 0.2 percent or \$10 million over current year levels. Funding for the Department of Corrections and Community Supervision (DOCCS) is virtually flat on a year-to-year basis (\$3.045 billion).

Criminal Justice Services' budget totals \$226 million, a reduction on \$11.1 million, which is directly related to the elimination of non-recurring items added by the Legislature in 2014-15.

Medical Parole

The Executive Budget does include a policy initiative focusing on Medical Parole. Language is proposed that would authorize the DOCCS Commissioner to make the final determination regarding the medical parole release of certain non-violent offenders. This proposal is built off the existing "presumptive release of non-violent inmates" Statute.

To qualify for medical parole, an inmate must be suffering from a terminal condition and be so debilitated or incapacitated that he or she is incapable of presenting any danger to society. Inmates convicted of certain crimes are ineligible for medical parole, including: murder in the 1st degree; and attempt or conspiracy to commit murder in the 1st degree.

Under current law, all inmates seeking medical parole release must appear before the Board of Parole for a final determination. The Board of Parole process can be time-consuming and a number of eligible inmates die in prison.

NYS Catholic Conference Position: We have long advocated for a Medical Parole Release statute, and the Catholic Conference **supports** this proposal.

Raise the Age of Juvenile Jurisdiction

The budget includes \$25 million for a Raise the Age Program to plan, create and expand services. This will include diversion and probation services for 16 and 17 year old youth who will be involved in the juvenile justice system and placing newly sentenced 16 and 17 year old

youth with OCFS, rather than adult correctional facilities beginning December 1, 2015. The age of juvenile jurisdiction will be raised to age 17 on January 1, 2017, and to age 18 on January 1, 2018.

NYS Catholic Conference Position: Raising the Age to age 18 has been an ongoing priority of the Criminal Justice Committee and **we support raising the age.**

We are, however, concerned about the future investments that will be needed to support all of the recommendations contained in this budget. Estimates of \$375 million in new costs to fully implement all proposed changes is a large number and given the Governor's fiscal policy of limiting annual growth to no more than two percent, we urge that future budgets include funding increases to pay for all of these changes.



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ISSUE IN BRIEF

Governor Cuomo's 2015-2016 Executive Budget And Its Impact on Persons With Developmental Disabilities

Summary

Spending in OPWDD will total \$4.4 billion in 2015-16, an increase of \$134 million, or 3.1 percent over current year levels.

The Spending Plan includes:

- \$177 million in federal Balancing Incentive Program (BIP) funds to transform services and supports to more integrated, community-based opportunities, increase employment opportunities, implement electronic health record systems, and support the system's transition to managed care;
- \$60 million will be invested for up to 3,500 new or expanded OPWDDD service opportunities, including: certified and non-certified residential opportunities, day programs, employment, case management, and respite services; and
- \$42 million is allocated to continue to transition up to 249 individuals from developmental centers and intermediate care facilities to more-integrated, community based services.

The budget funds the two percent salary and fringe increase for direct service professionals and clinical staff, effective April 1, 2015.

NYS Catholic Conference Position: The Conference supports the salary and fringe benefit increase in the Executive Budget proposal. It remains a priority of the Conference that an across-the-board COLA be implemented for the human services professionals in this State.

The budget also includes a \$750,000 appropriation in the Department of Health to hire a transportation services expert (consultant) to conduct a needs assessment designed to improve transportation services for the elderly and individuals with disabilities, so that they can live in the most integrated setting.

A total of \$850 million in Bank Settlement funds has been put into a reserve and it is anticipated that the use of these funds will be related to a final settlement regarding a \$1.26 billion CMS audit finding against the State.

NYS Catholic Conference Position: We believe that utilizing Bank Settlement funds for this purpose is appropriate and we endorse this approach. We do question, however, how the balance will be paid to the Federal government. The NYS Catholic Conference is opposed to funding cuts to the developmentally disabled provider network as a way to resolve this issue.

Nurse Practice Act

The budget amends the Social Services Law, Executive Law and Mental Hygiene Law related to the Nurse Practice Act exemption for direct care staff working in non-certified settings (i.e. individuals living in their own apartment or home), subject to a Memorandum of Understanding between OPWDD and the State Education Department. These amendments would clarify that OPWDD has statutory authority to oversee nursing-related services in non-certified settings as well as authority to engage in the corporate practice of nursing (See Part S of the Mental Hygiene Article VII bill). Currently, direct care staff in certified settings can perform certain tasks under the supervision of a registered nurse. This proposed expansion would extend the current exemption to direct care workers in OPWDD non-certified settings, thereby providing the flexibility to perform necessary medically-related services under the supervision of a nurse in more integrated settings.

NYS Catholic Conference Position: The NYS Catholic Conference and its Developmental Disabilities Committee supports the budget proposal to commit funding for the transition of individuals with intellectual/developmental disabilities from institutional to community-based, integrated settings. We also support the expansion of the Nurse Practice Act Exemption that is proposed, as long as it is paired with investments to ensure adequate training and protection for direct support professionals and for nurses to serve in this new oversight capacity. This is essential to ensure that it can be accomplished without jeopardizing the license of professional nurses, without increasing liability exposure of direct care workers and provider agencies, and without jeopardizing the safety of the individuals we serve.



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ISSUE IN BRIEF

Governor Cuomo's 2015-2016 Executive Budget And Its Impact on Housing

Summary

More than 3 million households are paying more than 30 percent of their income on housing costs. The centerpieces of the Housing portion of the Governor's Opportunity Agenda include:

- Use of significant amounts from the JP Morgan Settlement to fund:
 - A new Statewide NY/NY IV program of service and operating funding for 5,000 new supportive housing units, with 89 percent of the units planned for New York City and downstate. These units will be to serve various vulnerable populations, including the homeless - \$66 million over 5 years.
 - Increase in OMH Supported Housing rental subsidies (\$725 annually per unit) - \$50 million over 5 years.
 - Increase in funding over current year's level for Neighborhood and Rural Preservation Programs (\$20.2 million)
- Use of Mortgage Insurance Fund proceeds to fund Neighborhood and Rural Preservation Programs at same base level as current year: NPP \$8,479,000; RPP \$3,539,000.
- Increase in Capital Appropriations for the Homeless Housing Assistance Program for development of permanent and supportive housing for people who are homeless – Total appropriation is \$63.5 million
- Appropriation for Medicaid Redesign Team (MRT) Supportive Housing initiatives continue to be made on a two-year basis (\$254 million). Recommendations for 2015-16 of \$120 million (increased from 2014-15 level of \$96 million).

NYS Supportive Housing Program (NYSSHP), which includes funding for operations and services in homeless housing as well as AIDS housing and for the STEHP homeless prevention program, funded at \$31.681 million, an increase of \$400,000 over the current year.

NYS Catholic Conference Position: The Conference is generally supportive of the overall housing agenda and the fact that the critical need for more affordable and supportive housing is being recognized by the Governor. We are pleased that a new NYN/NY IV program is included in the budget and that some of the units will be dedicated to areas outside of the New York City

and downstate regions. We believe, however, that development of 5,000 units over 5 years is not adequate and that two to three times that number of units will be needed.

At this time, it is unclear how this program and the related capital investments in housing development will address the OPWDD transformation agenda and the significant new housing needed for the populations served by OPWDD providers.



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ISSUE IN BRIEF

Governor Cuomo's 2015-2016 Executive Budget And Its Impact on Human Services

Summary

The following is a review of the 2015-16 Executive Budget and its impact on Human Services. The NYS Catholic Conference's Family and Community Program Committee have reviewed the Governor's budget proposal as well as his *Opportunity Agenda*, and offer the following comments:

Background Statistics on Poverty in New York State:

- New York's poverty rate is 15.9 percent (2012 US Census data);
- New York has the 21st highest poverty rate in the country;
- Statewide family poverty rate – 12.2 percent, an increase from 10.3 percent in 2007;
- Statewide 23 percent of children in NYS lived in poverty as of 2013;
- The five counties with the highest poverty rates are Bronx (30.7%); Kings (23.3%); St. Lawrence (21.4%); Franklin (22.2 %); and Sullivan (19.4%), according to US Census.

Components of Governor's Human Services Agenda

Office of Faith-Based Community Development Services

- The Governor has announced the creation of a state *Office of Faith-Based Community Development Services* that would offer education, health, workforce training, food program and social service assistance to those in poverty. The office would be headed by Assemblyman Karim Camara.

The Office will partner with the Office of Temporary and Disability Assistance, Office of Children and Family Services, Department of State, Housing and Community Renewal, and the Governor's new Nonprofit Coordinating Unit to help communities deliver services to their neediest residents and combat the root causes of poverty.

- ✓ ***NYS Catholic Conference Position:*** This proposal is an extension of the Governor's recognition that more focus and attention is needed on the State's nonprofit agencies and the tremendous service they provide. The Conference has no objection to the Governor creating a new position that could aid the

nonprofit community. In order for this Office to be successful, the Office must push for additional resources to be added to the State budget to address the many issues facing the human services sector.

Raise the Minimum Wage to \$10.50

- Federal minimum wage is \$7.25; in 2013, Cuomo signed legislation to increase the State's minimum wage from \$7.25 to \$9.00 in 2015.
- The Governor has proposed the minimum wage to increase to \$10.50 by end of 2016, with New York City's minimum wage to increase to \$11.50.
- ✓ *NYS Catholic Conference Position:* The Conference supported the minimum wage increases authorized in 2013. The additional increase in the minimum wage to \$10.50, with a mandate for New York City to increase their minimum wage to \$11.50 is currently under review. Perhaps an alternative approach to minimum wage would be to guarantee that jobs created as part of the \$1.5 billion Upstate Revitalization Plan be paid at the higher minimum wage proposed by the Governor.

Expand the Unemployment Strikeforce to the Top 10 highest areas of unemployment

- The Strikeforce is a multi-pronged approach targeting areas of the State with the highest unemployment rate and boost employment numbers there. Between May and September 2014, the Unemployment Strikeforce had helped approximately 4,000 Bronx residents find employment through job recruitment and career services.

Following the expansion, the Strikeforce will be in the following counties: Bronx, Jefferson, Lewis, Kings, St. Lawrence, Oswego, Orleans, Montgomery, Franklin, and Steuben.

- ✓ *NYS Catholic Conference Position:* The Conference supports this proposal.

Doubling Funding for the Urban Youth Jobs Program

- First, the Governor proposes to rename the Youth Works Tax Credit Program the Urban Youth Jobs Program Tax Credit, include new criteria to target youths who reside in certain cities and towns with high rates of unemployment and poverty, and to double the annual allocation to \$20 million for tax years 2015 through 2018.
- ✓ *NYS Catholic Conference Position:* The Conference supports the doubling of the tax credit. It would be our expectation that the efforts of the Unemployment Strikeforce and this program be linked in a logical manner. Given the new criteria, this may not be the case. The NYS Catholic Conference recommends that the Anti-Poverty proposals be in sync with one another, so as to get the most out of these important investments.

Invest Additional \$220 million in Homeless Services

- New York's homeless population in 2014 was 80,590; the 2nd highest homeless population in the country. Governor Cuomo is proposing to forgive a payment currently being made by New York City for OCFS facilities and repurpose those funds to address homelessness in New York City. The Governor is proposing a four-year initiative to address homelessness. In order for the program to begin, New York City is required to match the State's commitment. This funding would be for New York City rental assistance and other programs that address the City's growing homeless population.
- ✓ *NYS Catholic Conference Position:* This four year, \$440 million program is geared solely at New York City and requires New York City to fund half of this program. If New York City is in favor of matching the State share, the Conference supports the plan. However, the Conference is concerned that upstate communities are not being considered under any kind of a plan. Consideration must be given during the 21- and 30-day amendment periods to make State funds available in Upstate communities.

Invest \$183 million for Supportive Housing Program

- The State is proposing to use \$183 million of the JP Morgan Chase settlement funds for supportive housing initiatives. The Plan includes: \$66 million for a new NY/NY IV program to create 5,000 new supportive housing units over a five-year period; \$50 million to the Office of Mental Health (\$10 million per year, for five years) to increase rental subsidy amounts (roughly \$750 per year); \$40 million for New York City's LINC 1 rental assistance program; and \$27 million for a cap on the rental contribution for public assistance recipients diagnosed with HIV/AIDS in New York City so they can afford to stay in their homes.
- ✓ *NYS Catholic Conference Position:* The NYS Catholic Conference is generally supportive of the overall housing agenda. We are happy to see that the critical need for more affordable and supportive housing is being recognized by the Governor. We are pleased that a new NYNY IV program is included in the budget and that some of the units will be dedicated to areas outside of the New York City and downstate regions. We believe that development of 5,000 units over five years is not adequate and that two- to three-times that number of units will be needed.

Commit \$4.5 million to Advance Anti-Hunger Task Force

- In response to recommendations to the Anti-Hunger Task Force, the Governor is proposing \$4.5 million to bolster the emergency food system to help 2,600 emergency food providers that support the more than 3 million New Yorkers who access emergency food programs each year.
- The Anti-Hunger Task Force also identified a few areas where federal funds were being under-utilized: the Child and Adult Care Food Program (the Governor will invest \$250,000 to help child and adult care programs maximize

federal funds that subsidize free food for children and adults in those programs); after school programs, and emergency shelters; Community Eligibility Provision, which reimburses a percentage of funding to schools or districts that offer free meals to all students; and Summer Food, for meals in low income communities;

- \$250,000 for programs that help connect schools with New York farmers to ensure schools have the best access to healthy, locally-grown foods.
- The Governor will seek to completely re-envision the State's Human Services Information Technology Systems to improve client services and service coordination.
- ✓ ***NYS Catholic Conference Position:*** The Conference is disappointed that from a \$141 billion State budget, only \$4.5 million is being identified for anti-hunger initiatives. During budget negotiations, it is the hope of the NYS Catholic Conference that additional resources are made available to address hunger in this State.

Rochester Anti-Poverty Initiative

- Rochester is one of the poorest cities in the nation. With no State resources identified, the Governor is proposing the creation of the Rochester Anti-Poverty Strike Force to be made up of state agencies charged with better targeting and coordinating resources, integrating services, utilizing data and information technology, developing more flexible funding arrangements, and evaluating services based on outcomes.
- ✓ ***NYS Catholic Conference Position:*** The Conference urges swift action be taken by the Strike Force to reduce the percentage of residents living in poverty in the City of Rochester. We also strongly urge that Catholic Charities of the Rochester Diocese be a prominent member of the Strike Force.

Create a \$50 million Nonprofit Infrastructure Capital Investment Program

- The Governor is proposing a one-time program that will make targeted investments in capital projects that will improve the quality, efficiency, accessibility, and reach of nonprofits that serve New Yorkers. Grants will be awarded through a competitive process, with priority given to nonprofits with State contracts that provide direct services in high-need communities, particularly smaller nonprofits that lack access to other capital opportunities.
- ✓ ***NYS Catholic Conference Position:*** While we are encouraged to see that Bank Settlement funds are earmarked for the human services sector, we urge a larger commitment be made to the human services sector, in terms of available capital resources as well as a stronger commitment to the human services workforce.

Salary and Fringe Benefit Increase

- The budget includes funding to support the two percent salary and fringe benefit increase for direct support professionals and direct clinical staff, effective April 1, 2015.
- ✓ *NYS Catholic Conference Position:* The Conference supports this effort. There continues to be a need for and across-the-board cost-of-living-adjustment in the human services agencies, and this COLA should not be deferred beyond this year.

Get on Your Feet Loan Forgiveness Program

- The Governor has proposed launching the Get On Your Feet Loan Forgiveness Program, which will help eligible New York State recipients who graduate from college and continue to live in the state to pay nothing on their student loans for the first two years out of school, supplementing the federal Pay As You Earn (PAYE) income-based loan repayment program.
- ✓ *NYS Catholic Conference:* The Conference has no position on this proposal.

DREAM ACT

- New York has served as a beacon for immigrants. The Governor strongly believes that the State should continue this tradition by supporting the New York State DREAM Act, which will support the advancement of undocumented immigrants by enabling them to apply for state college tuition.
- ✓ *NYS Catholic Conference Position:* The Conference supports the DREAM Act. This important initiative should not be linked to any other budget proposal but should be judged solely on its merit.

Child Care Subsidies

- The Child Care subsidy is flat on a year-to-year basis, with a total of \$899.11 million included in this budget proposal.
- ✓ *NYS Catholic Conference Position:* The Conference is concerned that funding for child care subsidies is flat from year-to-year, with a total of \$899.11 million included in the budget proposal. A major obstacle facing single mothers is accessible, affordable child care. The NYS Catholic Conference recommends an increased investment in child care subsidies, with an emphasis placed on communities identified by the Unemployment Strikeforce.