Human Services, Housing, and Healthcare

The State of the State

The recent passage of the federal tax bill, which overwhelmingly favored the most well-off Americans and profitable corporations, and the potential impending cuts to healthcare, nutrition benefits, and other assistance programs, will only widen income inequality further in this country. While no state will make it through the 2018-2019 budget year unscathed, New York will feel the punishing impacts of the actions of the federal administration more than most states.

The new tax cuts will increase taxes for many lower- and middle-income families while favoring the wealthiest New Yorkers. These tax cuts will increase the federal deficit by $1.6 trillion over the next ten years, and because of that increase, GOP leaders want to make massive cuts to entitlement programs like Medicaid and SNAP. Congressional leaders are trying to promote this as "welfare reform" or "entitlement reform," but it is neither—it is benefit cutting. They are also considering adding more rigid work requirements to those enrolling in entitlement programs like Medicaid, something they are billing as "workforce development," despite the large numbers of enrollees who already work.

According to the Talk Poverty project by the Center for American Progress (CAP), New York ranks as having the highest income inequality in all fifty states since 2011 when CAP began the project. There are over 2.8 million New Yorkers living in poverty, almost 15 percent of the population, and millions more who are struggling to make ends meet.[34]

The 2015 ALICE (Asset Limited, Income Constrained, Employed) report published by United Way was compiled to identify people who work hard, often at more than one job, whose wages are not sufficient to sustain them and their families, and who are one small emergency away from a major financial crisis. The report determined that in New York State:

- 44 percent of working households struggled to afford basic household necessities in 2014 (15 percent living in poverty as defined by the Federal Poverty Level, with an additional 29 percent qualifying as ALICE)[35]

- There are almost 2 million families with children in New York, and 44 percent of them have income below the ALICE threshold[36]

- More than one-third (36 percent) of senior households qualify as ALICE, more than double the 14 percent

[34] Talk Poverty Data: New York, Center for American Progress, https://talkpoverty.org/state-year-report/new-york-2017-report/
[35] United Way of New York State, "ALICE – Asset Limited, Income Constrained, Employed," Fall 2016
[36] Ibid.

- of senior households in poverty[37]
- Women, LGBTQ people, people of color, those with lower levels of education, those with a disability, undocumented or unskilled immigrants, younger veterans, ex-offenders, and immigrants facing language barriers are more likely to fall into the ALICE population[38]

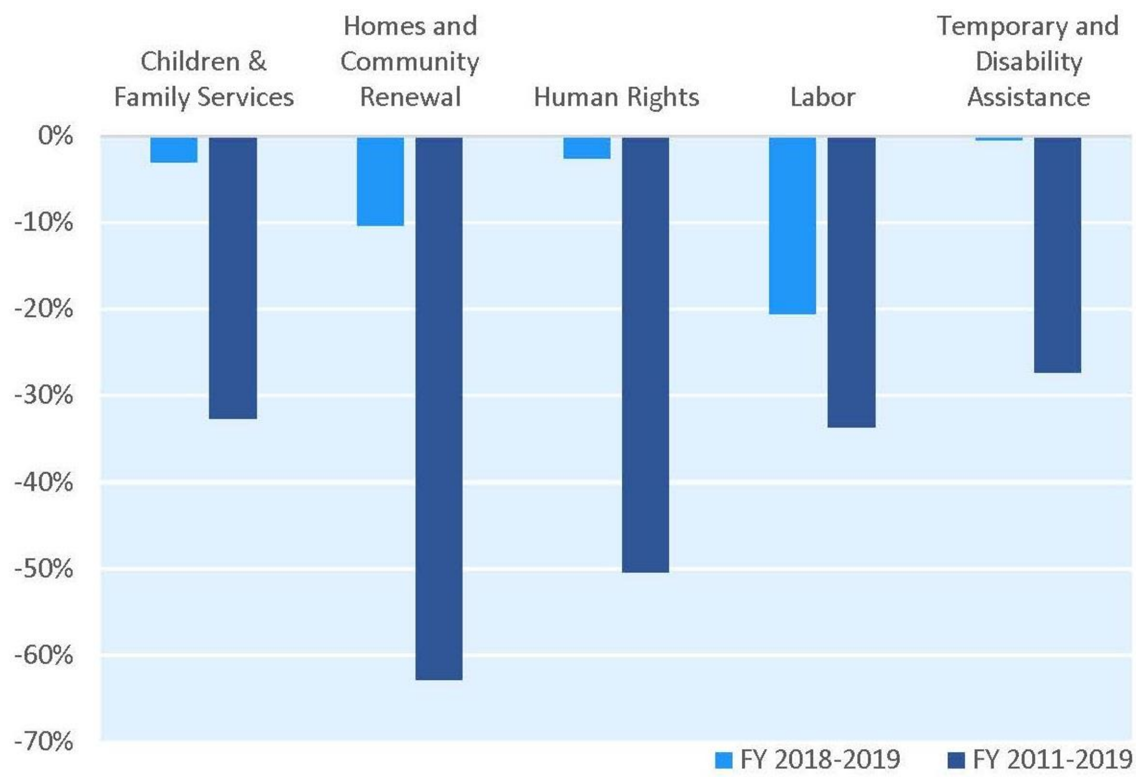
The enactment of a gradually phased in $15 minimum wage, Paid Family Leave, the Affordable Housing and Homelessness Initiative, the Empire State Poverty Reduction Initiative, and raising the age on criminality are all steps in the right direction to addressing New York's high levels of poverty and racial and gender inequity. The continuation of some elements of the governor's agenda to address homelessness, poverty, gender and racial inequity are a welcome sign amidst the worsening federal landscape. Continual investment in these programs is an acknowledgement that the state's future economic growth is at stake, but ultimately, there are still plenty of things to work on.

More Cuts to Social Welfare Agencies Exacerbates New York's Growing Inequality

Spending on social welfare agencies represents less than six percent of the total state operating budget, at approximately $9.3 billion dollars.[39] The state operating fund support for social welfare agencies for FY 2019 remains over $900 million below FY 2011 levels, representing an overall 32 percent decrease since the governor took office in 2011. For FY 2019, the Department of Labor and the Division of Housing and Community Renewal (DHCR) see the largest decreases, compared to last year's budget, at a 21 percent and a 10 percent decrease respectively.[40] Since 2011, DHCR saw the largest decrease at over 62 percent, followed by the Division of Human Rights (DHR) and Office of Children and Family Services (OCFS) at 50 percent and 33 percent.

[37] Ibid.
[38] Ibid.
[39] Social Welfare agencies include Office of Temporary and Disability Assistance (OTDA), Office of Children and Family Services (OCFS), Division of Housing and Community Renewal (DHCR), Department of Labor (DOL), Nonprofit Infrastructure Capital Investment Program (NICIP), National and Community Service, Division of Human Rights.
[40] All calculations have been adjusted for inflation.

Fig 15. Funding for Social Welfare Agencies Continues to Decrease



Sources: FPI Calculation of FY18-19 Executive Budget, NYS Division of the Budget, January 2018.

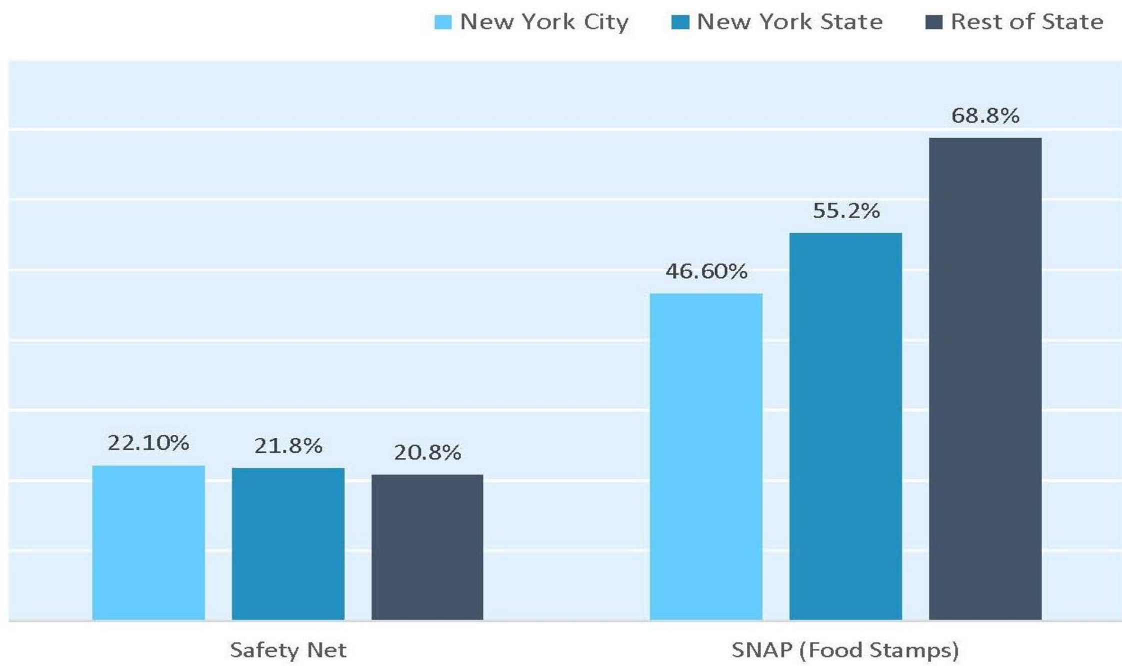
Growing income and wealth inequality, rising homelessness, and a high rate of child poverty are all reasons to support properly funding social welfare agencies. Lower-income families rely on services and programs like food assistance, child care subsidies, and job development to meet their basic needs and even pursue further economic opportunity. Cutting funding to these agencies might look like savings on paper, but it only increases social and economic problems like homelessness, child care costs, or job scarcity and in the long run may even expand the need for further social spending. Furthermore, these agencies are literally the backbone of every basic need – food, shelter, income – and if New Yorkers are going to economically prosper, it makes sense to adequately fund them.

SNAP and TANF Helps Our Children and Their Families

Continual cuts to poverty alleviation programs pose a real threat to New Yorkers most in need. The number of Supplemental Nutrition Assistance Program (SNAP) recipients has grown by more than 40 percent since the Great Recession began in late 2007, with an increase of 69 percent outside of New York City.

Figure 16. Safety Net and SNAP Recipients Have Increased Dramatically in the Past Years, Especially in Upstate New York

PERCENT CHANGE OCTOBER 2007 TO OCTOBER 2017



Source: Office of Temporary and Disability Assistance, January 2018, http://otda.ny.gov/resource/caseload/.

Funding commitments to Temporary Assistance for Needy Families (TANF) and Safety Net Assistance (SNA) did increase by $99.3 million and $14.7 million respectively. These increases are driven by several factors: a recent policy change allowing all income eligible individuals with HIV/AIDS in New York City to access services; a recent judicial decision that found OTDA's refusal to provide Safety Net Assistance benefits to immigrants with Temporary Protected Status to be unconstitutional; and an increase in Emergency Assistance claims. However, these increases are partially offset by reductions of $23 million in TANF support for child care subsidies, $3 million for the Nurse-Family Partnership that was moved to Department of Health, and the elimination of $19 million in TANF initiatives. The elimination of the TANF initiatives includes programs like: Access - Welfare to Careers, ATTAIN, Career Pathways, Centro of Oneida, Facilitated Enrollment, Fatherhood Initiative, Preventative Service Initiative, Rochester-Genesee Regional TA, SUNY/CUNY Child Care, Wage Subsidy Program, and Wheels for Work.[41]

While many of the proposed eliminated programs have small budgets and often target a specific group or population, they still make big impacts on communities and defunding them because of the self-imposed two percent budget spending cap does more harm than good. If Governor Cuomo maintains his two percent cap on spending, forcing subsequent budget cuts for this budget year and future years, these programs and services will become even less effective for millions of New Yorkers.

[41] New York State Assembly, "Yellow Book, January 2018.

The New Anti-Hunger Program

The Executive Budget introduces a "No Student Goes Hungry" program, which aims to combat hunger for students in kindergarten through college. This effort is necessary and encouraging given that students of all ages suffer from hunger. The program proposes:

- the creation of food pantries on SUNY and CUNY campuses for college students, a group that experiences significant food insecurity
- a statewide lunch shaming ban, meaning that families who don't have money to pay for lunch or receive a reduced-price lunch will not be publicly humiliated anymore
- state support of $17 million in capital funds and reimbursement of anticipated increases in local food costs for the Breakfast After the Bell program, which offers breakfast for students after the school day starts
- an expansion of the use of farm-fresh, locally grown foods at school, called the Farm to School Program, which encourages students to eat healthy and eat from local sources

These proposals target the issues of students having difficulty focusing, receiving lower grades, and absenteeism due to food insecurity. It also incentivizes schools to increase the offering of locally sourced, healthier food options.

The Empire State Poverty Reduction Initiative: An Update and An Appeal for More Support

In FY 2016, Governor Cuomo introduced the $25 million Empire State Poverty Reduction Initiative (ESPRI), a community-driven, poverty reduction measure intended to increase economic opportunity for all New Yorkers. There is no new funding in the Executive Budget specifically designated for ESPRI, but as also discussed in the Education section of this report, the governor has proposed an additional $10 million for public after-school programs (on top of the original $35 million from last year). This funding will be used to expand the program to new school districts or community-based organizations in eligible communities, with $8 million targeted to districts with high rates of student homelessness.[42]

For the 16 ESPRI communities, which are almost one-year into their efforts, the Anti-Poverty task forces are hard at work in collecting data, testing new models of thinking, and working on outreach. There is hope that investing in ESPRI communities through the expansion of public after-school programs[43] and the Empire Corps program created last year will help improve conditions for low-income children and families.

However, the funding on the table remains woefully inadequate for the target communities, and other non-ESPRI communities who were passed over for funding. For this reason, communities are limited on how much they can accomplish. The state needs to become a partner in this process by developing a statewide agenda to complement local efforts and support innovative approaches that combine child development investments, work and family supports, and greater economic opportunities to alleviate the concentrated poverty plaguing the target cities. ESPRI communities are some of the poorest communities in the state, and typically have astronomical child poverty rates.

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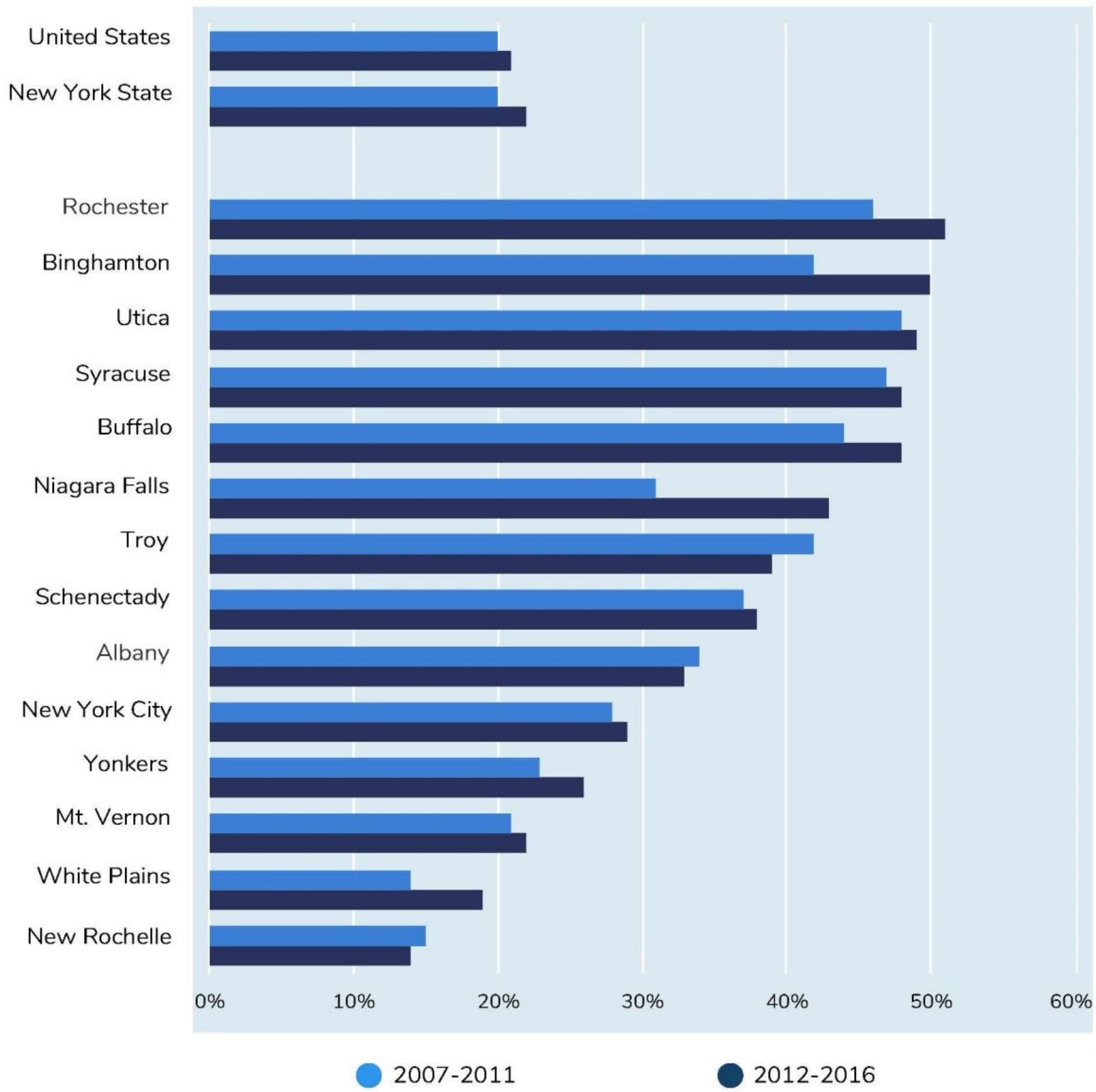
[42] Schuyler Center for Analysis and Advocacy, "Schuyler Center's First Look at the NYS 2018-19 Executive Budget,", January 2018.
[43] For more information about after-school programs, refer to FPI's "Education" chapter.

Fig 17. Child Poverty Rates in Many Upstate Cities Are Abysmally High

PERCENT OF CHILDREN LIVING BELOW THE FEDERAL POVERTY LINE



Source: American Community Survey 2007-2011 and 2012-2016 five-year data

Enough is Enough: Stop Ignoring the Homelessness Crisis and Address New York's Housing Problems

The FY 2019 Executive Budget continues the $20 billion, comprehensive five-year investment in affordable housing, supportive housing, and related services through the Affordable Housing and Homelessness Initiative. Beginning in FY 2017, the initiative aims to create or preserve over 100,000 units of affordable housing and 6,000 units of supporting housing.[44]

As of November 2017, over 63,000 people were homeless and sleeping in New York City shelters, including 16,000 families with 24,000 homeless children.[45] This number does not include the thousands of unsheltered homeless people sleeping on the streets and other public spaces, and it does not account for the thousands more throughout the rest of downstate and upstate. Advocates estimate that over 80,000 individuals are homeless throughout the state. According to the Coalition for the Homeless, the primary cause of homelessness, especially among families, is the lack of affordable housing. Eviction, doubled-up or severely overcrowded housing, domestic violence, job loss, and hazardous housing conditions are all immediate causes of homelessness.[46] Research shows that the large majority of homeless New Yorkers are living with mental illness or other severe health problems, and homelessness disproportionally affects black and Latino New Yorkers. [47]

Given the record levels of homelessness and the affordable housing crisis, permanent supportive housing is the realistic solution. Permanent supportive housing combines affordable housing assistance with vital support services for individuals living with mental illness, HIV/AIDS, or other serious health concerns. There are several different models of supportive housing, including single site, "congregate" supportive housing (located in a single building) and "scattered-site" supportive housing, where apartments are rented in the community and social workers visit tenants. Supportive housing is not only better for those in need, but it saves the state money in the long run. Research has shown that permanent supportive housing costs far less than emergency and institutional care.[48]

Home Stability Support Program

The Home Stability Support (HSS) program proposes a new statewide rent supplement for families and individuals who are eligible for public assistance benefits and who are facing eviction, homelessness, or loss of housing due to domestic violence or hazardous living conditions. It replaces all existing optional rent supplements, and is 100 percent federally and state-funded. The rent supplements would act as a bridge between the current shelter allowance and 85 percent of the fair market rent determined by the U.S. Department of Housing and Urban Development (HUD). Localities will have the option to further raise HSS up to 100 percent of the fair market rent, at local expense. The program would keep families and individuals in their homes and out of homeless shelters by providing sufficient rental assistance. It also reduces costs to the state and taxpayers by preventing evictions, reducing the costs of other homeless services and emergency shelter utilization.[49]

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[44] NYS Division of the Budget, "Human Services Brief,", January 20-18.

[45] Coalition of the Homeless, "New York City Homelessness: The Basic Facts,", January 2018.

[46] Ibid.

[47] Coalition of the Homeless, "New York City Homelessness: The Basic Facts," January 2018.

[48] Coalition for the Homeless, "Ending Homelessness: Proven Solutions," January 2018.

[49] Home Stability Support, "Overview", January 2018.

Human Services Are Vital to Our Communities, But Why Aren't We Funding Them?

Human services are the foundation of our communities, providing critical services through after-school programs, supportive housing, job training, senior care, community centers, and food assistance, just to name a few. However, recent funding cuts and outdated contracting policies and processes are undermining the sector's ability to meet current community needs and plan. Because in the era of dwindling funding for our safety net programs, human services nonprofits close a necessary and critical gap for lower- and middle-income New Yorkers. It is utterly baffling and insulting that such a workforce, one that is predominantly made up of women (81 percent) and largely people of color (46 percent), remains underfunded, undervalued, and unsupported by the state. Recognizing this immense need, the Strong Nonprofits for a Better New York[50] coalition that represents 350 nonprofit human services providers is calling for increased state investment in the sector's workforce and infrastructure.

Despite the commendable effort of gradually raising the minimum wage to $15, the Executive Budget fails to adjust nonprofit contracts to account for funding the new wage levels. Most of the employers in the human services sector are nonprofit organizations that provide services under government contracts or are reimbursed through Medicaid. As such, employers cannot raise their wages or provide better fringe benefits. To rectify this, the Strong Nonprofits coalition calls for $23 million to fund the minimum wage increase for state contracts not yet adjusted to reflect the increased cost of service provision.[51] Without this critical increase, state contracts leave nonprofits to fill the gap, inevitably at the cost of services.

Additionally, human services contracts have not seen an increase in their salaries in eight years, due to deferment of the statutory cost of living adjustment (COLA).[52] Deferring the COLA for human services for eight years has added up to more than $540 million in lost wages, an excuse for "savings" on the backs of the nonprofit workforce. Furthermore, contracts have not been adjusted to account for any increase to the cost of doing business, and without this necessary increase and competitive wages for staff, services cannot be fully operational and serve communities.[53] The Strong Nonprofits coalition calls for $65 million in salary increases for workers who have not seen an increase in over 8 years, and were not covered by the FY 2018 increases for direct care workers at an equivalent 3.25 percent per year for two years.[54]

There is also no new funding this year for capital projects for nonprofits. The Nonprofit Infrastructure Capital Investment Program (NICIP) received $20 million in last year's budget for a total of $120 million since 2015, but fewer than one-third of the 637 nonprofits that applied for funding received it.[55] There is a massive need for infrastructure funding, and if nonprofits are unable to meet those needs, quality of services will decrease. On top of benefiting the nonprofit itself, infrastructure upgrades utilize local contractors and labor, stimulating the local economy. For this reason, the recurring investment of $100 million in NICIP is necessary to sustain a sector that delivers nearly $6.8 billion in essential services annually.[56]

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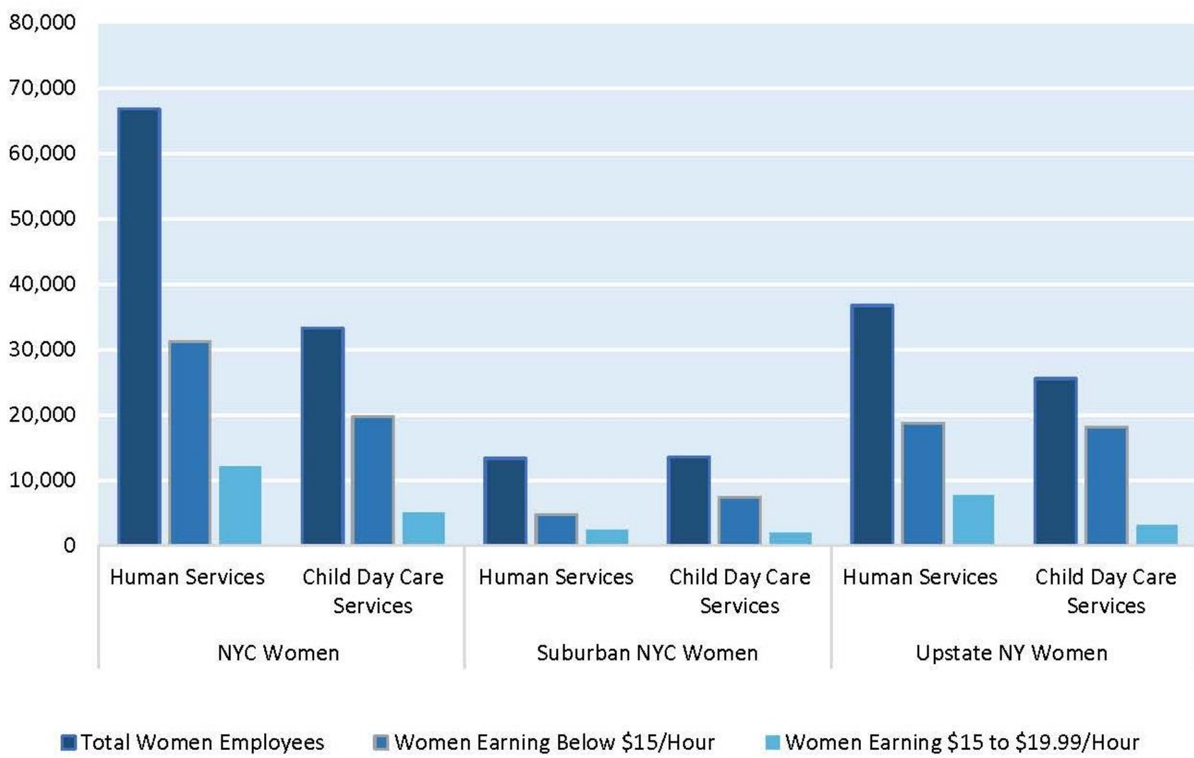
[50] Referred to as the "Strong Nonprofits coalition."
[51] Strong Nonprofits for a Better New York, January 2018.
[52] Ibid.
[53] Ibid.
[54] Ibid.
[55] NYS Coalition for Children's Behavioral Health, A Child and Family Budget Analysis of the 2018-19 Executive Budget Recommendation to the Legislature, January 2018.
[56] Strong Nonprofits for a Better New York, January 2018.

Child Care Workforce and Child Care Subsidies

Child care workers are among the lowest paid of all workers in New York State. In 2016, median pay for workers in the child care industry was $12.83 per hour.[57] In some areas upstate, that median pay is $10.63. Almost 92 percent of all child care workers are women, with over 45 percent of whom are women of color.[58] Since the state has yet to adjust roughly $1.5 billion (annualized) in state contracts to nonprofit organizations, including child care agencies, many child care workers will not see a wage increase. Additionally, child care workers not on the payroll of an organization under a state contract also equally deserve to be included in any across-the-board increase, but this will mean that state-funded child care subsidies should be adjusted to reflect wage increases.

Fig 18. Women Employees in Human Services and Child Care Are Paid Much Less Than Women in New York's Other Industries



Note: Notes: 18 years of age and older. Suburban NYC includes Nassau, Suffolk and Westchester Counties. Human Services does not include Child Day Care Services.

Source: Undervalued and Underpaid Workforce report, Fiscal Policy Institute analysis of 2011-2015 AME

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[57] Bureau of Labor Statistics, Occupational Employment Survey data for New York.
[58] Undervalued and Underpaid: How New York State Shortchanges Nonprofit Human Services Providers and Their Workers, February 2017, pg. 14.

In the FY 2019 Executive Budget, Governor Cuomo restored the $7 million in child care subsidies that was taken out of last year's budget, maintaining the same level of funding of $806 million from FY 2017. While this restoration of funding is a welcome relief, it is not nearly enough to increase access to quality child care. According to a study by Child Care Aware, New York is the second most expensive state in the nation for child care and that a single-parent household may have to spend up to 45 percent of their income on child care.[59] Given this astronomical cost for families, child care advocates recommend expanding the Child and Dependent Care Tax Credit; creating a dedicated fund that will allow local governments that have exhausted their child funding allocations to apply for the dedicated funds that serve all eligible low-income families; and using economic development funds to expand access to quality child care to low-income families that cannot afford it.[60]

Healthcare and Medicaid

Like last year, the future of healthcare in New York, especially Medicaid, hinges upon decisions from the federal administration. For example, the Trump Administration is now allowing states to impose work requirements on adult Medicaid enrollees, other than those who qualify for disability benefits like Social Security Disability Insurance (SSDI).[61] However, research shows that such work requirement won't increase economic mobility because states don't have to provide supportive services such as transportation or job training for work-eligible individuals.[62]

Regardless, there is tremendous uncertainty surrounding healthcare and its future, and the Executive Budget reflects that uncertainty through its anemic, bare-bones proposals. However, there are several healthcare and Medicaid-related proposals in the Executive Budget that should be highlighted:

First 1,00 Days Initiative. An investment of $2.9 million (administratively invested, no appropriation) to support the development of the First 1,000 Days Initiative, which focuses on improving outcomes and access to services for children in their first 1,000 days. The plan has 10 different mini-initiatives, which won't all be funded with the $2.9 million, but some of the mini-initiatives are worthy of support like expanding home visiting and adding data systems for crossing sector referrals. [63]

Eliminating the Prescriber Prevails Initiative. Supports providers in determining the best course of treatment for patients, only covering some classes of medications.[64]

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[59] Child Care Aware, "Checking In: A Snapshot of the Child Care Landscape," https://usa.childcareaware.org/wp-content/uploads/2017/07/FINAL_SFS_REPORT.pdf, 2017.
[60] Winning Beginnings NY, "Winning Beginning New York State Executive Agenda 2018-19," January 2018.
[61] Center on Budget and Policy Priorities, "How the Medicaid Work Requirements Will Harm People with Disabilities…", January 2018.
[62] Center on Budget and Policy Priorities, "How Medicaid Work Requirements Will Harm People With Disabilities and Serious Illnesses," https://www.cbpp.org/research/health/how-medicaid-work-requirements-will-harm-people-with-disabilities-and-serious, January 2018.
[63] NYS Coalition for Children's Behavioral Health, A Child and Family Budget Analysis of the 2018-19 Executive Budget Recommendation to the Legislature, January 2018.
[64] Ibid.

Medicaid Global Cap. The Executive Budget proposes reauthorizing the Medicaid Global Cap through March 2018 to be $19.7 billion and then to $20.79 billion from April 2018-March 2019.[65]

Consolidating and cutting. The Executive Budget proposes consolidating funds from 30 public health programs into four pools with a 20 percent cut to each pool, culminating in $9.2 million in annual savings.[66]

Spouse responsibility for long-term care. Eliminates the ability for spouses living in the community to decline payment for a spouse in long-term care, which would result in $7.8 million reduction.

Marijuana study. Proposes a study of the impacts of a regulated marijuana program.

What the Repeal of the Individual Mandate Means for New York

Wedged into the new federal tax bill is the repeal of the individual mandate of the Affordable Care Act (ACA). The individual mandate requires every American to acquire health insurance to decrease the overall cost of healthcare by increasing the number of healthy people within the pool of insured. The individual mandate and the subsequent creation of the healthcare marketplaces allowed millions of people to purchase health insurance for their families and their children, many of whom were unable to afford it before its introduction.

Repealing the individual mandate causes two effects on the individual market: 1) some healthy enrollees would drop out of ACA-compliant plans and become uninsured or underinsured; and 2) insurance companies would need to raise rates by about 10 percent to cover the increased costs because the remaining enrollees in the risk pool would be sicker on average.[67] According to estimates by the Center for American Progress, approximately 843,000 New Yorkers will become uninsured by 2025 as a result of these effects on the individual market.[68]
Without health insurance, people have worse access to care than people who are insured and face unaffordable medical bills when they do seek care. One in five uninsured adults in 2016 went without needed medical care due to cost. Studies show that uninsured people are less likely than those with insurance to receive preventative care and services for major health conditions and chronic diseases.[69]

The Restoration of the Children's Health Insurance Program (CHIP) Funding

The Children's Health Insurance Program (CHIP) provides health coverage to eligible children, through both Medicaid and separate state-administered CHIP programs. Created in 1997, CHIP provides low-cost health insurance to 9 million children across the nation[70], including 360,000 children in New York.[71] New York's CHIP program, otherwise known as Child Health Plus (CHP), covers numerous services ranging from emergency care,

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[65] Ibid.
[66] Schuyler Center for Analysis and Advocacy, "Schuyler Center's First Look at the NYS 2018-19 Executive Budget," January 2018.
[67] Center for American Progress", Estimates of the Increase in Uninsured by Congressional District Under the Senate GOP Tax Bill,", December 5, 2017.
[68] Ibid.
[69] Kaiser Family Foundation, "Key Facts About the Uninsured Population," https://www.kff.org/uninsured/fact-sheet/key-facts-about-the-uninsured-population/, November 2017.
[70] NPR, https://www.npr.org/sections/health-shots/2018/01/05/576096900/chip-funding-could-run-out-on-jan-19-for-some-states, January 2018.
[71] FPI estimates, January 2018.

well-child care, immunizations, and dental care. The Executive Budget allocates $297 million for its CHP program for FY 2019.

On October 1, 2017, Congress allowed CHIP to expire, pumping enough emergency funds to sustain the program for a few months. Letting CHIP expire left the program in budgetary limbo as states scrambled to freeze enrollment and send out warning letters to families that coverage could end. Finally, 114 days after its expiration and one government shutdown later, Congress agreed to support a budget extension with a six-year extension of CHIP.

However, this saga of dysfunction is a cautionary tale for other areas of human services and healthcare; it is not the way the government should be run and the stress, worry, and confusion for states and families is unnecessary and feeds into public distrust of the government. New Yorkers rely on important state- and federally administered programs and services to meet their basic needs and pursue further economic opportunity.