

Budget Update: Highlights of the Governor's FY13 Executive Budget

While there are some concerns, HSC appreciates the Governor's overall recognition of the importance of human services in the FY13 Executive Budget Proposal. In particular, we are pleased with investments such as child care, a key work support, by increasing state funding by \$93 million to offset a reduction in federal funding and the maintenance of many other cost-effective human services like alternatives to state juvenile justice facility placement, preventive child welfare and funding for supportive housing.

HSC also strongly supports administrative reforms such as the development of a single statewide application, a single statewide contract, and a Statewide Grants Management Portal--providing not-for-profits and agencies a single web-based platform to transform this system. We have advocated to the Governor's Office for such streamlined and integrated State agency contracting reforms and we hope to see the Administration engage the nonprofit community in these improvements as they proceed. This important progress will allow nonprofits to focus on the delivery of services to those in need.

Though the Governor's FY13 Executive Budget maintains many key services and embraces much needed administrative improvements, some concerns remain. Areas of concern include:

- General caution about the implementation of Medicaid reforms that continue to shave off millions in additional reductions in FY13 and beyond and the long-term availability of human services locally as part of mandate relief.
- Elimination of about \$160 million in cost-of-living-adjustments to human services in FY13.
- Suspension of the \$15 million NYC shelter supplement pending determination of the program's efficacy.
- Delay of the final 10% phase in the public assistance grant to 5% in FY13 and 5% in FY14, saving \$6 million in both FY13 and FY14.
- Elimination of the Neighborhood Preservation Program and the Rural Preservation Program funded at \$12 million.
- Reducing funding for the Naturally Occurring Retirement Communities and the Neighborhood Naturally Occurring Retirement Communities by \$457,000.
- Discontinuing State funding for the Regional Caregiver Centers of Excellence program at \$115,000.
- The loss of \$1 million with the elimination of support for Settlement Houses and Supplemental Child Welfare funding used to help districts reduce child protective caseloads.

These cuts come after years of cumulative significant decreases as highlighted in HSC's report "*A Lose-Lose Proposition: The Economic Impact of Lost Human Services in New York State*," which analyzes the impact of lost human service funding on those needing assistance, jobs and economic opportunity over the last two years. In that time, over \$800 million in funding has been cut at the state level for vital programs resulting in the loss of approximately 27,000 jobs. You can link to this report at: <http://www.whocares-ido.org/reports.html>.

Additionally, HSC is concerned about the following recommendations regarding Executive compensation and believe a broad policy change in this area is premature at this time. The recommendations include:

- At least 85 percent of every public dollar will be spent on direct services, not administration.
- Reimbursement for any executive's compensation will be capped at \$199,000.

- Excess compensation will be a basis for rejection of a provider.

We understand that this “cap” is on the state’s share of reimbursement for Executive compensation, not a cap on compensation itself. We are seeking clarity on the details of this proposal and will share them as soon as we have them.

HSC will provide a full analysis of the Governor’s FY13 Executive Budget as soon as possible.

For any questions, please email HSC’s [Chris Winward](#).