

March 30, 2009

Critical Restorations to the New York State Executive Budget

\$28 Million Across-the-Board Restoration to Human Services

- The proposal to reduce the current year (FY 08-09) COLA by one percent in future years beginning in the FY10-11 budget was rejected by State leaders. The previous commitment to begin the human service COLA in FY10-11 through FY12-13, after an absence in FY09-10, remains. This reversal keeps **\$28 million** in salary adjustments for direct service providers, most of which goes to low income workers making under \$40,000. If this funding had not been restored, community-based organizations would have been forced to make up for this reduction to their base by reducing staff salaries across the board by one percent, instituting layoffs, or reducing services; all equally problematic actions.

Child Welfare

- \$29.1 million of the \$34 million proposed cut to Community Optional Preventive Services (COPS) will be restored. The proposal to eliminate funding for all COPS services would have ended a number of programs which have been adapted to meet the unique needs of very specific communities and groups of children and families. In NYC, this funding largely aided the Nurse Family Partnership program which provides intensive nursing services for new mothers.

Homeless Services

- The Homeless Prevention program is fully restored at \$5 million. The elimination of these contracts would have immediately burdened an already overwhelmed shelter system and create a more disruptive situation for struggling families.
- A proposed reduction to services for Single Room Occupancy (SRO) is restored at \$4.3 and funding for the Homeless Intervention Program (HIP) is restored. These supportive housing programs provide comprehensive services to improve the self-sufficiency of those who are at risk of being homeless or who are homeless.

Youth Services

- The Legislature rejects the Executive's proposal to create a Youth Program Block Grant. The programs included in the proposed block grant will be discretely appropriated at their SFY 2008-09 funding levels less a 10 percent reduction with the exception of Detention Services, which will be fully restored.
- The proposed cut of \$6.4 million to Advantage After-School funding is fully restored and the legislature adds an additional \$5 million, bringing the FY09-10 total to \$30.6 million. This program supports new or expanded

after-school programs that provide a wide range of flexible, developmentally appropriate, educational enrichment, recreation, cultural, arts, and community service programming.

Other Reforms

The Enacted Budget agreement also institutes a number of long-overdue cost-saving reforms that HSC has long supported, including the overhauling of the State's Rockefeller Drug Laws, Medicaid reimbursement system, and Empire Zone Program. The budget also makes the first increase in the basic welfare grant in nearly two decades and finally closes three underutilized State prisons and six underutilized youth facilities.

- ***Rockefeller Drug Law Reform.*** The budget agreement achieves Rockefeller Drug Law reform, which will help end the cycle of addiction by focusing on treatment rather than incarceration and save hundreds of millions of dollars.
- ***Health Care Reform.*** The budget achieves a \$2.3 billion health care savings plan – the largest in State history – which is nearly double the previous record in 2005-06. Additionally, the budget institutes major, permanent reforms to the way health care is delivered in New York, rationalizing our Medicaid reimbursement system and providing increased investment in primary and preventive care.
- ***Reform Empire Zone Program.*** The Enacted Budget reins in long-documented abuses in the Empire Zone program. It decertifies “shirt-changers” and firms producing less than \$1 in actual investment and wages for every \$1 in State tax incentives, while balancing the concerns of the business community to ensure that the State continues to create jobs. To accelerate future reforms, the Empire Zone program will sunset on June 30, 2010 – one year early.
- ***Public Assistance Grant Increase.*** The budget dedicates \$176 million in TANF funds to increase the basic welfare grant.
- ***Close Underutilized State Detention Facilities.*** The budget closes three minimum security facilities and six underutilized youth facilities.