



## *New York State Catholic Conference*

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This year marks the 100<sup>th</sup> anniversary of Catholic Charities. We are proud of the service we have provided over the last century to millions in need, and the partnership with government that has benefitted all New Yorkers. We know you value the work of Catholic Charities, and we look forward to continuing that partnership in the years to come. In Fall 2016, we submitted our priorities to the Governor for FY2018, which included: an investment in human services; fulfilling the commitment made for affordable and supportive housing; and child care subsidies and the implementation of federal Child Care Development Block Grant regulations.

On January 17, 2017, the Executive Budget for FY 2018 was released and the Council of Catholic Charities Directors were disappointed that the human services sector and the other needs highlighted for the next fiscal year were not included in the proposed spending plan. As the NYS Legislature reviews the executive proposal and formulates its own priorities for FY 2018, we want to reiterate that these concerns for the vulnerable be addressed in the enacted spending plan.

### **Investment in Human Services**

Human Services agencies have not been receiving adequate state reimbursement to cover the full cost of providing essential services in the state. Without sufficient support for this sector, many nonprofit organizations will be faced with cutting services, reducing staff, or closing their programs.

The Council of Catholic Charities calls for the following investments to the Human Services sector:

**Cost-of-Living-Adjustments:** With the exception of FY 2017, agencies have not received cost of living adjustments to their contracts for several years. This means that our sector has not received some \$540 million in state funds to address our rising costs. The FY 2018 Executive Budget defers the statutory COLA of 0.8 percent for one year. Investment in this item is relatively modest, yet its omission would have negative consequences statewide.

**Recommendation:** Reject Part Q of the Health & Mental Hygiene Article VII bill and restore the \$40 million to the State agencies impacted by the one-year deferral of the COLA statute.

**Minimum Wage:** While the Council of Catholic Charities Directors supported the Governor's initiative to increase the minimum wage, the state budget does not contain any additional state funds to support its share of that wage increase in the human services sector.

Recommendation: Require that the Human Services unit in the NYS Division of the Budget conduct a survey with the human services provider network and impacted state agencies to ascertain the true costs of increasing the minimum wage. Such a survey was conducted by the Health and Mental Hygiene units in DOB and that produced a commitment by the state to support the costs associated with the minimum wage. Funding was included in the FY2017 enacted budget and additional resources are included in the proposed FY2018 spending plan.

**Nonprofit Infrastructure Capital Investment Program:** The \$100 million-bonded Nonprofit Infrastructure Capital Investment Program, created in FY 2016, began to recognize the ongoing needs of our sector. However, the FY 2018 Executive Budget does not include any funding to continue this program.

Recommendation: Add \$100 million to the FY 2018 spending plan to fund another round of projects for the nonprofit sector.

### **Fulfill the Commitment to Supportive & Affordable Housing**

**Supportive & Affordable Housing:** In 2016, Governor Cuomo presented a \$20 Billion blueprint to combat homelessness and to expand access to affordable housing. In the FY 2017 enacted budget, \$2 billion was appropriated, subject to a Memorandum of Understanding (MOU). To date, this MOU has not been agreed to by the Governor, the Senate, or the Assembly.

Recommendation: The Council of Catholic Charities Directors urges the Governor to bring the Legislature back to the negotiating table to fulfill the commitment made for much needed affordable and supportive housing units in the state.

### **Invest in Child Care Subsidies**

**Child Care Development Block Grant:** Once again, we call for an investment in child care. As New York State implements federal Child Care Development Block Grant (CCDBG) requirements, which impose new costs, it is critical that the state provide sufficient funding to maintain slots for the approximately 92,000 children who currently receive child care subsidies out the 675,000 who are eligible. We specifically request the following:

Recommendations:

- ❖ Ensure subsidy funding is sufficient to cover the market rate at the 75<sup>th</sup> percentile and addresses the impact of the minimum wage increase on existing salary structures - \$100 million;
- ❖ Implement legislative and regulatory changes to meet the CCDBG requirements by investing \$56 million for training and criminal background checks; and increasing access to child care subsidies for children experiencing homelessness; and
- ❖ Create an Early Childhood Learning fund with a dedicated revenue stream to increase the percentage of children served.

The Executive has moved away from their traditional funding of child care subsidies by reducing the state's commitment by \$27 million. This amount is being shifted to discretionary Federal Title XX funds. We are concerned with this shift in funding because it could impact local social services districts ability to provide critical services supported by Title XX funds. If that is the case, we would oppose this measure and seek to restore the \$27 million state commitment to child care subsidies.