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**United Way of New York State Testimony
Human Services Budget Committee Hearing**

February 13, 2012

While we are disappointed that we were unable to secure time to testify at this year's hearing, we appreciate the opportunity to submit written testimony.

We have six specific requests for the Legislature's attention with respect to the Governor's budget proposal.

Child Care Subsidies

We ask that you support the proposed additional state funding of \$93 million to offset the reduction in federal funding for child care subsidies. The effect of this additional investment would be the preservation of 19,000 child care slots that would otherwise have been lost.

We are very concerned that the total amount available for child care subsidies has declined over the past few years resulting in some combination of larger waiting lists, decreases in income eligibility levels, and increases in parental co-pays, with a net effect of fewer children receiving subsidized care.

The decline in subsidy spending, while largely federally driven, is a direct contradiction of the requirements to move families away from public assistance and into the world of work. For parents with children who need to work, look for a job, or participate in job training, child care is not a nice to have – it is essential. We ask the Legislature to work with us to find solutions that will provide more children with quality care that will enable more families to secure and maintain employment and ultimately achieve some degree of economic security.

Universal Pre-Kindergarten

The Governor's proposed \$385 million investment in pre-kindergarten, funded at the 2010/11 level, is a further erosion of the state's investment in this important school readiness program. Just three years ago the total available for pre-k was \$452 million. Although available in 66% of NYS schools, only 41% of four-year olds actually participate.

We urge you to make a down payment in this budget to work towards, over time, a restoration of the \$67 million that has been lost. We also request that you consider needed adjustments to the program including funding for full-day services, eligibility for transportation aid, and improved professional development.

Hunger Prevention Nutrition Assistance Program

We request an increase of \$4 million in funding for this program up to a total of \$33.9 million, on the basis of the numbers of people being served and significant decreases in the federal Emergency Food and Shelter Program. In 2008-09 a total of 164 million meals were supported by this program across the state. Not surprisingly this grew to 194.5 million in 2010-11. The projection for this past year is over 200 million meals.

Although we welcomed the Governor's action in providing an additional \$1.5 million to the food banks last fall, this support addressed the very immediate need of families affected by the hurricane and flooding. There remains however, a documented need for increased funding to assist children and families across this state that go hungry due to loss of income and jobs from a stalled economy – a situation that is neither their making nor their choice. Charitable funding alone cannot fill that gap.

Low Income Home Energy Assistance Program (LIHEAP)

We urge you to add state support to this important federally funded program, to replace some of the lost federal dollars for LIHEAP. LIHEAP is funded this year at \$375.5 million compared to last year's \$521.6 million of combined formula and contingency funding, which provided assistance to 1.5 million New York households. A reduction of this magnitude - \$146.1 million - can only have a significant and negative effect on households that depend on this assistance to stay warm. Even though we have had a mild winter, home heating costs are up and households in need continue to struggle.

2-1-1 Information and Referral

Provide \$3.28 million for 2-1-1 so that multi-lingual 2-1-1 services are available to all New Yorkers, 24/7 year-round. This funding would restore the "public" share of this public - private partnership, and represents just 25% of the total cost for this proven program.

At the request of county emergency managers, 2-1-1 call centers responded to thousands of calls during the hurricane and tropical storms last August and September, without benefit of state or federal reimbursement. Their work relieved a substantial burden from 911 allowing them to address true emergencies. Even now 2-1-1 continues to handle calls about long-term relief and recovery needs.

State funding cuts led to a reduction in 2-1-1 services availability across much of NYS despite ongoing United Way, some local government, and private support. Despite this reduction, last year 2.9 million calls were handled down slightly from the 3.1 million calls in 2010. This is somewhat mitigated by the availability of information about available services from searchable, Internet data bases. Last year 2-1-1 reported more than 11.6 million web searches. Both calls and internet inquiries cover a wide range of health and human services. The most frequently requested requests for help (see attached chart) in 2011 included:

- Consumer services – 768,292 inquiries or 26.7% (consumer reporting, debt collection, credit repair, financial services including Volunteer Income Tax Assistance sites)
- Basic needs – 553,840 inquiries or 19.2% (food, housing material goods, transportation, financial assistance)
- Income supports and employment – 357,291 inquiries or 12.4% (employment, training, insurance and other benefits)

This 2-1-1 data documents the need for increased investments in hunger prevention and utility assistance programs noted earlier in this testimony.

Not for Profit Executive Compensation

While we do not condone the actions of any not for profit agencies that may be using state resources inappropriately, we ask that you reject the proposed budget language on this issue.

These proposals have been advanced without supporting documentation to demonstrate that these issues are persistent and widespread, as opposed to the actions of a few.

The Governor created a Task Force to conduct such a study with members of the Senate and the Assembly in addition to state agencies. We think it would be helpful to share the findings of the study they have conducted, so that an analysis of the extent of the problem and the options for addressing any systemic issues can be fully examined.

We note that all charitable organizations whether they have contracts with New York State or not, face an almost unprecedented level of regulation through required federal and state registration and annual reporting. Annual reports to the IRS already require compliance with executive compensation setting

transparency, comparability studies and other safeguards. Further, in the interests of transparency for government regulators and donors, these documents are already available for public and government review.

With that being the case, we believe that the state already has the legal tools to demand restitution if that is called for in any current cases, as well as the existing oversight authority to prevent a re-occurrence. New restrictions or reporting for the entire sector as envisioned in the budget language could further add to administrative costs that are themselves the target of these proposals to achieve savings.

Submitted by:
Susan K. Hager
President and CEO

Attachments:

- 2-1-1 Services Report for 2011
- Map of 2-1-1 Services in New York State