

Human Services

Office of Children and Family Services
Homes and Community Renewal
Division of Human Rights
Department of Labor
Office of National and Community Service
Office of Temporary and Disability Assistance
Division of Veterans' Affairs

Overview

The Executive Budget provides funding for core supportive services for needy populations, increases funding for child care subsidies that allow low-income individuals to seek or maintain employment, expands the availability of affordable housing across the State, expands efforts to serve Veterans and their families, and makes further investment in the Pay for Success program.

New York's human services programs promote the safety and well-being of the State's most vulnerable residents.

Programs funded through the Office of Temporary and Disability Assistance (OTDA) and the Office of Children and Family Services (OCFS) include financial assistance to elderly and disabled persons who are unable to work, supportive services to public assistance recipients to prepare for and secure employment, child support enforcement, child care subsidies to assist low-income working families, juvenile justice, and child protective and adult protective programs.

Programs funded through the Department of Labor (DOL) protect workers and promote workforce development. DOL also operates the State's Unemployment Insurance System.

Programs funded through Homes and Community Renewal (HCR) preserve and create affordable housing.

Programs funded through the Division of Human Rights (DHR) protect civil rights in the areas of employment, housing, public accommodations, education and credit.

Programs funded through the Office of National and Community Service (NCS) support community service grants that provide youth education, assistance to individuals with disabilities, public health services, and disaster preparedness.

Programs funded through the Division of Veterans' Affairs (DVA) connect veterans, members of the armed forces, and their families to various economic, medical, and social benefits and services available as the result of active duty military service.

Providing Opportunity for All New Yorkers

Since the enactment of landmark Federal welfare reform of 1996, the State's public assistance caseload has declined by approximately one million recipients. The 2014-15 caseload is estimated at 564,000 recipients.

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New York's Supplemental Security Income (SSI) program supplements Federal SSI benefits to low-income elderly, blind, and disabled persons. The 2014-15 caseload is estimated at 712,000 recipients. The State supplementation program is currently administered by the Federal government at significant cost to the State. Expenditures for the State supplementation program have grown from \$656 million in 2006-07 to a projected \$751 million in 2013-14 as caseload and Federal administrative fees have increased. The 2012-13 Budget enacted a State takeover of Federal administration, which will achieve recurring annual savings of over \$90 million upon implementation in October 2014.

New York State's child welfare programs are monitored by OCFS and administered by 58 local social services districts (LSSDs). The LSSDs are responsible for conducting direct investigations of alleged child abuse, as well as providing services to prevent foster care placements for at-risk youth and families, and foster care services when out-of-home placement is necessary.

The Child Welfare Services program supports approximately 160,000 child protective services investigations with more than 50,000 cases receiving protective and preventive services. Federal funds support approximately \$467 million of statewide program costs. The State supports 62 percent of non-Federal costs, and local social services districts finance the remaining 38 percent. This funding approach, authorized in 2002-03 through Child Welfare Financing Reform, provides an incentive to use preventive services to keep families safely intact and to avoid unnecessary foster care placements. This front-end investment is paying dividends, as the foster care caseload has dropped by more than 40 percent since 2002-03 – from 34,900 to approximately 20,000 in 2013-14.

The Executive Budget proposals provide for core supportive services for needy families, while limiting spending growth and implementing measures to improve program performance.

In Juvenile Justice, the 2014-15 Executive Budget reflects continued implementation of the Close to Home initiative. Under this initiative, in 2012-13, New York City youth requiring a non-secure placement were transferred from OCFS to New York City custody to receive services closer to their home community. New York City is working with OCFS on a plan to take custody of its youth that require a limited secure placement. This limited secure phase of Close to Home is expected to be implemented during 2014-15. After the limited secure phase is implemented, OCFS will reduce its limited secure facility capacity.

Summary of Spending (All Funds)

Category	2013-14 (\$ in millions)	2014-15 (\$ in millions)	Change	
			Dollar (in millions)	Percent
Human Services	9,226	8,878	(348)	(3.8)
OTDA	5,402	5,059	(343)*	(6.3)*
OCFS	2,921	2,963	42	1.4
DOL	633	590	(43)**	(6.8)
HCR	241	237	(4)	(1.7)
DVA	15	15	0	0
DHR	14	14	0	0

*Year-to-year change reflects a reduction in public assistance expenditures due to caseload changes and in SSI expenditures due to implementation of the State takeover of program administration that was previously authorized.
 ** Year-to-year change primarily reflects transfer of resources to the Office of Information Technology Services.

Proposed 2014-15 Budget Actions

Housing

- **Expand Affordable Housing Opportunities.** There is a significant shortage of quality affordable housing in New York State – 2.9 million households are financially insecure in their homes, paying over 30 percent of their income on housing costs. New resources of \$100 million will be invested to create and preserve 3,000 affordable housing units in multi-family developments. This investment of Federal storm recovery funds for affordable housing will serve as a catalyst to attract private investment into the market by lowering mortgage costs and leading to more affordable rents.

The Executive Budget also continues the House NY program initiated in 2013-14 that invests \$1 billion over five years to preserve and create 14,300 affordable housing units statewide. This will create significant economic benefits for the State, including long-term stabilization of distressed neighborhoods and the creation of jobs during construction. This multi-year initiative includes: the revitalization of 44 Mitchell Lama affordable housing projects that suffer from significant physical deterioration and were transferred to the Housing Finance Agency from Empire State Development Corporation in 2013-14 (\$706 million); the creation and preservation of over 5,000 affordable housing units through various housing and community development programs (\$231 million); and other initiatives. The 2014-15 Budget expands upon the House NY program by adding \$40 million in new capital resources for construction and renovation of affordable housing for low income and homeless individuals and families.

- **Utilize MIF Resources to Support the NPP/RPP and the RRAP.** The Executive Budget proposes to continue the utilization of \$32 million in excess reserves from the Mortgage Insurance Fund (MIF) to support the Neighborhood and Rural Preservation Programs (NPP/RPP) and the Rural Rental Assistance Program (RRAP) through the Housing Trust Fund Corporation.

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- **Create the Commission on Youth, Public Safety and Justice.** Despite significant reductions in juvenile crime and incarceration, New York is one of only two states that continue to prosecute 16- and 17-year olds through the adult criminal justice system. In 2014, the Governor will establish the Commission on Youth, Public Safety and Justice to make recommendations on how best to raise the age of juvenile jurisdiction, improve outcomes for youth, and promote community safety.
- **Expand Pay for Success.** Also known as “Social Impact Bonds,” “Pay for Success” contracts are part of an innovative program to achieve better human services outcomes while saving taxpayer money. Program initiatives attract private funding for preventative programming with a promise to investors of a return on investment based on savings the programming achieves. In 2013-14, New York launched the nation's first state-led Pay for Success project to train and employ approximately 2,000 formerly incarcerated individuals. Pay for Success projects are characterized by rigorous measurement of outcomes, payments to service providers only when pre-determined outcomes have been successfully achieved as measured by an independent monitor, and creative private sector financing that helps proven service providers fund their operations with minimal risk to government budgets. The State makes no payment if the program does not meet goals, ensuring taxpayer dollars are only spent if results are achieved. Building upon this success, the Executive Budget increases its

utilization of this innovative structure from \$30 million, as authorized in the 2013-14 Budget, to a total of \$125 million. New initiatives will be undertaken in the areas of early childhood development and child welfare, health care, public safety, and developing solutions to reduce homelessness.

- **Increase Child Care Funding.** The Child Care Block Grant is made up of State, Federal and Local funds. The Executive Budget increases total block grant funding by \$21 million to allow local social services districts to maintain child care subsidies in the face of increased costs for child care services.
- **Provide New Economic Opportunities and Improve Services for Veterans.** The Executive Budget provides \$250,000 for the Division of Veterans Affairs to undertake a disparity study to examine the equity in contracting for service-disabled veteran small business owners. This will be the first action intended to establish up to a five percent goal in awarding State contracts to service-disabled veterans. In addition, the Governor will convene a Veterans and Military Families Summit in 2014 to identify key policy areas of need and the ways in which New York State can better serve those who have served our nation.
- **Establish a Fair Hearings Chargeback.** OTDA administers and the State pays for the fair hearings process through which recipients of various benefit programs such as Supplemental Nutrition Assistance (“SNAP”), public assistance and Medicaid may appeal a decision made by a local social services district. In certain districts, many such hearings are withdrawn prior to occurrence due to lack of evidence or other factors. This practice creates significant additional costs for the State and inconvenience for recipients. The Executive Budget includes a performance improvement initiative that will encourage local social services districts to improve their administrative practices. If a district fails to meet certain performance criteria, the State would be authorized to “chargeback” the district for a portion of the costs incurred for hearings from that district.
- **Defer the Human Services Cost of Living Adjustment (COLA).** The Executive Budget will defer the planned 2 percent COLA scheduled to take effect in 2014-15 for OCFS programs. This action will save \$19 million in 2014-15.
- **Expand Educational Services Offered to Youth in OCFS Facilities.** In 2013-14, OCFS was authorized to enter into contracts with the Boards of Cooperative Educational Services (BOCES) for special education services at its youth facilities. Building upon this initiative, the Executive Budget will expand OCFS' authority to contract with BOCES to cover additional areas such as foreign languages, music, art, career and technical skills and others that will increase educational opportunities for youth at the agency's facilities.