



HUMAN SERVICES COUNCIL ISSUE BRIEF

**A Lose-Lose Proposition:
The economic
impact of lost
human
services
in New York State**

WHO CARES?



WINTER 2012



Human Services Council of New York

The Human Services Council (HSC) is the voice of the human services community. We represent thousands of not-for-profit organizations in New York, and we advocate for the needs of the human services sector as a whole. Human service providers can accomplish more for their clients when they work together to increase funding, master complex new regulations, and orchestrate joint technology. HSC provides the structure to make that happen.

Since 1991, we have helped bring together a diverse network of human services organizations to discuss ideas and take collective action on issues and concerns that impact the entire sector. Through advocacy, information, collaboration, and technical assistance, member organizations and their leaders are supported by the whole human services community in addressing their concerns of public policy, economic trends, and regulatory environment.

For more about HSC, visit our

Website: www.humanservicescouncil.org • Twitter: @hsc_ny • Facebook: HSC.NY

Who Cares? I Do. Campaign

HSC is spearheading the **Who Cares? I Do.** campaign to spread awareness of the impact funding cuts will have on New York's individuals, families, communities, and economy. Ultimately, our goal is to influence government decisions about the allocation of state and city resources and protect investments in human service programs.

The campaign is supported by individuals, organizations, businesses, policy makers, philanthropists, and many others who recognize how critical human services are to New York and all its communities — whether it's an after-school program, a senior center, a shelter for the homeless, a food pantry, assistance for domestic violence victims, a mental health clinic, a home for foster children, or a day care center. Our mission is to make government accountable to the needs of all New Yorkers by honoring the commitments made to our communities.

For more about the **Who Cares? I Do.** campaign, visit our

Website: www.whocares-ido.org • Twitter: @WhoCares_IDo • Facebook: Who Cares? I Do.

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WHO CARES?



**Key Human Service Programs
Affected by Cuts in FY11 and FY12**

Department of Health

- Brain Trauma Foundation
- Cardiac Services
- Eating Disorders
- Falls Prevention
- Health Promotion Initiatives
- Infertility Program
- Interim Lead Safe Housing
- Latino Outreach Program
- Long Term Care Community Coalition
- Maternal Mortality Review & Safe Motherhood Initiative
- Maternity & Early Childhood Foundation
- Medicaid Collaborative Studies
- Minority Male Wellness
- Office of Minority Health
- Osteoporosis Foundation
- Public Aware Campaign for Donor Registry
- Public Health Genomics
- Pub Health Management Leaders of Tomorrow
- Quality Improvement
- Racial Disparities Study
- Statewide Health Broadcasts
- Sudden Infant Death Syndrome
- Tick-Born Disease
- Minority Participation in Medical Ed - CUNY Gateway
- Minority Participation in Medical Ed - SUNY Upstate
- Workforce Studies Program
- General Public Health Work
- Early Intervention
- Elderly Pharmaceutical Insurance Coverage

Office of Children and Family Services

- Advantage Afterschool
- Adoption Subsidy
- Alt. to Detention & Res. Placement
- Amy Watkins Fund
- Caseworker Caseload Ratios Funding
- Caseworker Training
- Child Advocacy Centers

Overview

In the last two years, New York State has cut about \$800 million in funding for essential human services that support the health and success of struggling people throughout the state. At the same time, poverty, hunger, and homelessness are at or near all-time highs.

Human services programs don't only improve the lives of those in or close to poverty; they are an economic engine in the communities they serve, providing over a million jobs and stimulating business through the purchase of over a billion dollars in goods and services. Approximately 27,000 human service sector jobs have been lost due to service cuts in the last two years.

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**loss of
27,000 jobs**

This report details the direct impact that lost human services have on employment and economic opportunity in New York State.

Why Do Human Services Matter?

Whether due to an unexpected job loss, a catastrophic illness, a natural or man-made disaster, or other life circumstance, anyone may find themselves in need of human services. The human services sector provides a broad range of essential support programs, including child care and child welfare, youth and after-school programs, elder care, mental health services, health and wellness programs, job training, services for people with disabilities, and supportive housing and services for the homeless.

Such programs and services have a significant impact on the well-being of millions of New Yorkers and on the state's economy. As government partners with nonprofit

Nonprofit human services organizations reinvest in the communities they serve by

**employing
1.25 million**

people and purchasing over a billion dollars in goods and services.

organizations to carry out most human services throughout the state, those organizations reinvest in the communities they serve through employment and the purchase of goods and services. The human services sector employs 1.25 million people working in New York State to improve the lives of New Yorkers¹.

WHO CARES?



¹<http://www.osc.state.ny.us/reports/nfp/nfpreport11-2011.pdf>

**Key Human Service Programs
Affected by Cuts in FY11 and FY12**

**Office of Children and Family
Services (con't)**

- Child Fatality Review Teams
- Child Welfare Quality Funding
- Committee of Special Education
Residential Schools
- Community Optional Preventive Services
- Healthy Families NY Home Visiting
Program
- Hoyt Trust Fund
- Kinship Care Services Contracts
- Kinship Navigator
- Open-Ended Child Welfare Services
- Runaway and Homeless Youth
- Safe Alternatives for Family Enrichment
- Safe House for Sexually Exploited Youth
- Settlement Houses
- Youth Development and Delinquency
Prevention & Special Delinquency
Prevention Program

**Office of Temporary and Disability
Assistance**

- NYC Adult Homeless Shelter
- Citizenship Program
- HIV Employment Program
- Homeless Intervention Program
- Homeless Prevention Program
- Operational Support for AIDS Housing
- Single Room Occupancy
- Language Immersion/ESL
- New York City Housing Authority
- NYC Work Advantage Shelter Supplement
- New York State Refugee Resettlement
Assistant Program
- Public Assistance

State Office for the Aging

- Community Empowerment Initiative
- Community Services for the Elderly
- Congregate Services Initiative
- EAC/Nassau Respite Program
- Elderly Abuse Education and Outreach
Program

Impact of Budget Cuts

Just as the need for human services has escalated, the human services sector has been stripped of public and private funding since the economic downturn began. The cumulative impact of budget cuts has significantly weakened the vital support networks that sustain our most vulnerable citizens. Fiscal year 2010-2011 (FY11) and fiscal year 2011-12 (FY12) account for the greatest losses, as federal stimulus dollars from the American Recovery and Reinvestment Act (ARRA) dissipated. New York State had received nearly \$35 billion from the federal government through ARRA, helping the state avoid more significant funding cuts during the recession.

With the absence of federal ARRA dollars coming into the state and continued deficits, over the last two years the state has drastically pulled back funding for services. The result has been budget cuts to essential human services totaling approximately \$181 million in FY11 and \$796 million in FY12 across several state agencies, including the Department of Health (DOH), the Office of Children and Family Services (OCFS), the Office of Mental Health (OMH), the Office of Temporary and Disability Assistance (OTDA), and the State Office for the Aging (SOFA).

Additionally, over \$150 million in cost-of-living-adjustments (COLAs) for staff in the human services sector has been deferred for the last three years. COLAs are critical to maintaining the high-quality delivery of human services as they provide needed salary increases to this already low-wage workforce, thereby reducing employee turnover.

State Reductions to TANF and Medicaid

State funding for Temporary Aid to Needy Families (TANF) and Medicaid, critically important programs that fund many human services with a combination of federal, state, and local dollars, has also been significantly reduced.

New York's TANF-funded initiatives provide many key work supports such as child care and employment training, including Career Pathways and Summer Youth Employment. In FY12, \$61 million, or 71%, was cut from TANF initiatives, taking it from \$86 million in FY11 to \$25 million in FY12. This is after a loss of \$130 million, a 60% reduction, in FY11 from \$216 million in FY10.

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**Key Human Service Programs
Affected by Cuts in FY11 and FY12**

State Office for the Aging (con't)

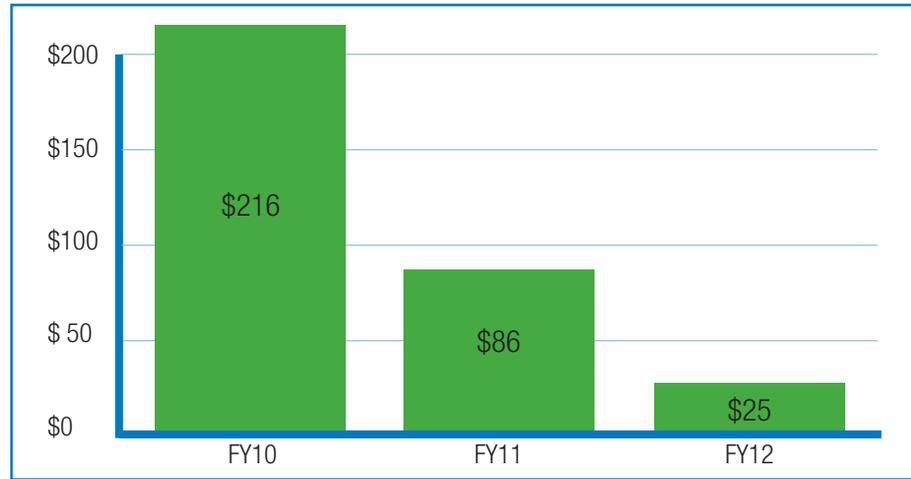
- Enriched Social Adult Day Centers Program
- Expanded In-Home Services for the Elderly
- Foster Grandparent Program
- Long Term Care Senior Respite
- Patients' Rights Hotline and Advocacy
- Regional Caregivers Centers for Excellence
- Retired and Senior Volunteer Program
- Supplemental Nutrition Assistance Program

Temporary Aid to Needy Families

- ACCESS - Welfare to Careers
- Adv. Tech Training & Info Networking
- Advantage Afterschool
- Alternative to Detention/Alternative to Residential Placement
- BRIDGE
- Career Pathways
- Caretaker Relative
- Centro of Oneida
- Child Care CUNY
- Child Care Demonstration Projects
- Child Care Migrant
- Child Care SUNY
- Community Reinvestment/Alternatives to Detention
- Community Solutions for Transportation
- Disability Advocacy Program
- Displaced Homemakers
- Earned Income Tax Credit Related Offset
- Educational Resources
- Emergency Homeless
- Green Jobs Corps Program
- Health Care Jobs Program
- Home Visiting
- Intensive Case Services
- Local Interagency VESID Employment Services
- Non-residential Domestic Violence
- Nurse Family Partnership

State Funding for TANF Initiatives Since FY10

(in millions)



Medicaid funds critical health, mental hygiene, and disability programs in the human services sector. The FY12 budget cut \$2.7 billion in state Medicaid funding, including a 2% across the board cut for Medicaid payments to almost all Medicaid providers totaling approximately \$345 million in state funding.

Cost Shifts to Localities

The cost of many human service programs are shared by state and local governments, often based on a specific formula. In addition to the direct program cuts, the state has also reduced funds provided to local governments for human services. State reductions totaling about \$160 million shift costs to financially strapped localities. In FY11, New York State lowered its contribution to child protective and preventive services by an estimated \$34 million by enacting a formula change that reduced the state's share of the cost. In FY12, the state reduced its share of adoption subsidy costs from 73.5% to 62%, resulting in an estimated loss to local governments of \$34 million in state dollars. Adoption subsidies support the adoption of hard-to-place foster youth, and child protective and preventive services are designed to ensure that children remain safe in the home while avoiding entrance into foster care. Eighteen percent of the state's share of the costs for children with disabilities in residential schools, Committee on Special Education funding, was shifted to local school districts for a total loss of \$34.7 million. Finally, in FY12, a planned 10% increase in the Public Assistance Grant, which provides a small supplement to families living below the poverty line, was postponed, deferring

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**Key Human Service Programs
Affected by Cuts in FY11 and FY12**

**Temporary Aid to Needy Families
(con't)**

- Preventive Services
- Refugee Resettlement
- Rochester-Genesee Regional Transp. Authority
- Settlement House
- Strengthening Families through Stronger Fathers
- Summer Youth Employment
- Supplemental Homeless Intervention Program
- Supportive Housing for Families and Young Adults
- Transitional Jobs Program
- Wage Subsidy
- Wheels for Work

\$56 million in total spending by the state. These are only a few examples of policy changes that reduce state spending on human services programs by shifting costs to cash-strapped localities.

*State reductions, totaling about
\$160 million
in critical services,
shift costs to financially strapped
local governments.*

Service and Job Loss Examples²

How do these lost dollars translate into lost services and jobs, and what impact do these losses have on New York State's communities? The following are some examples of how cuts look on the ground:

Summer Youth Employment: 13,265 summer youth slots and 1,300 jobs lost

Summer Youth Employment programs provide work experience, life-skills training, and income for youth between the ages of 14 to 24 in high-need areas of New York State. Participants work in a variety of entry-level jobs at government agencies, hospitals, summer camps, nonprofits, small businesses, law firms, museums, sports enterprises, and retail organizations. The program gives young people a source of income along with life experience and training that will help them and their communities. With \$19.5 million in cuts to the program in FY11, approximately 13,265 summer youth slots and 1,300 jobs have been lost.

Career Pathways: 2,140 work-readiness participants and 330 jobs eliminated

The Career Pathways program integrated work experience, instruction and supportive services, enabling low-income people to successfully combine school and work. Over time, participants could advance to better jobs and higher levels of education and training in high-demand occupations, leading to financial progress and increased self-sufficiency. This program was eliminated in FY12 after being funded at \$10 million in FY10, affecting about 2,140 participants and losing 330 jobs over the last two years.

Runaway and Homeless Youth: 605 youth turned away and 75 jobs lost

Runaway and Homeless Youth services provide shelter for runaway and homeless youth throughout New York State. Short-term crisis programs offer runaway youth shelter and support services while staff seeks family reconciliation or alternative living arrangements. Long-term transitional independent living programs are for older homeless youth who lack shelter with supervision and care. With \$2.22 million in cuts from FY10-FY12, these programs now must turn away about 605 youth and eliminate approximately 75 jobs.

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²HSC estimates a full-time job is lost for every \$30,000 in service dollars lost. Part-time positions are based on \$15,000.

Non-Residential Domestic Violence Services: 387,250 fewer victims served and 85 jobs lost

Non-residential domestic violence services support the safety and self-sufficiency of domestic violence victims and their children through counseling, advocacy, legal services, and telephone assistance. With \$2.49 million in cuts from FY10-FY12, the Non-Residential Domestic Violence program now serves approximately 387,250 fewer abused individuals and has lost about 85 jobs.

The Infertility Prevention Program: 68,650 fewer screenings and treatments and 68 jobs lost

The Infertility Prevention Program, also known as the Chlamydia Project, provides screening and treatment designed for Chlamydia trachomatis, a sexually transmitted infection particularly prevalent among young people. Chlamydia has potentially debilitating complications, including infertility. Approximately 68,650 fewer screenings and treatments and about 68 lost jobs result from the loss of \$2.025 million in FY12.

PROGRAM	FY10-12 BUDGET CUT	# OF SLOTS LOST	# OF JOBS LOST
Summer Youth Employment	\$19,500,000	13,265	1300
Career Pathways	\$10,000,000	2,140	330
Runaway and Homeless Youth Services	\$2,350,000	641	75
Non-Residential Domestic Violence Program	\$2,025,000	387,247	85
Infertility Prevention Program	\$2,025,000	68,644	68

Conclusion

Not only do millions of New Yorkers depend on human services daily to provide essential work supports, food, and housing that enable people to live healthy, productive lives, but New York’s economy depends on them. The dismantling of services threatens our already shaky economic stability and the safety and self-sufficiency of our families and neighbors. Harsh budget cuts and deferred cost-of-living increases also hurt the mostly low- to middle-income human services workforce, some of whom live close to the poverty line themselves. New York must maintain its investment in the human services that assist not only those most in need but that make life better for everyone.

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