



Human Services Council FY19 State Budget Response

The New York State Governor and Legislature have passed another on time budget, and the investments made are an important step forward in supporting the human services sector. The Human Services Council appreciates these investments, and we look forward to continuing to work with our government partners to ensure that this essential sector has the funding and processes necessary to best serve our communities.

\$15 million to fund minimum wage in human services contracts

The Human Services Council, a co-lead of the Strong Nonprofits for a Better New York Coalition, joins the campaign in applauding the Governor and the Legislature for their investment of \$15 million to fund the minimum wage increase for State-contracted nonprofit human services organizations. This shows a firm commitment to ensuring that nonprofits, their staff, and the people they serve do not have to choose between a progressive minimum wage and the ability to serve communities; it means that nonprofits will be less likely to have to make the tough call to scale back hours, programs, or in some cases close their doors. This investment recognizes that in order to have strong New Yorkers we must have strong nonprofits.

Nonprofit Infrastructure Capital Investment Program

Although the NICIP was not expanded this year, we do appreciate the expansion of eligibility for the State and Municipalities (SAM) Facilities Program to include nonprofits as eligible entities, along with municipalities, schools, libraries, and fire departments. This inclusion is a recognition of the vital role nonprofits play in our communities.

We are disappointed that this year's budget did not allocate new funds for the Nonprofit Infrastructure Capital Investment Program (NICIP). As a co-lead of the Strong Nonprofits campaign, we called on the State to increase infrastructure funding for our multi-billion-dollar sector. We will continue to advocate for investment in this dedicated nonprofit infrastructure fund, and we look forward to working with the Governor and the Legislature to expand and improve the NICIP.

Wage Adjustment for the human services workforce

While this budget did not include cost of living adjustments for human services workers that contract with the State, we are encouraged by the support of many of our government partners in the State Legislature for our workforce. We will continue working with our partners in government to make sure that nonprofits and their staff stay strong. We look forward to partnering with the State in the FY20 budget to ensure that all human services workers are adequately invested in.

\$250 million to fund NYCHA

This budget includes a \$250 million investment in the New York City Housing Authority (NYCHA) for infrastructure and services, which will help to improve the safety and habitability of NYCHA's housing stock and provide much needed services to residents. The State's enactment of the design/build legislation, to help expedite repairs at NYCHA facilities, brings total State funding for NYCHA to \$550 million.

Close to Home Program

While we are pleased that there is no cap on state reimbursement for New York City's child welfare costs, we are disappointed that \$44 million in State funding for the highly effective Close to Home Program was lost. This program keeps many New York City youth who are adjudicated as juvenile delinquents close to their families and communities, which increases their chances of successful rehabilitation. As juvenile justice providers prepare to implement Raise the Age legislation, we call on the State to bear its responsibility as a partner to human services providers in serving the children of the State.



Tax Reform

In an effort to restore the value of SALT deductions lost due to the federal tax law, the budget creates a state sanctioned charitable contribution fund for health and education. We do not yet know what the impact of this new entity will be on human services in terms of charitable giving or State support.

A new optional payroll tax for employees has also been created as a fix to the inability to deduct State taxes under the new federal tax law. It's important that this approach is optional as it would otherwise create a new unfunded cost for nonprofits that do not pay corporate taxes and therefore cannot deduct this cost as a business expense.

The investment in minimum wage and expansion of the State and Municipalities (SAM) Facilities Program to nonprofits are significant steps in a positive direction, and we look forward to building upon these steps to ensure human services agencies and workers have the resources they need to provide the services and supports many New Yorkers need to survive and thrive.