



**TESTIMONY  
of  
FPWA**

**Joint Legislative Public Hearings On  
Human Services**

**February 6, 2018**

**Prepared By:**

**Mallory Nugent – Senior Policy Analyst**

**Submitted By:**

**Jennifer Jones Austin  
Executive Director/CEO**

40 Broad Street, 5<sup>th</sup> Floor  
New York, New York 10004  
Phone: (212) 777-4800  
Fax: (212) 414-1328

My name is Mallory Nugent and I am a Senior Policy Analyst at FPWA. I would like to thank the members of the legislature for the opportunity to testify before you today and for your leadership on issues that deeply impact New Yorkers.

FPWA is an anti-poverty, policy and advocacy nonprofit with a membership network of nearly 200 human service and faith-based organizations. FPWA has been a prominent force in New York City's social services system for more than 92 years, advocating for fair public policies, collaborating with partner agencies, and growing its community-based membership network to meet the needs of New Yorkers. Each year, through its network of member agencies, FPWA reaches close to 1.5 million New Yorkers of all ages, ethnicities, and denominations. FPWA focus's its advocacy work on issues of economic justice, seeking to ensure that all New Yorkers can have economic security and stability.

FPWA strongly supports strengthening the human services sector through the following investments in FY2018-2019:

- Fund the minimum wage on direct human services contracts (\$23 million).
- Adjust salaries for human services workers left out of last year's direct care increase, at the same 3.25% (\$65 million).
- Increase funding and make recurring the Nonprofit Infrastructure Capital Investment Program (\$100 million).
- Key investments in human services programming, including housing, childcare, child welfare, and services for older adults.

We encourage the State to invest in the vital human services programs, from early childhood education to services for older adults, to ensure that all New Yorkers have access to opportunity and upward mobility.

### **Strong Nonprofits for a Better New York**

FPWA is a co-chair of Strong Nonprofits for a Better New York. Strong Nonprofits is a statewide coalition of more than 350 nonprofit human services providers, calling for increased State investment in the sector's workforce and infrastructure. Working under contract with the State, human services agencies provide crucial services to uplift New Yorkers from all walks of life. The State must ensure these organizations can continue their vital work.

While we recognize this is a difficult budget year, in challenging times it is most important that we strengthen our nonprofit providers—they are our communities first line of defense. These investments will address costly issues like turnover and infrastructure needs, allowing program dollars to be more impactful.

#### *Workforce*

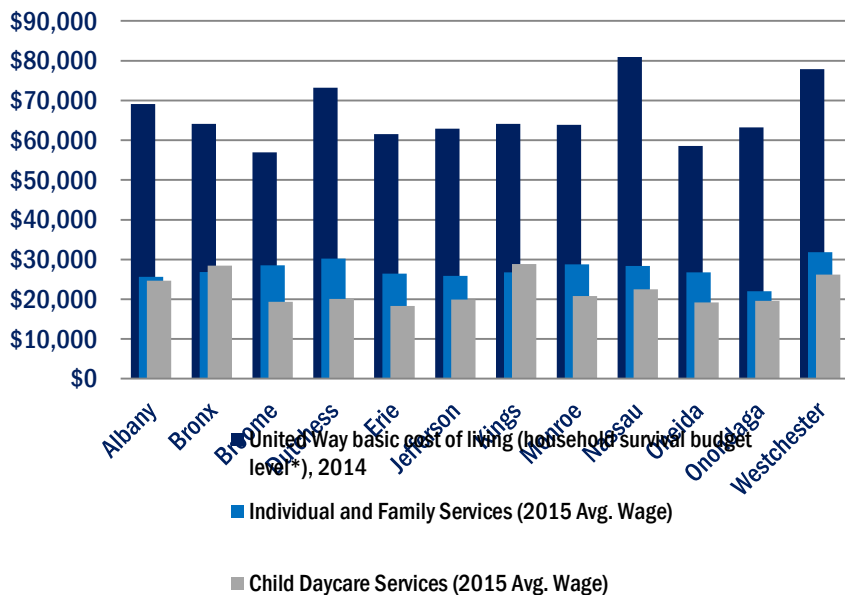
Human services workers across the State provide crucial services and critical interventions that ensure New Yorkers are safe, supported, and building toward a better future. From the childcare worker who allows parents to get to work on time, knowing their child is learning and growing, to the senior case

manager assisting older adults to age safely and with dignity in their homes, human services workers are in every community and are vital to the functioning and well-being of our communities.

New York’s human service nonprofit sector employs more than 200,000 workers who build and maintain the wellbeing of New Yorkers every day. William Gettman, CEO of Northern Rivers Family in Albany, provided a nonprofit perspective on the role of the workforce stating, “Nonprofit organizations are a critical and important economic engine and a vital part of our economy. These nonprofits deliver the lion’s share of health care, mental health, child welfare, counseling and other services that immeasurably contribute to overall quality of life and civic involvement.”

Since 1990 the human service nonprofit sector employment has doubled. This has increased the number of individuals working in this sector from 166,000 to 332,000 in 2016. Human services job growth occurred primarily among nonprofit organizations working under public contract. Nonprofits account for nearly 20 percent of New York’s workforce.

**Human services pay falls far short of meeting United Way's basic cost of living household survival budget in every region across New York State**



Although the workforce is growing, the wages of the workers continues to remain stagnant and below a living wage. The average annual pay for human services workers ranges from \$23,000 to \$25,000 upstate, about \$27,000 in the Hudson Valley and on Long Island, and \$29,600 in New York City. Such pay is only about 40 percent of the average for all workers and falls far short of the income needed to meet United Way’s survival family budget needs. This leads to a crisis of recruitment and retention, which deeply impact the quality and consistency of services, and poses a serious financial challenge to organizations who must constantly recruit and train

new staff.

Women make up 81 percent of the statewide workforce and people of color account for 46 percent of human services workers in the State. People of color make up an even larger portion of the sector in urban areas like New York City, where they account for 75 percent of the workforce. The pervasive low wages of this workforce, coupled with the demographic makeup, understandably highlight how fair wages for these workers is both a gender and racial justice issue. Exacerbating this, compensation is not reflective of the accomplishments of these individuals. 41 percent of the women who work in this sector have a four-year college degree and another 25 percent of those women have an associates’ degree. The State must make appropriate investments to allow nonprofits to pay the fair salaries these workers deserve.

Human services contracts have not seen an increase in their salaries in eight years, and to that point, contracts have not been adjusted to account for any increase to the cost of doing business. A statutory cost-of-living adjustment (COLA) exists for many human services agencies, but has been deferred for eight years, adding up to more than \$540 million in deferred funds to the human services sector, claimed as savings to the State. The State should not be creating savings on the backs of the nonprofit workforce serving our communities. Last year, a portion of the sector's direct care agencies contracted with the Office for Persons with Developmental Disabilities (OPWDD), Office of Mental Health (OMH), and Office of Alcoholism and Substance Abuse Services (OASAS) secured \$55 million to provide a 3.25 percent salary increase per year for the next two years to specific direct care titles. While this investment is laudable, it unfortunately leaves out many human services workers, including those contracted through State agencies like the Office of Children and Family Services (OCFS) and Office of Temporary and Disability Assistance (OTDA), creating a bifurcated workforce. **We urge the state to include \$65 million in the FY 2019 budget to provide a comparable increase to the human services workers not included in last year's increase.**

Given the low wages of the workforce, nonprofit providers were staunch advocates for the increase in the minimum wage, both for their workers and the clients they serve. Recent minimum wage legislation will bring New York City to \$15 per hour by 2018, and the rest of the State will reach \$12.50 by 2020. Unfortunately, this increase remains an unfunded mandate, with no additional funding allocated over the last two years to cover this increase for direct contracts. Absorbing the minimum wage increase could be crippling for providers already stretched thin. An unfunded minimum wage will force agencies to make difficult choices, such as cutting programs, limiting the reach of their services, or even closing their doors.

It is the responsibility of the government to fund mandates relating to the nonprofit sector and their contracts. **We are asking the State to include \$23 million to fund the minimum wage.** Upon increasing the minimum wage, Governor Cuomo stated that adjustments would be made to minimize "financial hardship" for nonprofits. Any unfunded mandate creates a "financial hardship" for nonprofits providers, and to date no funding has been made available to keep the Governor's promise.

### *Infrastructure*

The Nonprofit Infrastructure Capital Investment Program (NICIP) is a critical fund for nonprofits to address necessary building repairs, technology upgrades, and other capital needs not supported by current contracts. We thank the Governor and the Legislature for including \$120 million over the past three years in the budget for NICIP. The first \$100 million allocated will enable 237 nonprofit human services providers across the State to repair, reinforce, expand, and update their physical and technological infrastructure.

Unfortunately, the need for capital funding far exceeds the initial \$100 million appropriation and the \$20 million that was allocated in FY18. 635 organizations responded to the NICIP request for applications, totaling in \$300 million worth of projects. This demonstrates how significant this investment is to nonprofits, particularly in sustaining their capabilities to delivering effective services to all New Yorkers.

Supporting the infrastructure upgrades is paramount and this fund is extremely beneficial to nonprofits throughout the State. It has allowed for nonprofits to fix leaky roofs, replace/repair elevators, bring

technology up to date, and even insert wheel chair ramps to make their buildings more accessible. **We urge the State to increase the NICIP fund and implement a recurring investment of \$100 million.** This reasonable investment is a crucial step in meeting the infrastructure needs of a sector that delivers nearly \$6.8 billion in essential services annually. Support for more funding will allow more nonprofits in your district to apply for it, which means more support for local organizations in your district to receive necessary infrastructure upgrades to their facilities.

**To begin to address unmet need in our communities, FPWA also urges the state to make investments in the areas detailed below:**

## **Child Care**

Currently in New York State, too many working families who qualify for child care assistance are being turned away, and too many working parents are being forced to reduce work hours, or drop out of the work force all together. Child care providers, like human services providers across the various subsectors, are also not able to recruit and retain qualified staff or meet the rising costs of providing quality care. These issues negatively impact women—and especially women of color—most significantly.

New York State needs a clear plan to provide equitable access to quality child care for all New York children and working families, and a family sustaining income for child care providers. FPWA supports the Empire State Campaign for Child Care, and we pledge our assistance in the development and implementation of that plan. **As a first step, we urge the Governor to call up and implement the Child Care Task Force legislation passed in June of 2017.**

While we work on a long-term child care plan, we must increase investment now to at least restore short term stability to both the child care provider and subsidy systems. We must help put New Yorkers back to work, strengthen our child care infrastructure, and keep more children from falling through the cracks before they even learn to walk. This is a health, education and business imperative. **Therefore, we call on the New York Legislature to increase our state investment in childcare by at least \$100 million in 2018.** This funding would go towards:

- Increasing State funding to counties for child care subsidies by \$31 million;
- Increasing State funding further to stabilize the child care workforce and infrastructure, and to ensure equitable access to quality care;
- Direct a portion of Economic Development funding dollars to further reduce the number of qualified families who are currently denied subsidy assistance, and to stabilize the child care workforce;
- Increase State funding for the Child Care Facilitated Enrollment Projects in order to expand access to subsidies available to working families at higher income eligibility levels;
- Expand and adjust the child and dependent care tax credit for maximum benefit.

## **Child Welfare**

Governor Cuomo's Executive Budget would mark the most drastic cuts to child welfare in New York City in decades – including child-protective services, youth justice, and preventive programs that help keep families together.

The proposed budget cuts come just as New York City has strengthened its child welfare system and begun to see historic progress in improving outcomes for children. The cuts could:

- Reverse the progress in reducing caseloads of frontline child protection workers
- Increase the number of children in foster care, which are now at historic lows
- Make it impossible to implement Raise the Age as planned

Following is an overview of the cuts in the proposed budget affecting New York City's Administration for Children's Services:

- Child welfare funding, which supports both protective and preventive programs would be cut by \$129 million in State funds, a reduction of 29 percent of current funds. This cut would reduce the total child welfare services funding – chiefly for protective and preventive programs – leading to significant cuts core areas of work
- Close to Home youth justice program has a total budget of \$75.5 million for placements in FY2019. Of the FY2019 total: \$30.5 million is State funds, \$38 million is City funds, and \$7 million is federal funds. The Governor's budget proposes cutting all State funding for New York City's Close to Home Program. This cut would reduce Close to Home's budget by 40%, leading to significant cuts in this program, just when the number of youth in Close to Home is expected to double once Raise the Age is implemented.

**FPWA urges the State to reject these cuts to critical child welfare programs, which support New York City children and families.**

## Housing

**FPWA strongly supports a \$40 million investment in Housing Stability Support (HSS),** a statewide rental supplement for public assistance-eligible families and individuals facing eviction, currently homeless, or facing loss of housing due to domestic violence or hazardous living conditions. By keeping hundreds of thousands of at-risk people in their homes, HSS will alleviate the unsustainable financial burden currently that shelters and other stopgap measures place on the taxpayers of New York State. In addition, keeping families in their homes is the best way to mitigate the extensive social costs of homelessness and the negative impact it has on an individual's education, health and employment.

## Aging

New York State is home to over 4 million people over the age of 60, or 20.6% of the total population, and is growing very rapidly. Moreover, while today there are approximately 430,000 people aged 85 and older, this number is projected to nearly double by 2040. A longer life expectancy is a great achievement of modern medicine and reflective of many improvements in the quality of life, but it also comes with challenges that we must be prepared to address.

In particular, very limited incomes are a hard reality for many older adults—1 in 5 live below or just above the poverty level and 56.4% have rent expenses that are 30% or more of their income. And, the longer we live, the more we experience a wide variety of changes in our abilities. Of New Yorkers aged

75 and older, 13.6% have cognitive difficulties, 26.3% have difficulty living independently, and 33.4% have ambulatory difficulties.

As the older adult population grows, funding for services that enable them to age in their homes with dignity and social supports cannot stagnate. Community Services for the Elderly and NY Connects are critical to supporting older adults in their communities, rather than in expensive and potentially isolating nursing homes. **FPWA asks that the state add \$24 million in new funding for Community Services for the Elderly.** Expansion of this funding would eliminate waitlists for a variety of community based services that allow older adults to remain independent, including home delivered meals, case management, and transportation. **We also request restoring \$13.7 million for NY Connects** to connect older adults, professionals, and caregivers to information regarding long-term care supports and community resources. **Finally, FPWA supports allocating \$10 million for a new Affordable Senior Housing with Services program.** Affordable housing, when combined with supportive services, is a proven cost-effective way to reduce hospital and nursing home costs, while supporting aging in place.

## Conclusion

We thank you for the opportunity to testify today on our recommendations. We look forward to working with the legislature in the upcoming session to promote economic justice in New York's communities.