

Good afternoon Chairs Krueger, Weinstein, and members of the joint committee. My name is Jessica Cinque, and I am the Human Services Policy Analyst with FPWA. Thank you for the opportunity to testify today and for your leadership on policies aimed at elevating the lives of all 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 95 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 focuses its advocacy work on issues of economic justice, seeking to ensure that all New Yorkers can have economic security and stability.

Nonprofit organizations have been critical to the state historically and during Covid-19. Their inherent ability to quickly adapt to the changing needs of the communities they serve has provided lifelines for residents living through these prolonged health and economic crises.

Poverty and other social indicators point to both the intensifying need for human services, and the increasingly challenging environment in which they operate.¹ As has been demonstrated before and throughout the pandemic, the human services sector is consistently utilized as the State's first line of defense in combating these pressing issues. In doing so, the sector contributes as significantly to the overall health and stability of the economy as it does to the health and stability of New Yorkers.

Unfortunately, the erosion of funding coupled with antiquated systems that make it difficult for nonprofits to operate have stymied their efficacy. With the onslaught of Covid-19, the sector is precariously balanced on the edge of a steep cliff. New York State is at a critical juncture and has an opportunity to rescue the services provided by the sector to the millions of residents who receive them. Vital changes are needed to deliver essential services, both in the way nonprofits are funded and in the structure of how nonprofits work with government. Rising costs, increasing needs, and a lack of investment have undermined the health of the sector which is now at a breaking point. Underinvestment is exacerbated by systems and processes that do not leverage nonprofit expertise in communities. Now may be the State's last chance to correct this trend before the sector fails.²

With the economy of the City and State less stable than ever, it is even more crucial for the State to adequately fund the covenants it has with nonprofits across New York.

Therefore, FPWA strongly supports strengthening the human services sector in FY2022-2023 by:

- **Honoring state contracts**
- **Awarding essential human services workers with emergency pay**

These measures will ensure that all New Yorkers have access to dignity, opportunity, and upward mobility. This testimony seeks to address each request in brief detail in order to give the joint committee a contextualized understanding of the imperative of their immediate action.

¹ Restore Opportunity Now. (2017a). Voices of New York's Human Services Sector. <https://humanservicescouncil.org/wp-content/uploads/Initiatives/RestoreOpportunityNow/Voices-of-Human-Services.pdf>

² Ibid.

Strong Nonprofits for a Better New York

FPWA is a member of Strong Profits for a Better New York. Strong Nonprofits is a statewide coalition of more than 350 nonprofit human services providers calling for the State to honor its contracts and to recognize human services workers as essential workers.

Strong Nonprofits urges the State to utilize a portion of any federal aid received to fund emergency pay for New York State's essential workers.

Honor State Contracts

Human services touch New Yorkers across the lifespan and from every walk of life. Childcare, prekindergarten, and afterschool programs help low to middle income families sustain their place in the workforce. Those programs also give youth a strong social and academic foundation, helping to impact the generational nature of poverty. Adult literacy, re-entry services and job training assist individuals in creating pathways to jobs with better wages, and independence for themselves and their families. Housing supports, legal services, and child welfare provide crisis interventions for individuals and families in crisis. Services for older adults or individuals with disabilities allow people to overcome obstacles and live full and independent lives.³

These are public services, provided in keeping with New York's constitutional requirement (Article 17: "the aid, care and support of the needy are public concerns and shall be provided by the State...") and legislative determinations. The nonprofit human services workforce is, in effect, an indirect government workforce. Given their charitable missions, nonprofits have readily stepped forward to accept this public service delivery responsibility.⁴

In addition to service provision, nonprofit human services organizations are a major economic driver in New York State. The New York nonprofit sector accounts for 18 percent of private sector jobs throughout the State, with human services providers making up a large portion of those nonprofits. Hundreds of thousands of people are employed across the State in the human services sector.⁵

In contracting nonprofits to deliver critical and often legally mandated services to New Yorkers, the State government can be disconnected from the true cost of this work. However, government is the primary funder of human services. Across New York State, 68 percent of human services providers receive State government funding and 71 percent received local government funding. This means that the State is not able to deliver services without nonprofit partnership, and that nonprofits are not able to operate without State funding. This partnership between government and community-based

³ Restore Opportunity Now. (2017a). Voices of New York's Human Services Sector. <https://humanservicescouncil.org/wp-content/uploads/Initiatives/RestoreOpportunityNow/Voices-of-Human-Services.pdf>

⁴ Restore Opportunity Now. (2017b, March). Undervalued & Underpaid: How New York State Shortchanges Nonprofit Human Services Providers and their Workers. <https://restoreopportunitynow.files.wordpress.com/2017/03/final-undervalued-and-underpaid.pdf>

⁵ Restore Opportunity Now. (2017a). Voices of New York's Human Services Sector. <https://humanservicescouncil.org/wp-content/uploads/Initiatives/RestoreOpportunityNow/Voices-of-Human-Services.pdf>

nonprofits allows services to better reflect the needs of specific communities and populations. When given proper resources, nonprofits are able to respond nimbly to changing needs, with efficiency and cultural competence.⁶

Unfortunately, the mutual dependency of this partnership is not well represented in the State's habits regarding timely action on contracts with its nonprofit partners. According to a report done by SeaChange Capital Partners, while nonprofits may not be legally entitled to payment under a contract until it has been registered, they have little choice but to begin service from the start date: few organizations can easily lay off and later rehire program staff; most have fixed costs associated with the program (e.g. rent) that would not be reimbursed during a gap in service; and government agencies take a dim view of organizations that withhold services.⁷

In addition to funding gaps, most State human services contracts have not been adjusted for rising costs in many years. Reimbursement rates for many Medicaid-funded services have been adjusted to increase pay rates for workers, but the same cannot be said for most human services contracts. Over the past several years, the State has steadily reduced the inflation-adjusted funding levels for human services spending that funds contracts with nonprofit providers and that provides funds to local social services districts that in turn contract out services.⁸ In effect, State contracts have built an ever-increasing number of barriers into their terms instead of facilitating the provision of services. As such, nonprofits have had to do more and more each year to continue to offer the same level of services. We understand that the State has endured challenging times in our immediate history and in the present with the ongoing crises presented by Covid-19. However, as a leader of progress nationwide, the State should position itself out front of this growing problem.

With that in mind, the State must honor contracts and pay for services already delivered to New York State residents and communities. New York should pay all nonprofit contracts immediately, register late contracts, and restore the 5 percent that has been withheld from state contracts.

If the State does not honor its contracts, then residents who need critical health, mental health, domestic violence, housing, nutrition, and early childhood education services - just to name a few - will lose access to critical lifelines of support and suffer deeper economic and social harm.

Recognize Human Services Workers as Essential Workers

The need for human services increased exponentially during the pandemic as residents from across New York State struggled with economic uncertainty caused by revenue shortfalls at the state and local levels, widespread layoffs, as well as social isolation due to mandatory shutdowns.

Service providers across the sector have been putting themselves and their families at risk every day as they commute to work, interact with clients in person, and travel home again. The services they provide have absolutely been essential in the lives of those receiving them, and had those services not been

⁶ Ibid.

⁷ SeaChange Capital Partners. (2018, August). New York City Contract Delays: The Facts. <http://seachangecap.org/wp-content/uploads/2018/08/NYC-Contract-Delays-The-Facts.pdf>

⁸ Restore Opportunity Now. (2017b, March). Undervalued & Underpaid: How New York State Shortchanges Nonprofit Human Services Providers and their Workers. <https://restoreopportunitynow.files.wordpress.com/2017/03/final-undervalued-and-underpaid.pdf>

available, many New York residents would have had nowhere else to turn for help. To avoid this, human service workers put themselves and their families at risk—despite not being explicitly labeled and receiving the same emergency pay as “essential workers” —to ensure that the most vulnerable members of their communities had what they needed to be healthy and safe.

These heroic human services workers are overwhelmingly women, and chiefly women of color. They are well-educated and most work full-time or close to full-time schedules. Despite the fact that many of these workers are highly educated, they are some of the lowest paid workers in the New York economy. Most nonprofit human services workers make less than those in retail trade, and most workers caring for young children are paid about the same as the average restaurant worker. Since the State chronically underfunds nonprofit contracts, these workers are already suffering from subsisting below a viable living wage. In fact, 60 percent of those working in the sector were utilizing or had a family member utilizing some form of public assistance benefit such as Medicaid or food stamps.⁹ These workers are sacrificing their own economic security in order to ensure it and other basic human rights for others. Can any of us call ourselves so brave?

Any additional expenses incurred because of the selfless risks taken by these employees are likely to be catastrophic to them and their families. Many do not have the luxury to take time off due to their own illness or the illness of a family member is a luxury, much less pay for doctor’s visits, hospital visits, medication, or the transportation and childcare costs associated with such medical expenses. All of this adds up to lower income due to fewer hours worked, and increased expenses. It is a simple algebra that quickly amounts to figures in the red for those trying to get and keep members of their communities in the black. By not awarding emergency pay, the State inadvertently institutionalizes the practice of underpaying people of color to the point of destitution, locking them into systemic cycles of economic oppression.

This has been a challenging time for us all, and it is clear that the contributions made by the sector and by individual human services workers across New York are of incredible value to the State. In order to see New York continue to thrive as we evolve from this trying year, it is paramount that we equitably pay for essential labor across all sectors.

When the need arose, workers in the human services sector immediately stepped up, rapidly adapting and transitioning service delivery models to meet the needs of residents and communities. It is past time for the State to recognize human services workers as essential workers and allow them to receive emergency pay for their crucial work in combatting Covid-19 in their communities. New York State cannot afford to ignore this oversight any longer.

Conclusion

I would like to thank the Chairs and the members of the joint committee for the opportunity to testify today on our recommendations. The human services sector is an integral part of what makes New York the vibrant place it has been, is, and will continue to be. Now is the time for the State to take serious action to turn the tide on this chronic and perennial problem, and we look forward to working with the

⁹ Ibid.

legislature in the upcoming session to promote economic justice in all of New York's communities and sectors.