



**Testimony of FPWA**

**Presented to:**

**New York State Legislature**

**Joint Legislative Budget Hearing on Human Services in New York State**

**Hon. Chair Liz Krueger & Hon. Chair Helene E. Weinstein**

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**Prepared By:**

**Julia Casey, Policy Analyst**

**Brad Martin, Senior Fiscal Policy Analyst**

**Elizabeth Brantl, Policy Intern**

40 Broad Street, 5<sup>th</sup> Floor  
New York, New York 10004

Phone: (212) 777-4800

Fax: (212) 414-1328

We are grateful to the Committee for the opportunity to provide written testimony on behalf of FPWA (Federation of Protestant Welfare Agencies) regarding human services in New York State.

FPWA is an anti-poverty policy and advocacy organization committed to advancing economic opportunity, justice, and upward mobility for New Yorkers with low incomes. Since 1922, FPWA has driven groundbreaking policy reforms to better serve those in need. We work to dismantle the systemic barriers that impede economic security and well-being, and strengthen the capacity of human services agencies and faith organizations so New Yorkers with lower incomes can thrive and live with dignity.

FPWA also has a membership network of more than 170 faith and community-based organizations. We support our members by offering workshops and trainings on topics such as leadership development, organizational management, and trauma informed care. FPWA also provides a range of financial assistance grants through our member network, working to strengthen individuals and families at the ground level. These grants provide direct support to New Yorkers in the form of scholarships, financial assistance for aging adults, and funding for HIV/AIDS related services.

### **Increasing the Cash Assistance Grant to Support New Yorkers Experiencing Poverty**

As part of our work to improve and expand income supports, we recently released a [report](#) on the various gaps in New York State's cash assistance programs, Family Assistance (FA) and Safety Net Assistance (SNA).<sup>i</sup> Our analysis lays bare the reality of these programs—an onerous application process, punitive work requirements that exacerbate racial inequities, restrictive eligibility criteria that mean cash assistance is inaccessible to most New Yorkers who are experiencing poverty, the ongoing issues created by the programs' high churn rate, and restrictive asset limits.

But the most glaring gap in cash assistance is the fact that the benefit levels are immorally low. In fact, the maximum benefit is so unjustly low that households that receive cash assistance remain in dire poverty: As Empire Justice Center has reported, monthly cash assistance benefits are less than 50 percent of the Federal Poverty Level (FPL) in every county in the state.<sup>ii</sup> For a family of three, 50 percent of the FPL equates to an annual income of just \$11,515, or \$960 per month (based on 2022 poverty guidelines).

This policy failure is all the more glaring because the FPL is, to begin with, an antiquated and woefully unrealistic tool for assessing the means and needs of individuals and families with low incomes today. Therefore, we have also analyzed FA and SNA's grant level using a measure called the Self-Sufficiency Standard—a tool developed by the Center for Women's Welfare at the University of Washington that provides a more accurate measure of the cost of meeting basic needs in each county in New York State—to better illustrate the extent to which the current benefit levels are inadequate.<sup>iii</sup> For example, for a family of three in Albany County, the maximum cash assistance benefit in 2021 was \$698 per month, while the cost of living for this family size in this county according to the Self-Sufficiency Standard was \$5,454 per month.<sup>iv</sup> This means that even the maximum benefit would cover less than 13 percent of that household's basic needs. In New York County, for a family of three, the maximum benefit

in 2021 was just \$789 per month, while the cost of living for this family size in this county according to the Self-Sufficiency Standard was \$10,522 per month. Thus, even the maximum benefit would cover less than 8 percent of that household's basic needs.<sup>v</sup> Ultimately, FA and SNA are not only unsuccessful in reducing poverty, but in many ways the inadequacy of their benefit levels contributes to the continuation of hardship for New Yorkers with the lowest incomes.

Furthermore, the portion of the grant that purports to be an allowance for housing—the “shelter allowance”—is far lower than the cost of housing. The shelter allowance has not been increased since 2003 for households with children, and for single adults, it has not been increased since 1988. Consequently, it is far below the actual cost of housing in every county in New York State. For example, in Albany County for a family of three, the shelter allowance is just \$309 per month, whereas the U.S. Department of Housing and Urban Development's (HUD) Fair Market Rent (FMR) for this family size and county is \$1,117. In Bronx County for a family of three, the shelter allowance is just \$400 per month, whereas HUD FMR for this family size and county is \$2,053. The shelter allowance thus covers just 27 percent of HUD FMR in Albany County and just 19 percent in Bronx County.<sup>vi</sup> Further exacerbating this issue is the fact that recipients have limited access to housing subsidies, meaning that most recipients only have access to the shelter allowance to help them cover their housing costs. The result is that many cash assistance households face homelessness or are forced to reside in substandard conditions, including unsafe and even violent living situations.

Because the current grant levels are deeply inadequate and do not allow recipients to cover even their basic needs, we urge the Senate and the Assembly to include an increase in the cash assistance grant in this year's budget. More specifically, we support the legislation to raise the portions of the grant for basic needs and utilities to keep pace with inflation and to increase the shelter allowance to 100 percent of Fair Market Rent.

No one piece of legislation will solve all the shortcomings of the current cash assistance program, but substantially raising the grant would make a meaningful investment in the economic security of New Yorkers with the lowest incomes.

### **Invest in Human Services Agencies**

We urge the legislature to better support and invest in human services agencies in this year's budget. For human services organizations, Fiscal Year 2023 saw the exhaustion of most of the additional pandemic-related funding. However, the pandemic is not over, and these organizations are facing increased funding pressures while still needing to support New Yorkers at unprecedented levels. Ensuring the human services sector is appropriately resourced and has a strong and stable workforce is necessary, especially considering the forecasted economic conditions in 2023. Because of this, FPWA was disappointed with the level of the Cost-of-Living Adjustment (COLA) for human services workers in the Governor's proposed budget. A 2.5 percent increase in the face of 9.1 percent inflation amounts to a real decrease in wages of an already underpaid and underappreciated workforce. FPWA thus urges the legislature to do more to support this vital workforce by prioritizing an inclusive COLA

that not only adequately accounts for the rising cost of living but also reflects the invaluable contributions of these workers.

Human service agencies are already facing high vacancy rates and retention challenges. Fair, livable wages are needed both for current workers and to attract more workers to the sector. Paying human services workers fairly, at a rate that recognizes their vital contribution, is required to enable an equitable, just, and appropriately resourced human services sector that is responsive to the needs of New Yorkers.

Thank you for your time and your attention to these critical issues. FPWA looks forward to working with you to improve income supports and strengthen the human services sector in this year's budget.

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<sup>i</sup> *Caught in the Gaps*. FPWA. 2023. [https://www.fpwa.org/wp-content/uploads/2023/01/Caught-in-the-Gaps\\_2023-1.pdf](https://www.fpwa.org/wp-content/uploads/2023/01/Caught-in-the-Gaps_2023-1.pdf)

<sup>ii</sup> *Standard of Need by County*. Empire Justice Center. [https://empirejustice.org/resources\\_post/standard-need-charts/](https://empirejustice.org/resources_post/standard-need-charts/)

<sup>iii</sup> Developed by the Center for Women's Welfare at the University of Washington, the Self-Sufficiency Standard is a measure that calculates the cost of basic needs (without public or private assistance), varying by family composition and county. It includes the costs of housing, child care, food, health care, transportation, and miscellaneous items, as well as the cost of taxes and the impact of tax credits. In addition, the 2021 Self-Sufficiency Standard report for New York State provides the amount of emergency savings required to meet needs during a period of unemployment or other emergency for each family type in each county in New York State. Read the full report at: [https://selfsufficiencystandard.org/wp-content/uploads/2021/11/NY2021\\_SSS.pdf](https://selfsufficiencystandard.org/wp-content/uploads/2021/11/NY2021_SSS.pdf)

<sup>iv</sup> SSS estimate based on a family of three in 2021 with one adult, one preschooler, and one school-aged child in Albany County.

<sup>v</sup> SSS estimate based on a family of three in 2021 with one adult, one preschooler, and one school-aged child in New York (South Manhattan).

<sup>vi</sup> HUD FMR numbers are based on 2021 estimates.