

# NATIONAL DOMESTIC WORKERS ALLIANCE

## Comments for January 23, 2024 2024 New York State Joint Legislative Budget Hearing re Health

January 23, 2024

*Via email:* [financechair@nysenate.gov](mailto:financechair@nysenate.gov); [wamchair@nyassembly.gov](mailto:wamchair@nyassembly.gov)  
Joint Legislative Public Hearing on 2024 Executive Budget Proposal:  
Topic Health/Medicaid  
Legislative Office Building  
Hearing Room B 181 State Street,  
Hearing Room B, 2nd Floor, Albany, NY, 12247

Re: Joint Legislative Budget Hearing: Topic Health/Medicaid

To: Senate Finance Committee Chair Liz Krueger and Assembly Ways and Means Committee Chair, Helene E. Weinstein

The National Domestic Workers Alliance (“NDWA”) submits this testimony in reference to the 2024 Executive Budget Proposal.

NDWA is the leading voice for the estimated 2.2 million domestic workers who work as direct care workers, nannies, and house cleaners in private homes providing essential care and supportive services to children, aging adults, and family members with disabilities every day. Founded in 2007, NDWA works to raise wages and strengthen industry standards to ensure that domestic and direct care workers achieve economic security and protection, respect, and dignity in the workplace. NDWA reaches and engages over 400,000 domestic workers on a regular basis through our 68 affiliate organizations in 50 cities and 19 states, our state and local chapters in New York, DMV (Washington D.C., Virginia & Maryland), North Carolina, Georgia, Houston (TX), San Jose (CA), and Philadelphia (PA) through our digital platforms.

New York legislators have helped to lead the movement to protect the rights of domestic workers including home care workers. In 2011, New York was the first state in the country to enact a Domestic Worker Bill of Rights, guaranteeing key workplace protections to domestic workers. In 2022, the Legislature took action to guarantee increased wages for home care workers. As of 2024, home care workers

now earn \$2.55/hr above the minimum wage – \$17.55 /hr across state, and \$ 18.55/hr downstate. While the wage increase was a critical measure to improve job quality for home care workers and address the shortage of workers that jeopardizes access to essential services for the aging and individual with disabilities in the State of New York, the system of managed long term care in New York undermines these advances and the wage increase falls short of the what is necessary to address the impending care crisis. Private insurances are siphoning public money intended to reach home care workers for profits and wasteful administrative fees and research shows that wages need to be raised to at least 150% of minimum wage in order to truly stabilize the workforce.

Furthermore, Governor Hochuls' proposed 2024 budget to discontinue Wage Parity for Consumer Directed Personal Assistance Program in order to save the State \$200 million in FY 2025 is both immediately harmful and short-sighted. Ending wage parity would cut \$2.55/hr wages for ~200,000 down state home care workers. Long-term savings for New York State would more adequately be addressed by reforms to its managed long-term care system and accountability for highly profitable private insurance companies, rather than forcing the already undervalued home care workforce to sacrifice their earnings.

We encourage legislators to instead incorporate the contents of the Fair Pay for Home Care (S3189/AXXX) and the Home Care Savings & Reinvestment Act (S7800/A8470) into this year's budget. Fair Pay for Home Care would wipe out the home care workforce shortage in less than five years and the state would generate \$5.4 billion through job creation and moving home care workers off of social assistance – putting Fair Pay for Home Care on track to be one of the most successful economic development programs in the state's history. Over 4.6 million New Yorkers will be over age 65 by 2035 – an increase of 29% in the next decade – and nearly 1 million New Yorkers will require home care by 2035. New York already faces the worst home care workforce shortage in the nation and without adequate wages, the home care worker shortage will hit 1.47 million workers by 2035. Nearly 20% of home care jobs in New York are unfilled and 42% of agencies report high turnover.

In the past 3.75 years, NY has given \$5.5 billion to the 24 private insurance companies "managing" home care in administrative costs and profit: \$3.1 billion on administrative costs and \$2.4 billion in profit. In 2021 alone, private insurance companies pocketed \$722 million in profits – this profit margin of 5.5% was twice the national average. Through New York's System of Managed Long Term Care,

private insurance companies are pocketing billions annually in funding meant for the home care working including the wage increases the State legislature granted. The Home Care Savings & Reinvestment Act would remove these expensive and ineffective companies and return home care management directly to the State – saving New York State approximately \$32 billion over ten years. Fair Pay for Home Care would pay home care workers as skilled health care workers by raising the wage to 150% of minimum wage.

Care work is the foundation upon which strong economies and societies are built. Care workers- the mostly Black and women of color<sup>1</sup> who do the tremendous labor of caring for our aging and disabled loved ones, who educate and nurture our children, and who care for our homes- are the essential workforce that holds us all together. From birth to end-of-life, we all share the need for care and we must develop an infrastructure that meets the needs of those seeking care AND those providing care. The work of care workers has historically been devalued by society due to longstanding racism and sexism that contributes to the failure to recognize and value caregiving as the essential work it is in our society. It is the goal of the National Domestic Workers Alliance to make visible the critical work performed primarily by women of color and raise working standards for this workforce.

**For these reasons, the National Domestic Workers Alliance (NDWA) urges New York legislators to reject the Governor's Proposal to discontinue Wage Parity for Consumer Directed Personal Assistance Program, and instead support the incorporate the Fair Pay for Home Care (S3189/AXXX) and the Home Care Savings & Reinvestment Act (S7800/A8470) in the budget.**

Sincerely,



Ai-jen Poo  
President  
[aijen@domesticworkers.org](mailto:aijen@domesticworkers.org)

Reena Arora  
Director of Care Policy  
[reena@domesticworkers.org](mailto:reena@domesticworkers.org)

---

<sup>1</sup> New York's home care workforce is [91% female](#) and [77% people of color](#).