

TESTIMONY
New York State Legislature
Joint Hearing on Human Services
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Submitted by
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Good afternoon to the members of the Senate and Assembly committees. My name is Michelle Jackson and I am the Deputy Director and General Counsel of the Human Services Council of New York (HSC), a membership organization representing 160 nonprofit human services providers in New York City. HSC strengthens New York's nonprofit human services sector, ensuring all New Yorkers, across diverse neighborhoods, cultures, and generations reach their full potential. Through our co-leadership of the Strong Nonprofits for a Better New York Campaign, we are calling on the State to support nonprofit capital improvements and fund fair wages for our workforce.

About Strong Nonprofits for a Better New York

Strong Nonprofits for a Better New York is a statewide coalition of more than 350 nonprofit human services organizations calling for increased State investment in the sector's workforce and infrastructure. Working under contract with the State, these organizations deliver essential supports that uplift individuals and promote safe, healthy, fair communities in which New Yorkers of all backgrounds and abilities can thrive. They provide supports such as early childhood education and youth development programs, health and mental health services, employment and training services, and programs for seniors, immigrants, people with disabilities, and individuals involved in the justice system. Strong Nonprofits will hold the Governor and the State Legislature accountable for strengthening the not-for-profit human services sector's ability to improve the lives of New Yorkers.

The Human Services Workforce: A State of Emergency

As explained above, the State relies heavily on nonprofit organizations to promote well-being in our communities. Unfortunately, recent funding cuts and outdated contracting policies and processes are undermining the nonprofit human services sector's ability to meet current demand and plan for future needs. Human services workers under State contracts have not seen an increase in their pay in eight years, and contracts have not been adjusted to account for increases in the cost of doing business. Without competitive compensation, human services organizations cannot:

- Attract, hire, or retain top talent as workers seek less stressful, better paying positions elsewhere;
- Ensure continuity of relationships for their clients; or
- Engage in long-term strategic planning.

When an organization is unable to do these things, the quality and sustainability of its programs suffer—and so do its clients.

A statutory cost-of-living adjustment (COLA) exists for many human services agencies, but the Governor and the Legislature have deferred this COLA for eight years, touting deferment as a “savings.” They have deferred more than \$540 million in COLAs, leaving many workers dependent on public assistance to make ends meet. This is hardly a savings, but even if it were, it was achieved on the backs of those who serve their communities. This is morally and fiscally unacceptable.

While a subset of the sector’s direct care organizations¹ secured \$55 million in the Fiscal Year 2018 budget to provide a 3.25 percent salary increase per year for the next two years to specific direct care titles, this appropriation left out thousands of human services workers, including those under contracts with State agencies such as the Office of Children and Family Services (OCFS) and the Office of Temporary and Disability Assistance (OTDA). We estimate that a 3.25 percent increase for the workers left out of last year’s investment would cost \$65 million.

Furthermore, while the State celebrated the long overdue increase in the minimum wage, it did nothing to ensure that the organizations doing the most challenging and urgently needed work *on its behalf* were able to comply with the increase without hardship. By telling human services organizations to pay their employees more but not adding funding to their contracts, the State further destabilized an already fragile sector—all while claiming a highly publicized optical victory.

Implications for Equity

The composition of the nonprofit human services workforce makes fair salaries an equity issue over which the State has significant control. Women account for more than 80 percent of the human services workforce, with women of color comprising 41 percent of the total.² These workers are well-educated—41 percent have a four-year college degree, and 25 percent have an associates’ degree or have completed some college coursework.³ Most work full-time or close to full-time schedules.⁴ By consistently shortchanging these workers, the State is perpetuating the very inequality that it seeks to mitigate.

Nonprofit Infrastructure: The Foundation of Healthy Communities

In addition to workforce investment, the nonprofit human services sector needs comprehensive infrastructure investment to ensure efficient delivery of high-quality services. Human services organizations address social determinants of health, and a significant body of research shows that these factors have a greater impact on health outcomes than other factors—including

¹ Organizations holding contracts with contracted with the Office for Persons with Developmental Disabilities (OPWDD), Office of Mental Health (OMH), and Office of Alcoholism and Substance Abuse Services (OASAS)

² Restore Opportunity Now. *Undervalued and Underpaid: How New York State Shortchanges Nonprofit Human Services Providers and their Workers*. New York: 2017. <http://fiscalpolicy.org/wp-content/uploads/2017/03/Workforce-Report-.pdf>. “In human services jobs other than child care, however, twice that share (41 percent) are women of color, and among child care workers, a slightly higher share (44 percent) are black, Latina or Asian women.”

³ Id.

⁴ Id.

medical treatment. Thus, a healthy human services sector is a critical ingredient of a healthy society. The Nonprofit Infrastructure Capital Investment Program (NICIP) was created with bipartisan support to strengthen the organizations that promote well-being throughout the State. This pioneering initiative provides competitive grants to enable direct human service providers, enabling them to repair, renovate, upgrade, and expand their physical and technological infrastructure. NICIP funds will help these organizations realize efficiencies and even increase the quality and reach of their services.

As explained in HSC's 2016 report *New York Nonprofits in the Aftermath of FEGS: A Call to Action*,⁵ the human services sector has faced numerous fiscal, regulatory, and contracting challenges, and its infrastructure had been neglected for many years before the creation of the NICIP in 2015. To date, the State has invested \$120 million in this groundbreaking program, and we thank the Governor and the Legislature for this commitment. At the same time, we note that demand for NICIP funds far exceeds supply. While 635 organizations responded to the NICIP request for applications seeking \$300 million only 237 organizations received awards. Given the overwhelming demand for infrastructure funding and the looming specter of federal budget cuts aimed at human services and the communities that need them, we urge the Governor and the Legislature to continue to invest in NICIP by allocating \$100 million in this year's budget to this important program.

Call to Action

Strong Nonprofits for a Better New York calls on the Governor and the Legislature to invest in the human services workforce by including in the Fiscal Year 2019 budget:

- \$65 million for a COLA for all nonprofit human services workers covered by State contracts;
- \$23 million to fund the minimum wage for human services contracts; and
- \$100 million to continue to address nonprofit infrastructure needs through the NICIP.

It is the responsibility of the government to fund the mandates that it imposes on the nonprofit human services sector. The sector is experiencing a fiscal crisis, but with long-term, strategic investment it can become stronger and more resilient, helping more New Yorkers to thrive.

⁵ *New York Nonprofits in the Aftermath of FEGS: A Call to Action*. Human Services Council of New York, 2016, humanservicescouncil.org/commission-examine-nonprofit-human-services-organization-closures/.