

Written Only



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**THE LEAGUE
OF WOMEN VOTERS**
of New York State
**JOINT LEGISLATIVE PUBLIC HEARING
ON 2016-2017 EXECUTIVE BUDGET PROPOSAL
WORKFORCE DEVELOPMENT**

**TESTIMONY TO THE JOINT FISCAL COMMITTEES OF THE
NEW YORK STATE SENATE AND NEW YORK STATE ASSEMBLY**

FEBRUARY 3, 2016

Hearing Room B, Legislative Office Building, Albany, New York

Introduction

My name is Barbara Thomas and I am the Women's Issues Specialist for the League of Women Voters of New York State. I want to thank the Legislature for this opportunity to provide recommendations about the 2016-2017 proposed workforce development budget as set forth in the Article VII legislation.

The League is a nonpartisan political organization working to promote civic responsibility through informed and active participation of citizens in government. We have 50 local leagues throughout the state registering and educating voters, on local and state issues. The League does not support or oppose political candidates.

This testimony is divided into two sections. The first section addresses the Governor's Paid Family leave Proposal. The second section addresses the Governor's proposal to raise the state's minimum wage.

Section I. Paid Family Leave

The League of Women Voters of New York State applauds the Governor for creating the Paid Family Leave Insurance (PFLI) program and talking so eloquently about the need to be emotionally and physically present with one's family in times of need. The League strongly supports a PFLI system which would provide workers in New York State with up to 12 weeks of paid leave a year to bond with a new child, care for a seriously ill family member, or address certain issues arising from a family member's military service. New York State already has a Temporary Disability Insurance system, so the addition of PFLI does not require a new administrative structure.

When an employee is unable to work, the League feels strongly that they should be entitled to income sufficient to meet basic human needs. We support the establishment of a fund for this purpose to be paid for from employee contributions via payroll deductions. The League supports employee contributions as a fiscally prudent mechanism to provide family

leave payments to qualified employees since it wouldn't require the expenditure of state funds.

A worker's benefit under a PFLI system should be set at 2/3 of the worker's average weekly wage (rather than the 50% proposed) up to a maximum benefit level that equals 50% of the statewide average weekly wage. We believe that low wage workers should be able to take advantage of PFLI because it is good for our society to have our children and infirm taken care of. Under the current proposal, low wage workers will not be able to take the time off from work if the benefit level is so low that they cannot pay their rent or put food on the table. In order to avail themselves of the family leave benefit workers need the assurance that they will have a job waiting for them when they are ready to return to work. The League applauds the Governor for his proposed budget language which includes job protection.

Under the League's social policy position we call for an increase in the Temporary Disability Insurance (TDI) benefit to the same levels we propose for PFLI, namely the benefit should be set at 2/3 of the worker's average weekly wage (rather than the 50% proposed) up to a maximum benefit level that equals 50% of the statewide average weekly wage. Currently the maximum level is set at \$170 per week, as it has been since 1989. Even at the current minimum wage of \$9/hour (not a living wage) an employee makes \$360/week. For example a benefit set at 2/3 of the minimum wage would be only \$240/week, but it would be quite an improvement over the present limit. Taking time off to bond with a new infant, take care of an ill child, spouse, parent, or other family member, or take care of your own health shouldn't be luxuries or a cause of job loss, debt or bankruptcy; this is often the case without PFLI or a reasonable TDI benefit.

Part II. Minimum Wage

The League supports an increase in the minimum wage, if set state-wide, to a level no higher than, but close to, the living wage for a family consisting of one wage earner and 2 children, in the New York State county with the lowest living costs. The League has long supported equal pay for equal work, and does not recommend that the minimum wage be set, or employers pay employees, based on the number of their dependents. Using the MIT calculator described below, this would require an hourly wage of about \$29. The hourly wage needed to provide a living wage ranges from \$29.80 (Allegheny & Chautauqua) to \$36.33 (Nassau and Suffolk). Even if the minimum wage should be set state-wide to a level no higher than, but close to, the living wage for a family consisting of one wage earner and 1 child, in the New York State County with the lowest living costs, \$21 would be an appropriate amount. The living wage in Allegheny County, for a family consisting of one wage-earner and one child, is \$22.07.

The League believes that one of the goals of social policy should be to promote self-sufficiency for individuals and families. We define a living wage as one that provides sufficient income without government assistance, for food, clothing, housing, energy, transportation, health care, education, child care, and a small amount of discretionary income. We prefer tying the minimum wage to the living wage, but in any case changes in the minimum wage should be tied to some regularly adjusted measure of the costs of living in New York State, so that the minimum wage would keep pace with inflation or downturns in the economy.

We recommend that a living wage for localities in New York State be determined by using either of the following calculators (or one that may in the future be developed which includes the same items), whichever has been updated most recently. Each of these calculators presents its findings of the costs involved in meeting basic human needs on a county-by-county basis, for families of different sizes and composition, and indicates the wage needed to meet those costs on an hourly, monthly and annual basis.

1. The MIT developed calculator for a living wage, is available by County in New York State: <http://livingwage.mit.edu> Originally done in 2004, it was updated in 2014.

2. The Self-Sufficiency standard developed by Empire Justice Center/NYS Community Action Association <http://www.selfsufficiencystandard.org/docs/New-York-State2010.pdf> especially pp. 57 to 89, which lists the self- sufficiency standard for different family configurations for each county, and expresses it on an hourly/monthly/annual basis. P 91 compares the self- sufficiency standard to the federal poverty rate.

At the moment the MIT calculator is most current, but as the years pass the Empire Justice Center/NYS Community Action Association one may be updated or recalculated and become the most current.

The League of Women Voters notes that raising the minimum wage to become a living wage will require economic adjustments. We particularly note the difficulty that non-profits in the child care, health, mental health, elder-care and home-care fields (where many of their workers make very close to the current minimum wage) will face if the state does not increase its grants and reimbursements to keep pace. Some of this increase in state costs will be off-set by decreasing the need for government assistance to meet basic human needs.

