FPWA

Fulfilling the promise of opportunity

TESTIMONY
of
FPWA

Joint Legislative Public Hearings On
Human Services

February 8, 2017

Prepared By:

Mallory Nugent – Senior Policy Analyst

Submitted By:

Jennifer Jones Austin
Executive Director/CEO

40 Broad Street, 5th Floor
New York, New York 10004
Phone: (212) 777-4800
Fax: (212) 414-1328

My name is Mallory Nugent and I am a Senior Policy Analyst at FPWA. I would like to thank the members of the legislature for the opportunity to testify before you today and for your leadership on issues that deeply affect 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 92 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 strives to build a city of equal opportunity that reduces poverty, promotes upward mobility, and creates shared prosperity for all New Yorkers.

FPWA strongly supports strengthening the human services sector through the following investments in FY2017-2018:

- Funding the minimum wage for State contracted and Medicaid reimbursed human services nonprofits;
- Implementing and funding a 15% indirect floor for State contracted and Medicaid reimbursed human services nonprofits; and
- Continuing investment in the Nonprofit Infrastructure Capital Improvement Program.

We encourage the State to invest in the vital human services programs, from early childhood education to services for older adults, to ensure that all New Yorkers have access to opportunity and upward mobility.

Restore Opportunity Now-Invest in Human Services

New York State government is essentially out of the business of directly providing human services, contracting with nonprofits to deliver critical and often legally mandated services to New Yorkers. This partnership 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.

Human services touch New Yorkers from all walks of life, create bridges to opportunity, and provide critical interventions. In order to carry out their crucial work, though, the sector must be strengthened. When discussing human services it is important to put these organizations in the context of rising need around the state. While the most recent poverty numbers have shown a small decline over the last year, poverty has been trending up in recent years. In 2011, New York's poverty rate was 14.9 percent. It reached its peak at 16 percent, its highest rate since at least the 1950's, in 2014. Data from 2016 shows that rates have fallen slightly to 15.4 percent.

While the human services sector has been chronically underfunded for many years, the underfunding has been particularly acute in the last five years. Between 2007 and 2011, human services government spending grew at a modest rate of 3 percent average per year, inflation adjusted. This increase in investment did something to defray the increased costs of service provision, it still fell short of fully covering rising costs, due to year-to-year increases of costs of rent, insurance, materials, and more. Since 2011, human services sector spending in New York has decreased by an average of 1.3 percent per year, inflation adjusted. In real dollars, this means that the sector has $500 million less in funding for the current fiscal year than it would have if growth had continued at the pre-2011 rate.

As a first step to assess the impact of this lack of resources, FPWA, along with the Human Services Council and The Fiscal Policy Institute, embarked on a three month research study to assess specific challenges the nonprofit human service sector faces across the State. As research tools, we conducted a meta-analysis of existing data on the sector, 15 in depth interviews, 21 focus groups with more than 300 participants, and an online survey with a sample size of 70. Research was conducted across New York State, and included the following cities: Albany, Binghamton, Buffalo, Elmsford, Ithaca, New York City, Rochester, Syracuse, Utica and their surrounding counties. For testimony collected through this study, please see attached executive summary and county profiles, from our recent Voice of New York's Human Services Sector.

Out of this research, our organizations developed the Restore Opportunity Now campaign, which we currently co-chair. The Restore Opportunity Now Campaign is a statewide effort to call for crucial investments and systemic changes in New York's nonprofit human services sector. The campaign is supported by over 350 nonprofit organizations and led by a robust advisory committee that represent communities across New York State.

While the services provided across the sector vary tremendously, the misalignment of resources and expectations is a common thread. To address this growing problem, Restore Opportunity Now is working to achieve the following long term goals:

- Contracts that cover the real cost of providing services, permitting nonprofits to be innovative, efficient, and effective;
- Appropriate, competitive compensation for the workforce, allowing for recruitment and retention of quality staff; and
- Investments in core programs necessary to lift up communities.

Contracts

Across New York State, 68 percent of human services providers receive State government funding and 71 percent received local government funding. Despite the fact that government funding makes up a large portion of the funding for a majority of human services providers statewide, existing human services programs are chronically underfunded. The contracts and rates do not meet the full costs of providing the programs, overhead and indirect reimbursement rates are low or non-existent, and bureaucratic hurdles and unfunded mandates eat away at contract dollars. A startling 18 percent of human services organizations are financially insolvent, and much of this can be attributed to the deficits that occur when contracts go underfunded. When providers experience the kind of instability and insecurity that underfunded contracts leads to, they are operating in crisis mode much like the clients they serve; one small misstep could mean cuts in services or closure.

Indirect Reimbursement Rate

Indirect expenses are critical to fully functioning and successful programs, since they keep the backbone of the program and the organization itself strong and health. Indirect expenses may seems mundane, but include core expenses like accounting, supervision, building maintenance, rent, heating and cooling, security, and a myriad of other components that any business needs to operate. The Federal Office of Management and Budget (OMB) released a guidance in December 2013 stating that agencies should reimburse for indirect expenses at a rate of 10% de minimis, and honoring a higher negotiated rate for organizations that have one established with the Federal Government. However, providers reported consistently receiving indirect rates that were lower than the Federal guidance, and certainly did not begin to meet their actual indirect rate. This leaves a gap between the indirect expenses reimbursed and the actual indirect expenses incurred that the organization has to cover.

In an effort to bridge this gap, FPWA and Restore Opportunity Now recommend that the FY 2017-2018 budget establish and fund a 15 percent de minimis for indirect costs for all State contracts, and encourage local pass through entities to adopt the same standards. We also recommend allowing nonprofits the option to negotiate a higher individualized indirect rate to reflect real costs, using the same process as Federal rate negotiations.

Additional Contracting Issues

Beyond indirect expenses, contracts and rates as a whole do not cover the real cost of doing business. 44 percent of human services organizations report that the State government never covers the full cost of the projects and programs they fund, while 35 percent reported that they sometimes or rarely cover the full cost. Despite this, many human services providers feel compelled to take contracts that they know are underfunded because they are desperate to continue providing important programs for their clients.

Just as the clients of these organizations are living paycheck to paycheck, their organizations are living payroll to payroll. Per the 2015 State of the Nonprofit Sector Survey, 80 percent of New York human services nonprofits reported a deficit for 2014, ranging from 1 to 25 percent. For nearly half these organizations, the deficits were unplanned.

Despite routine delays in contract registration and payments, outcome requirements remain the same, causing nonprofits to scramble to fulfill them. Oftentimes, a contract will not be registered until well into the contract period, but the government agencies still expect the providers to complete the full outcomes of projects, either having fronted it on their end (usually by line of credit where the interest rate is not reimbursed by government), or implementing a program in double time.

Workforce

Human services are an extension of government work, often mandated by state or federal law. While government does not fund all human services positions, government funding is prevalent enough to be a major driver of sector wages. While most organizations want to pay living wages and provide quality benefits in principle, their government contracts do not fund them adequately to do so.

Funding the Minimum Wage

Government also institutes regulations for workforce payment that remain unfunded mandates. Recent minimum wage legislation will bring New York City to $15 per hour by 2018, and the rest of the State will reach $12.50 by 2020. While most nonprofits support the wage increase both for their staff and the clients they serve, there was no additional funding allocated in FY 2016-2017 to cover this increase for direct contracts, and limited funding provided for Medicaid reimbursed organizations. Absorbing the minimum wage increase could be crippling for providers already stretched thin. An unfunded minimum wage will force agencies to make difficult choices, cutting programs, limiting the reach of their services, or even closing their doors.

For direct contracts, the cost of covering the minimum wage is not an astronomical amount, though the impact for organizations will be substantial. In FY2017-2018, we estimate the cost to be approximately $12 million. This cost will rise yearly with the minimum wage, but even at full implementation and assuming that upstate reaches $15 by 2023, the cost will be $75 million. These estimates do not include Medicaid, but we do recommend that their reimbursements be increased to cover the increase as well.

FPWA and Restore Opportunity strongly urge the state to take a first step in needed investments in this workforce by funding the minimum wage for direct contracts and Medicaid reimbursements.

Additional Workforce Issues

In addition, covering the rising minimum wage, providers need to address its ripple effects. For example, if an agency has a supervisor at an afterschool program being paid $15 per hour, when their subordinates begin making $15, the supervisor's wage will need to increase. Wage compression quickly becomes a pressing issue for human services providers, increasing the cost of implementation exponentially. Like the minimum wage, this increase to the cost of service provision has not been reflected by increases in contracts or Medicaid reimbursements.

These, along with other recent policy changes, such as federal changes to overtime exemption, continue to present challenges to struggling nonprofits. With these challenges comes another set of difficult choices: cuts to service provisions, cuts in hours, cuts in staffing, increases in caseloads. However a nonprofit addresses these issues presents serious consequences for their staff and for the communities they serve.

Low salaries are made more untenable in combination with the rising cost and decreasing quality of benefits like healthcare and retirement. Providers are making difficult choices: Keep benefits affordable to the employee but decrease quality? Give small raises in lieu of benefits? Cut services in order to provide quality and affordable benefits to their staff? There is no easy answer, but there is a very clear problem. State contracts and reimbursements are not rising with the associated costs to providers, and this is impacting the workforce.

Low levels of compensation, both salary and benefits, has led to a recruitment and retention crisis for many human services providers. Turnover rates continue to grow, along with vacant positions that are nearly impossible to fill.

Recent legislation around minimum wage have impacted these challenges beyond simply the funding component. In areas outside of New York City, minimum wage is not scheduled to rise above $12.50, while earlier actions around fast food workers see those wages rising to $15. Providers are fearful that faced with a choice between the daunting responsibilities of direct service or higher wages with less responsibility, their recruitment and retention issues will be further exacerbated.

Mid-level and licensed professionals prove especially problematic to retain. Nonprofit leaders report that professionals come to nonprofits directly out of school, stay long enough to gain experience and then resign to take positions in universities, hospitals, and government where their earning potential increases by tens of thousands of dollars. For a workforce dealing with increased trauma, staff with strong experience is crucial.

Reports of turnover are consistent with a recent study from the Coalition of Family and Child Caring Agencies (COFCCA), which indicates that yearly turnover for child welfare and child caring organizations is greater than 40 percent. The human services sector deals with individuals who have experienced trauma and been marginalized by a variety of systems. Often forming trusting relationships with human services staff is extremely challenging; turnover creates an even greater barrier to the creation of these bonds. Turnover is also extremely costly to agencies in terms of training new staff, slowing or impeding service delivery.

Programs

While current contracts are tenuously funded, still more need is going unmet by the lack of program funding. To name just a few examples: Less than a quarter of eligible families (those under 200% of the federal poverty line) are being served by child care subsidies statewide. There are over 9,700 older adults on the waitlist for services in New York State, and that does not take into account older adults turned away for the serves they really need like affordable housing. More than 1,000,000 children across New York State would utilize after-school programs but are not given the opportunity. In June 2016, there were 60,042 homeless people, including 14,981 homeless families with 23,213 homeless children, sleeping each night in the New York City municipal shelter system.

The list of circular referrals, waiting lists, and services not meeting the most pressing needs of New Yorkers is as broad as the human services sector. In 2014, 58% of New York providers surveyed reported not being able to meet the need in their communities, and 59% percent anticipated not meeting the need in the following year. When need goes unmet in communities due to underfunding, the consequences are dire for those who do not receive enough services or receive none at all.

To begin to address unmet need in our communities, FPWA urges the state to make investments in the areas detailed below:

Early Childhood and Universal Pre-K

Pervasively low wages is a problem throughout the human services sector, with more than half of workers in New York State earning less than $15 per hour, and 30 percent earning less than $10.50. That being said, teachers and support workers in child care centers are particularly low paid. Labor Department data indicate that half of all preschool teachers are paid less than $13.80 per hour, and 90 percent of child care workers make less than $14.50.

FPWA applauds the rapid expansion of UPK and the increased wages for UPK teachers in Community Based Organization (CBO) settings. Unfortunately, lack of salary parity continues to be a challenge, both within CBOs and between CBO's and Department of Education (DOE) settings. Agencies report that while they strongly support the salary increase for UPK teachers, they find it difficult to staff three-year-old and infant/toddler classrooms with qualified teachers. Certified DOE teachers do not want to be placed in three-year-old classrooms with the same work load as a UPK organization but significantly lower pay.

Similarly, agencies saw their more experienced staff leave CBO's in favor of DOE settings. While the UPK increase set salaries at a similar level, DOE settings offered shorter hours, shorter school years and greater fringe benefits than their community-based counterparts. This particularly impacted New York City EarlyLearn/UPK settings, where programs operate with extended hours and outside of the school year to meet the needs of working families. The issues extend beyond the teaching staff. Many providers reported that their directors, sometimes with decades of experience, were making significantly less than a first year UPK teacher.

In addition to funding the $15 minimum wage, FPWA strongly supports salary parity across the early childhood sector, and urges the State to fund contracts to reflect this need.

In addition to ensuring childcare centers and early education are quality programs staffed by skilled teachers, it is important to make sure low-wage New Yorkers have access to these centers. In New York State, more than 863,000 children have working parents. Childcare subsidies are essential in allowing low-income working parents to maintain their place in the workforce and continue to support their families. Current costs of quality childcare are prohibitively high: childcare in New York City is over $14,000 per year; infant care is even higher, at about $17,000 a year for center-based care. These costs are decidedly out of reach for many New Yorkers, especially for minimum wage workers earning a yearly $20,280.

At current funding levels, 22% of eligible families (those under 200% of the federal poverty line) are being served by childcare subsidies statewide. In New York City, the need is even greater, with only 14% of eligible infants and toddlers given access to affordable childcare.

This gap in accessibility to services is a direct result of lack of funding. Quality care is a costly, but worthwhile investment. Early education and childcare not only allow parents to participate in the workforce, but also lay the foundation for a child's educational experience. Positive investments in early education and childcare, like Universal Pre-Kindergarten (UPK), give children the best possible start in quality learning environments.

As a member of the Winning Beginnings coalition, FPWA urges the State to invest $100 million to increase childcare slots by 13,000 children in FY2017-2018. FPWA urges the State to create an Early Childhood Learning Fund with a dedicated revenue stream to serve significantly more children who are eligible but going unserved because of lack of funding.

The Executive Budget proposal to add only $5 million to the pre-K program leaves many high need four year olds without pre-K programs. There are nearly 24,000 at risk four year olds that still have no full day pre-K access.

FPWA urges the State to invest an additional $150 million into quality pre-K for high need three and four year olds.

While current service levels are already insufficient, upcoming changes to the federal Child Care Block Grant (CCBG) may exacerbate the issue, and further reduce the number of eligible families allowed to access these programs. FPWA supports the many positive changes in the reauthorized CCBG, such as improved safety standards, extended time of eligibility, improved training for professionals, and improved information for parents and families. Unfortunately, these positive changes are costly to implement.

The cost of implementing the new standards will leave the childcare system with a shortfall of $90 million. The funding gap could translate to up to 21,000 slots lost, a 16% decrease. For a system already falling far short of addressing the need of New York families, this will be devastating. An equally poor alternative would be passing on the costs to providers, who are already struggling to make ends meet. Winning Beginnings has continued efforts to advocate to our federal delegation to secure federal dollars to address these implementation costs.

FPWA urges the State to join us in advocating to the federal delegation on behalf of New York's children and families, and by investing the State's fair share to ensure that no childcare slots are lost as a result of the necessary CCBG implementation, and that costs do not get passed on to providers.

The Executive Budget does not include any new funding for the child care subsidy program for low income working families. It does not include new funding to implement the requirements of the Federal Child Care and Development Block Grant Act of 2014. In fact, the Governor's budget reduces general fund support for child care, replacing it with approximately $27 million in Title XX funding. This funding is used by local social service districts for critical programming, including preventive and protective services to children, eviction prevention, and services to seniors. This pits one vital service against another, and would result in a net loss for local Counties.

FPWA urges the State to reallocate the general fund support for child care instead of using Title XX funding, harming other critical services.

Afterschool

Afterschool programs provide quality youth development opportunities to school-age children and youth. These programs offer a broad range of educational, recreational and culturally age-appropriate activities that integrate school day experiences. In addition, they allow working parents to go to work each day, sure that their child is safe and learning.

More than 1,000,000 children across New York State do not have access to an after-school program but would participate if given the opportunity to do so. Investing in after-school programs can help school districts save money because of increased student retention and decreased special education placements.

FPWA applauds Governor's proposal to invest $35 million in the Empire State Afterschool program. We urge the State to appropriate $32.8 million to the Advantage After School to increase service levels, increase per student funding, ensure quality and provide summer programming for all participants. We also urge the State to invest $1.2 million in the acquisition of a data system for tracking participant outcomes from expanded learning opportunities.

Child Welfare

In 2002, the state adopted Child Welfare Financing Legislation, which provides a match of 65/35 to local districts for the total cost of providing protective, preventive, aftercare, post-adoption, and independent living services. Overtime, this state match funding has been gradually reduced from 65% to approximately 62%. The two most recent cuts have translated into a $7 million state cut to New York City's preventive service system. By cutting preventative services now, the state puts New York City at risk for increased costs in the long run. The cost of preventive services per family per year is an average of $10,000, while a foster care placement is approximately $36,000 per year, per child. Reinvesting in preventative services is cost effective compared to the alternative. In addition to the fiscal benefits, keeping families together is extremely personally valuable to the families involved in the child welfare system. Foster children are at greater risk for a host of negative outcomes as adults, including poverty, homelessness, low academic achievement and incarceration. By investing in families now, the State can prevent the great personal and fiscal costs of foster care placements. **FPWA urges the state to further this important investment by restoring the state match to 65%.**

Studies have shown that the overwhelming majority of child welfare cases are neglect, often connected to resource deprivation, rather than abuse. If families can access early intervention community based supports, without an open protective services case, this will help prevent families from reaching a crisis point. This is both cost effective, and the best outcome for New York families. **As a member of WinningBeginnings, FPWA recommends restoring reimbursement rates for Early Intervention programs by increasing the current rates by at least 5% this year. The Executive Budget proposal should be amended to ensure it does not burden families or providers and to reinvest any savings from the proposal into the Early Intervention program.**

Aging

New York State is home to nearly 4 million people over the age of 60, or 20.2% of the total population, and is growing rapidly. By 2020, estimates project that the older adult population in New York will reach 4.5 million. Moreover, the number of living past the age of 85 is projected to increase 30% by 2030.

While an increase in life expectancy is something to celebrate, it comes with challenges that must be addressed. Namely, very limited incomes are a hard reality for many older adults. While 89% of people over 65 receive social security income (an average of $19,500), only 48% have additional retirement income. As a result, 58% pay over 30% of their income in rent and 22% live below or just above the poverty line.

As the older adult population grows, funding for services cannot stagnate. According to the Association on Aging in New York, there are 15,800 older New Yorkers on waitlists for services that would enable them to age in place with dignity and social supports. Meanwhile, the State Office for the Aging's budget has been cut by $12.3 million, and has proposed cost shifts and consolidations for the Community Services for the Elderly (CSE) program that may result in the loss of an additional $19.7 million in New York City. These funds are critical to supporting older adults in their communities, rather than in expensive and potentially isolating nursing homes.

FPWA urges the state to restore $12.3 million in funding for SOFA and maintain $19.7 million in funding for CSE so New York can effectively address the waitlists for services and the rising need for additional services.

The Governor's proposal to replace general fund support for child care with approximately $27 million in Title XX funding will have a severe impact on New York City's older adults. New York City's Department for the Aging (DFTA) estimates that this will result in a loss of $17 million that currently funds the city's senior centers. Without this funding, the city may be forced to close 65 senior centers—about 30% of DFTA funded centers.

FPWA urges the State to maintain the flexibility of Title XX funding, allowing counties to use these dollars for children and family services at their discretion.

Conclusion

We thank you for the opportunity to testify today on our recommendations for ensuring a strong and vital workforce in New York State. We look forward to working with the legislature in the upcoming session to enhance upward mobility and reduce poverty in communities across the State.

Voices of New York's

RESTORE OPPORTUNITY NOW Invest in Human Services

Human Services Sector

WHO WE ARE

Restore Opportunity Now is a newly launched campaign to bring together human services organizations from across New York State to call for increased investment and systems changes needed to ensure nonprofits can continue to effectively serve communities in New York State.

The campaign recognizes that while the breadth of services provided by the sector varies tremendously, the misalignment of resources and expectations is a common thread. As poverty and rising inequality suggest, need is going unmet in communities. To address this, programs must be fully funded to cover the true cost and must support an adequately compensated workforce. These crucial investments will allow human services providers to continue to deliver essential services efficiently and effectively, and to recruit and retain qualified staff.

The campaign advisory committee is comprised of the following:

STATEWIDE
COFCCA
The Fiscal Policy Institute
Mental Health Association in New York State
New York State Council of Catholic Charities Directors
New York Council of Nonprofits
New York State Community Action Association
New York State Rehabilitation Association

CENTRAL NEW YORK
Human Services Leadership Council of Central New York

FINGER LAKES
Arbor Housing and Development

NEW YORK CITY
FPWA
The Human Services Council
SCO Family of Services
Urban Pathways

WESTCHESTER
Nonprofit Westchester

CAPITAL REGION
Northern Rivers Family of Services

WESTERN NEW YORK
Cattaraugus Community Action
LifeSpan
Western Region Hillside Family of Agencies
Syracuse Model Neighborhood Facility

SOUTHERN TIER
Southern Tier Independence Center

The campaign is supported by more than 270 organizations, and continues to grow rapidly.

As a first step to the development of this campaign the Restore Opportunity Now coalition embarked on a three month research study to assess specific challenges the nonprofit human service sector faces across the State. As research tools, we conducted a meta-analysis of existing data on the sector, 15 in depth interviews, 21 focus groups with more than 300 participants, and an online survey with a sample size of 70. Research was conducted across New York State, and included the following cities: Albany, Binghamton, Buffalo, Elmsford, Ithaca, New York City, Rochester, Syracuse, Utica and their surrounding counties.

EXECUTIVE SUMMARY

The human services sector has been chronically under-resourced for decades and is reaching a critical juncture. New York State has an opportunity to begin to correct this trend by investing in and strengthening the sector. **As a progressive national leader on issues like minimum wage and paid family leave, the State government can again lead in investing in the human potential of its residents by shoring up these crucial services, and the organizations that provide them.**

Poverty and other social indicators point to both the intensifying need for human services, and the increasingly challenging environment in which they operate. Human services are the State's first line of defense in combating these pressing issues. The human services delivery system is the cornerstone in promoting wellbeing, in successful health and education programs, and a crucial partner in building the economy. The erosion of funding, coupled with antiquated systems that make it difficult for nonprofits to operate effectively, has led to a sector on the brink of collapse. Critical changes are needed, both in the ways nonprofits are funded and in the structure of how nonprofits work with government to deliver essential services.

Rising costs coupled with continued 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 nonprofits expertise in communities.

The research study yielded three main areas in which the State must make critical changes and key investments to strengthen the sector and the communities they serve:

> 1. Contracts that cover the real cost of providing services, permitting nonprofits to be innovative, efficient, and effective;
>
> 2. Appropriate, competitive compensation for the workforce, allowing for recruitment and retention of quality staff;
>
> 3. Investments in core programs necessary to lift up communities.

This report and the following county profiles detail how these issues play out in New York communities and how the State's partnership is essential in overcoming them.

To move towards the goal of investment and positive change in the sector during the next fiscal year, Restore Opportunity Now has developed recommendations in the following key areas:

(1) Contracts

(A) Institute the federal definition of "indirect costs", expanded to include Medicaid rates.

(B) Establish and fund a 15 percent de minimis for indirect costs for all State contracts, and encourage local pass through entities to adopt the same standards.

(C) Allow nonprofits the option to negotiate a higher individualized indirect rate to reflect real costs, using the same process as Federal rate negotiations.

(D) Create a process to analyze the gap between current rates and the real cost of providing services and meeting regulatory requirements, while committing to allocating funding to close the gap.

(E) Commit to continued investment in the Nonprofit Infrastructure Capital Improvement Program.

(2) Workforce

(A) Fund the minimum wage increase by amending all direct human services contracts, and ensure timely implementation of minimum wage funding for Medicaid reimbursements.

(B) Create a mechanism for New York nonprofits to access cost effective and high quality health and retirement benefits for their employees.

(C) Begin to address chronic low payment throughout the sector, by making salaries competitive with the private and government sector.

(3) Programs

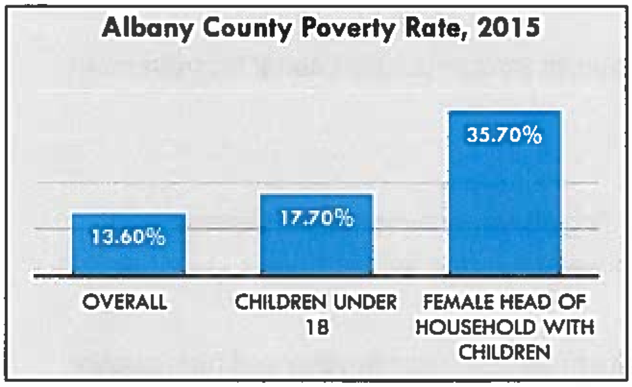
(A) Reverse the trend of defunding, and increase funding for human services programs.

(B) Expand mechanisms to assess community needs, like the Antipoverty Task-forces, and provide necessary resources to implement the resulting recommendations

New York State can begin to turn back the tide on chronic underfunding of the human services sector and the communities they serve. With committed investment in the sector, coupled with key systems changes so nonprofits can better partner with government, we will ensure that New Yorkers have access to opportunities and that our communities thrive.

ALBANY COUNTY OVERVIEW

KEY STATISTICS



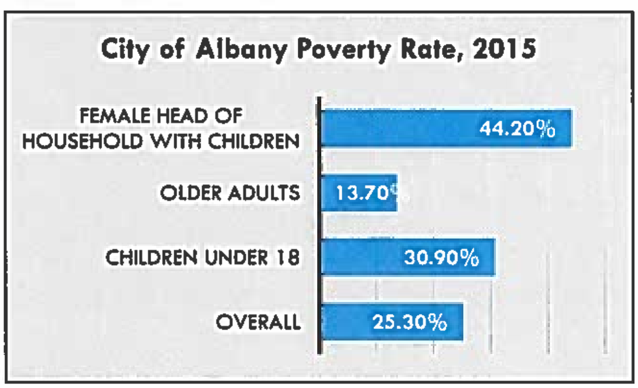
13.2% • Overall Food Insecurity

18.8% • Food Insecurity for Children

27.1% Percent of Population Under 200% of the Poverty Line

32.7% Households With Housing Costs Exceeding 30% of Household Income

11.2% Percentage of the Population with a Disability



VOICES FROM THE SECTOR

"We had a family last week where they decided that they wanted no more care, they asked for hospice...**couldn't get a home care aid for two weeks and he died before that two weeks was up.**"

"People aren't going to take our jobs. They're going to go to Wendy's and flip burgers and make more money. **People that take these jobs truly want to help people and want to live the mission, but it's only going to go so far.**"

"Whether people see the unmet need is very different upstate. Counts are not good outside of metro areas. **There's more hidden need.** National parks are becoming places where the homeless are living—who's counting? I keep coming back to the poverty piece—there are all these different commissions to "deal with poverty", picking an issue, but isn't going to have a big impact. Not everyone can be trained for a tech job."

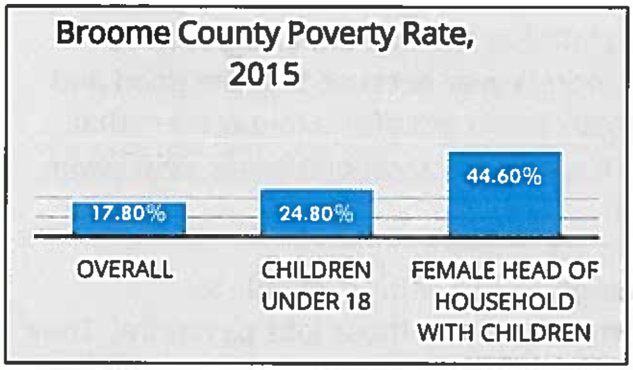
"Our health care costs went up. The lowest increase went up 10%, 27% was highest increase. I had to charge more or pay for it. **I ended up cutting my retirement funding, and there was no extra money on the table.**"

"We talk about executive pay as it relates to minimum wage, but I have one member that said even if you **get rid of their whole executive team, it will cover a quarter of their minimum wage cost.**"

Sources Albany County Poverty Report." New York State Community Action Association, http://nyscommunityaction.org/PovReport/2015/Albany.pdf, 2016.
"Economic Indicator Report." Community Commons, http://assessment.communitycommons.org/CHNA/report?page=2&id=780&reporttype=ECON, 2015.
"Food Environment Report." Community Commons, http://assessment.communitycommons.org/CHNA/report?page=2&reporttype=FOOD.

BROOME COUNTY OVERVIEW

KEY STATISTICS



36.9% Percent of Population Under 200% of the Poverty Line

31.3% Households With Housing Costs Exceeding 30% of Household Income

14.0% Percentage of the Population with a Disability

14.1% • Overall Food Insecurity

24.4% • Food Insecurity for Children

Sources: "Broome County Poverty Report." New York State Community Action Association, http://nyscommunityaction.org/PovReport/2015/Broome.pdf, 2016

"Economic Indicator Report." Community Commons, http://assessment.communitycommons.org/CHNA/report?page=2&id=780&reporttype=ECON, 2015.

"Food Environment Report." Community Commons, http://assessment.communitycommons.org/CHNA/report?page=2&reporttype=FOODhttp://assessment.communit

VOICES FROM THE SECTOR

"**Lack of access to services is devastating.** The wages that people make are not living wages. The agencies keep people on a part time status so they don't get benefits, and people aren't able to travel to provide services in the homes when we need people to be getting services in the homes."

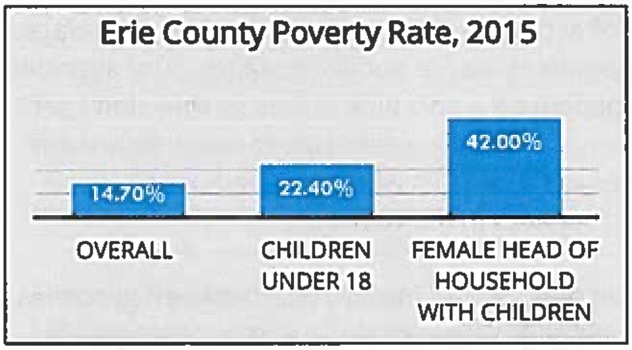
"**We see people who have to pick between groceries and their pills.** When you look at that demographic, the seniors are here because they grew up here, they built up this area, and they stay in this area. They are putting their money back into the economy. And for young people and students that are coming into the area, if caregivers could be paid and valued a little more, then there might be more people to take care of these people."

"We are not in a financial position to be able to bring everyone up [to the minimum wage threshold]. It's already going to cost us $25,000 in just this year, out of $1.5 million of our total budget. And here's part of the dilemma. Our tuition was set at a 5% increase before the mandatory wage was passed. And that 5% was a lot. Market rate is going up by 6% and minimum wage brings us up by 8%. **So unless we really want to hurt a lot of families, we won't be able to raise tuition until next September, which means we can't bring everyone up to where they deserve.**"

"I've called everybody. They say they'll try. It's nice to try but I have to make a payroll. The services you're providing are losing money. We're going to be like FEGS. I've told my staff this is gonna be a tough budget year. The cost of minimum wage for our org is $200,000 per year. I don't know where to get that. There's no more low hanging fruit. We have no voice. We have half a dozen programs we are looking at right now saying, we just can't do it anymore. Something has got to change. **There's no way we are going to survive if something doesn't change.**"

ERIE COUNTY OVERVIEW

KEY STATISTICS



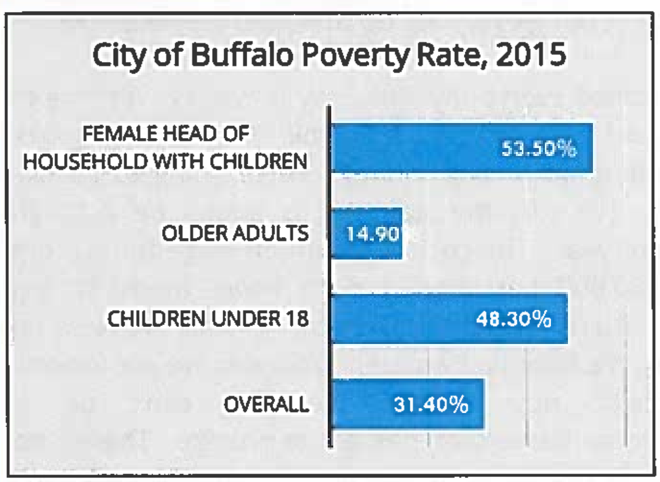
13.9% — Overall Food Insecurity

21.7% — Food Insecurity for Children

31.25% Percent of Population Under 200% of the Poverty Line

30.1% Households With Housing Costs Exceeding 30% of Household Income

13.0% Percentage of the Population with a Disability



VOICES FROM THE SECTOR

"I have staff that **should be making $10,000-15,000 more a year because they are good and passionate**, but I can't afford to pay them that. They are just on the cusp of poverty--$400 over per year."

"**The nonprofit sector loses people to government because those jobs pay more.** They fund us inadequately, and then they recruit our employees."

"We've doubled our revenue. We've doubled the number our employees, but the administration is still the same as it was. While the agency is growing and able to meet more and more need, **it doesn't come with the appropriate percentage of overhead.**"

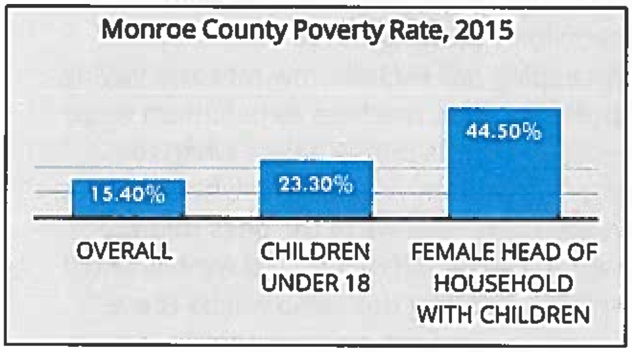
"In New York, if you want a subsidy, **you have to go on the waitlist.** Then if you go to DSS, they will say there's no money. So the process is that you are supposed to get denied and then go back and then you get placed on the waitlist."

"**Child care in Erie County is more expensive than public state college.** We get loans because no one can afford to pay for college, but there are no childcare loans. Yet the organizations can't afford to charge any less, they are stretching it thin already."

Sources: "Erie County Poverty Report." New York State Community Action Association, http://nyscommunityaction.org/PovReport/2015/Erie.pdf, 2016. "Economic Indicator Report." Community Commons, http://assessment.communitycommons.org/CHNA/report?page=2&id=780&reporttype=ECON, 2015.

MONROE COUNTY OVERVIEW

KEY STATISTICS



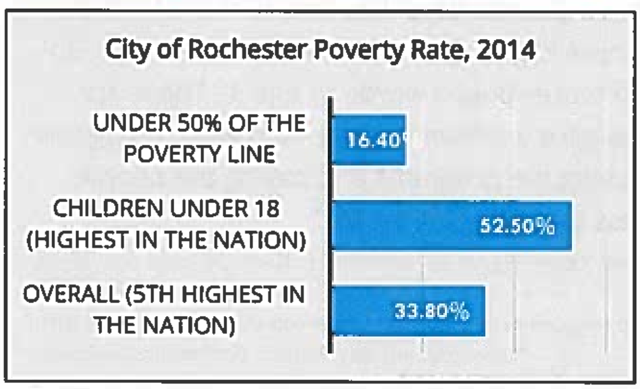
13.5% • Overall Food Insecurity

20.5% • Food Insecurity for Children

31.2% Percent of Population Under 200% of the Poverty Line

34.3% Households With Housing Costs Exceeding 30% of Household Income

12.3% Percentage of the Population with a Disability



VOICES FROM THE SECTOR

"We are closing residential treatment, but that money isn't going into the community. We could do really good work at the community level, but **we are underfunded so the youth are ending up back in institutions."**

"There's still a great need for housing. We are getting killed by the county reimbursement rate. We have to eat the cost of that. **We've lost hundreds of thousands of dollars."**

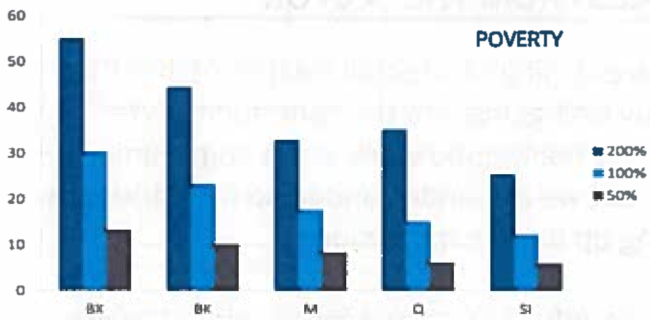
"We're asking workers to provide a level of skill and understanding equal to an elementary teacher, and we are paying minimum wage. We are asking families to cover some of that because there's so little funding. It's so hard to see quality decreasing. There's a point where you can't provide that."

"Some of our kids **make more by flipping burgers than the people providing them with services."**

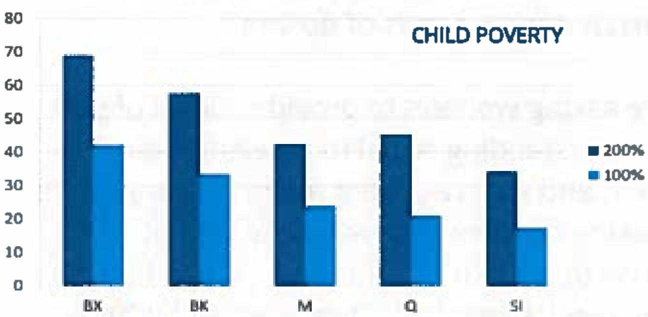
"You start a MSW with student loans at $27,000-30,000 per year...They can get double that at a hospital, so they just wait for that to open up. **We haven't seen an increase in ten years, and your money is walking out the door."**

Sources: "Monroe County Poverty Report." New York State Community Action Association, http://nyscommunityaction.org/PovReport/2015/Monroe.pdf, 2016 "Economic Indicator Report." Community Commons, "Food Environment Report." Community Commons, "Poverty and Self Sufficiency Report." ACT Rochester,http://www.actrochester.org/sites/default/files/2016%20Poverty%20and%20Financial%20Self-Sufficiency%20Report.pdf, 2016.ACT Rochester,http://www.actrochester.org/sites/default/files/2016%20Poverty%20and%20Financial%20Self-Sufficiency%20Report.pdf, 2016.

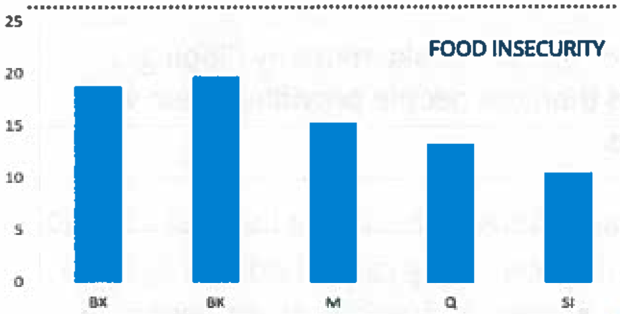
NEW YORK CITY OVERVIEW



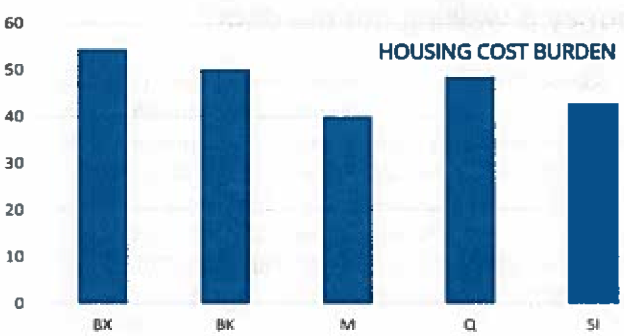
Percent of individuals living in households with income below 200%, 100%, and 50% of the Federal Poverty Level by borough



Percent of children living in households with income below 200% and 100% of the Federal Poverty Level



Percent of the population that experienced food insecurity at some point during the report year by borough



Percentage of the households where housing costs exceed 30% of total household income.by borough

VOICES FROM THE SECTOR

"They are already paying us too little, they are already capping our kids at a low rate and paying childhood education teachers as minimum wage workers.... and this is during a time when the economy is good, can you imagine what happens when it goes bad? And **we're the ones that are supposed to be there if things go downhill, and if we aren't still standing then who will be there?"**

"There's a huge disparity in the way the sector is treated, and I think it has to do with who we serve. **Its people who are disenfranchised, its poor people, people of color, people who don't have political clout.** It's seen as charity as opposed to a social obligation. Because of all of those reasons, they try to justify not picking up the total cost. A lot of services we provide are services that government is MANDATED to provide, and so if we didn't do it they would have to do it."

"When you talk about equity, that's 60% of my work force, those are people you want to capture. **They are the working poor."**

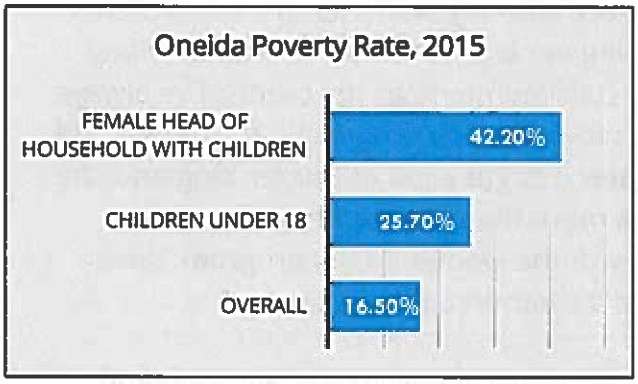
"If this was a bridge that hundreds of thousands went across every day, it had better look good. If the shelter isn't totally clean, **there's an element of 'these services don't matter'."**

"We have gaps to close. Like the 30 million word gap where kids from high income families hear 30 million more spoken words by age 3. **These are serious gaps we have to close. And we're doing this by starving the programs and paying the people way less than they are worth."**

Sources: Albany County Poverty Report." New York State Community Action Association, http://nyscommunityaction.org/PovReport/2015/Albany.pdf, 2016.
"Economic Indicator Report." Community Commons, http://assessment.communitycommons.org/CHNA/report?page=2&id=780&reporttype=ECON, 2015.
"Food Environment Report." Community Commons,

ONEIDA COUNTY OVERVIEW

KEY STATISTICS



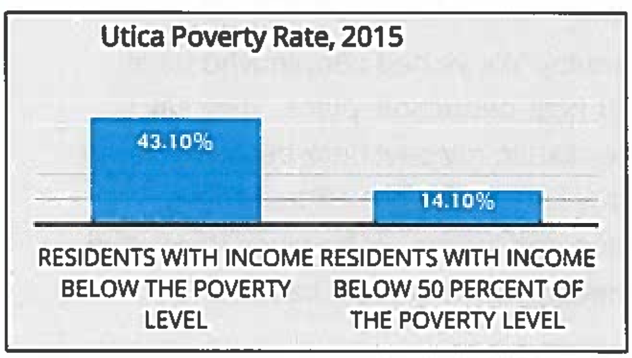
13.5% — Overall Food Insecurity

23.8% — Food Insecurity for Children

35.2% Percent of Population Under 200% of the Poverty Line

30.1% Households With Housing Costs Exceeding 30% of Household Income

15.2% Percentage of Population with a Disability



VOICES FROM THE SECTOR

"We culturally undervalue these positions. **And they're taking care of our seniors, our children, and our ill.** And we're saying that work isn't worth even $15 an hour?"

"It can take all day to cobble together services because we don't have resources available- getting a bus pass, a guaranteed night stay till tomorrow and a visit with a primary physician. And then it's just for that one person, and **it only gets them through till tomorrow when it starts all over again for both of you.**"

"We had a contract for $250,000 and **at the end of it we lost $16,000 on it**, and that was without taking admin, without taking indirect, and we had one staff on it funded through another source."

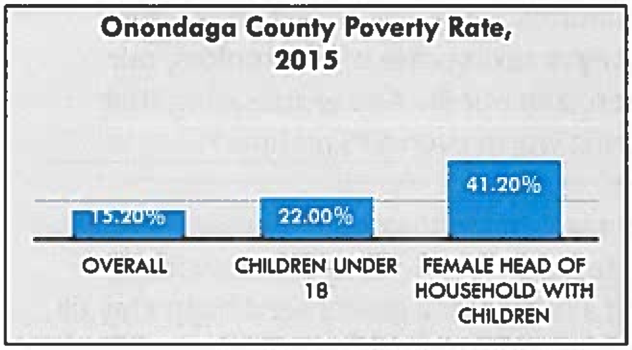
"We were talking about the turnover rate in our classrooms. **We don't value "women's professions" as men's.** Why don't childcare workers make the same as welders or truck drivers? People say because it's more dangerous. Have you ever spent times in a preschool classroom?"

"**Direct care workers work extremely hard and are extremely committed**, and it's unfair that they have different pay with state workers. It's a tough job."

Sources: "Oneida County Poverty Report." New York State Community Action Association, http://nyscommunityaction.org/PovReport/2015/Oneida.pdf, 2016. "Economic Indicator Report." Community Commons, http://assessment.communitycommons.org/CHNA/report?page=2&id=780&reporttype=ECON, 2015. "Food Environment Report." Community Commons, http://assessment.communitycommons.org/CHNA/report?page=2&reporttype=FOOD, 2015.

ONONDAGA COUNTY OVERVIEW

KEY STATISTICS

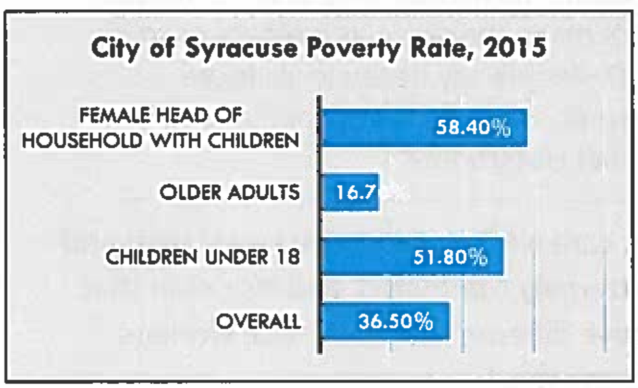


13.5% • Overall Food Insecurity

21.2% • Food Insecurity for Children

30.7% Percent of Population Under 200% of the Poverty Line

30.2% Households With Housing Costs Exceeding 30% of Household Income



Sources: "Onondaga County Poverty Report." New York State Community Action Association, http://nyscommunityaction.org/PovReport/2015/Onondaga.pdf, 2016.
"Economic Indicator Report." Community Commons, http://assessment.communitycommons.org/CHNA/report?page=2&id=780&reporttype=ECON, 2015.
"Food Environment Report." CommunityCommons,

VOICES FROM THE SECTOR

"I noticed with my staff members and clients I'm filling out DSS forms for almost as many of my staff members as my clients. I've always known that we didn't pay well. **My 16 year old daughter just got a job at Burger King and she makes more than the staff members** that work with the women at my program. She's 16 and it's her first job. It's wrong."

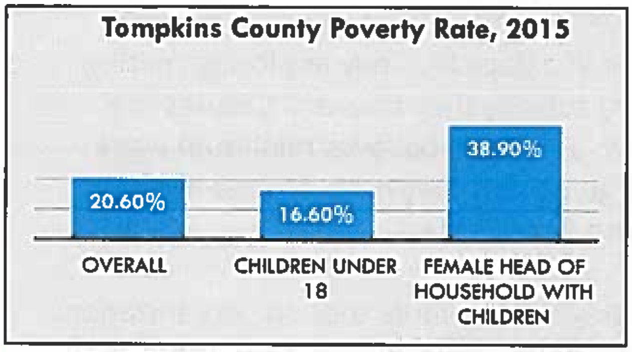
"You can deliver meals to someone's home but if they can't stand up how do they get it out of the refrigerator three times a day? What happens to that person? The person loses weight consistently, they get pressure sores, they get hospitalized. **We know it's cheaper to send someone to their home than hospitalization and we could prevent that if we could send people**, but we just don't have the staffing, we just don't have the resources."

"In childcare the highest turnover is among the least paid staff, the teacher's assistants, the turnover rate is 40% or more. **The expectations are becoming higher and higher for what they do and they can't meet them for such little pay.** It becomes frustrating for the teachers to have to retrain their staff, and it impacts the quality of the program."

[On benefits] "We've had people who have asked for high deductible plans. They say I need the cash in my paycheck because I need to feed my kids. **They put off health and prevention and safety net because they need the immediate cash to meet basic needs.**"

TOMPKINS COUNTY OVERVIEW

KEY STATISTICS



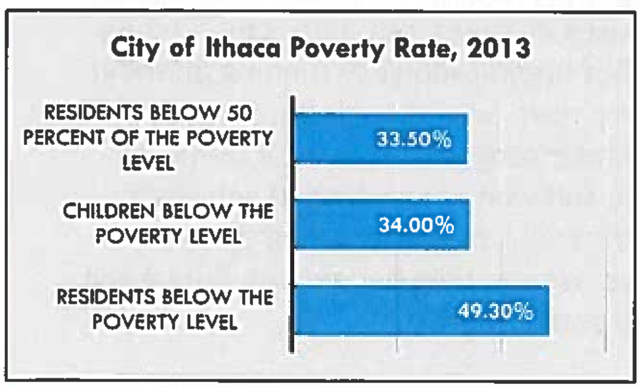
13.9% • Overall Food Insecurity

20.0% • Food Insecurity for Children

34.5% Percent of Population Under 200% of the Poverty Line

35.2% Households With Housing Costs Exceeding 30% of Household Income

9.8% Percentage of the Population with a Disability



VOICES FROM THE SECTOR

"People are forced to live in smaller rural communities but then services like transportation, technology, education, are not accessible there, so **it exacerbates the divide between those communities.** We are creating sprawl because people can't afford to live in the city, and then it makes it even harder to get services to them."

"There's a real need for increases in all kinds of human services. **I don't think there's an agency here today that doesn't have a wait list.**"

"The demand for record keeping and reporting out in so many different ways...That's an overhead we never planned for. The time involved is unbelievable. **We have a person who works weekends, on top of their 40 hours, to keep up.**"

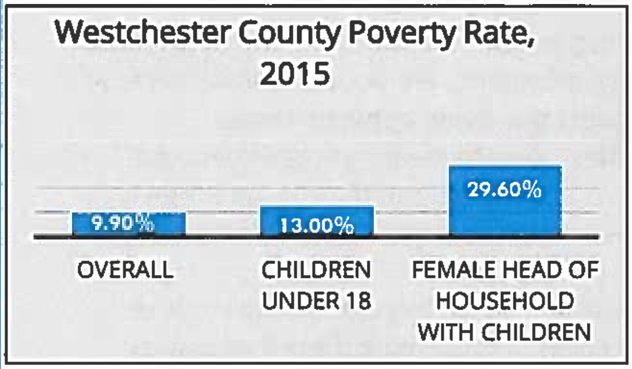
"I've been in the sector for a few years now; we have become so accustomed to saying 'We just don't have enough money.' Like it's become par for the course. We just accept it. **We have to get out in front of that and demand more.** We shouldn't be competing for the funds to serve veterans, to serve youth. It should be how much money do you need? Now go do the work."

"We got ingrained as a sector with a model that we are women working outside the home doing volunteer work. **We are a hard working sector. We don't just do this for love. We have to pay the bills.**"

Sources: "Tompkins County Poverty Report." New York State Community Action Association, http://nyscommunityaction.org/PovReport/2015/Tompkins.pdf, 2016. "Economic Indicator Report." Community Commons, http://assessment.communitycommons.org/CHNA/report?page=2&id=780&reporttype=ECON, 2015. "Food Environment Report." Community Commons, http://assessment.communitycommons.org/CHNA/report?page=2&reporttype=FOOD, 2015.

WESTCHESTER COUNTY OVERVIEW

KEY STATISTICS



9.42% — Overall Food Insecurity

16.0% — Food Insecurity for Children

21.9% Percent of Population Under 200% of the Poverty Line

44.2% Households With Housing Costs Exceeding 30% of Household Income

8.7% Percentage of the Population with a Disability

Sources: "Westchester County Poverty Report." New York State Community Action Association, http://nyscommunityaction.org/PovReport/2014/Westchester.pdf, 2016
"Economic Indicator Report." Community Commons, http://assessment.communitycommons.org/CHNA/report?page=2&id=780&reporttype=ECON, 2015.
"Food Environment Report." Community Commons, http://assessment.communitycommons.org/CHNA/report?page=2&reporttype=FOOD, 2015.

VOICES FROM THE SECTOR

"We have providers that haven't had a rate increase in a decade. They are losing money on every subsidy they take on. Salaries are very low. **Everyone believes minimum wage should go up, but they have no idea how we are going to pay for it.**"

"According to a formula that our organization uses, **we need about 80,000 slots more than what we have.** We also have a lot of childcare, even regulated, that is not funded to be the kind of quality that is going to benefit kids. This means we are part of the pipeline producing kids who won't be ready for school, and won't ultimately get good jobs."

There's need in the community, and there's need in the boots on the ground workforce. **If the people who are working for me aren't getting paid decently, what we do doesn't matter.** There will be turnover or lack of commitment, because they won't feel respected."

"State law says one thing, but the direction of funding says another. We need to attack the root causes of issues, but there's no funding for it. Our organization are running offender programs now, even though the State doesn't see offender programs as part of Domestic Violence and won't fund them. If you don't attack the root cause, the violence will continue. We can help her get out, but he will just find someone else."