



**Joint Legislative Public Hearing on 2017-2018 Executive Budget  
Proposal: Topic Workforce Development  
Wednesday, January 25, 2017**

I am David Ng, Government and External Relations Manager of the Human Services Council, and I appreciate the opportunity to submit testimony.

HSC is a membership association comprising almost 200 of New York State's leading human services organizations – direct service providers as well as umbrella and advocacy groups. Our members are involved in such realms as early childhood education, youth development, health, mental health, employment and services to seniors and immigrants. To operate these programs, our members partner extensively with all levels of government and hold a significant number of contracts with the State.

HSC serves our membership as a convener, a coordinating body and an intermediary to government, and we focus on such matters as procurement practices, disaster preparedness and recovery, budgetary issues, and public policies that impact the sector. The human services sector employs 15 percent of New York's workforce and is a bridge to opportunity for so many New Yorkers. The State spends \$10 billion dollars on 9,000 contracts with 5,000 nonprofits. The partnership between human services organizations and the State is vital to the economic health of New York.

New York State relies on nonprofits to deliver services that support the wellbeing of New Yorkers ranging from providing early childhood education to sheltering people experiencing homelessness. With nonprofit program budgets being slashed and a lack of investment in human services, programs cannot continue to operate at their current level.

HSC is a member of the Restore Opportunity Now Campaign, a statewide effort to bring together human services organizations from across New York State to demonstrate the need for crucial investments in the nonprofit sector. This campaign calls for increased investment and systems changes needed to ensure nonprofits can continue to effectively serve our communities. One of the main goals of the campaign is appropriate, competitive compensation for the workforce, to promote recruitment and retention of high quality staff. Additional

campaign goals include contracts that cover the real cost of providing services and investments in core programs necessary to lift up communities.

Everyday across the state over hundreds of thousands of human services workers perform essential tasks in support of their fellow New Yorkers. Case managers, teachers, administrators, social workers, direct care professionals, and many more are committed to providing high quality services. Over 80 percent of this workforce are women, and more than half are people of color, groups which are already overrepresented in poverty and economic insecurity.

Although this campaign has a long-term focus on essential improvements and investment in the sector, there are steps the Governor and legislature can take to ensure the stability of nonprofits' future in their communities. One of the campaign's main budget goals for FY2018 is to fund the minimum wage increase by amending all direct human services contracts, both direct and Medicaid reimbursed, which would cost \$12 million for FY2018.

Many of these jobs, based on the skill and dedication required, should not be minimum wage jobs. Even above the lowest wage workers, professionals are chronically underpaid. Turnover is also extremely expensive to organizations in terms of hiring and training new staff, impeding service delivery.

Conspicuously absent from the Executive Budget is any significant investment in the nonprofit human services workforce. There is no funding to enable nonprofit organizations that deliver services on behalf of government to comply with the newly increased minimum wage, nor is there funding to help these service providers comply with the recently increased salary thresholds for overtime eligibility. Furthermore, the Executive Budget eliminates the planned 0.8 percent human services cost-of-living adjustment (COLA) and discontinues the "underutilized" COLA enacted in 2015 to certain direct care workers and direct service providers. This COLA was underutilized not for lack of need, but because the Department of Health and State Office for the Aging could not figure out how to administer it. It is disingenuous to label this COLA underutilized, and it is plainly insulting to celebrate the resulting "savings" of \$4 million.

For a sector that has faced chronic underinvestment, skyrocketing demand, and a regulatory avalanche since the Great Recession, the lack of meaningful support in the FY 2018 budget will have dire consequences, including closure of longstanding organizations and reduction of critically needed services. The human services workforce is comprised mostly of people of color and is predominantly female. These workers, who were denied COLAs for six consecutive years, provide a wide range of services in diverse communities across the State, helping individuals and families live healthy, safe, productive lives. Raising the minimum wage and expanding overtime eligibility were the right things to do for workers, but when the government outsources work to human services organizations, it must ensure that those organizations can meet the new mandates without compromising their financial and operational integrity.

We appreciate that the State will work with nonprofit umbrella groups to develop models for a career ladder program for low-wage nonprofit workers, and we look forward to working with the Department of Labor on this initiative. We note, however, that until a reasonable wage ladder is established, there will be little incentives for skilled and experienced workers to remain in the nonprofit sector.

We hope that State legislators will recognize the integral role that nonprofit human services providers an workers play in preventing, alleviating, and reducing poverty. We look forward to working with the State during this legislative session to ensure smart, equitable investment in this important sector for the benefit of all New Yorkers.

Thank you for the opportunity to testify.

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