



TESTIMONY

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Submitted by:
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Introduction

My name is Gloria Kim, and I am the Director of Policy, Research and Impact at the Human Services Council of New York (HSC), a membership organization representing over 170 human services providers. HSC serves our membership as a coordinating body, advocate, and intermediary between the human services sector and government. We take on this work so that our members can focus on running their organizations and providing critical direct support to New Yorkers. These are the nonprofits that support New York's children, seniors, those experiencing homelessness, people with disabilities, individuals who are incarcerated or otherwise involved in the justice system, immigrants, and individuals coping with substance abuse and other mental health and behavioral challenges. We strive to help our members better serve their clients by addressing matters such as government procurement practices, disaster preparedness and recovery, government funding, and public policies that impact the sector.

New York Human Services Providers

Nonprofit human services organizations play a significant and longstanding role in building and supporting the wellbeing of New Yorkers, enabling millions of people to contribute to their communities as students, parents, neighbors, and workers. They train and help keep workers in good jobs, provide early childhood education and after-school programs, run food pantries, respond to emergencies and natural disasters, provide mental health counseling, support asylum seekers, shelter people experiencing homelessness, and care for the elderly, among many other community services. Government reliance on the nonprofit human services sector for a broad range of vital public services has steadily grown over at least the past three decades. In 2022, there were over 33,500 nonprofits in New York operating in nearly every industry. Nonprofits provided over 1.3 million jobs with \$96.8 billion in total wages, ranking the State among the highest in the nation for these measures.¹ However, human services workers with bachelor's degrees earn 33% less than the private sector median and 22% less than the public sector median for similarly educated workers.²

¹ (DiNapoli, 2025)

² (Parrott, 2025)

The Human Services Sector: A State of Emergency

The human services workforce, upwards of 800,000 workers in New York State, are facing serious challenges as wages have remained stagnant due to a lack of funding from governments. Government contracts either directly set low salary levels or do so indirectly by establishing low rates for services along with required staffing levels on a contract. Most contracts have not been adjusted for rising costs throughout their contract terms. You can potentially be working with the same amount of funding for 5 to 7 years even though cost of living increases, especially with inflation. Human services providers are not immunized against rent increases and spiraling health insurance premiums, but automatic contract renewals do not compensate for them, for compliance with unfunded mandates, or for any other increased expense. Contracts with government agencies therefore become more unaffordable every year and rarely can be properly amended or surrendered for relief to the organization.

7.8% Investment for Human Services

We thank the Legislature for supporting the human services sector and New Yorkers across the State through cost-of-living adjustments (COLA) in previous Executive Budgets. However, we need a 7.8% investment, which builds upon the 2.1% inflation adjustment outlined in the Executive Budget Proposal and would be enacted through the cost-of-living adjustment (COLA) mechanism. This must also be inclusive of all State-contracted human services programs as many essential human services programs were excluded from the COLAs enacted previously. This investment implemented in every State-funded human services contract, as listed in [S1580/A2590](#), is a significant step to address the historic underfunding in the human services sector in previous years and coupled with the current economic conditions as the cost-of-living increases.

Moreover, COLAs to keep up with inflation are not standardized and requires the sector to advocate for year after year. A COLA is not permanent solution to closing the gap in pay and compensating workers for years of underfunding. This results in increased staff turnover as underpaid staff leave nonprofits for better paying jobs in government or the private sector, depriving New Yorkers of services from the most experienced, well-trained staff and jeopardizing high-quality services. Government must enact a comprehensive plan to raise the wages of the sector and provide enhanced career advancement opportunities. When an organization is inadequately funded by government contracts, the quality and sustainability of its programs suffer—and so do its clients.

Implications for Equity

Government contracting practices have created an intolerable situation of extreme pay disparities and racial and gender inequities as women of color constitute 52% of this workforce. Many human services workers, who are the lifeline to countless New Yorkers, are themselves economically insecure. Nearly one in six human services workers lives at or below 200 percent of the federal poverty level.³ This pronounced pay disparity disadvantages a highly educated workforce where 61% have at least a bachelor's degree and still earn 33% less than the private sector and 22% less than the public sector for similarly educated workers. This also means that taxpayer dollars that should be used to build the economy and better communities are being used

³ (Parrott, Moving Beyond COLAs to Salary Parity For New York City's Nonprofit Human Services Workers, 2025)

to fund poverty level wages across New York. The lack of livable wages for workers not only disadvantages communities who rely on these workers for lifesaving services but represents a critical and overlooked economic equity issue. However, these workers have been continuously underpaid, placing them in the same situation as many of the clients that they serve.

Conclusion

It is time to address the systemic issues that are deteriorating the foundation of the human services sector so nonprofits can provide services more efficiently, with better results. Like for-profit businesses, most nonprofits must manage personnel, accounting, real estate, IT, and other infrastructure systems to “produce” its programs. Yet, nonprofits are often treated as volunteer-only, donations-based charities. This model is not sustainable. Nonprofit organizations have program and infrastructure expenses – like all other industries—and cannot continue to absorb the costs of late payments, finance charges, or inadequate funding. State agencies are not getting a deal by chronically underfunding human services contracts to balance the budget; it is further harming the low-wage workers New York relies on to keep these programs running while pushing community-rooted nonprofits into failure during these times of high inflation. A 7.8% investment for human services inclusive of all State-contracted human services programs is essential to ensure that our human service providers have the resources that they need to continue to provide high-quality human services across the State. 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.

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