

# Building a More Equitable New York Human Service Nonprofits

February 12, 2020

**HUMAN SERVICES NONPROFITS FILL A VITAL NEED** by providing a wide array of services to communities around the state. New York heavily relies on nonprofit providers to deliver its human services programs and to alert it to changing needs and dynamics in our communities. While the current federal administration has continued its efforts to undermine safety net programs, New York State has, commendably, fought back against attempts to weaken or altogether defund anti-poverty programs. However, the state has neglected to take account of the full constellation of needs of nonprofit service providers. As state disinvestment in human services has grown due to the global spending cap, the workforce has suffered and the long-term sustainability of the sector is imperiled. The governor and legislature must work together to ensure nonprofit providers can realize their missions and reliably and effectively meet the needs of residents and communities.

## Support a Sustainable Human Services Sector

The New York State Human Services workforce is comprised of upwards of 800,000 workers, 81 percent of whom are women and 46 percent of whom are people of color.<sup>1</sup> Between 2008 and 2018, the state cut human services funding by 26 percent, with lower rates now than in 1980.<sup>2</sup> At present, 68 percent of the state’s nonprofits anticipate being unable to meet the service demands of their communities<sup>3</sup> due to their funding situation. Moreover, the statutory cost of living adjustment (COLA) has been deferred every year of Governor Cuomo’s tenure. This deferral has cost human services workers over a half billion dollars in pay. Not only does this worsen poverty, it also contributes to the gender and racial pay

New York State Gender and Race Wage Gap, 2018

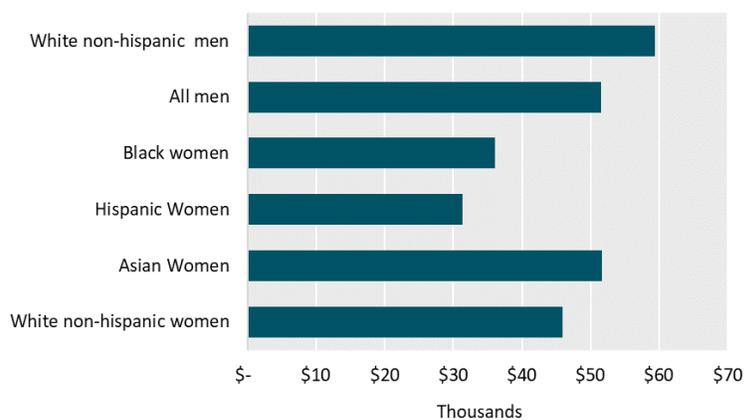


FIG. 1 Source: U.S. Census Bureau. (2018). Current Population Survey. Table PINC -05.

gaps. This directly undermines the economic goals listed in the governor's 2019 Women's Justice Agenda.<sup>4</sup>

The nonprofit human services sector provides crucial support to low-income communities in New York State, yet disinvestment in the sector is the significant contributor to the problems it is facing. The effects of this disinvestment will be felt most acutely in vulnerable and marginalized communities. The "3-for-5 investment," which seeks a three percent increase on human services contracts and rates for the next five years, is a necessary and overdue investment, which, if not made, will thwart the progress the state has made to improve health and education outcomes of the millions of residents who directly and indirectly benefit from these vital services. If the governor's antipoverty agenda is to deliver on any of its goals, the state must invest in human services nonprofit organizations to ensure they have the resources they need to serve our communities. **FPI supports the 3-for-5 investment ask of \$170 million in Fiscal Year 2021.**

Relatedly, nonprofits need an infrastructure investment to address their capital needs. In Fiscal Year 2017, the Nonprofit Infrastructure Capital Investment Program (NICIP) provided \$100 million in grants to 237 nonprofit human services organizations providing direct services, with an additional \$20 million appropriated in 2018 due to the volume and extent of the demand. To date, 269 awards have been made to help New York State nonprofits address their physical and technological infrastructure needs.<sup>5</sup> Programs like NICIP need to be funded over the long-term, rather than on a one-time basis. Part of the governor's 2020 agenda includes making infrastructure improvements and investments across New York State, with a special focus on underserved areas.<sup>6</sup> As human service nonprofit organizations exist to serve the underserved, their infrastructure needs cannot be overlooked. **The state should appropriate another \$100 million in Fiscal Year 2021 to meet the needs of the sector and to spur positive economic development.**

## Ensure Residents Can Find and Access Human Services Help

People from all across the country can dial 2-1-1 to receive guidance and assistance from a trained specialist who can assess their needs and make appropriate referrals. This important resource is now available across all of New York State, 24 hours a day, 365 days a year and in 180 languages. In addition to providing everyday help, 2-1-1 is a critical resource in times of disaster when concentrations of people need assistance with health services, shelter, and food. **This year, \$2 million in support is requested for 2-1-1: \$1.5 million to maintain current service and operations, and \$500,000 to build infrastructure that is specifically for disaster response.**<sup>7</sup>

## Invest in Child Care

In New York State, there are over 1.9 million families living with children, which represents 41.5 percent of families in the state. Child care expenses are currently a leading contributor to family economic instability. The lack of access to quality, affordable child care can cause parents to drop out of the workforce for longer periods of time, which disproportionately affects women and reduces family income while also lowering future earnings<sup>8</sup> and reducing our state's tax revenue.<sup>9</sup> Compounding this issue at the provider level are the low wages paid to child care educators. In New York State, entry level child care educators earn an average wage of \$22,030 annually while more experienced educators earn an average wage of \$31,380<sup>10</sup> annually. In many areas of our state, this income is not enough or is barely enough for self-sufficiency. In 2018, the governor formed the Child Care Availability Task Force, which has held regular meetings around the issue of quality child care in New York State, with a report expected to be issued later in 2020.

While the task force has not yet completed its work, there is no disputing our state's need for quality child care. Ensuring that all New York State children have access to quality care is essential: it has a direct impact on children's ability "to learn, to build healthy relationships, and become the best they can be."<sup>11</sup> The positive impacts of quality child care are shared by children, parents, and our economy, with research stating that for every dollar invested in high quality early child care, \$7.30 in economic returns are gained over the long-term.<sup>12</sup> Because our state has an urgent need for quality child care—64 percent of New York State residents live in a child care desert<sup>13</sup>— it is imperative that the state make building block investments in Fiscal Year 2021. **At least \$100 million is needed to ensure New York can achieve meaningful progress towards universal child care: \$40 million to establish a workforce fund to increase compensation and improve child care, and \$60 million to begin incrementally increasing guaranteed eligibility levels and decreasing the co-payment multiplier.**

### Poverty Rates in New York State Compared to the United States

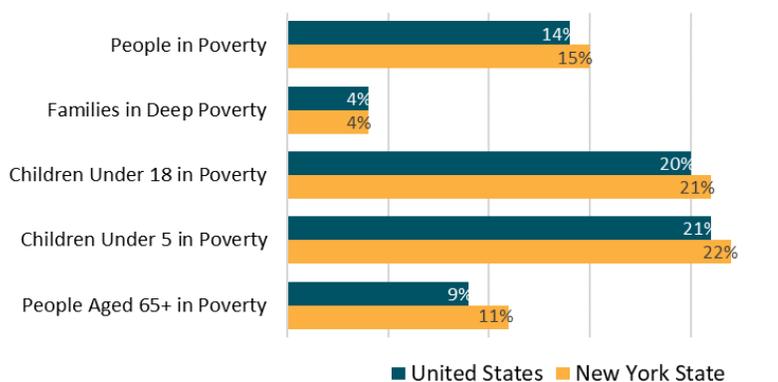


FIG. 2 Source: Census. Estimated percent of people under 18 living in poverty as of 2014-2018. PolicyMap.

## Alleviate Poverty with Proven Programs and Practices

The governor's Executive Budget Proposal includes \$2.9 billion to fight childhood poverty. However, the bulk of this funding is part of existing and ongoing appropriations for programs such as: The First 1,000 Days Medicaid Initiative; the Empire State After School program, and; the Community Schools program. Alarming, the governor's proposal recommends a \$2.3 million reduction in funding for school breakfast and lunch programs, from \$36.7 million to \$34.4 million. In New York State, over 730,000 children are food insecure, 34 percent of whom are not currently eligible for free or reduced lunch because they live in households above 185 percent of the federal poverty threshold. A \$2.3 million cut to this program will further reduce the number of children who can receive healthy and nutritious food while at school.<sup>14</sup> In a state where children are more likely to live in poverty than are children in 31 other states,<sup>15</sup> with 835,815 children under the age of 18 currently living in poverty,<sup>16</sup> more must be done to ensure that all New York State children have a safe and healthy start in life.

### Recommendations

- For social progress to happen and be sustainable, even and consistent investment in the human services sector is necessary. Direct services providers must be able to cover their service and operating costs and make needed capital investments. Funding for 3-for-5 and for the Nonprofit Infrastructure and Capital Improvement Program (NICIP) must be included in Fiscal Year 2021.
- Poverty remains a persistent issue in our state, with many upstate cities (Buffalo, Rochester, and Syracuse) having poverty rates of over 30 percent, with the greatest rates of poverty experienced by Black and Hispanic residents. Investments in programs and services designed to alleviate poverty over the long-term are critical. The state should also assess its programs to ensure equal access is achieved.

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- <sup>1</sup> Human Services Council, “2020 Budget Priorities,” January 2020 <https://humanservicescouncil.org/wp-content/uploads/2020/01/Strong-Nonprofits-2020-Budget-Priorities-One-Pager-Draft-1.15.20.pdf>
- <sup>2</sup> Ibid.
- <sup>3</sup> Ibid.
- <sup>4</sup> New York State – 2019 Women’s Justice Agenda, Executive Chamber, <https://www.governor.ny.gov/2019-womens-justice-agenda>
- <sup>5</sup> NYS Division of Budget, Nonprofit Infrastructure Capital Investment Program, 2019 <https://www.budget.ny.gov/pubs/archive/fy20/exec/agencies/appropData/NonprofitInfrastructureCapitalInvestmentProgram.html>
- <sup>6</sup> New York State – Making Progress Happen, Executive Chamber, 2020. <https://www.budget.ny.gov/pubs/archive/fy20/exec/book/briefingbook.pdf>
- <sup>7</sup> United Way of New York State, “2020 Public Policy Priorities,” January, 2020 <https://uwnys.org/wp-content/uploads/211-2020.pdf>
- <sup>8</sup> PBS News Hour, “How much does it cost to leave the workforce to care for a child? A lot more than you think,” June, 2016 <https://www.pbs.org/newshour/economy/how-much-does-it-cost-to-leave-the-workforce-to-care-for-a-child-a-lot-more-than-you-think>
- <sup>9</sup> Economic Policy Institute, “Who’s paying now?,” January, 2020. <https://www.epi.org/files/pdf/181729.pdf>
- <sup>10</sup> New York State - CareerZone, Department of Labor <https://www.careerzone.ny.gov/views/careerzone/index.jsf>
- <sup>11</sup> The Urban Child Institute, “Child Care,” 2020 <http://www.urbanchildinstitute.org/why-0-3/child-care>
- <sup>12</sup> First Five Years Fund, “Economic Impact,” 2019 <https://www.ffyf.org/why-it-matters/economic-impact/>
- <sup>13</sup> Schuyler Center for Analysis and Advocacy. *The State of New York’s Children Data Book*, 2020. <https://scaany.org/wp-content/uploads/2020/01/Schuyler-State-of-New-Yorks-Children-Data-Book-2020.pdf>
- <sup>14</sup> Feeding America. *Estimated percent of food insecure children, 2017*. PolicyMap. <http://www.policymap.com/our-data-directory.html#Feeding%20America>
- <sup>15</sup> United Way of New York State, “2020 Public Policy Priorities,” January 2020 <https://uwnys.org/wp-content/uploads/Letter-to-NYS-Governor-Prioritize-Ending-Child-Poverty-1.pdf>
- <sup>16</sup> Census. *Estimated percent of all people under 18 who live in poverty 2014-2018*. PolicyMap. <http://www.policymap.com/our-data-directory.html#Census:%20Decennial%20Census%20and%20American%20Community%20Survey%20>