



Testimony of Juan Diaz
Policy and Advocacy Associate Citizens' Committee for Children of New York
Submitted to the Senate Finance, Assembly Ways and Means, Senate and Assembly Labor
Committees
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Since 1945, Citizens' Committee for Children of New York has served as an independent, multi-issue child advocacy organization dedicated to ensuring that every New York child is healthy, housed, educated, and safe. CCC does not accept or receive public resources, supply direct services, or represent a sector or workforce. We document the facts, engage, and mobilize New Yorkers, and advocate for policy, budget, and legislative solutions that improve child and family well-being.

Thank you Chair Krueger, Chair Weinstein, Chair Joyner, Chair Ramos and all the members of the Senate Finance, Assembly Ways and Means, and Assembly and Senate Labor Committees for holding today's joint hearing on work development and labor for allowing us the opportunity to respond to the proposed FY2023-24 Executive Budget.

Marginalized families with children across the state continue to struggle with the compounding effects of Covid-19, including but not limited to income loss and job insecurity, and rising inflation rates. The economic recovery in New York is slower than the rest of the country, disproportionately impacting families of color.ⁱ The [CCC Child and Family Well-being in New York State](#) revealed that over 85 percent of heads of households in counties with high levels of economic insecurity are either working or looking for work, suggesting that low wages remain a significant barrier to recovery and economic security.ⁱⁱ Women, people of color, and immigrants concentrate in low-wage industries and are disproportionately affected by poverty. These groups also struggle with higher costs of living due to long histories of wage discrimination, labor market segregation, and exploitation.ⁱⁱⁱ

CCC applauds many of Governor Hochul's labor enhancing reforms such as the \$350 million investment in workforce development to support training and talent retention in areas like the healthcare and teaching sectors.^{iv} However, our state's slow economic recovery – affected by a 40-year high inflation rate and a cost of living significantly higher than the national average – calls for additional reforms to lift marginalized communities into economic prosperity.

CCC supports reforms that would increase and index the minimum wage for over 2.9 million workers, bolster the human services workforce, and support unprotected workers that have been left out of unemployment support during times of income insecurity.

Minimum wage

CCC welcomed the Governor's proposal to index the minimum wage to reflect inflation, but we have serious concerns regarding the limitations of the proposal. We believe the minimum wage could be best enhanced through the following proposals:

Bill A7503 (Joyner)/S3062 (Ramos) which would secure wage increases for almost 2.9 million workers throughout the state. The proposed Raise Up New York legislation would raise the minimum wage and

then initiate annual statewide increases indexed to inflation and labor productivity. This legislation would increase the minimum wage for New York City and Nassau, Westchester, and Suffolk counties to \$21.25 through 2026, and then increase the minimum wage annually by nominal labor productivity. The minimum wage for the rest of the state would reach \$20.00 an hour in 2026 before catching up to NYC and the suburban counties in 2027.^v Research suggests that raising wages in New York State has many beneficial collateral effects for low-income workers and their communities. Higher wages lead to spending in the locally economic and improved access to childcare, healthcare, educational services, as well as opportunities to connect within communities and would provide relief to the strain that is placed on public assistance programs.^{vi}

Bill A2244 (Gonzalez Rojas)/S808 (Biaggi) to end the sub-minimum wage for tip-based workers. Over 250,000 restaurant and bar workers were excluded from minimum wage reform and would receive help from this legislation. Restaurant workers in New York State are predominantly heads of household from minority populations. As with the minimum wage, research suggests that raising wages would have many beneficial collateral effects for low-income workers and their communities.

Earned Income Tax Credit Enhancements

The State FY24 Budget should build on efforts to deepen of the EITC, initially enacted in the FY23 Budget, by permanently increasing the percentage of the state credit paid to families from 30% to 45% of the federal credit and adjust filing requirements so all immigrant tax-filers can access the credit.

The Center of Budget and Policy Priorities found that enhancing the EITC increased vulnerable heads of family income and supported their path out of poverty. The study revealed that EITC incentivizes employment, improves mental health and results in higher educational attainment of children and accelerates the growth of local economies where EITC recipients live. The same report highlights that lifting the incomes of workers would help the State's economy with increased contributions to personal income taxes and increased disposable income to spend in local communities.^{vii} Further, The Comptroller's Report also recognized the benefits of the enhancement of the State's EITC during the Covid-19 pandemic and recommended the inclusion of the EITC enhancement for the FY2024 Budget.^{viii} By permanently deepening the credit, New York can help combat child poverty and support more families on a pathway to more secure employment and economic opportunity.

Human Services Workers COLA Enhancement

State leaders must support an 8.5% COLA for all human services workers to address the workforce shortage. While the Governor's proposal of 2.5% COLA is a step in the right direction, it falls far short of what is needed to support the workforce.

Human services agencies across the state are struggling to attract and retain talented workforce. The human services industry is predominantly comprised of women of color and immigrants' heads of households. Many human services workers must rely on government assistance due to low-wages and the high cost of living.^{ix} Homeless prevention, food supports, after school services and childcare, behavioral health are fields that were at the forefront during the Covid-19 pandemic, yet many of its workforce struggle with housing, food, and income insecurity, leading to burnout and poverty. The State FY2024 Budget should recognize the human services workers value to our communities and increase the COLA to 8.5 percent.

Extend the Excluded Worker Fund

In 2021, over 128,000 essential workers who were not eligible to receive unemployment benefits, received financial assistance through the Excluded Workers Fund at a cost of \$2.1 billion. Regardless of immigration status, workers from the restaurant, construction, informal childcare, artists, and gig economy fields were supported through this fund during the height of the Covid-19 pandemic.

Most of heads of households who received the Excluded Workers Fund assistance used the assistance to cover rent, utilities, basic needs and most importantly, ensuring that their children were secure.^x The extension of the EWF was not included in last year's Executive Budget, leaving hundreds of thousands essential workers and their families in an unstable economic situation due in large part to the nature of their work and immigrant status. **Therefore, CCC and other advocate organizations urge State government elected officials to pass legislation and fund a permanent EWF to ensure that essential workers who do not qualify for unemployment and other government support programs receive the financial assistance that they need and deserve.**

Thank you for the opportunity to testify, and for your commitment to combat longstanding workforce development and labor challenges for vulnerable heads of households and their children.

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- ⁱⁱ “Child and Family Well-being in New York State (2023). Citizens’ Committee for Children of New York Data Publications. <https://s3.amazonaws.com/media.cccnewyork.org/2023/01/CCC-2023-Child-and-Family-Well-being-in-New-York-State.pdf>
- ⁱⁱⁱ Magavern S., Weaver R., Smith H. (2023) “Raising the Minimum Wage: The Impact on Women, People of Color, and Immigrants in Western New York”. Retrieved from: https://ppgbuffalo.org/files/documents/economic_development/raising_the_minimum_wage.pdf
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- ^v Sebastian Martinez Hickey and David Cooper (2022). “Proposed NYS Legislation to Expand Minimum Wage for 2.9 million Workers”. Economic Policy Institute. Retrieved from: <https://www.epi.org/blog/proposed-new-york-state-minimum-wage-increases-would-lift-wages-for-more-than-2-million-workers-through-2026-minimum-wages-would-range-by-region-from-16-35-to-21-25-per-hour-by-2026/>
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- ^{viii} “New Yorkers in Need: A Look at Poverty Trends in New York State for the Last Decade.” New York State Comptroller’s Office. (2022). Retrieved from: <https://www.osc.state.ny.us/reports/new-yorkers-need-look-povertytrends-new-york-state-last-decade>
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- ^x “NYS Excluded Workers Fund Whitepaper” (2021). New York State Government – Labor Department. Retrieved from: https://dol.ny.gov/system/files/documents/2022/01/nys-ewf-whitepaper-november21_01-26-22_0.pdf