



## **TESTIMONY**

2023 Joint Legislative Budget Hearing  
Workforce Development/Labor  
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Submitted by:  
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### **Introduction**

My name is Michelle Jackson, and I am the Executive Director at the Human Services Council (HSC), a membership organization representing over 170 human services providers in New York City. 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. During that time, total New York City employment in the core social assistance sector doubled, increasing more than two-and-a-half times as fast as total private sector employment. However, human service workers make between 20-35 percent less in median annual wages and benefits than workers in comparable positions in the public and private sector.

### **The Human Services Workforce: A State of Emergency**

As mentioned above, New York State relies on human services organizations to provide lifesaving services to communities through government contracts. This makes government not

just the predominant funder of human services, but also the main driver of human services salaries, and either directly sets salary rates on contracts or does so indirectly by establishing costs for a unit of service along with required staffing on a contract. For too long contracts have not been adjusted to account for the increases in cost of providing services and undermines the human services sector's ability to meet current demand and plan for future needs. 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, but relief is not possible because the contract often cannot be amended or surrendered.

Without funding the full cost of services and providing adequate compensation for human services workers, human services organizations cannot:

- Attract, hire, or retain top talent as workers seek less stressful, better paying positions elsewhere;
- Ensure continuity of relationships for their clients; or
- Engage in long-term strategic planning.

Although we are grateful for the \$500 million cost-of-living adjustment (COLA) investment last year and the inclusion of a 2.5% COLA this year, it is not inclusive of all State-contracted human services programs as it left out thousands of human services workers, including independent living centers, NYS Commission for the Blind programs, NYS supportive housing programs, preventive services, transportation services, and many more. However, there was no explanation provided as to why these critical human services programs were excluded from the COLA as they are vital to the health and well-being of New Yorkers. A COLA implemented in every State-funded human services contract is a significant step to address the historic underfunding and lack of investment in the human services sector that had occurred by the prior administration and coupled with the current economic conditions. The lack of COLAs for workers not only disadvantages communities who rely on these workers for lifesaving services but represents a critical and overlooked economic equity issue. These workers continue to serve their communities by innovating and adapting their person-to-person operations to the current reality shaped by the pandemic while dealing with inflationary pressure and chronically underfunded government contracts.

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 55 percent of this workforce. Salaries start low and often remain stagnant because human services contracts last five to seven years (or more) with no opportunity for cost-escalators to allow for rising salaries. Poverty pay in the core human services sector means that 15% of all workers (both full- and part-time) qualified for food stamps. These workers have been continuously underpaid, placing them in the same situation as many of the clients that they serve. For workers with a high school education and higher, core human services workers generally make about \$20,000 a year less than a public sector worker with a comparable education. This pronounced pay disparity disadvantages a highly educated workforce where more than half of the frontline social workers, counselors, and case workers are women of color. This also means that taxpayer dollars that should be used to build the economy and better communities are being used to fund poverty level wages across New York.

The nonprofit sector is treated the way it is because of who they serve and who they employ. Government savings are borne on the backs of low-income neighborhoods and Black, Indigenous, and people of color (BIPOC) communities who get reduced services and a workforce that is predominantly made up of women and people of color who are paid poverty-level wages. Government pays inequitable wages to a workforce upwards of 800,000 in New York State. By consistently shortchanging these workers, the State is perpetuating the very inequality that it seeks to mitigate.

### **Conclusion**

State-contracted human services workers were thrown onto the frontlines of a global health crisis and are now assisting those seeking asylum with little to no resources. It is time to step up for them and show that their labor is valued not by empty words but by ensuring that they no longer get paid poverty wages under State contracts. 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 a time of increased need. An inclusive COLA incorporated into all State-funded human services contracts is essential, not as a substitute for comparable pay but to ensure that pay parity is maintained on a continuing basis. This is vital to ensuring that our human service providers have the resources that they need to continue to provide high quality human services across the State. A more comprehensive approach to lifting human services worker wages is vital to ensure the sustainability of the sector and communities. 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.