

**TESTIMONY OF
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NORTHERN RIVERS FAMILY OF SERVICES**

**PRESENTED TO THE
NEW YORK STATE SENATE FINANCE COMMITTEE
AND
NEW YORK STATE ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**REGARDING THE
NEW YORK STATE EXECUTIVE BUDGET PROPOSALS FOR
HUMAN SERVICES
STATE FISCAL YEAR 2019-2020**

January 24, 2019

SUMMARY OF RECOMMENDATIONS

1. Invest in Not-for-Profit Workforce

- Support State agency appropriations for worker level funding.
- Enact statutory required cost-of-living increases at 2.9% for not-for-profit agencies to allow for the funding of salary and fringe benefits increases.

2. Support a \$100 million appropriation to fortify the capital needs of nonprofit organizations

3. Continue Juvenile Justice Reform

Good afternoon. My name is William Gettman and I am the CEO of Northern Rivers Family of Services located in the Capital District.

About Northern Rivers Family of Services

Northern Rivers Family of Services was established in 2012 through affiliation with long-standing family services agencies **Parsons Child & Family Center** and **Northeast Parent & Child Society**. Together, the 1,400-strong workforce of Northern Rivers and member agencies serve more than 16,000 children and families in 35 upstate counties each year, with \$85 million invested through more than 60 social services programs. Northern Rivers builds a strong, successful, and healthy future for our children, families, and communities through quality services, collaboration, and innovative leadership. Our program areas include:

- Residential and community-based child welfare programing including foster care, preventive service, postadoption services, and evidence-based home visiting programs;
- Educational services for 400 students including early learn Pre-K and Head Start as well as accredited middle–high school 853 schools;
- Community-based mental health and crisis services programs for children and adults including mobile crisis, school-based services, and licensed clinic programs;
- Community-based waiver programs for children and adults including health home services.

I would like to thank Chairwomen Liz Krueger and Chairwomen Helene E. Weinstein and members of the Assembly Ways and Means and Senate Finance Committees for

this opportunity to testify on the Governor's Executive Budget for State Fiscal Year 2019–2020.

As has been stated many times:

***The budget is not just a collection of numbers,
but an expression of our values and aspirations.***

Governor Cuomo's has proposed a \$178 billion Executive Budget to deal with our state's needs and priorities including closure of a \$3 billion deficit, managing the impacts of the federal proposals, improving the infrastructure, increasing county and education efficiency, and creating economic gains across the state.

While Northern Rivers Family of Services is grateful for many of the measures the Governor and the Legislature have taken over the past few years to stabilize the State's economy and help to build a better New York, **more needs to be accomplished to make New York state a great place to live, raise a family, and operate a business. Specifically we must adjust the proposed Executive Budget to support the human services sector and the children, adults, and families we serve each day. The current budget must be more focused on the needs and values of family- and child-centered priorities.**

We all understand the challenges we face today. Economic difficulties, including the impacts of federal tax policy, are forcing critical conversations and new approaches to innovation at the state, local, and not-for-profit sector level. These conversations and

innovative approaches can help us meet the complex needs of families and children and achieve improved outcomes.

The Governor's Executive Budget takes some steps to improve the lives of children such as maintaining preventive services funding for at-risk families, supporting the implementation of children's behavioral health services, supporting mental health in school programming, expanding support for education and Pre-K education on a statewide basis, and ongoing support for the Raise the Age Programs.

Following are specific recommendations with regard to the proposed budget.

1. Invest in Not-for-Profit Workforce

New York's families have faced many challenges in the past seven years: the down economy, joblessness, homelessness, opiate/substance abuse, and violence in already plagued communities. When families are in crisis and children are at risk, New York's network of not-for-profit children and family services providers are both the first line of defense and the safety net. **The women and men in the not-for-profit workforce are Human Services First Responders for at-risk and vulnerable families, children, and individuals.** Throughout the state, not-for-profit human services and not-for-profit child welfare agencies respond to family crises 24/7/365, and our workers are not immune from the trauma that affects victims. They too are under stress. The safety and lives of children and families are in their hands. **The Executive Budget demonstrates an understanding of the need for these services; yet it does not demonstrate enough support for the dedicated professionals who deliver these services.** We must support these frontline workers who play critical first responder type roles when a family is in crisis.

More than ever, we must make the human services workforce a priority. I urge Governor Cuomo and the Legislature to provide workforce increases for the not-for-profit sector. This level of support must include passage of the annual COLA amount at 2.9%.

Workforce Support Is A Social Justice Issue

Women make up an astonishing 81% of the human services and direct care workforce in New York. This equates to 268,900+ skilled, well-educated workers who are paid significantly less than women in New York's private sector, leading to increased staff turnover and jeopardizing the quality of service delivery,

The passage of the Women's Health Legislation on Tuesday of this week is another example of the Legislature's leadership and commitment to justice and fairness. Governor Cuomo has an extensive women's agenda, including the launch of a Gender Gap study and Women's Economic Empowerment Initiative to provide training and job placement services for women. At the same time, the enacted budgets make cuts at the expense of already-underpaid human services workers, who are predominantly women and heavily women of color. Chronic underfunding constrains these workers to the edges of poverty, reinforcing the gender wage gap and preventing New York from meeting its equity goals.

For too long, the State government has relied on human services employees to provide vital services to the public without doing its part to pay them a livable wage. If this Administration really is the women's champion it purports to be, it must take concrete steps to resolve decades of underinvestment and fairly compensate the

workforce. Reinstating the statutory human services COLA in the necessary step in this direction. **We are not asking for the world; we are merely asking that the state finally begin funding the COLA they agreed our sector deserves more than a decade ago.**

Non-Profit Organizations are an Economic Engine

New York's not-for-profit workforce is not only hard working but also an economic engine. Across New York state, 1 in 7 (1 in 6?) workers are employed by a not-for-profit organization. These workers contribute billions to the state's economic health; including the payment of income, sales, and property tax. Beyond the direct economic impact, the not-for-profit workforce, allow all New Yorkers to stay employed, avert costly medical costs, and educate our young persons. A strong non-profit sector, with a viable direct care staff, creates additional economic growth and allows NYS to attract new business investments and companies.

Non-Profit Sector Operates as an Efficient Business

Our sector understands the need to maximize utilization of our resources and to provide value to our funders. We have worked in partnership with government on countless initiatives to reduce costs, focus on outcomes, use of evidence-based practices, and improve quality services. These efforts come in a climate where the rates and contracts our agencies receive are frozen or lowered. These staff, who we expect to do such vital work, are facing staffing cutbacks, frozen salaries, reduced health benefits, and little or no contributions to their pensions. Not-for-profit agencies have always raised funds from private donors to supplement government resources.

NYS Already Recognizes Workforce Support in Some Areas

New York State and New York City recently announced a significant economic development award package for [Amazon.com](https://www.amazon.com) Inc. to construct a large corporate headquarters in Queens. The agreement provides tax and job creation incentives from the state and local governments.

During a similar time, frame, we were recently made aware of the agreement that the state reached with the merger of Centene and Fidelis Health Care that provides \$1.5 billion to support an increase in the hourly pay rates for health care workers. Gov. Andrew M. Cuomo also recently urged the Port Authority of New York and New Jersey to increase the minimum wage for airport workers to \$19 an hour.

While certainly the hospital and airline workforce are in need of funding and support, the human services sector is also in great need and also provides a vital service to the state. New York has more than 200,000 nonprofit human services workers, contracted by the state and local governments to take care of our children, our physically and mentally challenged, our domestic violence survivors, our elderly and other vulnerable citizens.

Statutory Base for Fair Compensation Exists in the Law

The current state law has created a statutory requirement to provide annual increases for the nonprofit sector. In 2009, the State Legislature passed, and the Governor signed language that required an annual COLA. What's even more frustrating is that dating back to 2011, the NYS Budget has time and again eliminated statutory cost-of-living adjustments (COLA) for our sector, resulting in

nearly \$500 million in lost wages for our workforce—money that would have made a real difference in the lives of these employees, a constituency that is approximately 80 percent female and 50 percent individuals of color, whose average salaries range from \$23,000 to \$30,000 per year.

One-point worthy of emphasis is while it may have made sense to defer a COLA, say in 2009 at the beginning of the Great Recession, we are now in the 10th year of economic growth. There has been only one COLA during that entire period of growth

If there is no COLA when the economy is good, what can we expect when the next recession comes, next year or the year after?

Not-for-profit agencies are the backbone of our State's mental hygiene, children's and human services system, and in many ways the public health system. By necessity, they have had to learn how to provide essential services to persons with serious needs, in the most cost-effective manner possible.

Turnover and Record High Vacancy Rates Create Chaos in Service Delivery

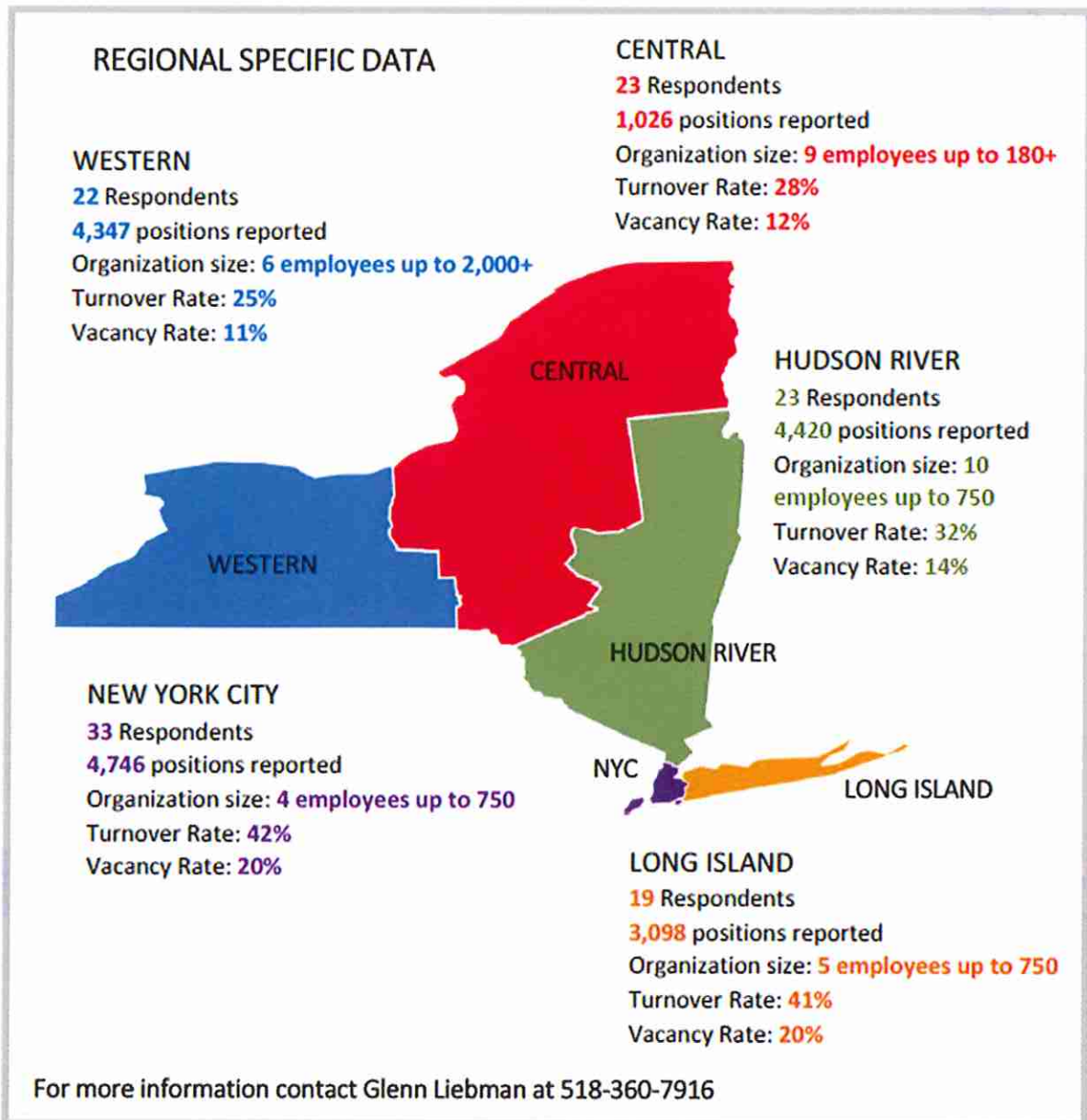
Today, thousands of job openings exist in the not-for-profit world. Not-for-profit executives report that starting about five years ago they have had trouble filling jobs because of the low pay for challenging work, which has historically paid more than the minimum wage. Upcoming minimum wage increases and growing competition from other employers are expected to make recruiting and retaining staff even more challenging. In addition, turnover rates are increasing, ranging from 25 percent to 44 percent depending on the position.

WORKFORCE TURNOVER AND VACANCY SURVEY FINDINGS

Compiled by NYS Behavioral Health Providers and Advocates

STATE-WIDE DATA

- 126 respondents representing organizations in 61 Counties (Livingston is not represented)
- 14,449 positions reported
- Organization size: 4 employees up to over 2,000 employees
- Turnover Rate for 2017 = 34% (Range: 0% up to 55%)
- Vacancy Rate for the week of October 15 – 21, 2018 = 14%



More than ever, we must make the human services workforce a priority. We urge Governor Cuomo and the Legislature to provide workforce increases for the not-for-profit sector. This level of support must include passage of the annual COLA amount at 2.9%.

Failure to provide the revenue to pay for the dedicated staff will result in program closures, disrupted or reduced client services, and job layoffs.

2. Fund Human Services Nonprofit Infrastructure Investment - \$100 Million

Not-for-profit human services organizations are asked to make impossible financial decisions every day—invest available resources in maintaining staff, or spend on necessary capital projects. To provide safe quality care for our children, adults, and vulnerable families, the State should have a dedicated, permanent infrastructure fund for nonprofits, because providers need places to provide these necessary services. The current process of securing infrastructure funding is overly complex and opaque, with restrictive eligibility requirements that confine funding availability to a specific subset of providers and projects. What’s more, a complicated application process acts as a barrier to entry to potential funding recipients. Nonprofits are entitled to an unambiguous and uniform application process, as well as legislative partners who are well-informed as to the availability and mechanics of the funding they oversee.

3. Continue Support for Juvenile Justice Reform

Northern Rivers Family of Services appreciates the Governor's continued innovation and reform of the state's juvenile justice system. We applaud passage of the Raise the Age legislation and support the appropriation request contained in the Executive Budget.

Conclusion

In closing, we urge the Legislature to negotiate a budget with the Governor that ensures that the state remains committed to the programs that produce positive outcomes for children, families, and individuals and one that ultimately **saves the state money on more expensive interventions such as foster care, unnecessary medical care, homeless shelters, and the juvenile justice system.** We strongly encourage the Legislature to support the need of direct care workers and other specialized titles. Failure to fund an increase for not-for-profit agencies will have a significant negative impact on the ability of individuals and families to receive services.

Simply stated, we recommend investments in our workforces and communities that yield positive outcomes for all New Yorkers. We must make New York state a great place to live, raise a family, and operate a business.

Thank you for the opportunity to testify.