



**Testimony to the New York City Council
Finance Committee FY2021 Preliminary Budget Hearing
Submitted by the Supportive Housing Network of New York
March 2, 2020**

Good morning Chairperson and members of the Finance Committee. My name is Tierra Labrada, and I am here representing the Supportive Housing Network of NY. Thank you for the opportunity to testify before you today regarding the FY 2021 Executive Budget. My testimony will focus on the urgent need to include a 3% cost of living adjustment (“COLA”) on the personal services budget line of human service contracts in the FY2021 budget.

Over the last several years, the City has been attempting to remedy the chronic underfunding of human service contracts, with its multi-year COLA increases and now through funding the true indirect cost rates of nonprofit contracts. However, the last year of funding for the COLA increase is FY20, and there is nothing included in FY21’s budget. I am here on behalf of our members to implore the City to include \$48 million in the budget to account for the 3% COLA increase for human service workers.

As a membership organization, the Network represents the nonprofit developers and operators of supportive housing, which is permanent affordable housing with embedded social services for people who are experiencing homelessness and who also face barriers to maintaining stable housing.

Our members contract with government agencies to pay for the staff who provide these services. Unfortunately, because rates have been stagnant for years, many of our providers are operating at a deficit, reimbursed only eighty cents for every dollar they spend. This underfunding affects their fiscal stability as well as their frontline staff. Low rates means poor wages, which leads to higher turnover, and that results in inadequate care for some of our most vulnerable community members.

On average, case managers in supportive housing only earn between \$38,000- \$49,000 depending on their education level. These are effectively poverty wages when accounting for the cost of living in NYC. It is estimated that 60% of government-contracted human service workers qualify for some form of public assistance. It is not only illogical for government contracts to subsidize wages that require additional public subsidy, it places unnecessary strains on limited public resources.

Additionally, our providers are having difficulties recruiting and retaining staff, which, in this field, often leads to negative impacts on the clients being served. Our residents have suffered from years of housing instability and homelessness, mental illness, substance use, and various traumas. Often, their first point of stability is supportive housing, and the first person to earn their trust is their case manager. And although staff are dedicated and passionate about their work, they also have to provide for themselves and their families, sometimes switching jobs for as little as \$3,000 salary increase. Filling vacancies for these positions is a difficult and lengthy process, creating additional strain on an already over-burdened

and underpaid staff who take on additional cases in the interim. One tenant told me recently that he had four case managers in the last year, making it difficult for him to form connections with anyone. Every time there is turnover it has the potential to further traumatize an already vulnerable population. Furthermore, supportive housing staff are quite literally changing the lives of residents, becoming mentors, confidantes, advocates, protectors and friends. They deserve to be compensated fairly for their work in ensuring formerly homeless New Yorkers stabilize and thrive in their communities.

I would also like to note that this is a statewide issue. The human service sector has been under-compensated for decades, which is why we are also calling on the State to include a 3% COLA each year for the next five years through the 3-for-5 campaign. What we are asking for today is a short term fix within a broader conversation regarding comprehensive solutions to ensure equitable pay for our providers.

Lastly, I would be remiss if I did not frame this as not only an economic issue, but as a gender and race equity issue, as well. Our partners note that nearly 80% of human service workers in the city are women—that figure increases to 90% in supportive housing. Additionally, more than 60% of our cases managers are women of color. Without a substantive investment in the sector, starting with the 3% COLA, the City would be exacerbating gaping wage inequities and acting counter to its commitment to social and economic justice.

Thank you for the opportunity to testify, and I welcome any questions.