

Legislators ask about increased funding for direct care and not-for-profits

By Dan Goldberg

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Several legislators asked members of Gov. Andrew Cuomo's administration about providing additional funding in the budget for direct care workers and not-for-profit groups, a perennial issue that has taken on new importance because of the state's rising minimum wage.

State Sen. James Tedisco (R-Glenville), speaking at a joint legislative budget hearing in Albany on Tuesday, said that the state's decision to raise the minimum wage for fast-food workers is hurting direct care facilities that are having a hard time retaining employees.

"In a couple of years, [the minimum wage for fast-food workers] will be beyond \$15," Tedisco said. "And the unintended consequences of that are difficulties funding direct care workers to stay in employment. ... They are leaving for cash registers at fast-food restaurants."

Tedisco asked Sheila Poole, acting commissioner for the state Office of Children and Family Services, about the message the state is sending to young people looking to work in the human services industry if their pay is about the same as those who flip burgers.

"Human services is a noble business, but it's tough work," Poole said. She said the state, in addition to passing along rate increases, provides staff training and trauma support.

"Again, there is always more work to be done," Poole said. "Unfortunately, given our current fiscal environment and all the other things we have to do, it has been a challenge to get there."

Tedisco replied that despite the budget deficit, he felt the state had an obligation to protect the most vulnerable.

State Sen. Liz Krueger (D-Manhattan) pointed out that the not-for-profit sector was particularly fragile and in need of additional support.

Most not-for-profits rely on government contracts for their work, so they become reliant on state money to pay their employees and other expenses.

"We raised the [minimum wage]," she said. "But we are the funder of the budgets of the not-for-profits."

Krueger said the state had not provided enough money in recent years, threatening the sector.

Poole said if her agency sees a not-for-profit in distress, she and her staff will try to mitigate the issue.

"We do that day in and day out at OCFS," she said, adding that there was a \$100 million infrastructure grant made available to the sector.

The statutory cost-of-living adjustment for many human services agencies has been deferred by the governor and the Legislature for the last eight years.

"This is hardly a savings, but even if it were, it was achieved on the backs of those who serve their communities," Strong Nonprofits for a Better New York said in its submitted testimony. "This is morally and fiscally unacceptable."

The advocacy group wants \$65 million for a cost-of-living increase and \$23 million to fund the minimum wage increase for human services contracts.

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