



**UNITED
NEIGHBORHOOD
HOUSES**

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**Testimony of United Neighborhood Houses
Before the New York City Council Committee on Contracts
Council Member Julie Won, Chair**

**Submitted by J.T. Falcone, Deputy Director, Policy & Communications
March 22nd, 2024**

Thank you, Chair Won and members of the New York City Council, for the opportunity to testify. My name is J.T. Falcone, and I am the Deputy Director at United Neighborhood Houses (UNH). UNH is a policy and social change organization representing neighborhood settlement houses that reach 765,000 New Yorkers from all walks of life.

A progressive leader for more than 100 years, UNH is stewarding a new era for New York's settlement house movement. We mobilize our members and their communities to advocate for good public policies and promote strong organizations and practices that keep neighborhoods resilient and thriving for all New Yorkers. UNH leads advocacy and partners with our members on a broad range of issues including civic and community engagement, neighborhood affordability, healthy aging, early childhood education, adult literacy, and youth development. We also provide customized professional development and peer learning to build the skills and leadership capabilities of settlement house staff at all levels.

Background

New York City relies on nonprofit human service providers to serve New Yorkers in need. From prenatal care for expecting parents, to early childhood education, to afterschool programs and in-school support, to summer camp, to youth workforce development programs like the Summer Youth Employment Program (SYEP), to college preparedness and college retention, to adult literacy and adult education programming, to adult workforce development, to aging services like Older Adult Centers (OACs) and services that allow older adults to age in place like Naturally Occurring Retirement Communities (NORCs). Further, New York City relies on these same nonprofits to help New Yorkers meet their basic needs, including housing supports, mental health programming, benefit and entitlement navigation services, legal assistance, food access, home delivered meals, transportation—the list goes on and on.

Despite this, human services workers in New York City are grossly underpaid, and that dynamic is driven by insufficient funding in government contracts. Across UNH's network of settlement houses in New York City, 76% of their total budget comes from government sources, and 65% of that is from New York City. Unfortunately, contracts from New York City often do not include sufficient funding to pay workers a fair and dignified wage. UNH conducted a survey that found that the household income of 63% of full-time settlement house staff was less than \$50,000 per year.

Wages have failed to keep up with both inflation and changes to the job market, and as a result the human services sector continues to sit on the cliff of a staffing crisis. On average, more than a third (35%) of UNH settlement house members reported double-digit job vacancy rates of 10% or higher in 2023, up from 31% the previous year, and nearly two-thirds (65%) of UNH settlement house members reported that job positions remained vacant for 3 months or more in the past year, including 14% who said that positions remained vacant for 6 months or longer.

Without increased budgets in government contracts to cover wage increases, nonprofits will be unable to recruit and train the next generation of nonprofit leaders, setting future New Yorkers up for significant barriers to accessing services that grow over time. Further, insufficient staffing has made it increasingly difficult for nonprofits to serve New Yorkers, leading to under-enrollment, challenges meeting staffing ratios for children and youth programs, and in some cases program closures.

COLA for Human Services Workers

For years, the human services sector has warned of a staffing crisis citing low wage levels. Over the last three years, the City has responded by issuing a one-time bonus for our workforce that was equivalent to less than 1%, and two rounds of "workforce enhancements" that have led to estimated contract-by-contract increases of between 1.5 and 2.5%. This year, we are grateful to learn that a multi-year Cost of Living Adjustment (COLA) deal has been struck that will add 3% raises for this essential workforce year-over-year for three years on top of the previous Workforce Enhancement Initiative investments in FY25.

The benefit of a multi-year COLA is that these funds will be automatically built into contract budgets such that providers can plan ahead and count on those dollars to increase staff salaries on a regular schedule, leading to fair and predictable raises for the workforce. Multi-year COLAs give workers a sense of stability, as they can plan and rely on how much their wages might increase year over year.

UNH thanks the Council for your dedicated advocacy on behalf of and alongside the human services workforce. We look forward to continued work together to move towards wages for human service workers that are reflective of the deeply important work they do for communities.

Create a Prevailing Wage Schedule for Human Services Workers

While the recently-announced COLA will provide immediate relief for workers, we must do more to undo years of budgets that left behind human service workers. UNH supports Intro 734-2024 (sponsored by Council Member Stevens) to establish a prevailing wage for City-contracted human service workers, which would require City agencies to include sufficient funding to cover those wages in contracts, and track implementation of those wages by human service contractors.

While setting a prevailing wage schedule for human service workers will be arduous and will require careful analysis, we cannot continue to ignore the need. For years, the government at every level has asked nonprofit partners to “do more with less.” This dynamic has pushed our sector to a real breaking point, and our workforce has suffered the consequences. It’s time for us to look beyond stopgap measures and towards efforts that would have a long-lasting impact on the human service sector.

UNH urges the Council to pass CM Stevens’ prevailing wage legislation and ensure that sufficient funding is included to limit major disruptions to programs.

PASSport Transition

As the Mayors Office of Contract Services (MOCS) has progressed the transition from HHS Accelerator to PASSPort, providers have come across a number of challenges and workflow interruptions. We appreciate MOCS for responding quickly to concerns, though they are not always able to address the underlying causes of issues as they arise. UNH urges the Council to ensure that sufficient funding is available to MOCS such that they are fully staffed and able to devote resources to addressing software bugs promptly.

Thank you for your time. For any follow up questions, I can be contacted at jfalcone@unhny.org.