

## Testimony of United Neighborhood Houses Before the New York State Child Poverty Reduction Advisory Council

## Submitted by Tara Klein, Deputy Director of Policy & Advocacy May 15, 2024

Thank you for the opportunity to provide testimony to the Child Poverty Reduction Advisory Council. United Neighborhood Houses (UNH) is a policy and social change organization representing neighborhood settlement houses that reach over 770,000 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. UNH's settlement house members are committed to reducing child poverty through community programs they run such as child care, after-school, benefits outreach, food pantries, and more.

The Child Poverty Reduction Advisory Council (CPRAC) is tasked by statute to "research policy ideas, develop best practices, and continually monitor relevant benchmarks to ensure that New York continues to work towards reducing child poverty by fifty percent in ten years." Given this mandate, UNH respectfully highlights the following two policy proposals that we hope the CPRAC will recommend the Governor adopt:

- 1) The creation of a **SNAP for All** program, which would provide state-funded nutrition benefits for all New Yorkers regardless of their immigration status.
- 2) The creation of a **Working Families Tax Credit**, which would streamline existing family tax credits into a credit that supports more working families.

## **SNAP for All**

UNH supports the creation of a "SNAP For All" program in New York, which would provide State-funded nutrition benefits for all New Yorkers regardless of their immigration status. This initiative comes after a pandemic that posed unprecedented challenges to our food system and further exacerbated the growing poverty and food insecurity crisis for New York families. It is also particularly timely, because in addition to the many long-term undocumented families in

New York, there is a huge influx of asylum seekers arriving into the State every week. This policy will help meet their basic nutritional needs and take pressure off of the emergency food system.

The Supplemental Nutrition Assistance Program (SNAP) is a proven poverty reduction tool, especially for families with children – in 2021, more than 54% of SNAP participants in New York were families with children. SNAP makes a lasting difference in people's lives by preventing low birth weights and malnutrition while providing financial stability. However, all too often a family's immigration status will stand in the way of accessing this critical lifeline out of poverty. Data from the American Community Survey shows that as of 2021, 1 out of every 5 foreign-born residents (21 percent) in New York receive SNAP benefits (equivalent to 972,700 residents). Further, the number of foreign-born NY residents who receive SNAP benefits has increased by 19 percent since before the pandemic in 2019. Seeing such high levels of reliance on SNAP among foreign-born New Yorkers, it is jarring to think about the countless numbers of immigrant New Yorkers without status that are hard to count and in need of food.

The California Food Assistance Program (CFAP, a state-funded food assistance program) and the success of the recently passed "Food4All" campaign should act as a model for ensuring that all families have access to food benefits regardless of immigration status as a proven tool for reducing poverty rates. Established via the CA state budget in June 2022, Food4All removes statewide CFAP eligibility restrictions on a population of non-citizens, meaning undocumented Californians are now able to access food benefits. A key step in creating and securing funding for this CA program was the launch of a state level task force to study the concept, including looking at demographic data about the need for the program and an implementation plan, and the resulting policy brief.

New York State should take the necessary steps in order to advance an evidence-based SNAP for All program, to help reduce poverty and malnutrition in New York. As we learned from California, a crucial first step in developing this program is a study to show the scope, impact, and cost of a SNAP for All program. Therefore, we were thrilled to see the CPRAC's Public Benefits subcommittee study this proposal and model the impact on child poverty (see meeting materials from 4/11/24). While the proposal did not score the highest when compared to proposals around shelter allowances, we know that food access is essential to the health and well-being of children and families, and this is a key component of a multi-pronged approach to child poverty reduction. In addition to this modeling on impact, we also encourage a cost analysis to help the proposal move forward through the State Budget process, and ultimately an implementation outreach plan to reach qualifying families.

There is widespread support for ensuring that all New Yorkers, regardless of immigration status, have access to a SNAP-like benefit. The New York State Legislature has expressed interest in this policy through the introduction of S.7692 (Salazar)/A.5933 (González-Rojas), which would establish a task force to examine, evaluate, and determine the feasibility of establishing a state-funded version of SNAP. The bills have already garnered many cosponsors (currently 24 in the Assembly and 8 in the Senate). In the New York City Council, Council Member Diana Ayala introduced Resolution 57-2024, calling on the State to create a food benefits program for those not eligible to currently receive SNAP benefits.

## **Working Families Tax Credit**

UNH supports the creation of a "Working Families Tax Credit" (WFTC), a legislative proposal (S.277B Gounardes/A.4022B Hevesi) that would streamline and expand existing tax credits – including the Empire State Child Credit, Earned Income Tax Credit, and Dependent Exemption – and provide increased cash assistance to New York's needlest families. The Working Families Tax Credit is an effective poverty-fighting tool that puts much-needed cash into the hands of New Yorkers to pay for food, rent, and other essentials.

In January 2024, UNH and Educational Alliance released a new report, <u>Progress Lost: Hardships Persist for New York Families After the End of the Expanded Child Tax Credit</u>, which highlights the challenges facing many New York families within the settlement house network. The report is a follow-up to the <u>Settlement House American Rescue Plan (SHARP) Impact Study</u> released in Fall 2022. The first report surveyed more than 1,000 families within the UNH settlement house network in New York on the impact of the expanded federal Child Tax Credit (CTC) included in the 2021 American Rescue Plan Act, which enabled qualifying families to receive a portion of the credit as advance monthly cash payments from July 2021 through December 2021. This first study found that giving cash to people in need made a difference: the funds provided immediate relief, and families spent the money on basic needs, including 60 percent who used it to pay for food, with rent, clothing, and utilities also highly used categories.

The new report highlights the ongoing economic precarity and persistent hardship facing many New York families within the settlement house network since the end of the expanded federal Child Tax Credit (CTC) in December 2021. The follow-up report is based on a second wave of surveys conducted in late 2022 (October 2022 through January 2023) after the expanded CTC expired. The new data shows that families continue to experience persistent, ongoing challenges such as food insecurity, financial precarity, debt burdens and housing instability since the expiration of the expanded federal CTC. Among the key findings are:

- Nearly 40 percent of parents surveyed said that they "always" or "often" ran out of money in the past six months
- One-third (33 percent) of surveyed parents had visited a food bank in the last seven days.
- Nearly half (48 percent) of surveyed parents said that it was hard to pay for their housing; Black and Latinx parents were more likely than other parents in the full sample to have reported experiencing housing-related hardships.
- More than one in five surveyed parents reported carrying more than \$10,000 in non-mortgage-related debt, such as credit card or student loan debt.

Census data showed an historic reduction in child poverty thanks to the temporary expansion of the federal CTC. Unfortunately, recent data released by the Census Bureau confirms the difficult reality faced by many families: child poverty more than doubled nationwide since the expiration of the CTC and child poverty rates in New York are on the rise again.

Survey participants highlighted the importance of tax credits in providing for their families, and as such, the report features the Working Families Tax Credit in its recommendations. The WFTC, which would be implemented over a five-year period, would increase the maximum credit to \$1,600 per child, indexed to inflation, with the lowest-income families receiving the largest credit. Regardless of income, the WFTC would provide a \$500 credit per child. It would be paid out quarterly, providing families with four payments per year instead of one annual lump-sum

payment (this was highlighted by survey respondents as a helpful policy), and would be available to all New Yorkers regardless of citizenship status.

We were glad to see CPRAC's Tax Policy subcommittee consider many of the component parts of the Working Families Tax Credit (see March 14 meeting <u>materials</u>), including reforms to the Empire State Child Credit such as ending the wage phase-in and increasing the maximum credit, and reforms to the Earned Income Tax Credit such as including people with who file taxes with an Individual Taxpayer Identification Number (ITIN).

Thank you for considering SNAP for All and the Working Families Tax Credit in the CPRAC process. We urge the Council to include these proposals in its final report to the Governor. For questions or follow up, you can contact <a href="mailto:tklein@unhny.org">tklein@unhny.org</a>.