



**UNITED
NEIGHBORHOOD
HOUSES**

45 Broadway, 22nd Floor, New York, NY 10006
212-967-0322 | www.unhny.org

**Testimony of United Neighborhood Houses
To the New York State Assembly Committee on Social Services
Assemblymember Linda Rosenthal, Chair**

Public Assistance Benefits in New York State

**Submitted by Irene Lew, Senior Research Analyst
October 26, 2022**

Thank you Assemblymember Rosenthal and members of the Assembly Standing Committee on Social Services for the opportunity today to testify on public assistance benefits in New York State. My name is Irene Lew, and I am the Senior Research Analyst at United Neighborhood Houses (UNH). UNH is a policy and social change organization representing 46 neighborhood settlement houses, 40 in New York City, 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.

The 2021 American Rescue Plan Act (ARP) provided \$1.9 trillion in aid and economic stimulus in response to the COVID-19 pandemic. The legislation included a temporary increase in the federal Child Tax Credit (CTC), providing monthly payments of up to \$300 per young child and up to \$250 per older child from July 2021 through December 2021. One estimate found that without the child tax credit expansion, 2.1 million more children would have been in poverty in 2021.¹

To better understand the ways in which settlement house families were able to use the expanded Child Tax Credit and to assess their ongoing unmet needs, UNH partnered with one of our members, Educational Alliance, and the National Center for Children in Poverty (NCCP) to conduct a survey during winter 2021 of more than 1,000 families within the UNH New York settlement house network. This project, the [Settlement House American Rescue Plan \(SHARP\)](#)

¹<https://www.cbpp.org/research/federal-tax/policymakers-should-expand-child-tax-credit-in-year-end-legislation-to-fig-ht#:~:text=A%20Record%20Reduction%20in%20Child,%2Dto%2Dyear%20drop%20ever.>

[Impact Study](#),² investigates family experiences in New York State's settlement house network related to access and use of the CTC as well as extant needs among families.

This testimony will summarize findings from the SHARP report, including recommendations to help inform public benefits assistance and other anti-poverty policies and interventions at the New York State level.

SHARP Report Findings:

- **The CTC payments helped temporarily alleviate hardship for most of the families we surveyed.** Nearly all families (98 percent) reported that the CTC was helpful in meeting their monthly expenses.
- **CTC payments were essential to helping families meet basic needs and pay off existing debts.** 60 percent of respondents used the CTC payments for food, and nearly half (46 percent) used them for rent. About two in every five families used the payments to pay existing debt related to credit cards, rent and/or education.
- **Even though the CTC payments helped alleviate hardship, many families still reported that they were struggling with ongoing financial precarity, and high levels of food and housing insecurity.** When surveyed during winter 2021, 52 percent of families reported that their household income had decreased; and the vast majority (89 percent) said that they were experiencing financial problems. Housing insecurity was especially prevalent among families receiving the CTC, with more than half reporting challenges with paying for housing in the past month. Despite CTC assistance, nearly a third (31 percent) of families also struggled to afford the cost of food.
- **Barriers to accessing the CTC.** Our survey data showed that not all eligible families were able to access the expanded CTC, with immigrant families and those who spoke a language other than English at home less likely to receive the CTC and more likely to be unsure about their eligibility for the CTC: 61 percent of those of foreign-born respondents received the expanded CTC, compared to 68 percent of those born in the U.S.; and only 59 percent of those who spoke a language other than English received the CTC, vs. 71 percent of those who indicated English was their primary language.
- **Data from the SHARP study also highlights the economic precarity of settlement house workforce.** In a separate UNH analysis, we found that levels of financial insecurity among the settlement house workforce weren't far off from the clients they were serving.
 - The majority (78 percent) of settlement house staff surveyed as part of the SHARP study reported that they "often" or "sometimes" ran out of cash between paychecks or before the end of the month.
 - 62 percent of settlement house staff surveyed as part of the SHARP study reported that they took on another job to help pay the bills.
 - With such low wages, settlement house staff are using public benefits to fill the gap. More than one out of every five (22 percent) reported receiving SNAP benefits and nearly 40 percent said that they were enrolled in Medicaid, CHIP, or public health insurance through the NY State of Health Marketplace.

² <https://edalliance.org/our-impact-2/sharp/>

Recommendations:

Data from the SHARP study confirms that many families within the UNH member network were struggling to make ends meet even with the expanded federal child tax credit; this data underscores the need for the State to do more to strengthen existing public benefit programs, in the absence of federal inaction on a permanent expansion of the federal child tax credit. With the expiration of the expanded federal child tax credit in December 2021, inflation at a 40-year record high,³ the unemployment rate in New York State (4.7 percent) above the national rate of 3.5 percent, and the State's employment levels still three percent below pre-pandemic levels,⁴ we are concerned about the increased financial instability that many of the lowest-income families in New York are likely facing. We urge the State to consider the following recommendations.

Strengthen and expand New York's Empire State Child Credit, including for children under age four. Currently, the state's Empire State Child Credit provides up to \$330 in tax relief⁵ to parents for each child, so long as their children are at least four years old. By excluding infants and toddlers, the current credit fails to support new or growing families. New York State must expand the Empire State Child Credit by increasing the credit amount available, including families with children under four years old, making it fully refundable for the lowest-income families. We estimate that roughly 413,000 children under the age of four would be newly eligible for the Credit through this expansion.⁶ An expansion of the Empire State Child Credit can be achieved through the FY 2023-24 New York State budget. In addition, we urge New York State to enact S.5866 (Cooney)/A.3146A (Hevesi), which would ensure that all low-income families receive some cash support through the Empire State Child Credit by adjusting the calculation of the Empire State Child Credit to provide families with a \$1,000 credit per qualifying child who is less than four years of age and \$500 for older children aged four to 17.

Invest in more targeted outreach around CTC and public benefits to immigrant families. Given that eligibility concerns were a barrier for immigrant New Yorkers in accessing the expanded federal CTC, the State should invest in more targeted outreach of CTC and public benefits to immigrant families. Immigrant families and families where English is not their primary language were more likely than other New Yorkers to be uncertain of their eligibility for the expanded CTC. We urge New York State to enact S.8962 (Brisport)/A.10385 (Cruz), which would eliminate unjust and burdensome work documentation requirements that stand between low-income New York families and their ability to access child care assistance. This bill calls on the state to make reasonable efforts to obtain federal funding for child care expenses, prohibits limiting

³ <https://news.bloomberglaw.com/daily-labor-report/core-us-inflation-rises-to-40-year-high-securing-big-fed-hike>

⁴ Employment data for total nonfarm employment from Bureau of Labor Statistics Current Employment Statistics data, seasonally adjusted by the NYS Department of Data (as of August 2022, compared to February 2020).

Unemployment data is also from Bureau of Labor Statistics and NYS Department of Labor, as of August 2022

⁵ <https://scaany.org/wp-content/uploads/2019/05/EITC-and-CTC-One-Page-SCAA-FPI-TCA-UWNY.pdf>

⁶ UNH tabulations of 2019 American Community Survey data, US Census Bureau. Excludes children who are not citizens, as children are required to have a social security number in order to qualify for the federal child tax credit.

See: <https://www.cbpp.org/blog/tax-bill-ends-child-tax-credit-for-about-1-million-children> and

<https://www.cbpp.org/research/federal-tax/2017-tax-laws-child-credit-a-token-or-less-than-full-increase-for-26-million>

\$2,500 is the minimum income threshold to qualify for federal CTC, as children whose parents have less than \$2,500 in household income are [ineligible](#) for federal CTC. \$110,000 is the household income eligibility threshold for a married-couple family for the Empire State Child Credit; and \$75,000 is the threshold for single-parent families.

authorized child care services based on proof of immigration status, and authorizes self-attestation as an approved form of verification of employment status and income.

Invest in the settlement house workforce, including with a wage floor of \$21 per hour and an automatic annual cost of living adjustment (COLA) for all human services workers. Settlement house staff are essential workers in our State who are doing the most important work in their communities, like caring for our city's youngest learners, helping families remain stably housed, and feeding our aging neighbors. Yet, due to chronic underfunding of State and City human service contracts, they are living paycheck-to-paycheck, forced to take on other employment to make ends meet, and must turn to public benefits to fill in the gaps.

While a statutory cost of living adjustment (COLA) for the human services workforce has been written into State law, the State has canceled or postponed planned COLAs over the past decade.⁷ We were therefore very pleased to see that New York State's FY 2022-2023 budget included a one-time 5.4 percent COLA for some human services providers. However, this increase relied on outdated statutory language, and left out numerous programs in various agencies such as domestic violence providers, Naturally Occurring Retirement Communities (NORCs), and supportive housing programs, among others.

Moving forward, we urge the State to ensure that the COLA reflects the pace of inflation, based on 12-month changes to the Bureau of Labor Statistics' Consumer Price Index for all Urban Consumers, and ensure that it covers all human service workers. Further, we urge the State to support a wage floor for all State-contracted human services workers of \$21 per hour, which could be accomplished in the State Budget as well as through S.8749 (Ramos) / A.9538 (Joyner).

Provide food benefits for undocumented New Yorkers. With the exception of the Excluded Workers' Fund, undocumented New Yorkers have been excluded from most federal, state and local pandemic relief and have been forced to turn to food pantries to fill in the gaps. Settlement houses often provide food assistance through pantries or other programs, which do not have cumbersome administrative barriers such as proof of residence or income verification. We have heard from our members with food pantries that an increasing number of undocumented families are seeking emergency food assistance. One member reported that at least 30 percent of the families they serve are undocumented immigrants. The federal government allows states to administer programs to supply food benefits in lieu of SNAP to noncitizens who do not qualify for SNAP benefits, although these programs would require states to front the cost without federal support.⁸ In June 2022, California became the first state to provide undocumented residents over age 55 with state-subsidized food assistance benefits, approving \$35 million through the 2022-23 state budget to expand benefits to this population; the funding is expected to increase to \$113.4 million annually in 2025-26 and reach about 75,000 undocumented Californians aged 55 and older.⁹ New York State, however, does not provide a benefit to noncitizens in lieu of SNAP. To alleviate food insecurity among this population, New York State

⁷ Referenced in Parrott, James and Butel, Angela. Center for NYC Affairs report: New York State's Historic Disinvestment in Human Services since the Great Recession. Originally sourced from: Michelle Jackson, "Commentary: Human services workers deserve pay raise," February 9, 2019. Times Union. <https://www.timesunion.com/opinion/article/Commentary-Human-services-workers-deserve-pay-13603212.php>

⁸ <https://www.cunyurbanfoodpolicy.org/news/2016/11/9/policy-brief-immigrants-and-food-access>

⁹ Montalvo, Melissa. *The Fresno Bee*. "Historic investment.' California makes history with food benefits for undocumented residents." <https://www.fresnobee.com/news/local/article262948208.html>. June 28, 2022.

should create and fund a standalone program for an estimated 650,000 undocumented New Yorkers¹⁰ covering all ages that would provide food benefits similar to SNAP.

Support Legislation to avoid the benefits cliff with job training. UNH supports S.6589A (Persaud)/A.7534A (L. Rosenthal), which allows individuals entering the paid workforce after participating in a qualified state or federal job training program to avoid falling off the “benefits cliff” by continuing to receive benefits including child care, healthcare, and others for a maximum of six months.

Current law states that individuals whose income threshold surpasses the allowed maximum amount to qualify for certain benefits shall stop receiving those benefits immediately. The immediate potential loss of these benefits, such as SNAP, Medicaid, Child Care and rental assistance creates financial difficulty for individuals who take steps to reach greater self-sufficiency. In many cases expenses for health care, childcare, and food would create a drastic and sudden fluctuation in household expenses that individuals are not readily prepared for.

This legislation would allow individuals entering the paid workforce after participating in a qualified state or federal job training program to continue receiving benefits in addition to their new earned income for a maximum of six months. As such, the legislation would allow households to build up savings and transition out from receiving benefits on a slower pace that does not create drastic and sudden changes in household expenses. It will support settlement houses in the UNH network by allowing families to better plan their future while also encouraging entry into the paid workforce. A similar program has been successfully implemented by the Massachusetts Department of Transitional Assistance.

Thank you for your time. To follow up, you can contact me at ilew@unhny.org

¹⁰ Passel, Jeffrey and Cohn, D’Vera. Pew Research Center. “Mexicans decline to less than half the U.S. unauthorized immigrant population for the first time.”
<https://www.pewresearch.org/fact-tank/2019/06/12/us-unauthorized-immigrant-population-2017/>