**United Way of NYS Public Policy Priorities: NYS Budget 2021-22**

Have you met ALICE®?

ALICE® is an acronym for Asset Limited, Income Constrained, Employed. ALICE represents the men and women of all ages and races who get up each day to go to work but aren’t sure if they’ll be able to put dinner on the table each night. They are our preschool teachers, home health aides and retail salespeople – workers essential to keeping all our communities and economies humming, yet who struggle to pay their own basic bills.

The rapid spread of COVID-19 is exposing critical areas of need for our economy, health care system, and education capacity during a national crisis. No one is immune to its direct or indirect effects, but ALICE families are particularly vulnerable to hardship from both illness and economic disruption. We see the impact in children’s ability to engage in learning, parent’s ability to adapt to new working protocols, the impact on senior health and so much more. ALICE, by the very definition, did not have funds available to them to survive this health and economic crisis. In order to ensure economic stability for all, we must prioritize our efforts to support ALICE households.

The United Way ALICE Report uses measures to provide a more accurate picture of financial insecurity at the state, county, and municipal level. Both the cost of living and job opportunities vary greatly across New York State and this breakdown makes those differences readily apparent. Data sources include the U.S. Census, the American Community Survey and others.

The United Way ALICE Project is more than an in-depth study. It is a multi-state grassroots movement that ignites a dialogue about the financial hardship of all people who earn less than the true cost of living. Even before the COVID-19 pandemic, 45% of New York households were already one emergency away from financial ruin, setting the stage for an unprecedented statewide economic crisis for the next several years.

**Using ALICE data, United Way of New York State proposes the following public policy priorities that work to remove obstacles to financial stability, identify gaps in community resources, and build data-driven solutions to help ALICE families achieve economic stability, bolstering the state’s economy overall and help us recover and rebuild from COVID-19:**

1. [Secure and strengthen non-profits’ ability to provide services to ALICE](#_Secure_and_strengthen_1)
2. [Secure and strengthen 211 New York](#_Secure_and_strengthen)
3. [Expand Working Family Tax Credits at the State and Federal level](#_Expand_Working_Family)
4. [Ensure internet access is affordable and accessible to all](#_Ensure_internet_access)
5. [Make ALICE NY the benchmark by which we measure financial stability](#_Make_ALICE_NY)
6. [Support and invest in workforce development](#_Support_and_invest)
7. [Support the future generation through child care and child development](#_Support_the_future)
8. [Collaborate and co-lead federal advocacy efforts with United Way Worldwide which strengthen ALICE Households and beyond](#_Collaborate_and_co-lead)

# Secure and strengthen non-profits’ ability to provide services to ALICE

United Way of New York State, along with local United Ways and numerous other non-profits across the state, have been on the front lines of disaster and emergency response, delivering high-demand resources to communities in need and providing individuals and families with personalized help in crisis situations. Even with this experience the immediate public health crisis, coupled with the accompanying economic crisis that has ensued due to COVID-19 has truly been unpreceded. The pandemic has impacted each and every New Yorker in some fashion, and the uncertainty of what is next means New York must continue to be vigilant, plan, and prepare for another spike in the number of New Yorkers who will contract COVID-19. As a state, we must also plan and prepare for students to return to school, increased demand for child care, and family pressures that will result in stress, trauma, and mental health needs. Finally, experts in disaster recovery predict that the financial and emotional implications of this pandemic will last for two years or more.

The pandemic has also reinforced the importance of working together. No one country, state, government, health care or human service provider can do this alone. Everyone must work together. Everyone must do their part. Everyone must support one another. Whether it is staying home, wearing a mask, getting tested, volunteering, or donating supplies or resources, the new “unknown” will continue for many months ahead and unlike when COVID hit New York we now have time to plan, create infrastructure and deploy resources. As a state there are lessons to be learned and United Way of New York State and 2-1-1 are here to help.

Many nonprofits entered this pandemic already operating on shoestring budgets caused by underfunded and late contracts, late payments, high staff turnover, stagnant wages, fully tapped out credit lines, and limited or nonexistent cash reserves. At the same time, COVID-19 has dramatically increased the need for human services. Without significant funding, and at a minimum, maintenance of funding and timely approval of contracts and payments, nonprofit across the state will not be able to fulfill their missions, and critical needs across the state will not be met.

The pandemic also hit non-profit budgets in other ways. From cancelled fundraising events, to donors out of work and unable to give, to loss of revenue due to being closed and more has meant limited resources for nonprofit to help respond to this pandemic to the extent that is needed. In addition, it is being widely reported that many not-for-profit organizations will reduce staffing and services capacity or merge with other organizations over the next few years.

For these reasons, we recommend NYS strengthen non-profits’ ability to provide services to ALICE by:

* Rescinding Executive Order 202.48 (or any others) which suspends prompt payment laws. Prompt payment was put in place specifically to provide relief to non-profits and it is exactly the type of effort that should be embraced during a pandemic when non-profits are asking to do more with less.
* Prioritize and pay out invoices on existing contracts promptly and remove additional barriers, like DOB review, that have significantly and seemingly intentionally delayed payment. The bureaucratic red tape normally shouldered by non-profits it putting them in significant jeopardy and must be lifted, even if only on a short term basis.
* Registering all pending contracts and preventing retroactive cuts. Nonprofits put mission first and often continue to operate without a registered contract because shutting down programs and laying off employees while waiting on government delays would negatively impact communities. This goodwill should not result in providers being asked to take a loss because of State delays.
* Streamlining executive branch approval process for licensed program transfers, mergers, acquisitions and dissolutions and commit to process applications within 90 days.
* Creating a Nonprofit COVID-19 Recovery Advisory Committee and -install a nonprofit representative agency as Co-chair. The State will need to make timely decisions as we learn more about federal funding and economic recovery, and the various nonprofit subsectors need to be consulted about how to move forward as experts in their fields.
* Supporting United Way of New York State in partnership with the United Way Worldwide Public Policy Team for the passage of a federal Universal Charitable Deduction.

# Secure and strengthen 211 New York

On March 1, 2020, the first case of COVID-19 was confirmed in NYS. 2-1-1 responded by maximizing contact center capacity and very quickly developing remote work capabilities to keep 2-1-1 staff healthy and safe. 2-1-1 became an important source of information and assistance for individuals, local governments and government agencies many who relied on 2-1-1 as their local “go-to” for COVID related information and information on local resources for individuals needing assistance. This was achieved without any interruption in service.

2-1-1 maintained and continues to maintain the largest and most up to date directory of health and human service assistance available in the state- right down to each community’s level. Data on caller needs- both met and unmet continue to provide communities and government officials real-time updates on the reality of communities. With resources sometimes changing hourly, 2-1-1 kept the information to be used by individuals, service providers and governments up to date. Well trained call specialists were able to appropriately reassure and calm increasingly anxious callers and provide guidance and linkage in extreme cases of mental distress.

Looking ahead, 2-1-1 anticipates continued heavy call volume as the pandemic rages on, schools look to re-open, unemployment continues, and households fall increasingly behind in their financial obligations with no clear end in sight. And 2-1-1 will answer the call.

2-1-1 experienced a 160% call volume surge, with sustained high demand without a single additional dollar invested in the system by the state of NY, and without payment due from NYS 2-1-1’s current contract, creating a cash flow hardship. Regionally, 2-1-1s have worked hard to fund-raise on top of providing unprecedented service levels, in order to retain this critical service for the residents of New York State at its current level, while facing financial constraints like so many other non-profits.

For ALICE and the thousands of New Yorkers who were asking for help for the first time, 2-1-1 provided a lifeline – a confidential, free source of health and human services resources, a reassuring voice on the phone and there when needed - 24/7/365.

For these reasons, we recommend NYS secures and strengthens 211 New York by:

* Prioritizing payment to 2-1-1 for claims submitted. 2-1-1 has not been paid by the state for any of its work in 2020. Our current contract expired on 8/31/20 from funds appropriated in the 2019-20 budget. New Yorkers relied on 2-1-1 in record numbers during the COVID crisis and the system expects to continue to see record usage. In order for the contact centers to meet the need and continue the response at the rate they currently are providing, payment from the state needs to be timely.
* Prioritizing contract approval for funds appropriated to 2-1-1 in the 2020-21 budget. This contract was supposed to start on 9/1/20 and we have yet to receive notification from the state. The failure to pay for services provided and lack of confirmation of 9/1 contracts makes it nearly imposable for 2-1-1 to plan and continue to provide service at the extremely high level they are currently providing
* Holding funding for 2-1-1 harmless for any potential budget cuts to the 2020-21 budget. In addition to our significant immediate cash flow concerns, any potential budget reduction would significantly cripple, and perhaps close the entire 2-1-1 system in which New Yorkers have come to rely.
* Providing an emergency appropriation of $5 million to 211 NY so that 2-1-1 can continue to connect people to the vital health and economic services they need. Instead of a budget cut, 2-1-1 is in desperate need of a significant infusion of cash to get out of the red, and to meet increased demand.
* Appropriating $2 million in the 2021-22 budget to maintain current service and infrastructure, improve points of access to services, continue collecting and analyzing data, and increase outreach and public awareness.
* Proclaiming February 11th as 2-1-1 day, providing for the system a modicum of the recognition it is due for its ingenuity, responsiveness, commitment to communities and its own brand of heroism.
* Encouraging local, regional and state governments and entities should consider the resource database management, flexibility and capacity of the 2-1-1 system as actively work with 2-1-1 as a partner of choice in recovery and rebuilding endeavors.
* Including 2-1-1 in NYS’ emergency plan, clarifying communication and messaging and including appropriate funding for 2-1-1 activation in areas experiencing a disaster and provide $500,000 to support this engagement.

# Expand Working Family Tax Credits at the State and Federal level

ALICE workers have been highly represented in both those sectors most susceptible to job loss (temporary or long-term) and higher health risk because of their prevalence in jobs deemed essential. NYS should examine income supports, entitlements and investments to improve the likelihood that ALICE households will achieve true economic security and financial independence. Our goal is to help ALICE households achieve and maintain independence.

While New York has been a leader and has in place two important tax credits for working families, the Earned Income Tax Credit (EITC) and the Empire State Child Credit (ESCC), these tax credits need to be strengthened at the state and federal levels to give workers and families immediate, real relief, especially amid this pandemic.

For these reasons, we recommend NYS expand working family tax credits at the State level by:

* Expanding the state’s child tax credit (Empire State Child Credit) to cover children under age four and increase the credit for young children.
* Expanding and strengthening the state’s Earned Income Tax Credit by increasing the percentage of the federal credit paid to families from 30% to 40%; and expanding the credit for young adults without children (under age 25) who are currently ineligible for either the federal or state credit.
* Doubling the amount of childcare expenses creditable under the state’s Child and Dependent Care Tax Credit (CDCTC) to better reflect the true cost of care and enable more middle-income families to afford high-quality childcare.
* Enacting A10775 Rules (Fahy) -- S8670 Kaplan – which recognizes that COVID-19 has pushed many middle-class families to the brink of financial catastrophe and expands eligibility for the EITC to provide a measure of financial security for those making more than poverty wages. This bill also expands eligibility for those who do not have children, those aged 18-24, and those who do not have a social security number but pay taxes. These measures address important inadequacies in the federal EITC and will provide a measure of financial security for a large cohort of low-income New Yorkers. This bill should be passed as soon as possible and signed into law.

In addition, we recommend expanding working family tax credits at the Federal level by:

* Expanding the federal child tax credit to cover children under age four.
* Expanding and strengthening the Earned Income Tax Credit by expanding the credit for young adults without children (under age 25) who are currently ineligible for either the federal or state credit.
* Expanding VITA funding for communities (Volunteer Income Tax Assistance).

# Ensure internet access is affordable and accessible to all

ALICE data show that in more than half of New York’s counties, more than 20% of ALICE households lack internet access. Further studies show that even those with internet access experience significant service disruptions and speeds that are not fully capable of engaging in video-based activities required for remote work and online learning.

For these reasons, we recommend NYS ensure internet access is affordable and accessible to all by investing in expanded broadband access so that COVID-necessitated work-from home and remote schooling is possible for all NY households.

# Make ALICE NY the benchmark by which we measure financial stability

The ALICE Report provides a framework, language, statistics, and tools that community stakeholders can use to inform policy and drive innovation.

From 2010 to 2018, New York showed steady economic improvements according to traditional measures. Yet, in 2018, eight years after the end of the Great Recession, 45% of New York’s 7,370,222 households still struggled to make ends meet. And while 14% of these households were living below the Federal Poverty Level (FPL), another 31% — more than twice as many — were ALICE households. With the onset of the COVID-19, ALICE Households are deeply impacted.

The ALICE Report provides an important benchmark against which to guide and measure ALICE recovery progress. ALICE data can be utilized by the state, local governments, and emergency management response teams to identify communities that were struggling before, during and after the pandemic to inform important response plans and resources. The data can also be used to inform broader public policy discussions regarding childcare, rent/housing, and tax relief initiatives. ALICE data is measurable and provides a consistent baseline measurement (2020 Report) against which we can compare the impact of COVID-19 and our response (2022 Report).

For these reasons, we recommend making ALICE NY the benchmark by which we measure progress on financial stability in New York State.

# Support and invest in workforce development

As our economy recovers from COVID-19, New York’s economic situation and workforce faces severe disruption. The need is great for quality workforce development efforts to ensure all households are able to recover from this health and economic crisis.

While national conversations about work often focus on the economic importance of the “innovation” sector and its high-paying jobs, the reality is that the smooth functioning of the national and New York economies relies on a much larger number of occupations that build and repair the infrastructure and educate and care for the past, current, and future workforce. The workers in these jobs—your child care worker, the cashier at your supermarket, the gas attendant, the salesperson at your big box store, a home health aide, an office clerk—are described as “Maintainers” by technology scholars Lee Vinsel and Andrew Russell, and they are primarily ALICE.[[1]](#footnote-1)

In addition the ALICE Report found that only three of the top 20 occupations — general and operations managers, accountants and auditors, and registered nurses — are paid enough to support the Household Survival Budget for a family of four, a minimum of $39.08 per hour.

For these reasons, we recommend NYS support and invest in workforce development opportunities, which encourage training, apprenticeships, and career exploration.

# Support the future generation through child care and child development

Research has shown time and time again that quality early learning and development programs for children and youth can foster valuable skills which will improve educational and health outcomes, strengthen our workforce, and provide a high rate of economic return. In addition, it will be critically important to continue to support our children and youth as we continue to navigate these unprecedented times.

In addition, early care and education is being recognized as an important economic sector in its own right, and as a critical piece in facilitating the ability of parents to be employed.

For these reasons, we recommend NYS support the future generation by:

* Expanding funding for affordable, accessible, high- quality childcare.
* Maintaining and expanding investments in UPK and early learning, as well as youth development, mentoring, and afterschool supports.
* Expanding maternal and child health programs including home visiting, lead poisoning prevention, and the Hunger Prevention and Nutrition Assistance Program (HPNAP).

# Collaborate and co-lead federal advocacy efforts with United Way Worldwide which strengthen ALICE Households and beyond

United Way of New York State works collaboratively with United Way Worldwide on Public Policy and Advocacy issues and opportunities that impact the broader network. There is strength in this collaboration to influence change at the federal level for ALICE and beyond. As necessary and appropriate UWNYS will sign-on and support those matters approved by the membership and UWNYS Board of Directors as well as engage local United Ways in federal advocacy efforts. These are expected to include:

* EITC and VITA
* Child Tax Credits
* EFSP: Emergency Food and Shelter Program
* SNAP: Supplemental Nutrition Assistance Program
* Charitable Giving
* COVID response/stimulus measures, including federal support for 2-1-1

1. ALICE Report 2020 [↑](#footnote-ref-1)