



**City Council Committee on Contracts
April 28, 2021**

My name is Myung Lee, and I am the President and CEO at Volunteers of America-Greater New York, the local affiliate of the national organization, Volunteers of America, Inc. I would like to thank the Chair of the City Council Committee on Contracts, Council Member Ben Kallos, for the opportunity to submit my testimony.

Volunteers of America-Greater New York (VOA-GNY) is an anti-poverty organization that seeks to end homelessness in the New York metropolitan area by the year 2050. We believe that a home is essential to a life of stability and resilience, and that systemic and institutional racism compound the many factors that lead our neighbors to homelessness. VOA-GNY provides shelter and permanent supportive housing to thousands of individuals and families experiencing poverty, survivors of domestic violence, youth aging out of foster care, people living with HIV/AIDS, veterans, and others struggling with behavioral health or substance use issues.

I would like to express my gratitude to the Committee on Contracts for taking steps to address low wages in the human services sector, which are driven by government contracts that do not adequately fund the cost of the services that non-profit providers deliver. In several testimonies I have submitted to the City Council this year, I have asked Council Members to advocate for fair wages for human services staff, who are the first line of defense in NYC during times of crisis and critical partners in the success of the City's poverty fighting initiatives. This advocacy has been a key priority for me in my first year as President and CEO of VOA-GNY, and coalition organizations and other human services providers have been working together to amplify the message that our staff is our power, and they deserve better than poverty-level wages.

With that being said, it is crucial that any effort to achieve this shared goal clearly places the onus of funding wage increases on the contracting agencies. As an organization that receives more than 90% of its funding from government contracts, our business model is driven by the funding levels, restrictions, and requirements given to us by contracting agencies. Any legislation regarding wages for human services workers must acknowledge and account for the decisive role that contracting agencies play in setting funding levels and, by extension, wages for provider organizations. We are not in a position to "make up the difference" through other funding sources. I urge the City Council to ensure that legislation to implement fair wages for human services workers include provisions that place strong emphasis on the role of contracting agencies in funding these wages.

With growing consensus that we must take better care of the human services workforce, we also have a unique opportunity to ensure that any victory for our staff includes a long-term commitment that the City will fund annual 3% cost of living adjustments (COLA) to all contracts with service providers. Without such a commitment, the cost of living in New York City will continue to outpace salary increases for human services workers and any progress made with regard to fair wages could be lost within a decade.

If the City Council enacts legislation regarding prevailing wages for human services workers, it is paramount that providers have a seat at the table when the prevailing wage schedule is developed by the Comptroller's office. "Human services workers" is a broad category that includes workers in different sectors who hold a range of titles, skill sets, education requirements, and supervisory responsibilities. Providers must have an opportunity to ensure that their staff are represented in the prevailing wage schedule in a manner that does not create wage compression or equity concerns within their organizations.

The City relies on the human services sector to enact and sustain its boldest policy initiatives, such as providing shelter to all New Yorkers experiencing homelessness. Providers have the expertise and deep relationships with local communities needed to turn policy into reality. Given the important role we play in the NYC ecosystem, we must be treated as partners by the City. The work we do on behalf of the City must be adequately funded so that our staff, a large percentage of whom are women of color, receive fair pay that can support their families without needing to take on an additional job.

I am grateful to the Committee on Contracts and their colleagues in the New York City Council for their continued advocacy on behalf of workers in the human services sector. In particular, I would like to thank the Mayor and the City Council for fully funding the indirect cost rate (ICR) for human services organizations in FY21 and FY22. ICR funding is crucial to ensuring that we are able to pay rent, respond to government audits, and provide human resources and information technology support to program staff. The staff who are funded through ICR deserve good salaries too. I urge the City to commit to funding ICR beyond FY22 to ensure the sustainability of the human services sector in NYC, which continues to deliver vital services to your constituents.

Respectfully submitted by:

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