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Addressing Minimum Wage From Federal to State

The New York Story

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Addressing Minimum Wage From Federal to State New York's Journey to \$15

- ▶ January of 2016, New York's Governor proposed a phased-in, two-tiered (New York City (NYC) and rest of State) increase to the state's minimum wage. The debate consumed the Budget negotiations. In late March, New York's Governor and the State Legislature approved a plan to implement a three-tiered minimum wage increase in the final 2016-17 State Budget (NY's fiscal year is from April 1- March 31)

The final result:

- ▶ New York City (to \$15 over the course of three years for large businesses and four years for small businesses),
- ▶ Long Island/Westchester County (to \$15 over course of five years)
- ▶ Upstate New York to \$12.50 over the course of five years);

Funds were included to support direct salary costs and fringe benefits associated with the minimum wage increase; approximately \$4.1 million will be available to support "eligible DD organizations".

Addressing Minimum Wage From Federal to State

New York's Journey to \$15

Enacted Minimum Wage Increases

- ▶ NYC (large businesses – at least 11 employees):
 - ▶ increase to \$11.00 takes place at the end of 2016,
 - ▶ \$13.00 at the end of 2017
 - ▶ \$15.00 at the end of 2018 (December 31, 2018).
- ▶ NYC (small businesses – 10 employees or fewer):
 - ▶ increase \$10.50 takes place at the end of 2016
 - ▶ \$12.00 at the end of 2017, \$13.50 at the end of 2018
 - ▶ \$15.00 at the end of 2019 (December 31, 2019).
- ▶ Westchester/Long Island:
 - ▶ increase to \$10.00 takes place at the end of 2016,
 - ▶ \$11.00 at the end of 2017, \$12.00 at the end of 2018,
 - ▶ increase to \$13.00 at the end of 2019, \$14.00 at the end of 2020
 - ▶ \$15.00 at the end of 2021 (December 31, 2021).
- ▶ Upstate:
 - ▶ increase to \$9.70 takes place at the end of 2016,
 - ▶ \$10.40 at the end of 2017, \$11.10 at the end of 2018,
 - ▶ \$11.80 at the end of 2019, \$12.50 at the end of 2020 (December 31, 2020)
 - ▶ increase to \$12.50 on December 31, 2021.

For upstate, increases (to get to the \$15 an hour wage) beyond what has been statutorily agreed upon will be subject to an indexed schedule set by Division of Budget (DOB) with the Department of Labor.



State of the Workforce in NY

The Challenges

- ▶ 97,000 Direct Support Professionals in NYS working for private providers
- ▶ Funding is largely through the Medicaid program
- ▶ As of November 2015 vacancy rates are between 8-10%
- ▶ Turnover is over 25% and it costs around \$5000 to hire, train and replace each worker
- ▶ Overtime spending is over 2.9 million hours
- ▶ Lack of regular increases by NYS have allowed the DSP workforce to get further behind in wages and in the ability to compete
- ▶ The improved economy provides for more opportunities at better wages and DSPs leave to improve their lives
- ▶ We have a workforce crisis and cannot easily move forward to provide more individualized supports in the community



State of the Workforce in NY

The Positives

- Dedication of DSPs to people with I/DD and their families and to providers–this partnership is essential.
- Adoption in New York State of the NADSP Code of Ethics
- Development by OPWDD and stakeholders Core Competencies and funding for Regional Workforce Centers for Transformation (RCWT) to aid in adoption of core competencies. More info at www.workforcetransformation.org
- Exploration of a funded Credential for DSPs, a means to bring a better skilled and better paid worker with a career path in the profession.
- DSPs provide the essential day to day supports that people with I/DD need



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Background: Actions Leading Up to the Final Outcome

Previous Wage Increase Strategies in New York

- ▶ The move to \$15 failed in the 2015-16 State Budget,
- ▶ On May 7, 2015, Governor Cuomo called upon the Acting Commissioner of the Department of Labor to establish a **Fast Food Wage Board**
- ▶ The Fast Food Wage Board held a series of public hearings and recommended a minimum wage increase to \$15 for fast food employees in fast food establishments



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Background: Actions Leading Up to the Final Outcome

- ▶ On November 10, 2015 the Governor announced the **State Worker Minimum Wage Increase**
- ▶ Through Executive authority, the plan to implement gradual increases to the minimum wage for *employees of the State of New York*.
- ▶ In the fall of 2015, several Upstate New York cities announced an increase to \$15 an hour for **municipal employees** making minimum wage
- ▶ Just before the Governor unveiled the 2016-17 proposed Executive Budget in mid-January of this year, he announced an increase to \$15 an hour for all minimum wage employees in the **State of New York's university system**



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Our Advocacy: bFair2DirectCare Campaign

Began advocacy well in advance of the January to March 2016 State Budget cycle through various efforts:

- ▶ Met with the Governor's Secretary for Health and Human Services as well as officials in the Division of Budget
- ▶ NYSACRA, IAC and 5 other DD associations performed a statewide survey of DD providers on vacancies, turnover, salaries, etc.
- ▶ From the survey, drafted an 11-page report "Supporting People with Developmental Disabilities: The Impact of Low Wages and the Minimum Wage Debate on the Direct Support Professionals Workforce".
- ▶ NYSACRA, IAC and DD associations rallied around the report and initiated a multi-pronged campaign, "**bFair2DirectCare**" to highlight issues with the minimum wage increase and the need for the State to provide public funds to pay for the increase



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Our Advocacy: bFair2DirectCare Campaign

- ▶ Seven DD provider associations joined forces to initiate the bFair2DirectCare Campaign; The Self Advocacy association joined the campaign
- ▶ Purpose: generate support from the State Legislature and Governor's Office to provide public funding for any increase to the minimum wage AND to raise public awareness on the minimum wage issue as well as DD-specific issues
- ▶ The associations have assistance from a professional public relations firm
- ▶ The bFair2DirectCare Campaign members generated a great deal of support from legislators, agencies, self-advocates, parents, family members
- ▶ Letter writing, phone calls, press conferences, rallies, op ed pieces
- ▶ NYSACRA Value the Work, Raise the Wage DSP Profiles – dropped each week to all State Legislators' Albany NY Offices leading up to April 1st



Addressing Minimum Wage From Federal to State New York's Journey to \$15

Our Advocacy: bFair2DirectCare Campaign The Outcome

- ▶ The final State Budget approved by the State Legislature and signed by the Governor contained funds to support direct salary costs and fringe benefits associated with the minimum wage increase.
- ▶ It appears \$4.1 million is available for New York's Office for People With Developmental Disabilities (OPWDD) to support "eligible organizations".
- ▶ This summer, New York's Department of Health organized a Minimum Wage Stakeholder's Workgroup to develop the rate methodology to distribute the funding;



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Our Advocacy: bFair2DirectCare Campaign Next Steps

- ▶ The funds to support the minimum wage increase will only be used to bring workers up to the minimum wage; funds cannot be used for compression
- ▶ This is an issue that will need to be addressed in the next State Budget Cycle; 2017-18 State Budget
- ▶ The State is fully aware that the compression piece is a real issue
- ▶ Building on the success and momentum of the bFair2DirectCare Campaign on the minimum wage, the seven DD associations are continuing to rally around our message that staff deserve fair pay; our efforts this summer & fall focus on bFair2DirectCare: 300 Days to Better Pay



For More Information

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