



## MEMORANDUM

**To:** Interested Parties  
**From:** Robin Hood  
**Re:** Fighting Poverty Through the New York State FY24 Budget

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### Overview

Recent studies have solidified that government policies can lift New Yorkers out of poverty — but only if our leaders decide to invest in programs that work. Data from Robin Hood's [Annual Poverty Tracker](#) found that in 2021, government policies including the expanded Federal Child Tax Credit kept more than 500,000 children above the poverty line, bringing New York City's child poverty rate to a historic low of 15%. In other words: poverty is often a policy choice.

Given the immense power of the state government in New York, Robin Hood, New York City's largest poverty-fighting philanthropic organization, recommends the following investments this budget season to support policies and programs that will lift New Yorkers out of poverty. This memo outlines FY24 state budget recommendations, backed by both evidence and data, that experts at Robin Hood and independent researchers believe would bolster the fight against poverty, with a focus on four key policy areas: cutting child poverty in half, addressing the affordable housing crisis, supporting workers' economic mobility, and improving child care accessibility, affordability, and quality.

### Cutting Child Poverty in Half

In New York State, nearly 1-in-5 children are living in poverty, which has lasting impacts on children, families, and communities that cost New York State upwards of \$60 billion per year in terms of reduced adult productivity, criminal justice costs, and increased health expenditure. That is why New York's [Child Poverty Reduction Act](#) commits the State to cutting child poverty in half in the next decade. A child tax credit (CTC) is one of the most powerful tools to alleviate poverty, yielding a 9-to-1 [return on investment](#) when expanded to the lowest-income, youngest children, whose families are currently excluded from the existing federal and state tax credit. Statewide, the temporary expansion of the federal CTC reached more than 3 million New York children, cutting child poverty in New York by 40.8%. In New York City, Robin Hood's [Annual Poverty Tracker](#) found that policies, including the expanded Federal CTC, kept more than 500,000 children above the poverty line. While Congress failed to extend the expanded federal CTC, New York State still has the opportunity to build off its success by [restructuring the Empire State Child Credit \(ESCC\), which would lift more than 112,000 children out of poverty](#). The final FY24 Enacted Budget could strengthen and expand the Empire State Child Tax Credit by:

- Expanding the eligibility to include children under 4 years old, who are currently left out of the credit.
- Eliminating the earnings requirement and phase-in, so all families receive the full credit.



- Increasing the credit amount to \$1,000, which would lift 112,000 New York children out of poverty.

### **Addressing the Affordable Housing Crisis**

The debate about whether New York needs supply or demand-side policy solutions to address its affordable housing crisis is over and the answer is New York needs both, now. Governor Hochul has shown bold leadership with the Housing Compact proposal in addressing the supply side challenges of the affordable housing shortage. Her leadership must be coupled with tenant side protections and supports such as the Housing Access Voucher Program and rental arrears assistance for NYCHA tenants to prevent a wave of evictions.

Statewide, nearly half of renters are cost-burdened, in large part because New York has a [deficit of almost 650,000 available rental units](#) that are affordable for households making roughly \$50,000 or less. New York needs to make it easier to build and preserve deeply affordable housing and we need to do more to keep New Yorkers housed and help those experiencing homelessness move into permanent, quality housing. While the Governor's Housing Compact will help address the supply crunch in the long term, more should be done to ensure the Compact creates sufficient affordable units in the near term since, as currently structured, the Compact will have no impact on the more than [70,000](#) New Yorkers who are now experiencing homelessness, in addition to the millions more struggling to afford rent. These New Yorkers need immediate assistance, such as:

- **Establishing the Housing Access Voucher Program** (S568A Kavanagh/A4021 Rosenthal). The Housing Access Voucher Program (HAVP) would create a state-level rental assistance program for New Yorkers at risk of, or experiencing, homelessness. Legislators have called for a \$250 million annual appropriation to accompany the legislation. [NYU's Furman Center](#) has estimated that the program would cost \$83 million in year 1, reaching \$250 million in year 3. Over five years, the program would serve roughly 13,760 households across New York State. Research shows rental vouchers [reduce homelessness and housing instability](#) and [improve outcomes for children](#).
- **Prioritizing NYCHA tenant arrears.** More than 73,000 NYCHA tenants are behind on rent. NYCHA tenants owe close to [\\$500 million](#) in arrears and even though more than 31,000 tenants applied for relief through ERAP, public housing tenants were [given the lowest priority](#) in the program and not a single dollar went to arrears on a NYCHA unit. The result is that NYCHA may soon be unable to cover basic operating costs, let alone the repairs its units desperately need. The state needs to prioritize NYCHA tenants in remaining and future ERAP dollars and provide funding, either through ERAP or another program, to cover NYCHA arrears.

### **Supporting Workers**

Millions of low-wage workers and their families are facing a potential recession while dealing with record-high inflation rates that have [cut the value](#) of New York City's \$15 minimum wage by 15% since it was enacted in 2018. By 2026, the value of the city's minimum wage is expected to decrease by more than 30% unless there are changes. If New York does not prioritize the needs



of its low-income workers, [our economy will not recover](#) and thousands of New Yorkers will fall deeper into poverty and hardship.

While the Governor has rightfully introduced a proposal to index the state's minimum wage to inflation, her proposal, as currently structured, does not go far enough. Additional policies that should be included in the final FY24 Enacted Budget to increase workers' economic mobility include:

- **Raising the Minimum Wage and Indexing it to Inflation *and* Labor Productivity:** Indexing changes in the minimum wage to inflation and labor productivity indices, without a cap, as exists in the Governor's current minimum wage proposal. To combat the ongoing erosion of the \$15 minimum wage for New York City, New York State should enact a "catch up" minimum wage increase ([S1978 Ramos/A2204 Joyner](#)). Research shows the Legislature's proposal would boost incomes for nearly [3 million workers](#).
- **Expanding the Outdated Temporary Disability Insurance (TDI) and Paid Family Leave (PFL) Programs:** New York State's TDI compensation rates have not been updated since 1989. An egregious example of current TDI policy is that pregnant women experiencing complications – one-third of TDI claims annually in the state – have no job protection and receive a maximum of \$170 per week. If the state legislature passes (S2821A Ramos/A4053A Solages), the TDI payment rate would follow the PFL model, and weekly payments would increase from a maximum of \$170 to at least 67% of employees' average weekly wages or a maximum of \$1,068.36. Additionally, this would create a more progressive payment system where lower income New Yorkers would receive higher benefit rates for PFL and TDI (workers below 150% of the poverty line would have 90% of their wages replaced) and provide PFL-like job protections to employees utilizing TDI. Lastly, this expansion would create portable paid family leave benefits for the self-employed, contractors, and workers who have been with an employer for under 26 weeks before becoming eligible for PFL.
- **Creating the Unemployment Bridge Program:** Hundreds of thousands of workers in New York are not covered under federal unemployment benefits, including freelance workers, street vendors, workers without work authorization due to immigration status, small-job construction workers, domestic workers, and workers rebuilding their lives after incarceration. Inspired by programs during the pandemic to provide resources for these and other workers, the Unemployment Bridge Program (S3192 Ramos/A9037 Reyes) would provide \$1,200 per month to these workers when they are unemployed. [Research](#) shows that 750,000 New Yorkers would be eligible for the program.
- **Ending the sub-minimum wage for tipped workers:** In New York, tipped workers are twice as likely to live in poverty than the overall workforce, due in part to the sub-minimum wage they are paid. Through legislation (A1710 Gonzalez-Rojas) or Executive Order from the Governor, New York State could end this [legacy of slavery](#) and driver of poverty for the hundreds of thousands of restaurant workers in New York State



— primarily women, people of color, and people born outside of the United States. Research shows among tipped workers, women have a [53% higher poverty rate](#) than men and in New York, restaurant servers who are women earn 71% of what their counterparts who are men earn, potentially costing a woman more than [\\$400,000 over a lifetime](#). Insufficient wages and sexual harassment have caused thousands of workers to leave the industry in New York and [research](#) shows many more will do so unless wages increase, threatening New York's economic recovery further.

### **Expanding Educational Opportunities for Students by Lifting the Regional Cap on New York City Charter Schools, Reviving “Zombie” Charters, and Providing Parity in Funding**

Charter schools in New York provide families choice for the type of education that they want for their children. Moreover, 2022 English Language Arts (ELA) test scores confirm that students in charter schools continue to have higher rates of proficiency than district school students. In ELA, Black and Hispanic charter school students [outperformed](#) district students by 19 percentage points (55% vs. 36%), and 15 percentage points (52% vs. 37%), respectively. In math, Black and Hispanic charter school students outperformed their district counterparts by 25 percentage points (46% vs. 21%), and 19 percentage points (42% vs. 23%). Yet, charter school growth has been capped and funding levels continue to be lower than their district counterparts. The most [recent Independent Budget Office of New York City analysis found](#) that New York City charter schools were underfunded between \$1,000 and up to almost \$5,000 per student.

The FY 2024 Executive Budget takes a huge step forward for New York City students by eliminating the regional cap on the number of charters that may be issued in New York City and permanently authorizing the reissuance of any charter originally issued to a charter school that subsequently closed after July 1, 2015, due to surrender, revocation, termination or non-renewal. These changes will permit the issuance of additional charters in New York City and expand educational opportunities for students. Robin Hood supports the Governor's recommendations and calls on the legislature to:

- To support the Governor's FY 2024 Executive budget to **eliminate the regional cap** on the number of charters that may be issued in New York City and **make the 84 charters left under the statewide cap available for siting in New York City**.
- **Update the per pupil tuition formula** through a comparative analysis of New York City's funding for district and charter schools; and minimally, support the current statutory funding formula as it provides charters increase in funding based on district expenditures.

### **Improving Child Care Accessibility, Affordability, and Quality**

Access to quality child care is critical for children, families, and the state's economic recovery — which is why, last year, Governor Hochul and the legislature made a historic \$7 billion investment over four years in the state's child care system. Measures to invest in the child care workforce and easing administrative burdens to make it easier for families to secure their children's care vouchers is critical to ensure the success of the investment by the Governor and the legislature.



To ensure families reap the benefits of last year's nation-leading child care investments, New York must maximize the number of eligible families utilizing the state's child care assistance program by addressing both the shortage of [providers](#) and the administrative and application burdens that lead to low uptake rates. The FY24 Enacted Budget could correct for these roadblocks by:

- **Creating a state workforce bonus fund and a robust compensation strategy** that creates a pathway towards permanent pay raises for child care workers. This will both lead to higher workforce participation and economic stimulation and help lift child care workers — who are largely women and people of color — out of poverty themselves.
- **Streamline enrollment in the state's child care assistance program** by implementing categorical and presumptive eligibility (A4099 Clark/S4667 Brouk), which makes it seamless for families receiving other benefits — like SNAP or WIC — to qualify for child care assistance.

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