



**Office of Temporary
and Disability Assistance**

**Barbara C. Guinn, Acting Commissioner
Office of Temporary and Disability Assistance**

Written Testimony

**NYS Senate Hearing on the Causes and Effects of Poverty and
Concentrated Poverty in New York's Medium- and Small-Sized Cities**

Tuesday, December 12, 2023

11:00 am

**Roosevelt Hearing Room A
Legislative Office Building, 2nd Floor
Albany, New York**

As co-chair of the Child Poverty Reduction Advisory Council (CPRAC), based on my role as Acting Commissioner of the Office of Temporary and Disability Assistance, I welcome the opportunity to submit written testimony on the causes and effects of poverty, as well as the work of CPRAC.

In December 2021, Governor Kathy Hochul signed the Child Poverty Reduction Act into law, establishing that reducing child poverty is a policy priority in New York State. The legislation also created CPRAC, with the stated mission to study child poverty in New York State and to identify and recommend policies that can be implemented to reduce child poverty by 50 percent over 10 years.

Far too many children in New York State reside in households that are living at or below poverty. Additionally, several of New York State's cities have among the highest rates of child poverty in the nation. Providing critical financial assistance is essential to our agency's mission and we recognize that efforts to reduce child poverty are a matter of economic and social justice that New York State must confront.

The impact of child poverty is serious and undeniable. Studies have shown that children living in poverty are more likely to experience negative outcomes later in life, including poor health, poor performance in school, low earnings, unhealthy stress levels, and shorter life spans.

Research also has shown that poverty is expensive, costing the state and nation billions of dollars a year in lost productivity. Poverty can contribute to homelessness, lower school readiness, developmental challenges and other challenges that are costly for individuals and for society.

Still, we know this is a policy problem that can be addressed.

As CPRAC develops recommendations to reduce child poverty in New York State, it will continue to be guided by evidence-based research.

After statutory members were appointed, the Council first met in October 2022. At that meeting, members agreed to increase the experiential, geographic, and demographic diversity of the Council by inviting more than 40 additional members to serve as "advisory experts." These advisory experts include those with experience in social services, policy advocacy, scholarship, and research. Each of these experts has participated in at least one of CPRAC's issue-area committees, contributing insights that will continue to inform the Council's work.

At the start of this year, Council members created committees, based on key topic areas where research has shown policy reforms would have the most significant effects reducing child poverty. Throughout 2023, CPRAC met to focus in on these key topics, which include: Tax Policy, Housing, Employment/Wages, Public Benefits, and Childhood. These meetings included reviewing relevant literature, evidence-based research, and data on various policy proposals to reduce poverty. They also included presentations from experts in the field.

The Council is also working to incorporate the lived experiences of New Yorkers directly impacted by poverty into its work. CPRAC members who have struggled with poverty have discussed their own experiences and the benefits and burdens of various programs. They have powerfully described the challenges they faced in applying for different programs and offered firsthand insights for how to improve them. During 2024, the Council will provide additional opportunities for members to hear and learn from New Yorkers with lived experience.

At its most recent meeting on December 6, the Council approved its first annual progress report, which is available at <https://otda.ny.gov/cprac/>. The report captures the breadth and scope of CPRAC's work so far.

As the report notes, since Governor Hochul signed the Child Poverty Reduction Act into law, New York has already made significant investments and advanced reforms related to improving the economic security of families and reducing child poverty. This includes:

- Expanding the Empire State Child Credit to add children under 4 years old, who were previously excluded.
- Investing \$7.6 billion over four years in child care, expanding eligibility for the Child Care Assistance Program (CCAP) by raising the income limit to the maximum allowed by federal law, capping co-pay costs for CCAP participants to 1 percent of the total family income above the poverty line, providing \$1 billion in stabilization grants to child care providers, and \$500 million for workforce retention efforts, ensuring families can receive 12 months of eligibility for child care assistance, and more.
- Raising the minimum wage by approximately \$2 per hour, phased in over the next couple of years, and ultimately indexing future increases to inflation.
- Implementing strategic changes to help Public Assistance recipients with earnings retain more of their benefits, with the goal of encouraging economic mobility, such as eliminating the gross income and poverty level eligibility tests for Public Assistance and increasing the amount of earned income that is disregarded before benefits are reduced.

As we enter 2024, the Council will build on this progress, as it works toward reaching a consensus and issuing its recommendations to achieve the goal of reducing child poverty by 50 percent over 10 years. It will be of great importance for the State Senate and Assembly to join Governor Hochul to consider the Council's recommendations to determine how New York State can significantly reduce childhood poverty.

I appreciate the Senate Committee on Cities 2 for taking the time to hold a hearing on the important matter of the causes and effects of poverty in our State.