



**Child Poverty Reduction
Advisory Council**

Child Poverty Reduction Advisory Council (CPRAC)

Meeting 4 – May 17, 2023

Reminders – Administrative Items

- Meetings are being recorded and live streamed
- Facilities
- Breaks

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Welcome

Welcome

- **Deputy Secretary to the Governor for Human Services and Mental Hygiene Jihoon Kim** – Remarks
CPRAC Co-Chair
- **Commissioner Daniel W. Tietz (OTDA)** – Remarks
CPRAC Co-Chair

Goals for Meeting 4

- **Recap** – work to date
- **Review** – procedural and committee updates, status of research
- **Discuss** – Employment & Wages – research and lived experience
- **Engage** – potential areas for reform
- **Schedule** – confirm meeting 5, schedule meetings 6 and 7

Recap

Meeting 3

Recap – Meeting 3

- Discussed Executive Budget and related report
- Agreed committees will meet independently
- Orientation on Housing policy, including:
 - presentations from scholars
 - testimonials from New Yorkers with lived experience

Recap – Evidence Base: Housing in New York

- **NYU Furman Center shared key facts and figures about housing affordability in NY:**
 - Rent increases are outpacing wages
 - Share of rent-burdened households (spending >30% income on rent) has increased, especially at lower income levels, where over 75% of renters are burdened by housing costs
 - NYS law defines vacancy rate <5% in NYC as “housing emergency” → the statewide vacancy rate in 2021 was 4%, and even lower for areas like NYC, Westchester, and Nassau County
 - NYS is not building enough housing to meet the need
 - Structural inequality and growing gap between high and lower earners worsening crisis
 - While vouchers have been shown to have a positive impact, program design and flaws in implementation may mean many New Yorkers miss out on vital assistance

Recap – Reform Options: Housing Assistance

- **Columbia University's CPSP shared ways to strengthen housing assistance in NY:**
 - 1.7 million families across NYS experience rent burden
 - 7 out of 10 households eligible for voucher do not receive them because vouchers are limited
 - Voucher waitlist is extremely long (average of 31 months)
 - Reform options include transforming voucher program from capped/rationed system to entitlement program (where all who are eligible are guaranteed a voucher, like SSI or SNAP)
 - Existing housing voucher program (HCV) reduces poverty by ~14%, but expanding to an entitlement approach could achieve a ~47% poverty reduction
 - Combined with other program reforms, Columbia projected an even larger poverty reduction

Recap – Reform Options: Renters' Credit

- **Stanford University also presented on concept of a Renters' Credit for NY tenants:**
 - Tax credit for renters who meet certain criteria (such as high rent compared to income), designed to cover some portion of excess rent beyond 30% of income, could be refundable
 - Government subsidizes homeowners – but not renters - via tax system
 - Current vouchers reach only a small fraction of those with unaffordable housing
 - Renters' credit would be available to all renters without geographic constraints or waitlists, would not require landlord participation (preventing discrimination), would leverage existing infrastructure for tax filing/administration, could be adjusted to cover % of rent
 - Sample credit covering rent beyond 40% of income would benefit >2M NYers, including reaching 62% of all renters in poverty → 14% poverty reduction

Recap – Testimonial: Housing

- **Pamela Walcott**
 - Finding and affording housing are major challenges
 - Has experienced homelessness
 - Currently receives rental assistance (CityFHEPS from City government)
- **Candace Cabral**
 - Finding and affording housing are major challenges
 - Has experienced homelessness
 - Has received rental assistance (Section 8 from Federal government)
 - Difficulties applying for, accessing, and maintaining benefits

CPRAC

Organization and Procedural Matters

Organization and Logistics – CPRAC

- Scheduling next Council convenings
 - Meeting 5: August 10 (Public Benefits & Childhood)
 - Meeting 6: September 21
 - Meeting 7: November (week of 11/13 or 11/27?)

Organization and Logistics – Committees

- Finalizing committees
 - Youth representation
- Scheduling committees
 - Tax Policy: June 2
 - Housing: June – date TBD
 - Employment/Wages: July – date TBD
 - Public Benefits: August – date TBD
 - Childhood: September – date TBD

Organization and Logistics – Urban Institute

- Update: Current State of UI work
 - Baseline memo coming soon!
 - Goal: to receive policy simulation data by August meeting
 - Report in Fall 2023 to inform our recommendations

Organization and Logistics – Baseline Memo

- Goals of memo
- Key context for memo

Research – Microsimulation Model

- UI's microsimulation model is comprised of baseline data file and the associated relationships between existing benefits, employment, and taxes
- Information on safety net benefits is represented as closely as possible to actual costs and caseloads
- Benefit and tax data for each family is internally consistent
- This microsimulation allows:
 - Detailed modeling: Captures the rules of each program in as much detail as possible
 - Monthly modeling: Most benefit programs operate on a monthly rather than annual basis
 - Interactions: Importantly, the simulations reflect the interactions across programs

Research – Data Sources

- UI's Analysis of Transfers, Taxes, and Income Security (ATTIS) microsimulation model based on the 2019 American Community Survey (ACS).
 - ATTIS includes programming to compute each family's SPM poverty percentage
 - ACS is most common source of detailed info on family composition and income, also includes questions about demographics, employment, utilities, and monthly rent
- Previous research that guides imputations related to parental status of unmarried partners, non-citizen legal status, child care expenses, income, and more
- Administrative data from federal, state and local sources on participation and benefit levels in major benefit programs, which helps further adjust baseline to reflect benefits not included or underreported in the ACS questionnaire...

Research – ATTIS Microsimulation

- Analysis of Transfers, Taxes, and Income Security (ATTIS) models all of the following and their relationships:
 - Cash benefits: Unemployment compensation benefits, Supplemental Security Income (SSI), Temporary Assistance for Needy Families and Safety Net Assistance (TANF / SNA) for families and for childless individuals
 - Nutrition programs: Supplemental Nutrition Assistance Program (SNAP) Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
 - Other in-kind benefits: Child care subsidies through the Child Care and Development Fund (CCDF) and related funding; Public and subsidized housing through funding from the Department of Housing and Urban Development (HUD); Home Energy Assistance Program (HEAP)
 - Taxes: Payroll taxes, Federal income taxes and credits, State income taxes and credits

Research – Administrative Data Sources

- Administrative data from federal, state and local sources include:
 - Child Care Subsidies
 - Unemployment Insurance Benefits
 - Supplemental Security Income (SSI)
 - Cash assistance to families with children
 - Cash assistance to adults and childless couples
 - Home Energy Assistance Program (HEAP)
 - Public and Subsidized Housing through Federal Programs
 - Supplemental Nutrition Assistance Program (SNAP)
 - Nutrition Assistance Program for Women, Infants, and Children (WIC)
 - Federal Payroll Taxes
 - Federal OASDI (Old-Age, Survivors and Disability Insurance) Taxes
 - Federal Income Taxes and Tax Credits
 - State Income Taxes and Tax Credits

Research – Baseline Preparation Process

- Loaded 2019 NYS ACS Public Use Micro Datasets into ATTIS
- Added parameters that impute how CPRAC Microsimulation Model will represent parental status of unmarried partners, non-citizen legal status, child care expenses, and income reported in a catch-all category on the ACS, based on previous research
- Conducted a detailed review of available administrative data on major public benefit programs and tax benefits to so that additional participants can be added in the microsimulation for each program based on actual caseload data, including numbers of participants, characteristics of participants, and benefits received.

In-Depth Review

Employment and Wages

In-Depth Review – Employment and Wages

- Presentations on the following four areas:
 1. Employment trends, wage gaps, and more
 2. Minimum wage
 3. Earned Income Tax Credit (EITC)
 4. Relationship between minimum wage and EITC
- Hear from a Council member about related experiences
- Group discussion and Q&A

In-Depth Review – Employment and Wages

- To recap, among the initial ideas we floated to discuss at the end of Meeting 1:
 1. Expand the EITC
Example: increase EITC at least 10% from 30 to 40% of Federal credit
- Looked to NAS' *Roadmap to Reduce Child Poverty*, which found that the EITC policy options have ability to reduce child poverty by at least 10%
 - Option 1: Increasing EITC payments along the phase-in and flat portions of the EITC schedule reduced child poverty by approximately 10%
 - Option 2: Increasing EITC payments by 40% across the entire schedule, while maintaining the current earnings eligibility range, reduced child poverty by more than 18%
- It is also based on the acute affordability crisis across New York State

In-Depth Review – Employment and Wages

- Challenges with employment and wages are well known and widely felt by many New Yorkers
 - Employment landscape has changed significantly
 - Affected by new policies, programs, technologies, sectors – and the COVID pandemic
 - Very different experiences by race, ethnicity, and gender
 - Exacerbated by inflation, rising prices, extreme cost of living in New York
 - NYS confronting this head-on, including with the minimum wage expansion in the budget
 - Always more opportunities to lift up New Yorkers, improve work and wages

Presentation – Employment and Wages Over Time

- **Economic Policy Institute**
 - based on the work of Dr Valerie Wilson
 - History and data on employment and wages in New York
 - Impacts of existing programs/policies
- Q & A to follow

Presentation – Minimum Wage

- **New York State Department of Labor**
 - based on the work of DOL's Division of Research and Statistics
 - Summary of recent changes to increase minimum wage
 - Key facts on minimum wage in New York
- Q & A to follow

***** Intermission *****

In-Depth Review

Employment and Wages

Presentation – Earned Income Tax Credit

- **Georgetown University**
 - based on the work of Dr Pamela Heard
 - Key history and context of EITC
 - Current impact and administrative burdens
- Q & A to follow

Presentation – Minimum Wage vs EITC

- **Niskanen Center**
 - based on the work of Josh McCabe
 - Interactions between minimum wage and EITC
 - Effects of layered programs on low-income New Yorkers
 - Opportunities for reform
- Q & A to follow

Discussion – Employment and Wages

- We have heard a lot today about employment and wages in New York, including the crises of wage gaps and continued disparities
- We also heard about interventions to address employment and wage challenges, including New York's recent expansion of the minimum wage and potential strategic reforms to EITC
- Focusing on these proposals:
 - What policy characteristics stand out as models for New York to consider?
 - Additional ideas for reforming or more effectively targeting these proposals?
 - Specific strategic iterations you want to see?

In-Depth Review

Lived experience discussion

In-Depth Review – Lived Experience

- Must incorporate the perspectives of New Yorkers with lived experience
 - Council Member Candace Cabral has provided a testimonial about her challenges with low-wage employment, including working minimum wage jobs
 - We will review and discuss their experiences with them
 - Q&A to follow

Discussion – Lived Experience

- Key takeaways from listening to their first-hand experiences
- Based on their testimonials, as well as your experiences helping New Yorkers facing these types of challenges, what specifics should we focus on learning, discussing, and addressing more?
 - Specific barriers to focus on?
 - Positive features of these programs and policies to build upon?
 - Best practices from successful programs that we can use to address areas of challenge?

Next Steps

Upcoming Meetings

Next Steps – Looking Ahead at 2023

- **Meeting 5:** Continue policy topic orientations – to consider:
 - Public Benefits
 - Childhood
- **Committees**
 - Tax Policy Committee – scheduled
 - Housing Committee – scheduling
 - Employment/Wages Committee – to schedule
 - Public Benefits Committee – to follow August 10 orientation on Public Benefits
 - Childhood Committee – to follow August 10 orientation on Childhood
- **Fall:** Develop proposed policy ideas and issue report/recommendations
- Meetings 6 and 7: Review data/report from Urban Institute, develop and issue recommendations

Next Steps – Meetings in 2023

- **Tentative schedule for most of remainder of 2023:**
 1. August 10
 2. September 21
 3. Late October or early November

Meeting 5 – August 10, 2023

- **Explore** – continue our deep dive
 - Public Benefits
 - Childhood
- **Discuss** –
 - Any updates from Tax Policy, Housing, and Employment Wages Committees
- **Data review** –
 - Urban Institute findings

Closing

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for Human Services and Mental Hygiene Jihoon Kim** – Remarks
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- **Commissioner Daniel W. Tietz (OTDA)** – Remarks
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Questions? Comments? Feedback?

Thank you!