



# POLICY ISSUE BRIEF

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## Funding for Nonprofit Human Service Providers

Funding for nonprofit human service providers in New York has been slashed by 26% since 2008, resulting in funding levels lower than in 1980. Non-profits are expected to continually do more with less, but these providers cannot continue to provide quality services to communities without adequate funding. Part of assuring that providers can continue to operate involves having sufficient and qualified workers. Today, 60 percent of the human services workforce qualifies for some form of public assistance and wages have stayed the same year after year. The average human services worker is living at or below the poverty line. Nonprofit human service providers care for the most vulnerable people in our state. They provide services that no other entity is able to or willing to provide. Whether caring for people in need of mental health services or supportive housing, the elderly in nursing homes, at-risk children in after school care, people with addictions or those with physical or developmental disabilities, we need nonprofit human service providers. And we need them to be adequately funded so they can continue to fulfill their mission.

In 2006, a law was enacted to provide a statutory COLA for human service providers (Chapter 57 of the Laws of 2006), including behavioral health providers. The COLA for each fiscal year is to be based upon the previous July's annual Consumer Price Index - Urban (CPI-U). While the original law has been extended for every year through this current fiscal year, unfortunately, most years since 2006, COLAs were not included in the state budgets.

The total cumulative COLAs that should have been provided to behavioral health providers, based upon the CPI-U for each year from FY 2007-08 through FY 2021-22, totals 35.31%. Accounting for two small COLA increases that were provided and two modest salary increases, a conservative estimate of the cumulative amount of COLA withheld from behavioral health providers is approximately 30% (the approximate amount of COLA funding deficit for Office of Mental Health [OMH] and Office of Addiction Services and Supports [OASAS] providers combined totals is well over \$500M).

## Recommendation

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MHANYS strongly supports Governor Hochul's proposed budget, which includes a 5.4% COLA based on the Consumer Price Index (CPI). In order to restore years of unrealized promised funding to OMH and OASAS providers MHANYS urges the Legislature and the Governor to add \$500 million for the mental health and addictions community in the State Budget. In addition, we support this COLA funding becoming a permanent funding stream for every year, and that the Health Home Care Managers be included in this human services COLA.