

## Mental Health Workforce Funding

**An 8.5% cost of living adjustment for human service workers is needed to assure a workforce that's able to fulfill the Governor's vision for mental health in New York.**

The Governor's proposed Executive Budget for 2023/24 includes an unprecedented, multi-year investment of \$1 billion in New York State's mental health system of care. Increases in psychiatric hospital bed capacity, new supported housing units, the expansion of school based services and crisis oriented treatment represents a bold and ambitious vision for mental health in New York.

But in order for the Governor's vision to be fulfilled, an adequate behavioral health workforce is needed that's commensurate with the planned expansion. The current workforce is not sufficient to implement the Governor's vision, due in part to historic under funding for nonprofit human service providers in New York. Wages have not kept pace with inflation.

In 2006, a law was passed to provide a Cost of Living Adjustment (COLA) for human service providers (Chapter 57 of the Laws of 2006), including mental health workers. Unfortunately, most years since 2006, COLAs were not included in the state budgets. Had the law been followed in every year from FY 2007-08 through FY 2021-22, funding for human service workers would be 35.31% higher than they are today. Instead, only two small COLA increases and two modest salary increases were provided, which represents the withholding of approximately 30% COLAs from behavioral health providers, or over \$500 million. Thanks to Governor Hochul, the 2022/23 Executive Budget included a 5.4% COLA for human services workers along with retention bonuses for direct care staff of up to \$3000. This funding was sorely needed and helpful but represent only a small down payment on what's needed.

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.

## Legislative Need

MHANYS strongly supports a budget that includes an 8.5% 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 \$800 million for the mental health and addictions community in the State Budget. This COLA funding should become a permanent funding stream for every year, and should include Health Home Care Managers.

## **The cumulative impact of COLAs withheld from community-based mental hygiene and human services providers**

In 2006, a law was enacted (Part C of Chapter 57 of the Laws of 2006\*) to provide a statutory COLA for community-based mental hygiene and human service providers. The COLA for each year was to be based upon the previous July's published annual Consumer Price Index - Urban (CPI-U), from the Bureau of Labor Statistics within the federal Department of Labor. While the original law initially was effective for a three-year period, it has been extended for every year through the current state fiscal year.

The cumulative annual CPI-U inflationary increases, over a 15-year period from 2007-08 through the current fiscal year 2022-23 totals 35.31%.

A COLA was provided in 2006, but was "notwithstanding" (not funded) in all but three subsequent years. In those three years in which a COLA was provided, there were 0.2%, 1.0% and 5.4% increases (totaling 6.6%). \*\*

To calculate the cumulative amount of COLA that were withheld from providers, a simple calculation shows a cumulative COLA deficit through the 2022-23 FY of 28.71% (35.31% - 6.6%). However, this simple calculation does NOT include an additional lack of funding from the compounding effect \*\*\* resulting from withholding these COLAs.

Further, in the Governor's 2023-24 Executive Budget request, a 2.5% mental hygiene and human services COLA is proposed. However, the relevant CPI from July 2022 was 8.5%, resulting in an additional COLA deficit of 6% (8.5% - 2.5%).

When this 6% deficit is added to the 28.71% cumulative deficit from 2007- 2022, the cumulative COLA funding deficit totals 34.71%. As noted above, this cumulative deficit does NOT include additional funding that would have been available from the compounding effect, had there been regular COLA increases.

As a result, most impacted providers and staff have had, and will continue to be have, extreme difficulty recruiting and retaining critical direct care staff positions.

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*\* Part C of Chapter 57 of the Laws of 2006, as amended, includes a lengthy list of almost every community-based (i.e., non-hospital based) mental hygiene and human service provider in the state, that are eligible for COLA increases.*

*\*\* Additionally in two fiscal years, there were modest salary increases for some employees in mental hygiene programs, and in FY 2022-23 there was a one-time \$3000 payment for most mental hygiene staff.*

*\*\*\* The compounding effect results in smaller funding increases when previously withheld COLA increases are not included in future year COLA calculations.*