

History of the Human Services Cost of Living Adjustment (COLA)

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 COLA law initially was effective for a three-year period, it has been extended each year since.

The cumulative annual CPI-U inflationary increase, over a 16-year period from 2007-08 through the current fiscal year 2023-24 totals 43.81%.

A COLA was provided in 2006, but was “notwithstanding” (not funded) in all but four subsequent years. In those four years in which a COLA was provided, the increases were 0.2%, 1.0%, 5.4%, and 4% (**totaling 10.6%**). **

To calculate the cumulative amount of COLA that were withheld from providers, a simple calculation **shows a cumulative COLA deficit through the 2023-24 FY of 33.21%** (43.81% - 10.6%). However, this simple calculation does NOT include an additional lack of funding from the *compounding* effect *** resulting from withholding these COLAs.

** 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.*