

Mental Health Workforce Funding

A 2.7% increase for community-based not-for-profit human services rates and contracts is needed in the FY 2026-27 New York State Budget to strengthen community mental health.

Summary: The not-for-profit mental health and human services providers care for the most vulnerable New Yorkers. They provide vital community-based services that New York State would otherwise have to provide. This year, the Governor's proposed budget for 2026-27 includes a 1.7% targeted inflationary increase. We call upon the Legislature to add an additional 1% for a total increase of 2.7%. The current rate of inflation, according to the Consumer Price Index, is 2.7%, which is why we are seeking this increase.

Highlights

- ✓ The current mental health workforce is not sufficient to meet a growing demand for community-based mental health services.
- ✓ The unfulfilled promise of Chapter 57 of the Laws of 2006 has resulted in a cumulative cost of living adjustment funding deficit that's 34% below the corresponding Consumer Price Index, or over \$500 million.
- ✓ 2.7% targeted inflationary increase is the minimum needed for community-based not-for-profit human services rates and contracts in this year's budget to help keep pace with inflation and to recruit and retain workers.

Legislative Request

- ✓ Support an additional 1% for the targeted inflationary increase in the FY 2026-27 State Budget for a total of 2.7%.
- ✓ Convey support for the 2.7% targeted inflationary increase to Senate/Assembly leadership.

Talking Points

- ✓ We need these not-for-profits!
- ✓ These not-for-profits are vital to health and well-being our families and communities.
- ✓ Not-for-profits are experiencing serious workforce challenges including 20-30% vacancy rates and 35% annual turnover rate. This in turn impacts the quality of care New Yorkers receive as it results in longer waitlists and delays in access to care.
- ✓ The 2.7% targeted inflationary increase is the minimum needed. Non-profits are facing rising costs for fuel/utility costs, employee insurance, and liability premiums as well as need to support wage increases for their workforce.

Background

New York State is in the midst of a mental health crisis. One in five New Yorkers experience mental health or substance use disorders, with half of all disorders starting by age 14. The statistics for youth is alarming. According to the Centers for Disease Control and Prevention 2023 Youth Risk Behavior Survey results, 18.5% of high school students consider suicide, with nearly 11% attempting compounded by the impact of social media, loneliness, and AI chatbots.

We acknowledge New York State has had major investments in community-based initiatives over several budget cycles, such as significant expansion of housing, Assertive Community Treatment (ACT) Teams, Children’s Mental Health, Crisis Services, Prevention Services, and Suicide Prevention. We need to have staff in place to run these programs including, clinicians, direct care workers, peers, families and paraprofessionals.

In 2006, a law was passed to provide a cost of living adjustment (COLA) for the State’s human service providers (Part C of Chapter 57 of the Laws of 2006), including mental health providers. Unfortunately, for most years since 2006, COLAs were not included in the state budgets. Had the law been followed in every year since its passage, funding for community-based human service providers would be significantly higher than they are today.

Unfortunately, prior to Governor Hochul taking office, only two small COLA increases and two modest salary increases were provided in those fifteen fiscal years. Thanks to Governor Hochul and the Legislature, the budgets for the last four fiscal years have all included COLAs. However, even in these past three budgets, COLAs have fallen an additional 5% below the corresponding Consumer Price Index for those years. As a result, the cumulative COLAs provided over the past 18 years is an astounding 34% below the corresponding Consumer Price Index, or over \$500 million.

In this year’s Executive Budget request, the Governor has proposed a 1.7% “targeted inflationary increase,” again below the applicable consumer price index of 2.7%. We are urging the final budget provide an additional 1% for a total of 2.7%.

Non-for-profit providers care for the most vulnerable in our state. They provide services no other entity is able or willing to provide. We need them to be adequately funded so they can continue to fulfill their mission.

