



## NYS Council Budget Agenda Post Release of '24 Executive Budget Proposal

### Issue: COLA

The entire Human Services sector requested 8.5% COLA to address workforce emergency and ever-increasing expenses associated with operations; however, executive budget proposal is for **2.5%** (OMH, OASAS, OPWDD, OTDA, SOFA, OCFS)

Specifically, SUD and MH Providers requested 8.5% **PLUS** \$500M for rate/contract increases.

About the executive budget 2.5% COLA proposal:

1. Does not include HH for children
2. Does not include CCBHC-D
3. Took NYS 9 months for last year's 5.4% COLA to reach providers due to MCO delay tactics. Many MCOs still have not paid the correct (new) rates
4. Hospitals, Nursing Homes & Assisted Living Programs rate proposal is for 5%. At a minimum, we need parity.
5. No additional rate increases are proposed for many MH and SUD community-based programs and services – including treatment programs - in the executive budget however all of the temporary increases associated with federal funds related to COVID-19 are expiring/have expired.

### **Talking Points:**

- Waiting lists for core MH and SUD programs and services are extensive and statewide.
- Last year's 5.4% COLA was the first significant COLA the sector had seen in over a decade. An additional 2.5% this year is not enough to stop the bleeding since it will likely go to operating costs first due to the increased costs of doing business. Any increases to staff compensation will be paltry at best if not non-existent.
- While the governor is calling for a \$1 billion investment in mental health, \$890M of that is going to capital projects. While these investments are extraordinarily important, there is no meaningful investment in our workforce, and that's where the major crisis is now.
- Extraordinarily high costs associated with all aspects of operating programs and services – agencies consolidating/closing intake
- No ability to ensure culturally competent services via diverse staff
- Staff are migrating to jobs anywhere/everywhere else – despite HCW Bonus Program, seeking better pay, more flexibility in work schedules and less emotional trauma
- Minimum Wage proposal will not alleviate emergency shortages across the state, and generally costs agencies money to close the gaps that open up. The Budget proposes to index the state minimum wage to inflation, measured as the urban Consumer Price Index (CPI-W). This would begin in the year after the area's minimum wage reaches \$15, as phased in under current law. In the eight-county downstate area, where the minimum wage is already \$15, it would begin in 2024. However, increases would be capped at 3%, and would not apply if the CPI-W is negative, if the U-3 unemployment rate increases by 0.5% or more, or if employment levels in New York at time of calculation have decreased from both three and six months before.