

NYDA Post One House Bills Talking Points: March 2023 – April 2023

Topline Messaging - COLA

- For over a decade, New York's not-for-profit provider agencies of services for people with I/DD have faced a historic pattern of underfunding and cuts, resulting in a dire workforce crisis brought on by wage stagnation and the ever-increasing costs of providing life-supporting services.
- Since July 2022, we have seen investments in our workforce, including last year's 5.4% COLA in the SFY 2023 budget, begin to help address high staff vacancies and turnover rates, as evidenced by NYDA's most recent survey results.
- With a significant rise in inflation over the past year, not-for-profit provider agencies' operating costs have increased significantly, and without an adequate COLA to compensate for these increases the progress made from last year's funding will be negated.
- While we are disappointed that Governor Hochul's executive budget proposal only included a 2.5% Cost-Of-Living-Adjustment (COLA), we are grateful for the full 8.5% COLA inclusion by the Assembly and Senate in their respective One House Bills.
- We are disappointed that the Governor's budget proposal, nor the Assembly and Senate One House Bills included our requested \$4,000 Direct Support Wage Enhancement, especially in light of the proposed salary increases for State-employed DSPs to \$23/hour upstate and \$25/hour downstate. This makes it all the more imperative that the final budget agreement includes the full 8.5% COLA.
- NYDA is calling upon Governor Hochul to join the New York Legislature in recognizing the need for the full 8.5% Human Services COLA by ensuring its inclusion in the final FY24 Enacted Budget and make the COLA funding automatic ever year - as referenced in the Senate One House Bill.
- The inclusion of a COLA in enacted budgets year after year is essential for New York's not-for-profit providers to have the resources necessary to continue supporting the lives of over 130,000 New Yorkers with I/DD.

COLA Necessity

- The 8.5% COLA is derived from the CPI-U, a nationally recognized barometer of increased costs.

- Without an adequate COLA, provider agencies will inevitably be forced to reduce their life-supporting services, leaving individuals with I/DD and their families nowhere to turn, and workforce wages and benefits will again stagnate.
- The system NEEDS continued investment and support to stabilize New York's not-for-profit care services system, which receives its funding from the state's Medicaid program which also sets its rates.

Detailed Talking Points

System Sustainability – COLA

- Significant cost increases related to mandated fringe benefits, maintenance, utilities, food, supplies, transportation and insurance over the past fifteen years and especially over the last 12 months have resulted in significant financial pressure on agencies.
- An adequate COLA increase is critical to address inflation, increased operational costs and provide livable wages to the staff who provide these critical services.
- Additionally, since I/DD provider agencies are solely funded by Medicaid, agencies are unable to increase reimbursement for services to compensate for increased costs of operations without a COLA.
- To offset these costs and historic underfunding of the I/DD services sector, an 8.5% COLA in SFY 2024 Budget is necessary to maintain provider operations and to have the ability to continue to invest in the workforce.

Workforce Sustainability – DSPs

- Permanent investment in Direct Support Professionals' salaries is essential to recruit and retain staff in the face of the sector's dire workforce crisis and ensure the viability of the field.
- DSPs are highly skilled professionals responsible for providing important practical, administrative, and social, emotional & psychological support for individuals with I/DD.
- DSPs are integral pillars of support for New York's I/DD community and are crucial in ensuring that over 130,000 New Yorkers with I/DD can live their highest quality of life.
- However, due to lack of funding or a Direct Support Wage Investment similar to what state operated staff doing the same jobs, DSP salaries remain barely above minimum wage, resulting in many potential and current DSPs choosing sectors like retail or fast food – which provide higher pay with less training or job demands.

- Due to the lack of the \$4,000 Direct Support Wage Enhancement, the 8.5% COLA is critical to assist nonprofit providers to address inflation, increased operational costs and provide livable wages to the staff who provide these critical services.

Key Data Points

- Not-for-profit providers support 85% of individuals with I/DD in NY.
- Direct support positions remain at a nearly 20% vacancy statewide, which equals up to 19,788 vacancies that need to be filled by the non-profit sector.
- Since pre-pandemic levels, the vacancy rate remains up by 42.5% -- an unsustainable level.
- The annual turnover rate for agencies statewide is at a staggering 30%.
- As a result, high staff turnover rates are costing provider agencies over \$100million annually, leaving thousands of New Yorkers with I/DD without vital supports and services and places to call home.