

NYDA Post Executive Budget Talking Points: February 2023 – April 2023

Topline Messaging

- 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 turn the tide of high staff vacancies and turnover rates, as evidenced by NYDA's most recent survey results.
- Unfortunately, Governor Hochul's inclusion of a 2.5% Cost-Of-Living-Adjustment (COLA) as part of the 2024 Executive Budget does not provide the necessary resources for not-for-profit provider agencies to continue to make progress in addressing the decades-long workforce crisis.
- Therefore, NYDA is calling on the New York Senate and Assembly to enact two solutions to help counter this crisis in their respective SFY 2024 one-house budgets:
 - Increase the 2.5% COLA to 8.5%, which is the rate of inflation over the past year, to offset rising inflationary costs; and
 - Establish a Direct Support Wage Enhancement (DSWE), similar to the one provided to OPWDD-employed DSPs, to increase hourly pay for the crucial workforce that supports people with I/DD.

COLA

- Due to a significant rise in inflation over the past year, not-for-profit provider agencies' operating costs have increased significantly, and without adequate funding to compensate for these increases the progress made from last year's funding will be negated.
- The system NEEDS continued investment and support to stabilize New York's not-for-profit care services system, which receives 90% of its funding from the state Medicaid program.
- The COLA is determined by the CPI-U, a nationally recognized barometer of increased costs, which this year stands at 8.5%. Without an adequate COLA, provider agencies will

inevitably be forced to reduce their life-supporting services and workforce wages and benefits will again stagnate.

DSWE

- OPWDD has acknowledged how critical it is to solve the workforce crisis, as evidenced by their Strategic Plan that states that their #1 Goal is to “improve the recruitment, retention, and quality of the direct support workforce” by “investing in the workforce”.
- Yet again we have seen no wage enhancement for the not-for-profit workforce.
- **HOWEVER, New York State has now provided two wage increases for state-operated workers in the past year leaving not-for-profit workers, who are doing the same job for the same individuals, making only 70% of what their state counterparts make, even though the not-for-profit systems provide services to over 85% of New Yorkers with I/DD.**
 - 13% increase in calendar year 2022
 - \$4,000-\$6,000 proposed increase in 2023
 - Additional \$50M announced in 2024
- **There should be no preferential treatment when it comes to improving lives, and equity for all within this vital workforce must make its way into the final Budget.**
- The establishment of a Direct Support Wage Enhancement is a critical and equitable component to ensure that the not-for-profit employees are treated and supported fairly as they serve the majority of New Yorkers across the state.

Detailed Talking Points

System Sustainability – COLA

- Significant cost increases related to mandated fringe benefits, maintenance, utilities, food, supplies, transportation and insurance over the past 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 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.

Workforce Sustainability – DSWE

- Through the DSWE, provider agencies would receive an annual funding allocation of \$4,000 per eligible employee to be used for purposes of enhancing the hourly rate of pay for all staff that has direct care/support responsibilities for individuals with I/DD.
- This proposed \$4,000 increase equated to an approximately \$2.19 an-hour increase for a full-time employee – a significant amount that will allow DSPs and employees the ability to provide for their families and keep the IDD sector labor market competitive.
- To counter this DSP workforce crisis, the establishment of a new Direct Support Wage Enhancement (DSWE) as part of the SFY 2024 New York State Budget is vital.

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 \$100m annually, leaving thousands of New Yorkers with I/DD without vital supports and services and places to call home.