



Association for Community Living
99 Pine Street, Suite 202JR
Albany, NY 12207
(518) 426 - 3635

JOINT SENATE/ASSEMBLY
LEGISLATIVE HEARING ON THE 2006 –2007 BUDGET

January 25, 2006

Good Afternoon. My name is Antonia Lasicki and I am the Executive Director of the Association for Community Living (ACL.) ACL represents over 125 not-for-profit community mental health agencies across the state that provide an array of mental health services including over 20,000 housing units with a rehabilitation focus. Our members employ approximately 8,000 health services workers in the residential programs alone and have relationships and commitments to families and communities all across the state. Our members serve primarily consumers who are affected by severe and persistent mental illness, many of whom have co-occurring substance addictions and serious medical conditions. Our members' programs are primarily funded and regulated by the Office of Mental Health, and it is about those programs that I'll be speaking today.

I would like to start by thanking Governor Pataki, the Division of the Budget, Dr. Carpinello, and her team at OMH, for the budget they put together this year for community based mental health consumers and providers.

The three year Cost of Living Adjustment that the Governor included in this year's budget has been the crucial missing piece in community based mental health. The first two attached charts show how rises in the consumer price index without any corresponding increase to the funding for these programs erodes the fiscal health of the most vital support network for people with serious and persistent psychiatric disorders. Without a permanent COLA, we will continue to experience serious shortfalls and program interruptions. The COLA needs to be made permanent.

SUMMARY: WE URGE YOU, TO NOT ONLY SUPPORT THE 3 YEAR COLA, BUT TO MAKE THAT COLA PERMANENT BY DELETING THE SUNSET CLAUSE IN THE ARTICLE VII BILL.

In addition, the Governor included \$6.5 million dollars to increase the state stipend to providers that operate the Supported Housing program. There are over 11,000 beds in the Supported Housing program in NY. It is highly cost effective, currently costing the state from \$6,700 per year per client in the least expensive upstate county to \$13,500 per year per client in New York City. It was begun in 1991, but did not experience its first funding increase OF ANY KIND, until 2001, ten years after it began. It often provides the first opportunity for people who need long-term supports to access a permanent place to live, creating a level of stability crucial to recovery. The lack of funding over the years had jeopardized the very existence of this program, however, this second \$6.5 million dollar increase for the second year is a wise and much needed step that will help to stabilize this program, but it is only the second step in a multi-step process.

Chart number three shows what ACL calculated to be a reasonable cost based Supported Housing stipend in each county in the state. Clearly the State Office of Mental Health has made some serious progress in the last two years in closing the gap, however, the gap still exists. Infusions of similar amounts will be needed for the next couple of years with an automatic cost of living adjustment each year into the future, in order to completely stabilize this crucial program.

In addition, although upstate Supported Housing operators have not felt the fiscal pressures that downstate providers have, the upstate providers have only received a 6% increase in funding over 12 years, and they are beginning to feel real fiscal pressures, particularly as rising fuel costs eat up more and more of the stipend for heat and transportation in suburban and rural areas. The COLA will certainly help these upstate programs, but they need a one time increase as well in order to remain viable.

SUMMARY: WE URGE YOU TO SUPPORT THE \$6.5 MILLION INCREASE FOR DOWNSTATE BEDS, AND TO ADD AN ADDITIONAL \$2.5 MILLION FOR UPSTATE BEDS.

The 2.5% COLA will also provide limited financial relief to over 10,000 OMH licensed residential beds throughout the state at a time when these programs are being called upon by the state Office of Mental Health, by local governments, and by judges deciding AOT court orders to admit consumers with the very highest needs and who, without proper supports, present the highest risks. There is often one staff person working alone on the evening and overnight shifts, and staff turnover rates are over 50%. The inadequacy of the number of staff can be traced to an outdated OMH staffing model that dates to 1984, while the high turnover rates are due to insufficient funding increases over the years.

The second chart shows the history of the increases to these programs since 1991. You will see that the total increases for these programs are approximately 18% over 15 years, an average of just over 1% per year, while the Consumer Price Index has increased approximately 45% in that same time period, an average of 3% per year.

In addition the state has decreased its contribution at great cost to the providers over the years in two ways:

1. By reducing its contribution by the exact amount of the Federal SSI COLA thereby negating it –
COST TO PROVIDERS: \$132 MILLION DOLLARS OVER 16 YEARS
2. By changing an esoteric funding formula (exempt income) in 1995- **COST TO PROVIDERS: OVER \$40 MILLION**

The total cost to providers adds up to over \$170 million dollars over the past 16 years.

I urge you to add a one-time infusion of \$15 million state dollars into this program immediately, or the possibility of bed closures is very real. Providers cannot be expected to lose tens of thousands of dollars on these programs, nor can they be expected to operate without a full and complete array of well-qualified, well-trained and well-paid staff. The state clearly wants and needs these programs. State mental health staff, local government mental health staff, hospital discharge coordinators, judges, case managers, all want to make admission into these programs the highest priority for the highest risk – highest need consumers.

I also urge you to mandate that the State Office of Mental Health conduct a complete functional assessment on all consumers in these programs as they did in 1984 so that they can establish adequate staffing patterns and staff qualification levels as they did in 1984.

SUMMARY: WE URGE YOU TO ADD \$15 MILLION TO THE LICENSED RESIDENTIAL MODEL, AND TO MANDATE A COMPLETE FUNCTIONAL ASSESSMENT OF THE CONSUMERS IN THE PROGRAMS SO THAT ADEQUATE STAFFING PATTERNS AND QUALIFICATIONS CAN BE ESTABLISHED THAT MEETS THE NEEDS OF THE ACTUAL CONSUMERS THAT THE PROGRAMS SERVE.

Lastly, I would urge you to support the New York/New York III agreement that provides 9,500 special needs beds in New York City, 5,550 of which are designated for individuals and families with serious psychiatric disorders. These beds are crucial to decreasing homelessness, and will not cost the state much more because it will decrease reliance on other very expensive services. However, every one of these beds has been designated for New York City. Traditionally, all mental health bed allocations are split between New York City and the rest of the state. Using this methodology, the rest of the state should also enjoy an addition of 5,550 beds over the next ten years. These beds would likely be Scattered Site Supported Housing beds however, which are even more cost effective than New York/New York. 550 beds each year would cost approximately \$6.6 million dollars per year with no capital costs at all.

WE URGE YOU TO SUPPORT THE NEW YORK NEW YORK III AGREEMENT AND TO MAKE A COMMITMENT TO ADD 550 UPSTATE BEDS THIS YEAR AT A COST OF \$6.6 MILLION.

SUNMMARY OF PRIORITIES:

- **SUPPORT THE \$6.5 MILLION DOLLAR SUPPORTED HOUSING INCREASE FOR DOWNSTATE, AND ADD \$2.5 MILLION FOR THE REST OF THE STATE**
- **MAKE THE COLA PERMANENT,**
- **ADD \$15 MILLION IN STATE DOLLARS TO THE STATEWIDE LICENSED RESIDENTIAL PROGRAMS;**
- **PASS LEGISLATION THAT MANDATES A FULL FUNCTIONAL ASSESSMENT OF CONSUMERS IN LICENSED RESIDENTIAL PROGRAMS SO THAT NEW, ADEQUATE STAFFING PATTERNS AND QUALIFICATIONS CAN BE ASCERTAINED, AND ULTIMATELY FUNDED;**
- **SUPPORT THE NEW YORK/NEW YORK III AGREEMENT, AND**
- **COMMIT TO 550 NEW BEDS PER YEAR OUTSIDE OF NYC AT A COST OF \$6.6 MILLION.**



CHART ONE

Comparison of Cumulative
Consumer Price Index to Cumulative Increases in Upstate and
Downstate Supported Housing Program
1991 – 2007 (including the Gov's proposed increase)

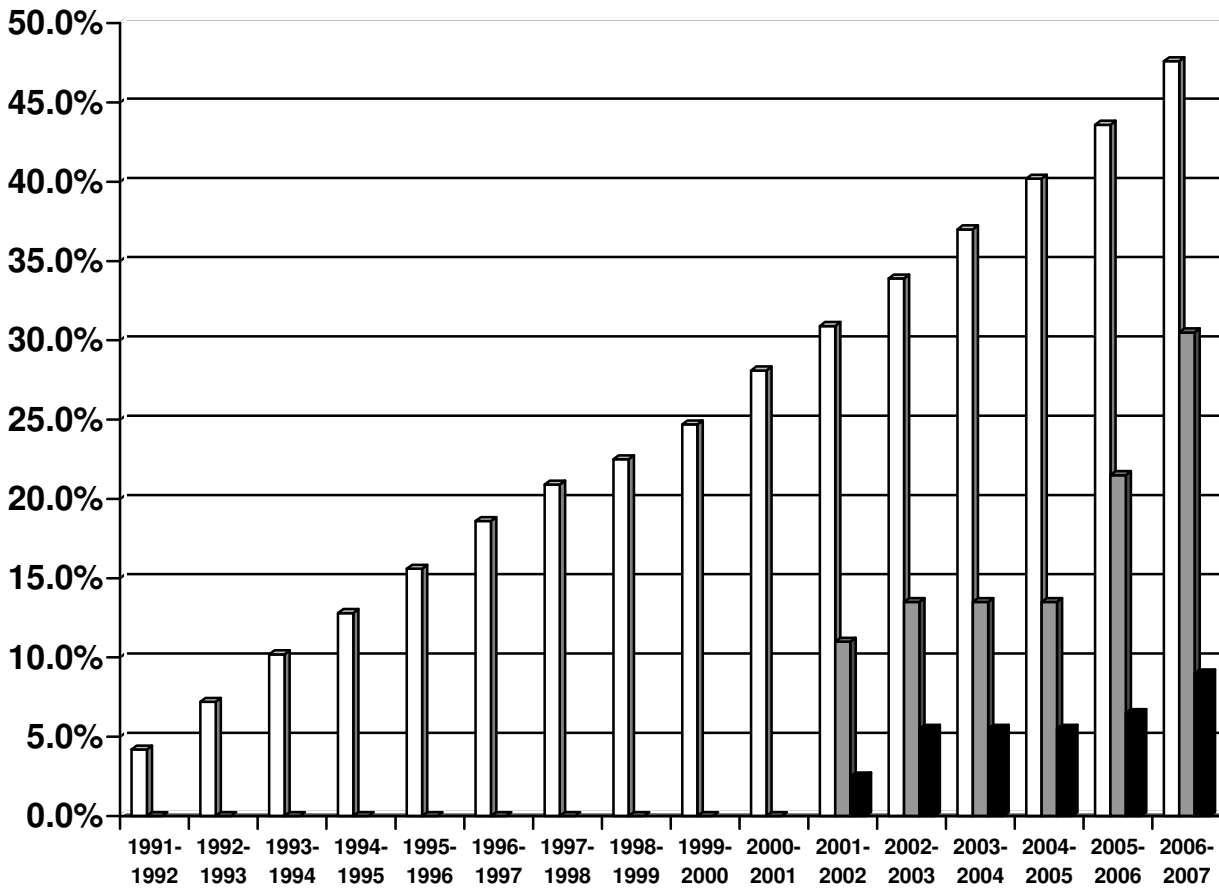




CHART TWO

1991 to 2007 Comparison of the
Cumulative Consumer Price Index to the OMH CR Residential Funding Changes
(including the Governor's proposed 2.5% increase for this year)

