



New York State Catholic Conference

2017 Issue in Brief

Issue

Support funding for recruitment, retention and reimbursement for Human Services professionals

Background

For all but one of the past several years, New York State has deferred statutorily defined cost-of-living-adjustments (COLAs) for the Human Services sector. The 2017-2018 Executive Budget defers a 0.8 percent COLA for one year, saving the state \$40 million. When this and all other COLA deferrals are added together, the cumulative impact on the Human Services sector is \$540 million. In just the past year, the passage of a \$15 per hour minimum wage and a related NYS Department of Labor regulation increasing the limits on overtime and exempt employees have crippled our sector because both of these came without any additional adequate resources to support these new costs of doing business in the state.

On top of these actions, our agencies are in direct competition with many sectors of the workforce including, but not limited to, fast food workers and the newly created Preferred Provider Systems, which are hospital-led entities working to reduce hospital emergency room visits and hospital admission/readmission rates by 25 percent over a five-year period. This sector is hiring staff away from service providers like Catholic Charities because they are able to offer higher salaries (some as much as double the rate).

Messages

- The lack of staff due to competition from other sectors, coupled with inadequate state reimbursements, are placing our programs and the people we serve in great peril. Taking these factors together, the Human Services sector is on the verge of collapse.
- The Human Services sector represents 17 percent of the private sector workforce and generated \$68.6 billion in wages in FY 2016. The Human Services sector is in need of an immediate cash investment. There are two things that can be done to address this crisis. First, the Legislature should reject Part Q of the Health & Mental Hygiene Article VII bill and restore the \$40 million to the state agencies impacted by the one-year deferral of the COLA statute; and, second, the state budget agreement should add \$12 million to increase human services contracts to support the most recent increase in the state's minimum wage. This would represent an extremely modest increase in total wages paid to this sector but are critical to the stability of programs.
- The not-for-profit human services sector is an important partner of state government, delivering quality services in a cost-efficient manner. Surely, this workforce is deserving of an investment of new resources by the state.

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