



**Joint Senate/Assembly Budget Hearing on Mental Hygiene  
Testimony of Douglas Cooper, Interim Executive Director  
The Association for Community Living  
February 5, 2025**

Thank you, Senator Krueger and Assemblyman Petlow for this opportunity to submit testimony. We would also like to acknowledge the participation and interest of the present Senate and Assembly committee members, the newly appointed Assembly Mental Health Chair, Assemblywoman Simon, and Senator Samra Brouk, the Senate Mental Health Chair.

I am Douglas Cooper, Interim Executive Director at the Association for Community Living. Our over 100 member agencies provide housing and rehabilitative services to more than 42,000 people with serious mental illness living in the community. The direct-care staff working in our residential programs assist people on their road to recovery and independence.

Our members are struggling. The expenses associated with doing business have risen yearly while reimbursement rates have not kept pace. Supportive housing programs provide a home in the community for people needing extra assistance to succeed. The costs associated with running a home have skyrocketed – food, utilities, transportation, and insurance, including health, liability, and property, have all gone up. For example, our members' liability insurance coverage levels have decreased while premiums continue to go up, in some cases by over 50%.

Our staff are struggling. Many don't make a living wage and need to work two or three jobs to support their families. They can't afford childcare and healthcare. Some of our staff rely on public benefits to make ends meet. Our ability to recruit and retain staff is becoming harder and harder. Currently, our members are experiencing an average 30% staff vacancy rate along with an annual turnover rate of close to 50%. Our members report a reduced applicant pool along with significant numbers of interview no-shows, and many employees who accept available positions are unable to satisfactorily perform the service delivery and administrative tasks required of them by the many state oversight agencies to which they are subject. These limitations have grown in recent years, as agencies are tasked to serve individuals with increasingly complex service needs (and associated risks) and to meet onerous regulatory requirements.

Our residential programs are needed to save the state from expensive alternatives. Housing with support services offers people an opportunity to live in the community with dignity. The alternatives are expensive long-term hospital stays, substandard housing, shelters,

homelessness, and incarceration in jails and prisons. We need to be able to offer a level of support that meets the needs of our residents as they work towards recovery.

After many years of seeing no increases, housing providers are grateful for any type of investment. The Governor's budget proposal calls for a 2.1% inflationary increase this year. However, 2.1% is not enough. A 7.8% investment in our programs is required to keep pace with inflationary increases that have occurred in just the past four years.

We support the \$11.9 million in the Governor's proposal to address rising property costs in supported housing. Property costs, including rents, have risen at a higher rate than inflation. Thankfully, last year the Governor provided a mechanism through the extension of a property pass-through to all New York State Office of Mental Health (NYS-OMH) residential programs. The passthrough addresses rising property costs that historically eroded the funding available for services. The Governor's commitment has continued with this year's \$11.9 million to cover increases in rent for the scattered site-supported housing program.

New York State has recognized the importance of housing in healthcare. A good portion of the recent \$1 billion investment in community mental health is being used to develop new OMH community housing. We also have ESSHI as a pipeline for development. All these investments will create safe integrated housing for individuals needing assistance to live in the community. While there remains a need for more housing with support, and New York State continues to address this need, we must ensure our existing residential programs remain viable.

Recognizing that programs can't provide adequate services without additional investments, the Governor's proposal includes an increase to ESSHI rates from \$25,000 per unit to \$31,000 per unit, with an additional \$3,000 for units in the NYC metro areas. We support this investment and hope it will cover both new and existing units.

The Governor and the legislature have also made significant investments in existing residential programs over the past few years. These investments covered shortfalls that were years in the making. Over 25 years we received little in the way of reimbursement adjustments to address rising operating costs, including the many increases we made to staff salaries. The recent investments helped us reach funding levels that allow services to be delivered using models developed in the 80s and 90s. While we are grateful for this investment, our residents have significant needs that are different from the times our models were developed.

Most of our current residents have co-occurring disorders including major medical conditions and substance use issues. Our current reimbursement levels only cover paraprofessional staff with most shifts having single coverage. Single coverage makes the work almost impossible. Our staff must supervise medications, ensure meals are on the table, and help residents work on recovery by providing and documenting Medicaid billable services. Our current models don't provide reimbursement for nurses, health aids, or clinic workers that are necessary to adequately address an individual's recovery needs. Our programs already provide maintenance staff, housekeeping, and security staff to keep programs running. However, there is no direct

reimbursement for these required positions. We need a \$230 million investment in the current OMH housing programs to ensure services are available to best address the needs of our residents.

This \$230 million investment would be used in all the OMH residential program types. One example, the Community Residence Single Room Occupancy (CR-SRO) is a licensed program that serves the same type of individuals as an unlicensed ESSHI program. While the CR-SRO is required by regulation to provide a higher level of care, the per-unit funding is less than the proposed rates for ESSHI units. This makes no sense. With the low reimbursement rate and high level of care required in a CR-SRO, many providers are losing money every year and the viability of these units is at risk. At a minimum, CR-SRO rates need to be increased to meet, if not exceed, what is proposed for an ESSHI unit.

The Governor's proposal designates a total of \$18.5 million to enhance Assisted Outpatient Treatment (AOT) and involuntary commitments. While the additional resources may result in more individuals involved in AOT and being involuntarily committed, the successful engagement of people in services that help in recovery can only occur when there is adequate capacity available for the services that a person is willing to participate in, benefits from, and desires to receive. Quality Residential services are the key to having a person successfully return to the community after hospitalization or when under an AOT order. Our request for a \$230 million investment in existing OMH housing programs would improve the likelihood that those placements are successful and lead to a person remaining in the community and working towards recovery.

In closing, without adequate mental health housing with support, the ability of a person to successfully recover and remain in the community is at risk. **We respectfully request the legislature add to the Governor's 2.1% inflationary increase to bring this year's increase to the needed 7.8%. We also request a plan to bring an additional \$230 million investment to our existing housing programs to best meet the needs of the current residents.**