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*System Reform &
Redesign
Public Policy Alert*

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MEMBERS UPDATE: 3/29/19

The Budget Crunch

Good Morning!

The frenetic pace of the planning and advocacy season surrounding the passage of the New York State 2019-2020 budget will likely culminate with eleventh hour negotiations and an imminent agreement among the Governor, Senate and Assembly this weekend. Of course, we may be reporting on Monday that those parties have decided to adopt Governor Cuomo's musing earlier this year that "a good budget is more important than an on-time budget." This, of course, would be a divergence from his successful efforts since taking office to adopt a timely budget. And the Legislators have something at stake here, too. Their projected pay raises are tied to an on-time budget. So where do we stand?

Going into the process, we heard about an increasing revenue shortfall ever since the Governor's budget address in late January. With that in mind, our Legislators were predictably cautious in promising any of the 'asks' that BHC advocates were making via testimony, emails, telephone calls and in-person at the legislative office in Albany.

We were surprised, therefore, when both one-house budgets emerged with many of the elements that we had been seeking. Chief among them is the restoration of the 2.9% COLA for human services workers that was removed from the executive budget. By way of a quick historical reminder, the COLA was initially adopted as a permanent budget item about eight years ago, but the Governor has removed it as a cost-saving measure each year since, and the Legislature has only restored it once or twice. The Legislators, however, have heard a consistent drum beat of workforce issues from BHC advocates for at least three years now, and both houses seem to be fully supportive of the COLA as the first step in addressing the issue.

The Assembly bill makes the COLA effective at the beginning of the budget year (July 1, 2019), while the Senate bill does include it but puts it off until January 1, 2020. As you might guess, our BHC advocacy efforts have included pointing out to our Senators and the second floor the wisdom demonstrated by the Assembly.

Of significant note, PHIP funding has been fully restored in both one-house bills, and the Senate bill adds \$2M to Rural Health Network funding. Additional funding restorations in the one-house bills include \$100M for MHANYS for mental health first aid training, \$1.5M for crisis intervention teams and \$3M has been added by the Senate for additional MH housing programs. On the SUD service side, the Assembly bill proposes the extension of APG rates through March 2023 and, more importantly, establishes a work group to examine rate adequacy. It is not so much a question of 'are the rates adequate?' but more a question of 'how inadequate are they?' after being stagnant since the inception of OASAS APG rates in 2012. The Assembly bill also adds \$1.5M for jail-based treatment and transition services.

Finally, Governor Cuomo included the legalization of the recreational use of marijuana for adults in his executive budget (including funding for a 'marijuana agency') but both houses, rejecting that as a budget item, have omitted that from their bills. While advocates for legalized marijuana continue their vocal support for inclusion in the budget, gut feeling is that the Governor, in light

of well-researched opposition from the BHC community and a simple running of the numbers (expenses accrue now but projected revenues begin in two years) will be willing to kick that can of pot down the road.

Certainly this is not an exhaustive list of the favorable restorations, additions and subtractions contained in the one-house bills but suffice it to say that our Legislators have heard the BHC voices loud and clear. The difficult work of resolution will most likely culminate this weekend in Albany, and advocacy continues to date. If all goes according to plan and past example, sometime on Monday we will be able to begin the analysis of the 2019-2020 State Budget. Each year at this time, the question occurs to me: is it mere coincidence that the budget deadline, April Fool's Day and the opening day of trout season (forecast of twelve degrees at daybreak Monday?!? really???) all occur simultaneously...

~ Bud Z