

2009 Budget Request

RESTORE BASE CALCULATION OF HUMAN SERVICES COLA ~

What:

The Governor proposes to reduce the popular Human Services Cost of Living Adjustment (COLA) by one percent for the last quarter of the current fiscal year and proposes no COLA during the 2009-2010 state fiscal year. More troubling than the loss of a portion of the current COLA and delay of providing a new COLA is the proposal to recalculate the base upon which any subsequent COLA would be applied. This “reduction to the COLA base” must be restored.

Why:

Although the Governor proposes to reduce and delay the Human Services COLA in the mental health budget, saving \$67.1 million, the Governor maintains a commitment to supporting the mental health workforce by continuing the COLA in the out-years. The proposal to extend the three-year commitment to the Human Services COLA in 2011, 2012 and 2013 should be supported by the Legislature.

However, the Legislature should reject the Governor’s proposal to recalculate the base upon which future COLAs is calculated. The Coalition urges the Legislature to acknowledge the temporary nature of the budget crisis and commit to restore funding in the future when possible. The Governor’s plan to prorate the three-month, one-percent reduction and extend that reduction throughout the state fiscal year begins April 1, 2009. In so doing, the state will permanently reduce the base amount upon which any future COLA will be calculated despite the fact that the Governor’s proposal for OMH state-operated budget includes \$5.1 million for year two of a multi-year effort to offer enhancements to recruit and retain direct care staff and \$20.6 million to accommodate increased energy, pharmacy and medical expenses.

Legislative History:

In 2001, the Legislature championed targeting a multi-year COLA toward boosting the wages of the lowest-paid workers in the human services field. This commitment to the workforce was renewed again in 2008 for three years and proposed for another three years, but without your help the non-profit community providers are not being assured of the full value of the COLA even when funding may be available in the future.

Action

Don't allow the gap between payment to state-operated workers and nonprofit workers to continue to grow. Restore the one percent (1%) Human Services COLA by reducing the amount provided to OMH state-operated facilities for inflationary costs of fuel, medicines and recruitment and retention.