40 RECTOR STREET, 8TH FL
NEW YORK, NY 10006

I am writing on behalf of the **INSTITUTE FOR COMMUNITY LIVING, INC.**, a community mental health provider located in **NEW YORK CITY** (ICL) to ask that you ensure the current multi-year cost-of-living adjustments (COLAS) are again provided to the human services sector this year and that they are extended for an additional three years to prevent a lag in the provision of COLAs to this critical sector. I also ask that the COLA be extended to a few key programs that have been overlooked. As a provider of mental health & mental retardation services to adult family & child populations, recruiting and retaining qualified staff to work with our clients is one of the most difficult challenges we face.

With few additional resources available for salaries, not-for-profit (NFP) agencies like ours continually experience high leave rates among employees which not only impede the delivery of quality services, but also result in efficiency losses. When a program has a high turnover rate, it suffers from indirect costs that result from reduced supervision, employee burnout, and the learning curves of new employees, as well as the direct costs, which include expenditures on overtime pay and job advertisements.

Additionally, NFPs are losing staff to employers that are able to provide salaries that have kept up with the rate of inflation. These employers include City and State agencies, 1199 and other unionized contracted agencies, hospitals, and other for-profit companies with similar career paths and educational attainment requirements. It is imperative that NFPs be able to offer COLAs to their workers too. COLAs enable NFPs to remain competitive in the job market and also ensure that services are delivered efficiently and produce the best outcomes.

Extension of Current COLAs

Recognizing the importance of regular adjustments, we are grateful the FY07-08 Enacted Budget supported the continuation of multi-year COLAs for a number of social service programs. ICL offers the following recommendations for the continuation of these important COLAs:

- A continuation of the current COLAs should be reset to the most recent CPI and reset each subsequent year.

- Providers should receive 100% of COLAs, indexed exactly to the CPI. In some areas, the full amount of the enacted COLA was not passed on to providers.

- Implementation flexibility must be maintained. Providers as well as City and State agencies agree that the current COLA was executed easily and efficiently because the implementation guidelines were not overly cumbersome.

Additional COLA Needs

While we are thankful for the many service areas already covered, several key areas did not benefit from the FY06-07 Enacted Budget adjustments. To ensure that workers across the human services sector are treated equitably, the following additional program areas necessitate COLA investments this year, in addition to the continuation of the current COLAs in future years:

- Runaway and Homeless Youth, Youth Development and Delinquency Prevention, and Special Delinquency Prevention programs.
- Social Adult Day Care and NORCs.
- SRO and Family Homeless Services (state match).

Additionally, Early intervention (E1) programs have not received the first two years of the three-year COLA that was approved in the FY06-07 budget. COLAs should be provided to E! programs for the past two fiscal years, as well as the current year.

Please consider extending the current multi-year COLAs for an additional three years and include human service programming previously left out.

Sincerely,

Peter C. Campanelli, PsyD
President and Chief Executive Officer