



TESTIMONY: UJA-FEDERATION OF NEW YORK
The Joint Fiscal Committees of the New York State Legislature
Mental Hygiene Joint Legislative Budget Hearing for Fiscal Year 2026-2027

Submitted by: Faith Behum, UJA-Federation of New York

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On behalf of UJA-Federation of New York, our network of nonprofit partners and those we serve, thank you for the opportunity to testify on the importance of maintaining and expanding support for behavioral and mental health services.

Established more than 100 years ago, UJA-Federation of New York is one of the nation's largest local philanthropies. Central to UJA's mission is to care for those in need—identifying and meeting the needs of New Yorkers of all backgrounds and Jews everywhere. UJA supports an expansive network of nearly 100 nonprofit organizations serving those that are most vulnerable and in need of programs and services and allocates over \$185 million each year to combat poverty and food insecurity, nurture mental health and well-being, respond to crises here and across the globe, and strengthen Jewish life.

Human Services COLA/Targeted Inflationary Increase

UJA's network of human service providers assists New Yorkers of all backgrounds throughout New York City, Westchester, Nassau, and Suffolk counties. UJA's network provides a wide range of human services, including child care, mental health supports, day, and residential programs for people with developmental/intellectual disabilities, case management services, older adult programming, services for survivors of domestic violence and securing access to food. These services meet basic needs and support individuals to become thriving members of their communities. Unfortunately, nonprofits face many challenges while providing these essential services including delayed payments, insufficient overhead funding, inadequate wages and lack of funding needed to address aging buildings and facilities. In order to maintain and strengthen human services programs the **FY 2027 budget must include funding for a 2.7% Targeted Inflationary Increase (formerly referred to as a Cost of Living Adjustment) and ensure ALL human services workers can access the TII by including language from S.1580A (Persaud)/A.2590A (Hevesi) in the enacted budget.**

The FY 2026 enacted budget included a 2.6% Targeted Inflationary Increase (TII), bringing some relief to certain human services sector employees. Unfortunately, not all human services programs or titles were eligible for this increase. The statute that lists the titles and programs eligible for the TII was written over twenty years ago. Since then, new human services programs and contracts have been developed and implemented. Programs such as LEAPS Afterschool, crime victim services, Naturally Occurring Retirement Communities (NORCs), supportive housing, Adult Literacy Education (ALE) and rape crisis counselors including others are not listed in the statute and because of this are not eligible for a Targeted Inflationary Increase. This is particularly problematic for multi-service human services agencies who receive a wide range of funding through state contracts. These agencies receive additional funding on some of their state contracts to cover the rising costs of

providing services, while receiving no additional funding on others despite experiencing the same impacts of inflation. It also means they have access to funds to provide raises to some of their staff but not their entire workforce.

All human services providers need access to funds that will help them address the rising costs of overseeing services in New York State. UJA requests that the Legislature includes a 2.7% Targeted Inflationary Increase, building off the 1.7% investment included in the Executive Budget. A 2.7% TII will help nonprofits address rising inflation costs while also mirroring the Consumer Price Index. More importantly, this must be inclusive of all state contracted human services programs, including contracts overseen by DCJS, DOH, NYSED, NYSOFA, OASAS, OCFS, OMH, OPDV, OPWDD, OTDA, and OVS. UJA urges the Legislature to include language from S.1580A/A.2590A in the FY 2027 budget which will update statute language and ensure all human services workers are eligible for TII funding.

Strengthen the Behavioral Health System

Children and youth in New York with behavioral health needs struggle to access basic care let alone can access treatment when they are in crisis. Decades of underfunding by New York State and inadequate reimbursement rates from commercial insurers, have decreased the number of practitioners who take insurance. Fewer providers who take insurance contribute to long wait times for outpatient care, intensive inpatient services, or community support services.

Serving children – especially the most complex children – requires coordination with multiple service systems, providers, care managers, and a child’s guardian(s). This coordination is essential to provide quality care, but the work required to do it is not compensated. Every visit requires substantial unpaid care team labor, which has led to long wait lists and providers unable to expand capacity. Many New York children lack the care, treatment, and support they need to thrive. UJA recommends the Legislature to invest **\$200 million for Medicaid rate enhancements for children’s outpatient behavioral health services**. This includes but is not limited to Article 31 clinics, Children and Family Treatment and Support Services (CFTSS), and Home and Community Based Services (HCBS) programs. This would enable providers to hire approximately 1,300 more clinicians and serve over 26,000 additional children.¹

UJA also urges the Legislature to pass S. 8309A (Brouk)/A.8055 (Simon) that would remove OMH and OASAS community based behavioral health (mental health and substance use) services from the state’s Medicaid managed care program. Medicaid managed care has made it increasingly more difficult for all New Yorkers including children and adults to secure the mental health and substance use disorder care they need in a timely fashion. Inaccurate payments and reimbursement delays on behalf of insurers and Managed Care Organizations (MCOs) directly impact provider’s ability to offer care. These barriers prevent providers from hiring and retaining staff, launching needed programs, and competing in a workforce market already strained by shortages. Instead of investing in services, agencies are forced to expend scarce resources while waiting for reimbursement. By removing the involvement of managed care organizations, New York State will finally remove unnecessary barriers to care while simplifying and streamlining the reimbursement process, and returning vital resources to the OASAS and OMH systems.

Policy and budget decisions at the federal level will have direct negative impacts on New York State’s Medicaid program. Medicaid rate enhancements and removing mental health and substance use services from the Medicaid managed care program will make these services more accessible for all New York State residents and protect them from some of the negative impacts of federal policy and fiscal changes.

¹ [HMHK-Rate-Reform-one-pager-20241017-1.pdf](#)

Infrastructure and Care System Investment for People with Developmental and Intellectual Disabilities

Besides the 2.7% TII that the OPWDD funded workforce will benefit from if included in the enacted budget, UJA requests the following investments be addressed to strengthen the service system for people with developmental and/or intellectual disabilities:

- 1. Prior Property Approval Funding:** PPA funding allows for reimbursement of property expenses for facilities that serve people with intellectual and developmental disabilities. The existing process should be enhanced to provide incentives and streamline reimbursement for projects that advance Climate Leadership and Community Protection Act goals. This will help providers both modernize facilities while meeting New York State's climate commitments.
- 2. Create a Capital Funding Demonstration Program:** A new capital funding demonstration program should be developed to support innovative service models and modern approaches to care. This funding would encourage providers to test and scale strategies to improve outcomes, enhance efficiency, and adapt to changing community needs.
- 3. Increase Residential Reserve for Replacement (RRR):** These funds are set aside for capital repairs and renovations to housing units and buildings. Since it was established in 2016, RRR funding has remained flat despite increasing costs. The RRR should be increased to \$2,500 per resident annually statewide and \$3,000 annually for New York City and Long Island residents. Indexing both rates to inflation to address rising costs. This will ensure providers can properly maintain, upgrade and preserve safe, high-quality homes for the individuals they serve.

Conclusion

UJA-Federation of New York respectfully urges your consideration and support of these vital programs that assist our state's most vulnerable and neediest individuals and the organizations that serve them. Thank you for the opportunity to submit testimony. Please contact Faith Behum at behumf@ujafedny.org or 212-836-1338 with any questions.