

FAQS: THE HUMAN SERVICES COLA

WHAT IS THE HUMAN SERVICES COLA?

A: First authorized in the 2006-07 Enacted State Budget, a permanent cost of living adjustment (COLA) was put into statute after a broad-based nonprofit community asked to establish a stable, predictable level of spending on services required by the State Constitution as stated in Article 17 – “The aid, care and support of the needy are public concerns and shall be provided by the state and by such of its subdivisions ...”. The NonProfit Community acts on behalf of the State on public concerns and requires stable funding – that is why the statutory Human Services COLA was enacted.

HOW IS THE STATUTORY COLA DETERMINED?

A: In an effort to identify a realistic estimate of the level of spending for taxpayers, the Human Services COLA was tied in statute to the actual US consumer price index for all urban consumers (CPI-U) as published annually by the US Department of Labor. There are many CPI measures used to calculate spending growth. With regard to the Medicaid Global Cap the state has chosen to allow growth at no greater than the ten-year average rate for the long-term medical component of the CPI.

WHAT IS THE 2019-20 HUMAN SERVICES COLA? THE MEDICAID GLOBAL CAP COLA?

A: The CPI-U would have yielded a 2.9% COLA for affected human services community agencies this year if it were not deferred. The 10-year average for the long-term medical component of the CPI will yield a 3% increase in the Medicaid Global Cap spending this year (from \$18.9 billion to \$19.4 billion) and the Executive Budget sets the extension of the Medicaid Global Cap through SFY 2020-21 with a growth factor of 3.2%

WHAT IS THE HISTORY OF FUNDING THE STATORY HUMAN SERVICES COLA?

A: Since being added to law in April 2006, the Human Services COLA has been funded twice. In all other Final Budgets, the law has been deferred for OMH, OPWDD, OASAS, SOFA, OTDA and OCFS, resulting in over \$700 million in support of programs and services for the aid, care and support of the needy and the individual who work to provide that aid, not being available.

WHAT DOES A VISUAL DEPICTION OF DEFERRING THE STATUTORY HUMAN SERVICES COLA LOOK LIKE?

Background on Workforce Investment: ~\$707.05M in deferred COLAs since 2008

FY	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Statutory COLA	5.60%	-2.10%	1.20%	3.60%	1.40%	2%	2%	0.20%	0.8%	1.50%	2.9%
Actual COLA	0%	0%	0%	0%	0%	0%	2%	0.2%	0%	0%	TBD
\$ Savings (million)	\$171.00	--	\$44.25	\$150.40	\$71.20	\$106.30	--	--	\$4	\$19.90	\$140.00