



The New York State Conference of Local Mental Hygiene Directors, Inc.

***Joint Legislative Budget Hearing on Mental Hygiene SFY 2026-2027
Executive Budget Proposal***

February 4, 2026

***Testimony Presented By:
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Chairs Krueger, Pretlow, Brouk, Simon, Fernandez, Steck, Fahy, Santabarbara and other distinguished Committee Members, thank you for the opportunity to testify before you regarding the SFY 2026-27 Executive Budget.

My name is Courtney David, and I am the Executive Director of the New York State Conference of Local Mental Hygiene Directors ("the Conference").

The Conference was created pursuant to section 41.10 of the Mental Hygiene Law, and its members are the Directors of Community Services (DCS) for the 57 counties and City of New York. The DCSs serve as the CEO of the Local Governmental Unit (LGU), defined in the statute as the portion of local government responsible for mental hygiene policy and for the planning, development, implementation, and oversight of services to adults and children in their counties affected by mental illness, substance use disorder, and intellectual/ developmental disabilities.

The DCS plays a critical and unique role as the connection between the State Mental Hygiene agencies (OMH, OASAS, OPWDD) and the people they serve locally. The DCS has direct interaction with all the various health, social service, education, and criminal justice systems. This provides a critical and rare lens into the needs and challenges of the State's most vulnerable populations. Most often, these needs are not limited to a single service, they are complex and extend beyond the scope of behavioral health care into other distinct areas, such as housing, school/employment, public benefits, food/social needs, and the criminal justice system, including the county jail. The DCS role requires an in-depth understanding of a cross-system county service system, making their expertise essential for the effective development and implementation of mental hygiene policy.

My testimony today outlines the Conference's State Budget priorities for SFY 2026-27:

- **Reforming the State's Competency Restoration Process**
- **Inclusion of a 2.7% Targeted Inflationary Increase (TII) for Mental Hygiene Agencies**
- **Increased State Aid Funding to the LGUs to Sustain Jail-Based Substance Use Disorder (SUD) and Medication Assisted Treatment (MAT) Programs**

The Conference strongly supports the Governor's Executive Budget investments in SFY 2026-27 that seek to build upon prior years' expansion of mental health, substance use disorder, and intellectual/developmental disability programs and services. Many of the initiatives outlined in this year's budget proposal will help to protect New Yorkers who continue to struggle with connecting to appropriate treatment including housing, intensive and integrated supports; as well as providing investments in peer-led behavioral health supports for first responders, expansion of teen mental health first aid training, youth safe spaces, and targeted inflationary increases for mental hygiene providers. The culmination of these investments will ultimately help to achieve better health and stability throughout our communities. Ongoing consultation with the DCSs will also ensure the advancement of any state policy and/or locally based financial investments are appropriately planned for in the current operating environment, and we thank our State partners for the continued collaboration.

Reforming the State's Competency Restoration Process

While the State continues to make needed investments into new programs and services that can help divert individuals with serious mental illness (SMI) from interacting with the criminal justice system, competency restoration orders are significantly increasing for defendants who exhibit challenging behaviors in the courtroom.

Defendants with felony-level charges who are found to lack the capacity to stand trial (i.e. who do not understand the charges against them or are unable to participate in their own defense) are sent to state hospitals to be restored to competency so they can stand trial. Restoration services are not treatment, and are extremely expensive, about \$1,300.00/day. One hundred percent (100%) of the costs for these services which are delivered in a **state-operated hospital** are paid for by the counties. This financial burden is accentuated by the fact that Judges who believe they are helping a mentally ill defendant to get “better” by ordering restoration are often operating under the mistaken belief that they are providing the defendant with traditional mental health treatment. **This cost shift has diverted hundreds of millions of dollars away from the local mental hygiene systems of care.**

This issue is not new. In fact, the Conference made a public plea to the Legislature as part of its Spring 2002 newsletter seeking the State’s relief from this unfunded mandate. Flagged more than twenty years ago as unsustainable, 730 costs have grown exponentially. Rising service demand, workforce shortages, inflationary pressures, federal funding cuts and expanding statutory responsibilities continue to cause severe strain on county budgets.

The Conference, along with our partners at the NYS Association of Counties (NYSAC) continue to strongly advocate for amendments to the statutory framework that governs competency restoration. Last year, the Senate supported these efforts and passed bill S.1004A/A.5567A with a vote of 50-9, and we are grateful to the Mental Health Chairs and sponsors of this bill, Senator Brouk and Assemblymember Simon for their ongoing commitment to address the archaic sections of law that govern this process.

The State must not ignore the reality that individuals who enter the restoration process often have complex needs, which may include behavioral health conditions, cognitive and neurodevelopmental impairments, and often, an undiagnosed history of traumatic experiences. The DCSs are often very familiar with these defendants, but there is currently no requirement that courts or the Office of Mental Health (OMH) consult with them on treatment planning; consequently, all decision-making is left up to the State’s forensic providers. It is estimated that between 1/4 and 2/3 of all defendants committed for competency restoration under Criminal Procedure Law (CPL) Section 730 end up going through the system multiple times on the same charge — equating to hundreds of people each year.

Since 2019, the DCSs have seen extraordinary increases in the number of 730 competency restoration orders, placing more individuals with serious mental illness (SMI) into State forensic facilities. Psychiatric examiners have said the majority of these 730 defendants can be restored within 90-120 days; however, some ***defendants have been kept in restoration for periods of 3, 6, or even 10 years.*** **This egregious practice has led to further decompensation of these individuals' illnesses and violates their basic human liberties.**

Additionally, these lengthy confinements have been declared by the U.S. Supreme Court to violate the Americans with Disabilities Act, and we are witnessing other states beginning to reexamine and update their laws governing competency restoration to avoid legal action.

The OMH forensic daily rate for defendants placed for restoration is now approximately \$1,300 per day, and the DCSs have no insight into the justification for these costs or why per diem rates continue to increase from year to year.

Below is a snapshot of CPL730 costs in counties based on census.

CPL730 Costs for Counties with Census < 100,000

County	Census (2020)	Total CPL §730 Costs (2025) (100% county)
Chenango	47,220	\$ 1,337,334.70
Chemung	84,148	\$ 1,182,893.26
Livingston	61,834	\$ 1,021,478.00
Orleans	40,343	\$ 1,500,000.00
Warren	65,737	\$ 1,137,163.00

CPL730 Costs for Counties with Census Between 100,000 and 250,000

County	Census (2020)	Total CPL §730 Costs (2025) (100% county)
Jefferson	116,721	\$ 1,719,992.61
Niagara	212,666	\$ 2,364,196.00
Oneida	232,125	\$ 5,366,851.80
St. Lawrence	108,505	\$ 1,277,000.00
Ulster	181,851	\$ 1,511,378.64

CPL730 Costs for Counties with Census of 250,000 or More

County	Census (2020)	Total CPL §730 Costs (2025) (100% county)
Albany	314,848	\$ 5,600,000.00
Erie	954,236	\$ 4,505,139.00
Onondaga	476,516	\$ 6,585,405.27
Suffolk	1,525,920	\$ 4,238,989.00
Westchester	1,004,457	\$ 4,996,393.00

As the Conference marks its 50th anniversary in 2026, this moment calls for your leadership and action to ensure that this milestone is remembered as the point at which the State finally acted to end a long-standing unfunded mandate. **Enactment of our proposed competency restoration reforms, outlined in S.1004A/A.5567A, in the final SFY 2026-27 budget** is critical and will ensure that these high-needs individuals who are unable to be restored to competency solely due to their illness can receive the most appropriate treatment for their diagnoses. It will also ensure the millions of dollars currently directed to the State's General Fund will be available to the local mental health departments for reinvestment back into the critical services needed to support criminal justice diversion programs and community-based care.

Inclusion of a 2.7% Targeted Inflationary Increase (TII) for Mental Hygiene Agencies

The Conference applauds last year's enacted budget agreement that included a 2.6% Targeted Inflationary Increase (TII) for eligible mental hygiene and other human services programs. While we appreciate the Governor's commitment to an investment this year, the proposal of a 1.7% TII for the period April 1, 2026, to March 31, 2027, does not go far enough.

Without a larger level of investment and long-term sustainable solutions that support the recruitment and retention of mental health workers, the implementation of new or expanded local service programs will be unrealized, and our systems will fail those individuals they are designed to serve.

The foundations of our community mental health system are crumbling due to lack of workforce and inadequate funding. Despite our efforts to broaden the scope of available services, local provider agencies are consistently being asked to do more with fewer staff, which raises serious questions about the system's long-term sustainability.

These agencies have been forced to reduce or close satellite locations as vacancies remain unfilled. High percentages of adults and children/youth with complex needs have been unable to receive the necessary treatment. Outpatient mental health clinics, many of which are county-operated and serve as the backbone of service provision in the State's rural areas, are severely struggling with workforce needs. Staff vacancies for master's-level therapist positions continue to climb as demand for services increases. Many programs have decreased or eliminated same-day access to services, further limiting care for those that need it most.

Experienced clinicians are leaving for higher-paying jobs in private practice or jobs in the telehealth industry. While programs will continue to see individuals with acute needs, as this is a regulatory requirement, other individuals have experienced longer wait times for service or longer wait times in between appointments.

Workforce shortages create a vicious cycle. Staff left behind become overburdened, contributing to further burnout and attrition. The care of individuals receiving services is significantly disrupted when their trusted therapist leaves. All of this ultimately results in increases in criminal justice involvement, homelessness, emergency health visits, and in many cases, deaths.

County-operated programs have historically operated in a structurally underfunded environment. When workforce shortages worsen, inflationary pressures hit these programs harder and earlier than in other sectors. Targeted inflationary increases (TIIs) offer a direct, fiscally responsible tool for stabilizing the workforce and preventing service disruptions.

By preventing wage erosion, supporting competitive salaries, reducing turnover, sustaining provider operations, and directly addressing areas of acute shortage, TIIs allow programs to retain qualified staff and recruit the workforce needed to meet rising demand. Without inflationary adjustments, wages lose purchasing power every year, making it almost impossible to recruit or retain the necessary staff in outpatient clinics, mobile crisis, residential programs, and peer services - just to name a few.

TIIs ensure that critical positions receive wage adjustments that keep pace with the broader labor market, rather than the behavioral-health system falling further behind annually and sends a clear signal that the state is committed to sustaining a viable behavioral health workforce not just this year, but for the long term.

Recent federal actions, including proposed cuts to Medicaid and behavioral-health grants, organizational layoffs/restructuring at SAMHSA/HHS, and reductions in 988 funding threaten to remove critical revenue, training and technical support, and crisis-response capacity that community providers rely on. The consequences are clear: higher burnout rates, program closures, reduced Medicaid participation, and accelerated workforce attrition. Together, these factors compound and hasten an already deepening crisis.

Therefore, we ask that you support the inclusion of a 2.7% Targeted Inflationary Increase (TII) for mental hygiene agencies as part of the SYF 2026-27 Enacted Budget. **We also encourage you to review last year's enacted budget language to ensure the provisions outlined this year cover all eligible staff, including county employees who were unable to receive this benefit due to constraints within union contracts.**

Increased State Aid Funding to the LGUs to Sustain Jail-Based Substance Use Disorder (SUD) and Medication Assisted Treatment (MAT) Programs

The Conference commends the Executive for a continued commitment of \$9.084 million for jail- based SUD and MAT programs in this year's budget proposal.

Over the past several budget cycles, the State has committed State Aid funding to the LGUs to develop these much-needed programs in consultation with the Sheriffs. Statewide expansion of these programs has proven to be successful, with more individuals engaged in treatment. However, the counties continue to report a need for additional funding to meet the provisions under the law, and most importantly, to appropriately support the level of resources needed to ensure that all individuals seeking a pathway to recovery can be served.

The costs of Opioid Use Disorder (OUD) medications in every county jail far outweigh the State Aid allocation. Many counties have supplemented the lack of State funds with opioid settlement dollars to maintain compliance with State law.

As county mental health departments continue to grapple with how best to allocate available local resources, increased costs from CPL730, federal cuts, workforce needs, and lasting pandemic challenges the additional strain to supplement this funding will undoubtedly cause a ripple effect in service delivery across our communities.

Therefore, we request your support to maintain the \$9.084M for jail-based SUD/MAT programs as part of the final enacted SFY 2026-27 Executive Budget.

Thank you again, we sincerely appreciate your consideration of these requests and look forward to working with you and your staff on these priorities this budget cycle.