

# NEW YORK DISABILITY ADVOCATES

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## SFY 2026-27 New York State Executive Budget Testimony

On behalf of New York Disability Advocates (NYDA), which is the coalition of the six statewide provider associations representing not-for-profit agencies that deliver essential support and services to more than 85% of New Yorkers with intellectual and developmental disabilities (I/DD), we respectfully submit this testimony in response to the SFY 2026-27 Executive Budget.

### A System Strengthened by Recent Investments

For years, New York's I/DD service system was undermined by chronic underinvestment, resulting in severe workforce shortages, high turnover and vacancy rates, and service instability that disrupted care, strained families, and challenged providers' ability to deliver consistent, high-quality, community-based supports.

Persistent difficulties recruiting and retaining staff placed extraordinary pressure on the system. These workforce shortages directly affected individuals with I/DD and their families, as well as the nonprofit agencies responsible for providing care. Direct Support Professionals (DSPs) are the backbone of the I/DD system—providing hands-on assistance with daily living, facilitating community participation, supporting health and safety needs, and ensuring continuity of care.

The root cause of these challenges was long-standing underfunding of the I/DD service delivery system. Years of inadequate provider rates limited agencies' ability to compete in an increasingly tight labor market, making it difficult to attract and retain qualified staff. Recent State investments have begun to reverse these trends, demonstrating the critical importance of sustained and predictable funding.

Since SFY 2021–22, the State has provided nearly 16 percent in cumulative inflationary increases to nonprofit providers. These investments have produced measurable and encouraging results: DSP vacancies have declined by 44 percent, turnover has decreased by more than six percent and starting wages have increased by 28.6 percent.

In just the past 12 months—from January 2025 to January 2026—DSP vacancy rates dropped by nearly 18 percent, while starting and average wages rose by 9.1 percent. These outcomes underscore that targeted investments work and that continued progress depends on maintaining this momentum.

However, the system has not yet fully recovered from the impacts of the pandemic, and the progress achieved to date remains fragile.

### **The Need for a Full Inflationary Adjustment**

The Targeted Inflationary Increase (TII) is essential to covering the full cost of providing supports and services for people with I/DD. It funds not only workforce costs, but also food, transportation, program supplies, facility maintenance and repairs, insurance, and employee benefits. Each of these cost drivers continues to rise annually due to ongoing inflationary pressures and federal-level tariff impacts.

While NYDA appreciates the Governor's proposal for a 1.7% TII, this level of funding does not reflect the actual increase in costs experienced by providers over the past year. Anything less than a 2.7% increase effectively amounts to a cut to the system. To preserve and build upon recent gains in workforce stability—and to ensure individuals with I/DD continue to receive consistent, high-quality supports—the TII must fully reflect inflation and be modified to restore Care Coordination Organization as eligible programs for the TII as they had previously been.

### **Housing Proposals to Support the CareForce**

Despite their essential role, many DSPs and other frontline care workers experience acute housing insecurity, with rent often consuming more than half of their income. As a result, they are frequently priced out of the very communities where their services are most needed. To address this challenge, NYDA is advancing a CareForce housing package designed to expand access to affordable housing for the human services workforce:

- **S.8672** would establish an Employer-Assisted Housing (EAH) Matching Grant Program for the nonprofit human services workforce. While for-profit employers can deduct housing benefits as a business expense, nonprofit providers lack this option, placing them at a disadvantage. This proposal would close that gap by providing a 50 percent State match—up to \$3,000 per worker per year—on employer contributions for housing assistance. Eligible uses would include security deposits, rent stabilization, emergency rental arrears, and first-time homebuyer costs such as down payments and closing fees.
- **S.8675** would enact the CareForce First-Time Homebuyers Program, offering below-market mortgage financing and forgivable down payment assistance to eligible care workers. Low wages, limited savings, and high borrowing costs often make homeownership unattainable for DSPs and other frontline staff. Extending SONYMA-style benefits to the CareForce would mirror existing preferences for teachers, police officers, and first responders—recognizing care workers as essential public servants.
- **S.8676** would create a targeted housing preference within certain affordable housing developments for members of New York's care workforce. This preference would help ensure that DSPs and other frontline workers can live in the communities they serve, strengthening workforce stability and reducing one of the most persistent financial pressures facing the CareForce.

### **Supporting Working Families and the Care Workforce**

NYDA strongly supports the Governor's proposal in Part A of the Revenue Article VII bill to enhance the New York Child and Dependent Care Credit. DSPs and other frontline care workers are often

working parents and caregivers themselves, and the cost of child and dependent care remains one of the most significant barriers to workforce participation and retention.

Expanding this credit would provide meaningful, targeted relief to working families who are already contributing to the stability of services relied upon by New Yorkers with I/DD. For DSPs in particular, this proposal would directly support recruitment and retention by easing one of the largest household cost pressures they face. Enhancing the Child and Dependent Care Credit is a critical complement to recent rate and wage investments and supports a stable, reliable workforce.

Additionally, we are urging the State to restart the OPWDD Healthcare Enhancement Program. Over the past two years, provider agencies have experienced health-insurance cost increases of nearly 17 percent and are projecting an additional 12 percent increase in the coming year. On average, nonprofit agencies already devote 10.3 percent of their operating budgets to insurance expenses.

Further, recent federal changes to the Essential Plan and Affordable Care Act tax credits could shift significant new health-insurance costs onto nonprofit providers, exacerbating existing financial pressures.

To offset these trends and strengthen workforce stability, the program would provide an eligible per-employee allocation of \$2,500 to participating providers. Funds could be used to establish or enhance health insurance coverage or to reduce out-of-pocket costs for frontline staff—ensuring care workers can access affordable coverage without further straining nonprofit agency budgets.

The I/DD service system stands at a pivotal moment. Recent investments have demonstrated that sustained State commitment yields measurable improvements in workforce stability and service quality. While this progress is real and meaningful, it remains vulnerable without continued investment.

NYDA respectfully urges the Legislature to build on this success by increasing the Targeted Inflationary Increase to 2.7%, advancing the CareForce housing package, adopting the Governor's proposal to enhance the Child and Dependent Care Credit, and restoring the Healthcare Enhancement Program. Together, these actions will reinforce recent gains, strengthen the system that supports New Yorkers with I/DD, and ensure that the dedicated professionals who provide this care can continue to do so under stable and sustainable conditions.

We thank the Legislature for its continued partnership and for its commitment to individuals with I/DD and the community-based system that serves them.