



Testimony of
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At the Hearing on the “De-funding of Mental Health Services”

The New York City Council
Committee on Mental Health, Mental Retardation,
Alcoholism, Drug Abuse and Disability Services

Hon. Margarita Lopez, Chair

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Chairwoman Lopez, distinguished members of the Committee, thank you for allowing me the opportunity to testify before you today on the ramifications of disproportionate funding cuts to mental hygiene services in the Mayor's Fiscal 2005 Preliminary Budget.

My name is Phillip A. Saperia. I am the Executive Director of the Coalition of Voluntary Mental Health Agencies, the umbrella advocacy organization of New York's mental health community. We represent over 100 non-profit community-based mental health agencies in New York City and surrounding areas. Our members constitute a broad cross section of service providers – all sizes from very small to very large; treatment and rehabilitation-oriented; outpatient and residential; focused on linguistically and culturally specific populations and on many special-needs – serving more than 300,000 individuals in the five boroughs of New York City and its environs.

Before I begin, and while we're on the subject of "budgets", I would like to express our deepest gratitude to Chairwoman Margarita Lopez, Speaker Gifford Miller and the entire New York City Council for restoring behavioral health funding. Our members and The Coalition are thankful beneficiaries of your hard work on the Fiscal 2005 Adopted Budget. Over the past several months the Coalition and its members have come before you on numerous occasions and in various settings to seek restorations to critical mental health, substance abuse and developmental disability programs. It is a tribute to the Council, and to the Chair of this Committee in particular, that these programs were fully restored in a year with many competing interests.

Should Committee members wish to visit Coalition member programs to see first hand just how essential they are to the lives of New Yorkers living with disabilities, please let us know and we will be happy to arrange site visits and even tours.

I would now like to direct my comments to the topic at hand – namely, the disproportionate cuts in City funding to mental hygiene programs over the past two years. The Coalition expressed a great deal of concern when the merger of the Department of Health and the Department of Mental Health, Mental Retardation, Alcoholism & Substance Abuse was first proposed, and for a variety of reasons. Community mental health providers literally couldn't afford to lose either visibility or funding at a time of inflationary expenses and stagnant compensation from all levels of government, to say nothing of the increased demand for services in the aftermath of the September 11th terrorist attacks.

When the Council passed Local Law 22 of 2002, which codified the merger, it did so explicitly with an eye towards protecting the fiscal integrity of mental hygiene programs. The law plainly states that “the Executive budget shall not propose a greater percentage decrease in city funds...for the units of appropriation for mental health, mental retardation and alcoholism services than has been proposed for the units of appropriation for public health services.” (§3, subdivision a.) This language clearly indicates the wishes of the Council to preserve City funding of critical programs that provide essential treatment, including housing and employment services, to New Yorkers living with disabilities.

The Mayor is allowed a caveat to depart from this stipulation only in the event that he or she finds “it is in the city’s best interest” to do so, and only then if he or she provides an explanation for the variance. It is our understanding, and we’d like to think that of the Council as well, that this “caveat’ should not be used simply to meet annual budget reduction targets. Regrettably, the Mayor has chosen to depart from the intent of Local Law 22 in each of the past two years. Our fear, that such a disquieting trend may become permanent, brings us here before you today.

The Mayor’s Message which accompanies the Fiscal 2005 Executive Budget acknowledges the disproportionate cut to mental hygiene, and offers the following in the way of explanation.

“This disparity is attributable to growth in the mandated Early Intervention Program, planned expansion of the OCME’s¹ laboratory capacity and funding shifts within mental hygiene programs that do not reduce services. Therefore, pursuant to New York City Charter Section 551(a), it is in the city’s best interest to submit an executive budget at variance with the City funds appropriation formula set forth in that provision.”

The Coalition looked at the Fiscal 2005 Executive Budget as proposed by the Mayor at the end of April, and contrasted the proposed allocations for the public health and mental hygiene budgets with those of the modified budget as of late May. In doing so, we felt that we could more accurately examine the impact of the proposed Executive

¹ Office of the Chief Medical Examiner

Budget on the Division of Mental Hygiene by removing the Early Intervention Program (EIP) from our analysis. The reasons we did this are several. First, the EIP is a federally-mandated program, whose growth (or decline) is dictated by the demand of special needs children, irrespective of the Mayor's budget priorities. Second, while the EIP is more closely associated with the Division of Mental Hygiene, it nevertheless resides within the public health units of appropriation so that it may draw down matching State Article VI funding.

We should note that we chose to include the proposed increase to the Office of the Chief Medical Examiner (OCME). Unlike the increase in funds to the Early Intervention Program, the enhancement to OCME did in fact come at the discretion of the Mayor. Furthermore, it is clear that the functions and duties of the Chief Medical Examiner properly lie with the public health department.

Perhaps most distressing about the Mayor's Message was the implication that the replacement of city tax levy funds with Medicaid dollars would have no sizable service impact on mental health consumers and the providers that serve them. In New York City, a large number of mental health consumers are ineligible for Medicaid. They most often happen to be immigrants, working-poor or come from minority linguistic and cultural groups. The removal of city tax levy funding from the community mental health sector will inevitably deny critical services, programs and housing to non Medicaid-eligible New Yorkers, even as demand for mental health treatment soars.

Having removed the EIP from the DOHMH budget, we were able to gain a more precise understanding of the City's budget priorities for Fiscal 2005. What we found, unfortunately, confirmed the fears that we expressed several years ago when the merger was first being discussed. **The Coalition saw a 1.5% decrease in City funding for the public health units of appropriation, and a 4.4% decrease in City funding for the mental hygiene units of appropriation, a difference which literally translates into a cut of over \$2.2 million.**

The great majority of our providers do not receive annual cost of living increases, yet their costs rise exponentially each year. In addition, more and more consumers are presenting increasingly complex case histories, including episodes of homelessness, incarceration and chemical dependency. Given these factors, the Coalition and our membership feel very strongly that the City must maintain its commitment to preserving vital funding for the community mental health system.

We feel so strongly about this issue, in fact, that we are seriously considering advocating for the dissolution of the merger and the reestablishment of DMH as a stand-alone agency if the Executive continues to view the disproportionate cuts to mental hygiene funding as annually being "in the City's best interest."

Even as the Mayor and the Council complete their work on the Fiscal 2005 budget, we know that preliminary steps are already being taken towards the development of the Fiscal 2006 Executive Budget. We look forward to working with

both the Council and the Administration to protect and preserve critical funding for New Yorkers living with psychiatric disabilities, chemical dependency and developmental disabilities.

Thank you, and I am available to answer any questions you might have.