NEW YORK DISABILITY ADVOCATES
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SFY 2026-27 Executive Budget Priorities Details

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Targeted Inflationary Increase (TII) 2.7%

The cost of providing services for people with intellectual and developmental disabilities (I/DD) rises each year, driven by wages, mandated fringe benefits, utilities, food, supplies, transportation, insurance, and maintenance. Since 2021, investments by the Hochul administration have helped reduce staff vacancies and turnover while raising frontline wages, but ongoing support is needed to sustain this progress.

Inclusion of a 2.7% Targeted Inflationary Increase (TII) in SFY 2026–27 is critical, as inflation has ranged from 20–29% across core expense categories in the last five years, while provider rates have only increased by 15.8%. Without additional funding, Medicaid reimbursement will continue to lag behind costs—leaving nonprofit agencies unable to fairly compensate Direct Support Professionals (DSPs), maintain services, or meet the needs of the I/DD community.

Infrastructure & Care System Investment

Prior Property Approval (PPA) Funding: Prior Property Approval (PPA) funding allows for reimbursement of property expenses for facilities that serve people with intellectual and developmental disabilities. Enhance the existing PPA process to provide incentives and streamlined reimbursement for renovation and improvement projects that advance Climate Leadership and Community Protection Act (CLCPA) goals. This will help providers modernize facilities while meeting New York's climate commitments.

Capital Funding Demonstration Program: Establish a new capital funding demonstration program to support innovative service models and modern approaches to care. This program would encourage providers to test and scale strategies that improve outcomes, enhance efficiency, and adapt to changing community needs.

Increase Residential Reserve for Replacement (RRR): Residential reserve for replacement are funds set aside for capital repairs and renovations to housing units and buildings. Since its establishment in 2016, RRR funding has remained flat despite significant inflationary pressures. Increasing the RRR to $2,500 per resident annually statewide and $3,000 for New York City/Long Island, with indexing to inflation, is critical to keeping pace with rising costs. Strengthening this funding stream will ensure providers can properly maintain, upgrade, and preserve safe, high-quality homes for the individuals they serve.

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CareForce Affordability Initiatives

Create a "CareForce" Affordable Housing Lottery Preference: Despite their vital role, many Direct Support Professionals (DSPs) and other frontline care workers—such as certified nursing assistants, licensed practical nurses, behavioral health staff, and human services providers—face severe housing insecurity, with rent often consuming more than half their income. As a result, they are frequently priced out of the very communities where their work is most needed. The CareForce Affordable Housing Lottery Preference would create a mechanism within state-supported housing programs to prioritize these essential workers, ensuring they can access stable, affordable homes near their workplaces—strengthening both the care workforce and the communities they serve.

Establish a Employer Assisted Housing Matching Grant Program: For-profit businesses can write off housing benefits for employees as a deductible expense, but nonprofit human services agencies lack this option—leaving their workforce at a disadvantage. By creating a new Employer-Assisted Housing Matching Grant program, that would close this gap by providing a 50% state match—up to $3,000 per worker per year—on employer contributions for housing assistance. Funds could support security deposits, rent stabilization, emergency arrears, or first-time homebuyer costs like down payments and closing fees. By giving nonprofit employees access to a benefit structure that would improve housing stability, reduce turnover, and strengthen continuity of care for vulnerable New Yorkers

SONYMA "CareForce" Downpayment Assistance and Interest Rate Reduction: The State of New York Mortgage Agency (SONYMA) should create a "CareForce" incentive that levels the playing field for frontline care workers. Enhanced down payment assistance (up to $20,000) and targeted interest rate reductions (0.5–1% below market) would help DSPs and other care workers qualify for mortgages and make the dream of homeownership a reality. For many in this workforce, low wages, limited savings, and high borrowing costs make homeownership unattainable. Extending SONYMA's targeted benefits to care workers would mirror existing preferences for teachers, police, and first responders—recognizing them as essential community anchors.

Capital Funding Preference for New Childcare Centers at Provider Agencies: DSPs and other frontline human services workers are often excluded from existing childcare supports because they work nights, weekends, and other nontraditional hours. Creating a capital funding preference for new childcare centers located at provider agencies would directly address this gap, ensuring that care workers have access to reliable childcare aligned with their schedules. This investment would help stabilize the workforce, reduce turnover, and support the families of those who care for New York's most vulnerable populations.

Expand the NYS Child Tax Credit for DSPs and Human Service Workers: In SFY 2026, New York doubled the Child Tax Credit to $1,000 per child under age 4 and $500 per child ages 4–16, Expanding this benefit by creating an additional $1,000 refundable supplement for DSPs and other human service workers would put money back in their pockets, reward workforce retention, and ensure families relying on mixed or informal care arrangements receive meaningful support.

Restoring the Healthcare Enhancement Program: Given recent federal changes to the Essential Plan and ACA tax credits, nonprofit provider agencies may face a significant influx of costs in providing health insurance for their employees. To offset these pressures and strengthen workforce stability, an eligible per-employee allocation of $2,500 would be established for each provider. Funds could be used to create 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.

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