

**Testimony for New York State Division of
Budget
Economic Development**

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Thank you for the opportunity to provide testimony at today's hearing. We would like to thank Governor Spitzer and the Division of the Budget for providing a forum on the issues of economic development.

My name is Glenn Liebman and I am the CEO of the Mental Health Association in New York State. Our organization is dedicated to helping advocate for the positive transformation of the mental health system. We have thirty affiliates across New York State representing 54 different counties. Most of our affiliates provide community mental health services, advocate for changes in the mental health system and educate the public about mental health.

As an organization, we strongly believe that people with psychiatric disabilities provide a greater under utilized workforce in New York State. They can provide both a boon to the economy through working and creating a stronger tax base and they can recover in the community and ultimately transition out of the public sector of care.

Unfortunately, currently this is not the case. Over the last twenty years, the numbers of people with mental illness who are unemployed has remained both consistent and staggering. Over 85% of people with mental illness are unemployed.

Yet, most people with psychiatric disabilities want to work. According to a 1999 study from the National Association of State Mental Health Program Directors, close to 70% of people with psychiatric disabilities want to be employed.

The recent Recipient White Paper in New York State was culled from hundreds of interviews and meetings with recipients of mental health services. The White Paper listed employment as one of their top priorities.

Another staggering statistic on the positive side is the recovery rate for people with mental illness. Over 80% of people who suffer from clinical depression recover and live productive lives in the community. The number of people with bi-polar disorder and schizophrenia also recover in numbers well over 60%.

However, when people recover what are they recovering to? Unfortunately, for many reasons including models of care that are not often integrated and are vastly under funded, many people do not get the support that would help in the recovery process.

On one hand, you have people who are recovering and list employment as their priority and on the other hand, our system of care rarely accommodates the employment needs of these individuals.

Employment is integral to the life of someone with a psychiatric disability. It motivates an individual to change; it offers dignity, self respect, hope for the future as well as more money.

It also plays a role in providing linkages with the community. We at the Mental Health Association know this first hand through a very successful program that we run---The Community Business Outreach Program. The main component of this program is Business Advisory Councils. The councils bring together providers, recipients of mental health services and employers to develop collaborations between state and locally funded employment programs, business representatives and state agencies to identify competitive and integrated employment opportunities for job seekers. This model which has been established in seven different counties in New York has been successful in showing community businesses that people with mental illness can and want to go back to work. There have been hundreds of people who have gained successful employment including links with supported employment programs through the regional Business Advisory Councils.

By hiring someone with a psychiatric disability you also dramatically decrease the stigma and misconceptions of mental illness by proving that these individual are capable of working.

There are many barriers in place to employment for people with psychiatric disabilities including stigma related to the illness, loss of entitlements due to increased income, fear of failure and lack of job training.

We have to reduce these barriers and create greater opportunities. Empire Zones can play an integral role in employment for people with disabilities including mental illness. A virtually unknown aspect of Empire Zones is that employers in these zones can receive a State tax credit of up to \$3000 for hiring someone with a disability. In addition, they could also likely receive a Federal Work Opportunity tax credit as well.

Whether we come at this problem from a human service end or from an economic development perspective, one piece we can all relate to is the individual savings an employer in an Empire Development Zone can have by hiring someone with a disability. Adding a state and federal tax credit to the hiring of someone with a disability can add tax credits to an employer well in excess of \$5000.

This is a win/win for everyone. Employers save money and get a work force that is loyal and comes with supports (at no cost) such as job coaches and other technical assistance. Employees with psychiatric disabilities have the ability to make more money, have greater self respect, and gain more confidence and greater hope for the future. Taxpayers win when people who have been part of the public mental health system are gainfully employed and are receiving more limited government benefits.

The problem we have is not with the existing law---it is with the process. If we as advocates had worked with the Legislature and Executive and fought for and added the ability for employers to be provide with work tax credits for people with disabilities, this would have been hailed as a great step in moving the process forward. However, this has been the law for many years but very few people knew about this including, in all likelihood, most employers in Empire Zones.

Empire Zones can be used effectively for hiring people with disabilities and we must do everything in our power to provide as much information to employers as possible about the tax credits for hiring people with psychiatric disabilities.

Recommendations

- Funding in the New York State Office of Mental Health Budget to provide community mental health agencies with additional resources for development of employment skills for people with psychiatric disabilities including Supported Employment. Supported employment has provided successful outcomes for people with psychiatric disabilities. It is also regarded as an evidenced based best practice in the field.
- Funding for the Department of Labor/Office of Economic Development to insure that all employers in Empire Zones have received mandated trainings on the tax credits available for hiring people with disabilities as well as receiving trainings on the advantages of hiring individuals with disabilities.
- Administrative letters should be sent out from The Office of Economic Development to all employers in Empire Zones that highlight the state's commitment to hiring people with disabilities in Empire Zones as well as highlight the advantages of the tax credits. These tax credits should also be highlighted on agency web pages and publications.
- The Office of Economic Development should identify employers in economic zones that hire individuals with disabilities and utilize them as a best practice for other employers around the state as well as provide them with greater incentives through additional trainings and greater technical assistance.
- A Cabinet Level Position should be developed for employment programs for people with disabilities.
- Along with our colleagues at NYAPRS, we are advocating that New York State should be actively pursuing Medicaid Infrastructure Grants to increase the number of people enrolled in the Medicaid Buy-In Program for working people with disabilities
- Extend state contracting preferential status to enterprises operated by people with disabilities

In sum, we have long had a crisis in employment for people with mental illness. We have to identify strategies to help people with psychiatric disabilities and other disabilities receive additional employment opportunities. Empire Zones and other existing

mechanisms provide such an opportunity but unfortunately for several reasons they have been underutilized.

With the implementation of these recommendations, we can help provide greater employment opportunities and outreach to the community about the personal, financial and cost saving advantages of hiring individuals with disabilities. This is a win/win for all New Yorkers.

Thank you very much for your time and consideration.