Schuyler Center’s Last Look: New York State Budget 2016-17

Comparison of the NYS Enacted Budget with Schuyler Center Policy Priorities

Schuyler Center’s Last Look examines New York State’s 2016-17 Enacted Budget and how the final budget advances priorities that improve the health and well-being of all New Yorkers, especially those living in poverty.

Public health, health coverage, access and care

Community Water Fluoridation Fund: The final budget includes a $5 million appropriation for installation or upgrading of water fluoridation equipment bringing the total over two years to $10 million. This funding will strengthen the fluoridation infrastructure in New York.

Schuyler Center leads a statewide Oral Health Leadership Team that recommended this proposal, which aims to strengthen oral health and prevent dental disease. Community water fluoridation is the single most effective way to improve oral health, especially for children in poverty. We applaud the Governor and the Legislature for including this provision in the budget to improve oral health in New York’s communities.

History: The Executive, Assembly and Senate included $5 million in funding for water fluoridation equipment.

Adult Home Residents: The final budget includes $38 million to support the transition of adult home residents with mental illness into community-based settings.

The pace of residents moving to community-based settings has begun to accelerate over the last year. Schuyler Center applauds the State for providing resources for adult home residents with mental illness to transition to community-based settings.

Adult Homes — Enhancing the Quality of Adult Living: The final budget maintains funding for the Enhancing the Quality of Adult Living (EQUAL) program at $6.5 million. EQUAL provides valuable services to residents in adult homes in the form of clothing allowances, air conditioning in residents’ rooms, and computers for resident use, with a requirement that residents have a voice in how funds are expended.

Schuyler Center applauds the Governor and the Legislature for recognizing the importance of this funding for the quality of life in adult homes and continuing to ensure that residents have a strong voice in how funds are expended.

Health Care Facility Transformation and Support for Community-Based Providers: The final budget includes $200 million for health care facilities to support capital projects in furtherance of transformation. At a minimum, $30 million of total awarded funds must be allocated to community-based providers.

The State has provided billions of dollars in recent years to support health system transformation. The vast majority of this funding has gone to large institutional providers, which is incongruous with the State’s articulated goals of strengthening primary care and community-based services. Community-based
providers, like community health centers and community-based mental health clinics, are essential to ensuring care and services are as accessible as possible to the people who need them most. They have a long history of meeting people’s needs and serving people not traditionally reached by institutional health care settings. The Schuyler Center applauds the Legislature for recognizing the need to support community-based providers in this year’s budget.

**Children’s Mental Health Services:** Children’s behavioral health care providers are preparing for a transition to Medicaid managed care and developing the infrastructure necessary for Children’s Health Homes. The final budget includes $175,000 for the design of a data collection plan and analysis of children’s behavioral health services to evaluate service effectiveness, identify performance outcome measurements, and quality benchmarks in preparation for alternative payment methodologies such as managed care and value-based payment. The funding will go to the Conference of Local Mental Hygiene Directors. There is also an agreement that the Department of Health will work with Health Homes for Children to identify and address start-up costs for implementing Health Homes for Children within available global cap resources. A portion of the funds dedicated to support the overall transition of behavioral health services to Medicaid managed care is designated for readying the children’s system. And, the budget supports Medicaid funding for six new Medicaid services for children: crisis intervention, community psychiatric supports and treatment, psychosocial rehabilitation services, family peer support services, youth peer training and support services, and services from other licensed practitioners. The State will submit a State Plan Amendment to the Centers for Medicare and Medicaid Services seeking approval for this change.

**Assistance with Health Coverage:** The final budget includes $3.25 million for CHA—$2.5 million from the Executive and $750,000. Due to the intricacies of State contracting, this means that the CHA program faces an 18% cut from the past year.

CHA programs help New Yorkers get and use health insurance. These essential programs provide assistance to New Yorkers as they enroll in and begin to use health insurance, thereby ensuring that insurance coverage translates into use of medical care, including preventive services.

**History:** The Executive included $2.5 million for Community Health Advocates (CHA) funded through the operation of the Marketplace, while the Assembly added $500,000 in their one-house budget bill for a total of $3 million. The Senate did not add any additional funding for the CHA program.

**Essential Coverage for Immigrant Residents:** The final budget does not include funding to provide Essential Plan (EP) coverage for New Yorkers who are ineligible for federal EP funding because of their immigration status. While these individuals are eligible for Medicaid, they cannot access federally-funded EP or Marketplace plans if their income is above the Medicaid level.

**History:** Neither the Governor nor the Senate included funding to provide Essential Plan (EP) coverage for New Yorkers who are ineligible for federal EP funding because of their immigration status. The Assembly included $10.3 million to cover the costs of enrolling this population into EP coverage.

**Early Intervention:** The final budget does not include several changes to the Early Intervention program, which provides therapeutic and support services to children under the age of three who have disabilities or developmental delays. The budget briefing book identified State savings of $5 million in the budget year, growing to $20 million in 2018, as well as county savings. The proposed changes would have addressed insurance company payment for services, eligibility determinations, and the administrative component of provider rates.
History: The Executive Budget once again proposed several changes to the Early Intervention program, which provides therapeutic and support services to children under the age of three who have disabilities or developmental delays. Both the Assembly and Senate rejected the Governor’s proposal.

Family economic security and support

Maternal, Infant and Early Childhood Home Visiting: The final budget restores $500,000 to the Nurse-Family Partnership home visitation program for a total of $3.5 million, $500,000 less than last year’s funding of $4 million. The final budget maintains flat funding for Healthy Families New York at $23,288,200. The final budget does not invest in Parents as Teachers or the Parent-Child Home Program.

Maternal, infant and early childhood home visiting is available to a small number of parents with young children in a few areas around the state. A significantly higher investment is needed if New York aims to serve all communities with families in need and endeavor to ensure the best health and social outcomes for mothers, infants and families. Additional information about home visiting in New York State can be found here: www.scaany.org/policy-areas/maternal-infant-and-early-childhood/.

Paid Family Leave Insurance: The final budget includes legislation to implement a Paid Family Leave (PFL) program. After a phase-in period, the New York State program will be the most generous in the nation, and will provide eligible employees 12 weeks of job-protected leave to bond with a new child, care for a seriously ill family member, or to address issues related to a spouse, child or parent’s active military duty. The wage replacement rate (the amount that the employee will be paid during the leave) will be 67% of their wage/salary, up to a maximum replacement rate of 67% of the average weekly wage in New York State (whichever is lower). The benefit will be available to full- and part-time employees employed by private businesses of all sizes who have been employed at the business for at least 26 weeks (or for 175 days for part-time employees). The wage replacement is funded by a small employee-paid withholding.

The benefit will be phased in according to the following schedule:

- January 1, 2018: employees will be entitled to up to eight weeks of leave, at a replacement rate of 50% of their average weekly wage (up to the maximum amount of 50% of the State average weekly wage);
- January 1, 2019: employees may take up to 10 weeks of leave at a wage replacement rate of 55%;
- January 1, 2020: the maximum leave time remains at 10 weeks, with a wage replacement rate of 60%;
- January 1, 2021: full phase-in, employees may take up to 12 weeks of leave at a wage replacement rate of 67%.

Schuyler Center applauds the State for enacting a strong Paid Family Leave law. Finally, millions of New Yorkers will be able to take time off from work to care for a new child or a seriously ill loved one without having to worry about facing job loss or financial distress. This sweeping law is good for New York families, children, and employers.

Earned Income Tax Credit: The final budget permanently extends the noncustodial Earned Income Tax Credit, which allows noncustodial parents who are up to date on child support to benefit from a modified (lower) EITC. It does not otherwise expand the EITC.
Schuyler Center applauds the policymakers’ support of the noncustodial EITC. The EITC is one of the best ways to encourage and reward work, and is carefully focused on low-income families with children and individuals. Research shows that children of EITC recipients are healthier and do better in school. Schuyler Center will continue to work with partners and State lawmakers to build support for an expansion of the State EITC to at least 40% of the federal benefit. Such an increase, in coordination with a higher minimum wage and paid family leave, would help thousands of New York families and individuals achieve economic security.

History: The Executive Budget did not include an increase in the State Earned Income Tax Credit (EITC), but permanently extended the noncustodial EITC, which allows noncustodial parents who are up to date on child support to receive the EITC at the noncustodial rate (the greater of 20% of the federal EITC for a custodial parent with one child or 2.5 times the federal rate of an individual without children). The Assembly and Senate accepted the Governor’s proposal to make the noncustodial EITC permanent, and the Assembly proposed an increase in the EITC from 30% to 35% of the federal EITC.

Minimum Wage: The final budget includes a phased-in minimum wage increase for all workers across the state. The minimum wage will be implemented according to the following schedule:

<table>
<thead>
<tr>
<th>Employees of Large Businesses (≥ 10 employees)</th>
<th>Employees of Small Businesses (≤ 10 employees)</th>
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<tbody>
<tr>
<td><strong>New York City</strong></td>
<td>Phase in to $15 an hour by December 31, 2018.</td>
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<tr>
<td>Phase in to $15 an hour by December 31, 2019.</td>
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<tr>
<td><strong>Nassau, Westchester and Suffolk Counties</strong></td>
<td>Same schedule as for employees of large businesses.</td>
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<tr>
<td>Phase in to $15 an hour by December 31, 2021.</td>
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<tr>
<td>Same schedule as for employees of large businesses.</td>
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<tr>
<td><strong>Rest of New York State</strong></td>
<td>Same schedule as for employees of large businesses.</td>
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<tr>
<td>Phase in to $12.50 an hour by December 31, 2020, and then continue to annually rise to $15 an hour based on an indexing formula.</td>
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The budget includes a limited amount of funds to cover the wage increase for health and human services workers employed by non-profit organizations funded by contracts with certain State agencies, including $1.1 million to the Department of Education, $800,000 to the Office of Alcoholism and Substance Abuse Services, $600,000 to the Office of Mental Health, and $4.1 million to the Office for People with Developmental Disabilities. The budget also authorizes the Director of Budget to adjust the Medicaid global cap to increase reimbursement rates for various medical assistance programs to cover minimum wage increases, and directs that available global cap funds be used to support increased labor costs associated with the minimum wage hike incurred by organizations providing Medicaid-covered services. These funds may only be used to cover direct salary increases and related fringe benefits; they may not be used to support compression (or, “spillover”) costs.

The Schuyler Center applauds the State for enacting this historic minimum wage hike which will move thousands of New York families, children and individuals out of poverty and on the road to economic security. Schuyler Center remains concerned that the budget does not contain adequate funds to cover the cost of wage increases in the health and human services sectors to ensure that people in need can receive the services they need, and safeguard the State’s non-profit health and human services sector. We will be working with our partners and State lawmakers to ensure that Medicaid reimbursements and State funding for contracts to human services providers keep pace with the phased-in wage-increases.
History: The Executive Budget proposed a phased-in wage increase to $15, but contained no funding to cover the increased labor costs for health and human services workers employed by non-profits funded largely by State contracts. This omission raised widespread concern that these organizations would be forced to cut services that are essential to the health and well-being of many vulnerable New Yorkers to cover labor costs that would be associated with the wage increase. The Assembly added $200 million in their one-house budget bill to support supplemental payments to state and county-funded non-profits to cover increased labor costs due to the minimum wage hike. The Senate indicated in its resolution that it would consider raising the minimum wage, but did not contain any provisions in its one-house budget.

Empire State Poverty Reduction Initiative: The final budget includes $25 million in funding for a new program, modeled after the Rochester Anti-Poverty Task Force. The program makes planning and implementation grants available to 16 local anti-poverty task forces in 15 municipalities and one borough with high rates of poverty: Albany, Binghamton, Buffalo, Elmira, Hempstead, Jamestown, Newburgh, Niagara Falls, Oneonta, Oswego, Rochester, Syracuse, Troy, Utica, Watertown and the Bronx. The total amount of funds allocated to each local task force will depend on the number of individuals living in poverty in the municipality or borough, and will range from $500,000 for municipalities with fewer than 5,000 individuals living in poverty to $2,750,000 to a borough (the Bronx) with more than 40,000 individuals living in poverty. The task forces are to be headed by a not-for-profit selected by each municipality’s mayor (or the borough president in the case of the Bronx), and must conduct the task force work in two phases. In the planning phase, each task force, using data and resident input, is required to select one or more issues to address, including, but not limited to, childhood poverty or homelessness. In the implementation phase, after receiving approval from the Office of Temporary and Disability Assistance, each task force is to undertake a project that addresses a problem or problems identified in the planning phase. To be eligible for these funds, the project cannot require ongoing state financial support. Task forces are encouraged to secure additional funds from private sources.

Schuyler Center applauds the Governor and Legislature for drawing attention to the issue of poverty across New York State. However, with nearly a quarter of all New York children living in poverty, and 43% in near poverty (< 200% of the federal poverty level), we are concerned that the modest amount of funding allocated to this initiative, lack of a thoughtful plan, and requirement that to be funded, projects cannot require ongoing state financial support, will result in it having a marginal impact. We look forward to working with lawmakers and community partners to make this initiative as successful as possible, and ensure that in the near future, the State dedicates more robust funding and thoughtful planning to this or other initiatives to substantially reduce poverty across the state.

History: The Executive Budget included a proposal to invest $25 million in an anti-poverty initiative, but would have provided $500,000 in planning and implementation grants to ten cities: Albany, Binghamton, Buffalo, Elmira, Jamestown, Oneonta, Oswego, Syracuse, Troy and Utica. The Assembly proposed to modify the Governor’s proposal by increasing the amount available for anti-poverty initiatives to $62.5 million and designating funds to be used for programs like home visiting, job training, mentorship, and programs to address chronic homelessness and housing insecurity. Under the Assembly plan, awards would have been made to a non-profit organization and eligible locations would have included Albany, Amityville, Binghamton, Brentwood, Buffalo, Elmira, Freeport, Hempstead, Jamestown, City of New York, Oneonta, Oswego, Rochester, Syracuse, Troy, Uniondale, Utica, Watertown and Wyandanch, with the award to New York City designated to be $25 million. The Senate proposed maintaining the Governor’s funding, but sought to modify the bill to add Newburgh, Niagara Falls, Poughkeepsie, Rochester and Schenectady as eligible cities, make distribution of funds to the eligible cities on a per capita basis, and require the mayor of each eligible city to convene a coordinating council on poverty.
Social Services Resource Tests: The final budget includes language that changes the amount of resources that a person or family can have and still maintain eligibility for public assistance. It increases the amount of savings, including savings for college and retirement, and vehicle value allowed. The final budget continues to allow local social service districts to take liens or deeds on properties owned by public assistance recipients; the Assembly bill would have prohibited this.

In order for individuals and families to begin to move off of public assistance, a mechanism for the development and retention of assets is necessary. These policy changes are steps in the right direction, allowing families to begin to save in a way that should help them in a transition from public assistance.

Community Schools: The final budget includes $175 million for community schools, $75 million of which will be available as grants to districts with schools designated as “failing,” while $100 million is funded through a Foundation Aid set-aside. Funds can be used for the delivery of co-located or school-linked services including academic, health, mental health, nutrition, counseling, legal and other services for children and their families.

Schuyler Center supports robust investment in quality community schools programs, which have been proven to yield positive educational, health and social services outcomes for vulnerable families and children.

History: The Governor proposed $100 million for community schools in high need districts. The Senate supported the Governor’s proposal and the Assembly added an additional $100 million, as well as $10 million to fund professional development for community schools staff.

Child Care Subsidies: The final budget includes no additional funding for child care subsidies, and a $10 million dry appropriation to support implementation of new, federally-mandated regulations under the federal Child Care and Development Block Grant (CCDBG) Act, which is estimated will cost at least $190 million annually. This means that the budget contains no funds to improve access to child care for low-income families and inadequate funding to support implementation of the new CCDBG Act regulations.

With fewer than a quarter of eligible New York families being granted child care subsidies, Schuyler Center is disappointed that the State failed to provide any increased funding for additional slots, particularly given the significant costs the CCDBG requirements will cost child care providers. And, while the State has submitted a request to the federal government seeking a package of waivers delaying implementation of all of the new CCDBG requirements, the federal government has not yet responded to the waiver requests. In the end, the federal government could grant all, some, or none of the requested waivers. If even a portion of the waiver requests are denied, the budget contain no funds to cover even partial implementation costs.

Without affordable, quality child care, it is nearly impossible for parents to pull their families into economic security. Schuyler Center will work with our partners and lawmakers to ensure that New York increases its investment in and commitment to child care.

History: Under the Executive Budget, child care was essentially flat funded, with $10 million added as a "dry appropriation" to support child care provider inspections as required under the federal Child Care and Development Block Grant (CCDBG) Act. The Assembly added an additional $75 million to be used for expanding access to subsidized child care and to prioritize child care assistance to children experiencing homelessness, unless needed to cover costs associated with implementing the CCDBG regulations should the State not be granted federal waivers delaying implementation of the new CCDBG requirements. The Senate did not include additional funding to support child care subsidies.
Pre-Kindergarten: The final budget includes $22 million in funding for pre-kindergarten slots for three-year-olds, thereby expanding funding for this younger age group before ensuring that all eligible 4-year-olds have access to Pre-K. This funding amount is also significantly lower than the amount needed to make pre-kindergarten universal for any age group. The budget includes a requirement that participating school districts agree to adopt approved quality indicators within two years.

History: The Executive Budget included $22 million which would have been directed to slots for three-year-olds, while the Assembly included $22 million in funding for pre-kindergarten for the Priority Pre-K program, which could be used for four-year-olds. The Senate did not include new funding for pre-kindergarten.

Child Care and Pre-Kindergarten Quality: The final budget includes $2 million in funding for QualityStarsNY, New York’s quality rating and improvement system for early childhood education.

Research has shown that high-quality early learning programs have long-lasting positive effects on children’s futures. It is simply irresponsible to ignore the need to improve quality for our youngest New Yorkers in child care.

Afterschool Programs: The final budget includes $22,255,300 in funding for Advantage After School. This is an increase of $3 million, as compared to last year’s final budget of $19,225,300.

High-quality afterschool programs have been shown to help close the gap for low-income children and families. The State’s increase in Advantage After School is a positive step toward ensuring that such opportunities exist for more children.

History: The Executive Budget reduced funding for Advantage After School by $2 million, as compared to last year’s final budget, to $17,255,300. The Senate maintained the Governor’s funding level and the Assembly increased funding to $24,255,300.

Child welfare and juvenile justice

Preventive, Protective, Independent Living, Adoption, and Aftercare Services: The final budget appropriates $635 million for open-ended preventive, protective, independent living, adoption and aftercare services, reducing the State share to 62%. The budget also includes flat funding of $12 million for the Community Optional Preventive Services (COPS) program, continuing to limit that funding to programs that were funded when the program was cut in 2008.

Localities use open-ended preventive funding to prevent the need for foster care placements and to ensure permanency for children and youth in care. A more strategic approach would make services available further upstream, before there is a documented risk of entry into foster care.

Prevention and Post-Adoption Services: The final budget includes $5 million in post-adoption services and prevention services to prevent children from entering foster care. The budget also includes new language to appropriately clarify that the funds are to be used for this purpose.

Post-adoption and post-permanency services provide critical supports to families, helping to ensure that children continue to receive necessary services after they have left the foster care system. This funding is an important step in ensuring that services are available to all families who need them.
History: The Executive Budget briefing book proposed to invest $5 million in adoption assistance savings, that are derived from a higher federal share of adoption assistance, into post-adoption services to prevent children from entering, or re-entering, foster care. However, language for the appropriation was vague and failed to mention post-adoption services specifically. Both the Assembly and Senate maintained the proposed $5 million for post-permanency services, and the Assembly included language to clarify the purpose of the funds.

Kinship Caregiver Services: The final budget includes a total of $2,238,750 in funding for kinship caregiver services. This is an increase of $900,000 over last year’s final budget. The budget also increases funding for the statewide kinship navigator information and referral network to $320,500, a $100,000 increase over last year.

Kinship caregiver programs offer important support and services to people who care for relatives’ minor children outside of the formal foster care program. Programs provide information about family members’ rights, support to meet children’s education and health care needs, and assistance with obtaining benefits. The Schuyler Center applauds the State for increasing its support for kinship families. An increase in this funding will help to ensure that the tens of thousands of grandparents and relatives who care for related children outside of the foster care system have access to supports and services that make that care financially possible.

History: The Executive Budget maintained flat funding for kinship caregiver services at $338,750 and for the kinship navigator information and referral network at $220,500. The Senate maintained flat funding for both and the Assembly added $1.9 million in additional funding for non-profits providing support services to caretaker relatives of minor children, as well as $100,000 to the statewide kinship navigator.

Kinship Guardianship Assistance Program (KinGAP): The final budget continues funding KinGAP within the Foster Care Block Grant, as in previous budgets.

For several years, advocates for children in the child welfare system have urged the Governor and Legislature to remove funding for KinGAP from the Foster Care Block Grant. KinGAP provides relatives in certified foster care settings a permanency option when both adoption and family reunification are ruled out. Many of these families require financial assistance to continue caring for a foster child in their household; with KinGAP, kinship families can exit the foster care system and continue to receive financial support. KinGAP is an important way to promote permanency for children and youth and should be funded as such—separate, uncapped, and outside of the Foster Care Block Grant, with no reduction to the Foster Care Block Grant.

Foster Care and Higher Education: The final budget includes $3 million in funding for the Foster Youth College Success Initiative (FYCSI) to support youth in foster care to pursue higher education. The additional funding will allow a new cohort of eligible students to benefit from the program designed to help former foster youth complete college.

The Schuyler Center is a member of the steering committee of the Fostering Success Youth Alliance, which is working to provide a realistic path to higher education for the State’s youth in care. Schuyler Center applauds the State’s support of this important program.

History: The Executive Budget included $1.5 million for the FYCSI. The Senate maintained the Governor’s funding and the Assembly added $1.5 million for a total of $3 million.
Safe Harbor: The final budget restores $3 million in funding for services to support vulnerable, sexually exploited youth.

Safe Harbor provides critical funding to services for sexually exploited children and youth. This funding is essential in order to continue those programs and services.

History: The Executive Budget did not include funding for Safe Harbor, but both the Assembly and Senate added $3 million in support of the program.

Juvenile Justice: The final budget does not include legislation to raise the age of juvenile jurisdiction. However, the budget does maintain $110 million from the Executive Budget for costs associated with raising the age.

New York is one of only two states in the nation that continues to automatically try all 16- and 17-year-olds as adults. The Schuyler Center is a member of a statewide coalition recommending that New York create a juvenile justice system that provides opportunities for youth and advances public safety by raising the jurisdictional age. We urge the Legislature to pass legislation to comprehensively raise the age by the end of this legislative session.

History: The Executive Budget included legislation to raise the age of juvenile jurisdiction through a phased-in plan that would incrementally raise the age to 18 by January 2019, and the lower age of juvenile jurisdiction from 7 to 12 by 2018. While the Senate rejected this language, the Assembly modified the bill language to include: narrowing the list of juvenile offenses for 16- and 17-year-olds, expanding youthful offender eligibility to youth under age 21 and providing opportunities for the sealing of certain convictions. All three budget proposals included $110 million in capital funding for raising the age.