Schuyler Center’s First Look at the NYS 2019-20 Executive Budget as It Intersects with Our Policy Priorities

Schuyler Center’s First Look is an initial assessment of New York State’s 2019-20 proposed Executive Budget and how it advances priorities that improve the health and well-being of all New Yorkers, especially those living in poverty. Schuyler Center staff will spend the coming days gaining a deeper understanding of the Executive Budget and its impacts, and working with lawmakers to achieve a final State budget that prioritizes investing in children and families, and reducing poverty and inequality.

This Executive Budget proposes a few modest, but important new investments for children and families. One bright spot is the proposed new Family First Transition Fund that would support counties’ efforts to recruit and support foster and kinship families in preparation for implementation of the new Family First Prevention Services Act. The Executive also proposes $26 million to go toward holding the rate New York State pays for child care subsidies outside of New York City, at its current level, more than $2 million to support child care provider infant and toddler resource centers, more than $20 million in increased investment in after school programs, and $15 million in new investment in pre-K.

The First 1,000 Days on Medicaid initiative and the children’s redesign are funded through Medicaid, now in the implementation phase, and thus are not mentioned in the Executive Budget. The children’s redesign is a major reform that expands Medicaid spending on children’s behavioral health care, adding six new services to the State Medicaid plan. It aims to improve a child’s functioning at home, school, and in the community and expand access to proven services. The First 1,000 Days on Medicaid is a set of 10 recommendations to enhance access to services and improve outcomes for the nearly 60% of New York children age birth to three years who depend on Medicaid. It includes recommendations related to early childhood mental health consultation; maternal, infant, and early childhood home visiting; local early literacy strategies; peer family navigators; and more.

Absent from this Executive Budget proposal are any bold moves to provide the tens of thousands of families experiencing poverty or near poverty a pathway into economic security. Missing are significant investments in services proven to improve family economic security, strengthen families, and prevent child welfare involvement, like access to quality, affordable child care, evidence-based home-visitation, family strengthening programs and working family tax credits.

Overall, this Executive Budget represents yet another missed opportunity, on the heels of nearly a decade of scant investment in children and families. Even the new investments noted above leave New York far short of what is needed to mitigate the effects of poverty and generate opportunity.

CHILDFUL WELFARE AND JUVENILE JUSTICE

Preventive, Protective, Independent Living, Adoption, and Aftercare Services

What’s in the Executive Budget

The Executive Budget proposes an appropriation – level with previous years funding – of $635 million for preventive, protective, independent living, adoption, and aftercare services, but reduces the State share to 62% from 65% (as is written in statute).
The budget would also flat fund $12 million for the Community Optional Preventive Services (COPS) program, continuing to limit that funding to counties that were funded when the COPS program was cut in 2008.

**Background**

Localities use the open-ended preventive funding stream to pay child protective services and services to prevent children from entering, or re-entering, foster care. While State reimbursement to counties is written into statute at 65%, it has been reduced to 62% through the budget every year since 2008.

The State should expand its investment in primary prevention. A more strategic approach to prevention would be to make services available further upstream, before there is any documented risk of entry into foster care. The Schuyler Center urges the State to re-assume the 65% State share, setting aside the 3% restoration to be used for targeted, community-based primary prevention services to prevent child abuse and neglect, and strengthen families.

**Family First Transition Fund**

**What’s in the Executive Budget**

The Executive Budget proposes to invest $3 million to create a Family First Transition Fund that would support counties’ efforts around recruiting and supporting foster and kinship families in preparation for implementation of the new Family First Prevention Services Act.

**Background**

The Family First Preventive Services Act, which passed Congress in early 2018, fundamentally changes the approach to child welfare financing. Under the law, new requirements will be in place around the use of federal funding to support children in group home settings. Instead, the law aims to encourage states to place more children with foster families, including relatives. States will also be allowed to use some federal foster care dollars to fund evidence-based preventive services. The Schuyler Centers urges the State to support the Transition Fund with a clean funding line to ensure the fund does not compete with or draw funding away from post-adoption supports that we know are critical to children and families.

**Foster Care Block Grant**

**What’s in the Executive Budget**

The Executive Budget does not propose restoration of the $62 million cut to the Foster Care Block Grant included in the 2017-18 Enacted Budget, instead proposes maintaining last year’s funding of the Block Grant of $383.5 million.

**Background**

Counties use the Foster Care Block Grant to pay for foster care and the Kinship Guardianship Assistance Payment (subsidized guardianship) program. A reduced block grant means that counties assume a higher share of spending for their foster care systems.

**Prevention and Post-Adoption Services**

**What’s in the Executive Budget**

The Executive Budget would invest $7 million in adoption assistance savings derived from a higher federal share of adoption assistance, into post-permanency services and services to prevent children from entering foster care. This would amount to level funding compared to last year’s final budget.

**Background**

Post-permanency services are available to families after an adoption or guardianship arrangement has been finalized. These services are intended to help support families in permanency and to meet the needs of children and youth who had been in foster care.
Kinship Navigator and Kinship Caregiver Services

What’s in the Executive Budget

The Executive Budget proposes funding for kinship caregiver services at $338,750. This is a cut of $1.9 million from last year’s final budget. Last year the Assembly added $1.9 million.

The budget also proposes $220,500 in funding for the statewide Kinship Navigator information and referral network. This represents a cut of the $100,000 the Assembly added to last year’s budget.

Background

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 Kinship Navigator is a statewide resource and referral network for kinship families, providing information and connections to important resources.

The Schuyler Center urges the State to at least maintain level funding to these important and cost-effective programs, and support a federal kinship navigator project evaluation to prepare for implementation of the Family First Prevention Services Act.

Kinship Guardianship Assistance Program (KinGAP)

What’s in the Executive Budget

The Executive Budget proposes to continue funding KinGAP within the Foster Care Block Grant, as was done in previous budgets.

Background

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; the State should fund KinGAP as separate, uncapped, and outside of the Foster Care Block Grant, with no reduction to the Foster Care Block Grant.

Foster Care and Higher Education

What’s in the Executive Budget

The Executive Budget proposes $1.5 million in funding for the Foster Youth College Success Initiative (FYSI) to support youth in foster care to pursue higher education to graduation. This represents a $4.5 million cut compared to last year’s final budget, when the Assembly added $4.5 million to the Governor’s proposal, bringing the program to $6 million.

Without a restoration of $4.5 million, the program will not be able to support students who may already be participating, and could prevent some from successfully completing their course of study.

Background

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. The Schuyler Center urges the State to maintain level funding to FYSI.
Child and Dependent Care Tax Credit

What’s in the Executive Budget

The Executive Budget proposes no changes to New York State’s child and dependent care tax credit.

Background

The New York State child and dependent care tax credit is a fully refundable tax credit that is calculated as a percentage of the federal child and dependent care credit. In 2017-2018, the Enacted Budget increased the tax credit by a very modest amount for families with children in qualifying child care who earn between $50,000 and $150,000.

Child Tax Credit

What’s in the Executive Budget

The Executive Budget does not propose an expansion of the Empire State Child Credit to include children under age four.

Background

New York’s Empire State Child Credit provides eligible taxpayers a credit equal to 33% of the federal child tax credit at the levels that existed prior to the passage of the 2018 federal tax overhaul, or $100 per qualifying child, whichever is greater. The Empire State Child Credit continues to exclude children under age four from eligibility – the very group most severely impacted by poverty, and would most benefit from receiving a credit. The Schuyler Center urges the State to expand the Empire State Child Credit to include children under age four, and making the credit more robust for young children.

Earned Income Tax Credit

What’s in the Executive Budget

The Executive Budget does not propose an increase or expansion of the state Earned Income Tax Credit (EITC).

Background

The EITC is one of the best ways to “make work pay” for low-income families and individuals, and research shows that children of EITC recipients are healthier and do better in school. The state’s EITC provides eligible taxpayers with children a refundable credit equal to 30% of the federal child tax credit. Non-custodial parents are also eligible for a credit, along with most childless adults – although this credit is considerably smaller.

One group that is completely excluded from the federal and state EITC are young childless adults ages 18 to 25 at exactly the period in their lives when they are struggling to gain their footing in the workforce and build a nest egg for a future family. The poverty rate for young New York adults is 20%, far exceeding the 14% poverty rate for New York State overall. The Schuyler Center urges the State to increase the state EITC for eligible taxpayers with children and expand the credit to include young childless adults.

Employer Provided Child Care Tax Credit

What’s in the Executive Budget

The Executive Budget contains a proposal to create a state Employer Provided Child Care Tax Credit.
Background

The proposed tax credit appears to closely resemble the federal Employer Provided Child Care Tax Credit. While Schuyler Center believes that engaging business in efforts to expand access to quality child care is essential, there is data from other states that have created similar credits, and from the federal credit, showing that employer provided child care tax credits have been underutilized and largely ineffective. In fact, in recent years numerous states have let their employer provided child care credits lapse. In the coming weeks, Schuyler Center will be studying the specifics of New York’s proposal to evaluate whether New York’s proposed credit has been crafted to avoid some of the shortcomings of the federal and other state credits.

EARLY CHILDHOOD WELL-BEING

Maternal Health

What’s in the Executive Budget

The Executive Budget includes funds to establish a Maternal Mortality Review Board to conduct a multidisciplinary review of every maternal death and develop recommendations to improve care and management. There would also be an advisory council on maternal mortality and severe maternal morbidity, consisting of a diverse group of women and communities disproportionately affected by maternal mortality and morbidity in New York. Other proposals include expanded Community Health Worker programs in key communities, a new data warehouse to provide real-time data on maternal mortality and morbidity, and creation of an expert panel on postpartum care to develop recommendations targeting the time immediately after birth. Four million dollars is included for these provisions.

Proposals also include information and outreach on maternal health issues to communities, promotion of telehealth for perinatal care, additional protections for breastfeeding, the protection of educational rights for pregnant and parenting students, and safe sleep campaign to reduce infant deaths. Promoting equity and reducing disparities is woven through the narrative as a priority for the various proposals.

Background

Studies show that maternal health is essential to ensure the health of children – and, by extension, the whole family. Still, many mothers, particularly women of color, suffer from lack of access to health care, poor conditions and poor quality of life. Black mothers in New York are four times more likely to die during childbirth than White or Asian mothers.

Maternal, Infant, and Early Childhood Home Visiting

What’s in the Executive Budget

The Executive Budget includes funding for Healthy Families New York at $26,162,200, an increase of nearly $3 million over last year to mitigate the impact of minimum wage increases.

The budget proposes $3 million in funding for the Nurse-Family Partnership program, which represents level funding compared to previous years’ funding.

No funding was proposed for Attachment Biobehavioral Catch-up, Parents as Teachers or the Parent Child Home Program.

Background

Maternal, infant, and early childhood home visiting is available to a very 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 developmental outcomes for mothers, infants, and families.
Child Care

What’s in the Executive Budget
The Executive Budget includes $26 million to hold the child care subsidy reimbursement rate at the 69th percentile of market rate outside of New York City. The budget also includes a new investment of more than $2 million to expand the Infant-Toddler Resource Network, which provides critical training and supports to providers serving our youngest New Yorkers, and flat funding, at $5 million, for QUALITYstarsNY, the state’s quality rating and improvement system. Finally, the Governor proposes in the State of the State Book to require the state’s Regional Economic Development Councils to prioritize child care in their 2019 plans, launch a child care worker scholarship, and create a common application for child care assistance. These modest investments and policy proposals are important, but do nothing to expand access to quality care to the thousands of families currently unable to access child care assistance. At best, they may keep some providers in business for another quarter or year, maintaining the same or similar capacity.

Background
Currently, the state provides child care subsidies for fewer than 20% of New York families eligible for child care assistance.

While child care represents a significant expenditure for families, much of the child care workforce subsists on low wages. The shortage of investment in child care impedes parents’ ability to achieve economic security, driving many working families into poverty.

Last year, New York took an important step in convening a Child Care Availability Task Force. While we believe this task force can play a critical role in significantly expanding quality, affordable child care, it only began its work in December 2018— a month after the first report of the task force was due. Schuyler Center urges the State to make a substantial investment in child care this year to keep the providers’ doors open, parents working, and children learning.

Pre-Kindergarten

What’s in the Executive Budget
The Executive Budget proposes to add $15 million in new funding for 3- and 4-year-olds, open to all districts. The budget secures all other current pre-K funding for FY 2019-20. But districts must continue to serve the same number of children.

Background
More than 80,000 4-year-olds outside New York City have no access to full-day pre-K. The new funding is a modest step forward. It will increase the number of children in pre-K by a small number, but still falls far short of providing access to 4-year-olds, and shorter still of the Governor’s stated goal of universal pre-K and movement toward a single, coherent pre-K program. While it is positive that current pre-K funding is secured, it is problematic that the funding level is frozen at levels that, in some cases, have been the same for several decades. Accordingly, many districts desperately need increased resources and support to sustain current services, meet quality standards and convert part-day services to the full-day that most benefits children.

Early Intervention

What’s in the Executive Budget
The Executive Budget proposes a $4.4 million ($3.6 million Medicaid and $800,000 non-Medicaid) increase over last year’s funding to increase reimbursement rates by five percent, paid to three categories of Early Intervention providers: licensed physical therapists, occupational therapists and speech-language pathologists. The Governor’s stated intent is to improve access to care and expand service delivery.
Background
The Early Intervention program provides therapeutic and support services to eligible infants and toddlers, under the age of three, who qualify due to disabilities or developmental delays. Data show that one in four children did not receive mandated Early Intervention services within the required time frame. Low provider payment rates, including cuts implemented in 2010 and 2011 have been cited as a reason that providers have ceased to provide services in several areas in the state.

Afterschool Programs

What’s in the Executive Budget
The Executive Budget proposes to reduce funding for Advantage After School by $5 million as compared to last year’s final budget. Last year the Legislature added the additional $5 million to the program, bringing the full investment to $22.3 million. The budget also proposes to invest $10.7 million to support the minimum wage increase.

The Executive Budget also proposes to increase investment by $10 million in the Empire State After-School program – with $2 million reserved for school districts and community-based organizations located in high-risk areas in Nassau or Suffolk County. The other $8 million is targeted to applicants in school districts with high rates of student homelessness and communities vulnerable to gang activity. With the addition of these new funds, total investment in the program will rise to $55 million. These funds will allow an additional 6,250 students to engage in afterschool programs.

Background
High-quality afterschool programs have been shown to help close the achievement gap for low-income children and enable families to achieve economic stability. Schuyler Center urges the State to increase the Advantage per-student rate to $2,320 from its current $1,375, while maintaining the same number of students served, at a cost of $15.2 million. This per-student increase is essential to keep pace with rising costs, including the increasing minimum wage.

Juvenile Justice

What’s in the Executive Budget
The Executive Budget proposes $200 million for services and expenses related to raising the age of juvenile jurisdiction. Based upon language included in the statute, it is unlikely that New York City will be eligible to receive any of the funding.

The Executive Budget also fails to restore $41.4 million in funding to the Close to Home juvenile justice program, cut in last year’s Enacted Budget.

Background
In 2017, New York State passed legislation to raise the age of juvenile jurisdiction. The legislation, which is being phased in over 2018 and 2019, moved misdemeanors to Family Court, and created a new Youth Part of the criminal court for felonies, with the presumption that non-violent felonies will be moved down to Family Court, unless the district attorney files a motion within 30 days showing “extraordinary circumstances” that the case should remain in the Youth Part. Family Court judges will also preside over the Youth Part of the criminal court. As part of the legislation, youth will be provided with rehabilitative services.

Close to Home is a juvenile justice reform initiative implemented in New York City and designed to keep youth close to their families and community. Under Close to Home, young people receive therapeutic services at small group homes, where they are close to resources that can support their successful transition back into their communities.
Counting Children in the 2020 Census

What’s in the Executive Budget

The Executive Budget proposes no funding to support efforts to ensure a full census count in 2020, including of young children.

Background

Every year, more than $53 billion in federal funds is allocated to New York and localities based on Census data either directly or through Census population estimates or surveys that in turn rely on the Decennial Census. This includes $6.7 billion for programs that benefit children, such as Medicaid, the Children’s Health Insurance Program (Child Health Plus), education grants, Head Start, foster care and child care assistance.

In 2010, New York experienced a significant undercount, including among young children who, for many reasons, are historically undercounted in the Census. Another undercount in 2020 could lead to a significant cut in programs that New York children and families rely upon. It could also lead to a loss of representation for New Yorkers in Congress and beyond, and distorted, inaccurate data. And, the impacts of an undercount would haunt us for a decade. Schuyler Center urges the State to invest at least $40 million this year to enable community-based organizations to engage New Yorkers across the state to ensure as full and fair a count as possible.

PUBLIC HEALTH, HEALTH COVERAGE, ACCESS AND CARE

Health Coverage

What’s in the Executive Budget

The Executive Budget does not include any funding to expand health insurance coverage to New Yorkers not eligible for existing coverage or who find coverage unaffordable. The Executive Budget does include provisions to codify the NY State of Health Marketplace to protect existing coverage options and establishes a Marketplace Advisory Committee. The Governor also indicates he will create a Commission on universal access to coverage to develop options for achieving universal access to high-quality, affordable health care in New York.

Background

Efforts at the federal level to destabilize the health insurance market created under the Affordable Care Act have begun to cause an erosion of coverage throughout the country and, even in New York, recent data indicates that coverage for children under age 5 has begun to slip. Protecting existing coverage is essential, but New York should also create opportunities for populations not currently enrolled to have access to health insurance options.

Food Insecurity

What’s in the Executive Budget

The Executive Budget briefing book mentions several new initiatives aimed at reducing food insecurity and hunger. One proposal would expand a pilot that facilitates referrals of families to nutrition assistance programs when screened by physicians for food insecurity. It is unclear whether these ideas have resources attached to them.
Background
Households are food insecure when they do not have consistent access to quality, affordable food. Children in households that are food insecure are at greater risk of health problems, developmental issues and poor educational outcomes. Just under 11% of New York State households are considered food insecure.

Lead Poisoning Prevention

What’s in the Executive Budget
The Executive Budget includes language that reduces the threshold for medical intervention for elevated blood lead levels from 10 micrograms per deciliter to 5 micrograms per deciliter. The proposal also contains a number of provisions for new standards requiring residential housing to be maintained as lead free. The budget summary indicates that the State will make an investment of $28.6 M for childhood lead poisoning and prevention.

Background
Lead poisoning is preventable. In the United States, the major source of lead is exposure to lead-based paint and lead-contaminated dust found in older buildings. There is no safe level of lead and the CDC recommends public health interventions for blood lead levels greater than 5 micrograms of lead per deciliter of blood.

Public Health Funding

What’s in the Executive Budget
The Executive Budget reduces reimbursement for the General Public Health Work (GPHW) program from 36% to 20% for non-emergency expenses above the base rate. The total reduction is $27 million in fiscal year 2020 and $54 million when fully annualized.

Background
Public health programs maintain the health of populations and provide important services, such as maternal and child health programs, teen pregnancy prevention, tobacco control and disease prevention.

Adult Homes

What’s in the Executive Budget
The Executive Budget includes $10 million for new supportive housing opportunities and supports for individuals with mental illness transitioning out of adult homes.

Background
The transition of adult home residents with mental illness to community-based settings continues, with significant challenges, including the need for intensive and individualized services.

Consumer Assistance

What’s in the Executive Budget
The Executive Budget includes $2.5 million for Community Health Advocates (CHA). This is a decrease from the $3.9 million that was included in last year’s final budget.

Background
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 preventative services. The Schuyler Center urges the State to increase funding of CHA to $8 million.
Population Health Improvement Program

What’s in the Executive Budget
The Executive Budget eliminates funding for the Population Health Improvement Program (PHIP), for a savings of $7.75 million.

Background
A component of New York’s health system reform, the PHIP promotes the “Triple Aim” of better care, lower health care costs, and better health outcomes by contracting with entities in each region of the state. The contracted PHIP agencies in each region bring together a variety of stakeholders that impact, or are impacted by, health and health care issues and establish neutral forums for identifying, sharing, disseminating and helping implement best practices and strategies to promote population health and reduce health care disparities in their respective regions.

About the budget process
The Governor’s Executive Budget proposal was released on Tuesday, January 15, 2019.

What happens next?
- ✓ The State constitution allows the governor to submit revisions to the budget within 30 days of submitting the budget to the legislature (referred to as 30-day amendments).
- ✓ The Senate and Assembly hold a series of joint legislative hearings on the governor’s proposed budget.
- ✓ In early to mid-March, each house of the legislature presents and passes its own version of the budget, accepting, rejecting, or amending items in the governor’s proposed budget.
- ✓ An agreement on the final budget should be reached by April 1st, when the new state fiscal year will begin. The Cuomo Administration and legislature have been committed to, and successful in, securing passage of on-time budgets.

Budget legislation includes
Appropriations bills: These contain the line-item appropriations. The legislature may not alter appropriations bills except to reduce or strike-out appropriations, or to add distinct, separate items (“legislative adds”). The governor can line-item veto legislative additions (but not reductions or eliminations or provisions that the legislature did not alter).

Article VII bills: These include statutory provisions necessary to implement the budget as proposed. These bills are treated like any other legislation, and can be accepted or amended by the legislature, and approved or vetoed by the governor.