

Overview of 2013-14 New York State Enacted Budget

This issue of the Schuyler Center Source provides an overview of the recently passed Fiscal Year 2013-14 New York State Budget. This year's process was extremely truncated, with the Executive Budget released on January 22nd, budget hearings in late January and early February, Senate and Assembly one-house budget bills released around March 11th, then a final scramble and bills passed by the Legislature by March 28th. As in years past, the Schuyler Center's [budget priorities](#) this year focused on strengthening families and communities by ensuring a strong and healthy start for all, regardless of income, and promoting robust and sustainable public systems to support vulnerable New Yorkers. Now that the State budget has been enacted, policymakers and advocates alike are taking stock, considering what is next for the rest of the legislative session and what must happen in the coming months and years to move New York State forward.

Early Care & Learning and Child Development

Pre-Kindergarten. Participation in high-quality early learning can help close the achievement gap. Children who participate in high-quality early childhood programs, including pre-kindergarten, are more likely to find success in school, graduate from high school and earn more over their lifetimes. High-quality pre-kindergarten can improve educational outcomes, reduce disparities and save money. New York's existing Pre-K program serves just about half of all eligible children and funds only half-day programs. The lack of a full-day option has hampered expansion of Pre-K in the state. The final budget includes the Governor's new investment of \$25 million into half- and full-day quality Pre-K, with a priority placed on full-day slots targeted toward high needs students. This is a significant next step in expanding access to high-quality early learning.

Child Care Subsidies. Funding for child care subsidies is \$89 million less than in SFY 2010-2011, even though the cost of care has increased, and supply does not meet demand. Access to quality child care for low-income families is a child development, child safety, and economic development issue. Parents' ability to work productively with the assurance that their children are doing well keeps New York businesses running and enables residents to buy homes, pay taxes and support their communities. The final budget increases child care subsidies and restores some funding for facilitated enrollment. Altogether, there is an additional \$3 million in funding over last year's budget, although the final number may be higher after social services districts make their decisions about whether to transfer money from the flexible fund for family services into child care. In light of the significant reductions in access to child care subsidies for low-income families in recent years, a proposal to waive certain TANF work requirements for

some parents of infants was put forward in the Assembly budget. The proposal, which would save state and county funds and free-up child care slots for other needy families, was not adopted as part of the final budget agreement.

QUALITYstarsNY. Research suggests that the quality of early care and learning experiences is extremely important for children's development. New York's primary investment in improving the quality of early learning and development programs is funding for QUALITYstarsNY, from the State Education Department's Race to the Top grant slated to end in 2014. QUALITYstarsNY is a quality rating and improvement system that incentivizes programs to work toward high quality by meeting evidenced-based program standards; improved compensation; support for professional development and technical assistance. There is no funding for QUALITYstarsNY in the final budget.

Home Visiting. Maternal, infant and early childhood home visiting has emerged across the nation as a promising way to engage new and expecting parents and their children with services that support the family and lead to positive health and other outcomes. The final budget funds Healthy Families New York at a flat level of \$23,288,200 and restores \$2 million for Nurse-Family Partnership. Funding for the Healthy Moms, Healthy Babies program at the Department of Health was reduced by almost 6% to \$1,847,000. This was part of a larger set of reductions in a number of public health programs. In addition, COPS and the Children and Family Trust Fund, both of which support home visiting programs, were flat-funded.

Early Intervention. Early Intervention (EI) provides comprehensive, coordinated services to meet the needs of infants and toddlers with disabilities and their families. Significant changes were proposed for the 2013-14 Budget that would require insurers to include EI service providers in their networks and require consumers to use providers in their insurance networks with limited provisions for exemptions. Those proposals were rejected in the final budget.

Child Welfare

Open-Ended Preventive Funding. The State's commitment to Preventive funding, along with major shifts in child welfare practice, has resulted in a drastic decrease in the number of children placed into foster care. Funds support preventive, protective, adoption administration and services, independent living and after care services at 62% State share. Localities use this funding to provide services to reduce maltreatment and neglect, basic needs identified within Family Assessment Response (FAR), educational supports, and other needed services which keep families together, keep children safe, and prevent placement into costly foster care and re-entry into child welfare. Funding remains flat-funded at a 62% State share.

Kinship Guardianship Assistance. Kinship Guardianship Assistance (KinGAP) provides relatives in approved or certified foster care settings another 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 this option, kin families can exit the foster care system and continue to receive financial support. The final budget calls for KinGAP to be, once again, paid for using funding from the Foster Care Block Grant.

Kinship Caregiver programs. Once funded at \$2,750,000 in the 2009-10 Budget, kin caregiver programs offer important support and services to relatives, a majority of whom are grandparents, who care for relatives' children in their household outside of the formal foster care program. The programs provide needed information about family members' rights, support to meet children's education and health care needs, and assistance with obtaining benefits. According to the NYS Council on Children and Families, 153,000 children, or 3% of all children in New York State, are living with relatives or close family friends in private or public kinship care arrangements. In 2012, Office of Children and Family Services (OCFS) funding supported 8 of the 21 regional programs it once funded. One-year TANF allocations supported several other programs. The final budget provides an additional \$50,000 for kin caregiver programs for a total of \$439,750. The Kinship Navigator program remains flat-funded.

Court Appointed Special Advocates (CASA). CASA programs train volunteers appointed by Family Court judges to advocate for the best interests of children in cases of abuse and neglect. Currently, there are over 30 counties operating CASA programs with over 900 trained volunteers. In 2012, volunteers supported over 3,300 children assuring their physical, mental health and educational needs were met. The Office of Court Administration indicates that the full \$800,000 expended in last year's budget for the statewide network of CASA programs will be maintained.

Other Child Welfare.

- The final budget restores funding to Safe Harbour (and adds \$150,000), Community Reinvestment, Settlement Houses, and caseload reductions which were eliminated in the Executive Budget.
- Human Services COLAs are deferred once again.

Youth Programs

Summer Youth Employment. The final budget provides \$25 million in TANF funding for Summer Youth Employment programs.

Youth Delinquency Prevention Programs. The final budget combines funding for Youth Development and Delinquency Program (YDDP) funding with Special Delinquency Prevention Program (SDPP) funding into one funding stream with some modifications from what was proposed in the Executive Budget. The Budget restores funding to \$15,407,244.

Juvenile Justice. The final budget rejects the proposal to expand Close to Home to include youth from counties outside New York City.

Economic Security

Minimum wage. Nineteen states have higher standards than New York's current minimum wage. The final budget agreement raises New York's minimum wage in three steps, without indexing for future inflation:

- \$8.00 on December 31, 2013
- \$8.75 on December 31, 2014

\$9.00 on December 31, 2015

At the \$8.75 rate, effective in 2015, the minimum wage still leaves a full-time (52 weeks, 40 hours per week) working parent with two children short of the 2012 federal poverty threshold (\$18,498 for a family of three with one adult and two children).

The minimum wage agreement reached in the budget also includes a complicated tax credit only for employers that employ youth between the ages of 16 and 19 and only if they pay them precisely the minimum wage. The tax credit is for all employers – large and small. This could serve as an incentive for employers to hire younger workers (19 and under) at the expense of older workers.

Nutrition Outreach and Education Program. NOEP conducts outreach and education for SNAP, School Breakfast, and Summer Food Service Programs. It also provides application assistance and resolves barriers to participation for applicants. Last year’s investment allowed the program to expand from 36 counties (5 in NYC and 31 in the rest of the state) to 52 counties (5 in NYC and 47 in the rest of the state) covering 63 service areas through community-based organizations. The three thousand additional households enrolled in SNAP contributed an extra \$8.3 million to New York State’s economy. The final budget maintains the funding increase included in last year’s budget at \$3,018,000.

Other

Pay for Success. This new program, similar to Social Impact Bonds, is designed to achieve better human services outcomes and save taxpayer money by attracting private funding for preventive programming in health, education, juvenile justice and public safety. Relatively untested, the vision of this endeavor is that investors will gain a return on investment based on savings the programs achieve and long-term savings will accrue to the State. The final budget includes \$30,000,000 for a Pay for Success Contingency Reserve for use from April 1, 2013 to March 31, 2015.

The Hospital Indigent Care Pool. The Hospital Indigent Care Pool was designed to help hospitals cover the costs of providing care to uninsured and underinsured people. The final budget makes improvements in the Hospital Indigent Care Pool distribution methodology with the intent of improving transparency and equity; complying with federal rules; ensuring access to care and improving compliance with the Hospital Financial Assistance Law (HFAL). It requires the Department of Health to report to the Legislature regarding implementation impacts.

Public Health Programs and Affordable Care Act Implementation. The budget contains provisions that move the implementation of the ACA forward including:

- Assistance paying health insurance premiums for people between 138-150% of poverty who are currently eligible for Family Health Plus (people with children and 19- and 20-year-olds). Those who enroll in the Exchange with Silver-level plans will pay no premiums. This measure is not conditional on federal financial participation.

- Protection for people who currently have out-of-network coverage in the individual market. These consumers will have the option to pay for a Platinum-level plan on the Exchange with an out-of-network rider and be “risk pooled” with the rest of the State’s individual market.
- A requirement for the Department of Health to create a workgroup to study whether New York should adopt a Basic Health Plan.
- Fair consumer protections on the State’s new Navigator program.
- Funding for consumer assistance for New York’s health insurance consumers through Community Health Advocates.

Consolidation of Medicaid Administration in the Department of Health. The final budget consolidates Medicaid administration within the Department of Health (DOH). This will move certain functions – rate setting, negotiation of managed care contracts, claims processing – from the Office of Mental Health, Office for People with Development Disabilities (OPWDD) and Office of Alcohol and Substance Abuse Services to the Department of Health.

Public Health Funding. The final budget does not consolidate public health programs into five funding pools as proposed in the Executive Budget. However, the combined funding for the public health programs affected was reduced by about 6% and many programs took a cut of between 5% and 6%. Programs affected are related to chronic disease, environment health, infectious disease, maternal and child health, HIV & Aids, health quality and workforce training.

General Public Health Work. The final budget includes substantial changes to the General Public Health Work (GPHW) section of the Public Health Law (Article 6), that provides funding to local county departments of health. The proposal increases the base funding for counties and also adds \$1 million for incentive performance standards through increases to State aid, streamlines reporting requirements and redefines core public health services.

Medicaid Optional Services. The final budget does not include the Senate budget proposal to reduce by 5% funding for certain “optional” services covered by Medicaid.

Adult Homes. Although adult homes were originally designed for elderly New Yorkers who are no longer able or choose not to live on their own, now nearly 40% of adult home residents have a psychiatric diagnosis. There is widespread consensus that residents of adult care facilities who have psychiatric disabilities deserve a range of housing options in the community. Discussions about assisting adult home residents with psychiatric disabilities to move into alternative housing go back decades. The [2002 Adult Care Facilities Workgroup](#) report noted that “6,000 of the residents with psychiatric disabilities could reside in a more integrated setting.”

Funding now exists for the development of housing alternatives for persons with psychiatric disabilities and some of these new housing slots will be for adult home residents. Regulations were promulgated earlier this year, following a comment period, and the process is in motion.

The Senate budget resolution included a provision that would have significantly diminished efforts to assist persons with serious mental illness to transition from an adult home to community housing. This provision was rejected in the final negotiations.

The budget approves 4,500 assisted living program beds for adult homes that have over 80 beds and more than 25% of residents with psychiatric conditions, without a competitive bid process. The budget also includes language to authorize temporary operators to assure consistency of service for financially troubled adult home or where conditions warrant. The final budget also includes \$75,000 for the [Coalition for Institutionalized and Disabled](#) (CIAD) to support adult home residents.