

Schuyler Center's *Last Look* at the NYS 2017-18 Final Budget as it Intersects with Our Policy Priorities

This is Schuyler Center's *Last Look*; a brief overview of how the **enacted New York State 2017-2018 Budget** advances policies that improve the health and well-being of all New Yorkers, especially those living in poverty.

There is much to celebrate in this budget. First and foremost: the budget contains historic legislation raising New York's age of juvenile jurisdiction to 18. This means that New York teenagers who make mistakes will no longer be thrown into the adult criminal justice system, but will instead be provided the services and treatment they need to turn their lives around. Schuyler Center has been an active member of the Raise the Age Campaign that worked so hard over the course of several years to effect this change. Other bright spots in the budget include an increased investment in afterschool programs; pre-Kindergarten; and the Foster Youth College Success Initiative, which provides essential support to youth in foster care pursuing higher education. We also applaud the State's new investment in immigrant-serving organizations because the surge in federal immigration enforcement activity threatens to tear apart New York families, and cause tremendous hardship to children.

However, the budget failed in other respects to live up to promises the Governor and other State leaders have made to provide safe haven to low-income and disenfranchised New Yorkers, including those who stand to be harshly impacted by expected federal budget cuts and policies. Instead, the Final Budget flat-funds or cuts many programs that provide essential protection and support to low-income children and families, including deep cuts to already under-resourced child care and child welfare systems. And, two of the State's signature new programs to aid New York families—the Enhanced Child and Dependent Care Tax Credit and the Excelsior Scholarship Program—will mainly benefit middle-class families, while providing little or no help to families living in or near poverty.



Child welfare and juvenile justice

Child Welfare Financing: Preventive, Protective, Independent Living, Adoption, and Aftercare Services

Final Budget The **Final Budget** includes language to reauthorize child welfare financing for five years. This includes an appropriation of \$635 million for open-ended preventive, protective, independent living, adoption, and aftercare services, maintaining the State share at 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.

Background New York has long been a leader nationally in its investment in preventive services, and this appropriation is significant in that it preserves open-ended preventive funding. Localities use open-ended preventive funding to prevent the need for foster care placements and to ensure permanency for children and youth in care. Data do not exist to document the impact of this funding. The Schuyler Center has advocated for improved tracking of the use and outcomes of this funding and an approach that would make services available further upstream, before there is any documented risk of entry into foster care. Schuyler Center urged the State to re-assume the 65% State share, as is written in statute, setting aside the 3% restoration to be used for targeted, community-based primary prevention services to prevent child abuse and neglect, and strengthen families.

The Executive Budget reauthorized child welfare financing for five years, including \$635 million for open-ended preventive, and \$12 million for COPS. Neither the Senate nor Assembly proposed any changes to this reauthorization.

Child Welfare Financing: The Foster Care Block Grant

Final Budget The **Final Budget** cuts the Foster Care Block Grant by \$62 million, which includes a \$23 million cut to New York City's funding, based upon the elimination of State funding for tuition costs of NYC foster children in residential centers. The budget also cuts State funding for the residential placement of children with special needs in New York City. This results in an additional cut of \$19 million to New York City.

Background Counties use the Foster Care Block Grant to pay for foster care and the Kinship Guardianship Assistance Payment (subsidized guardianship) program. Schuyler Center urged full restoration of the Block Grant because a reduced block grant means that counties will have to assume a higher share of spending for their foster care systems, and may be forced to shift funding from other critical, yet nonmandatory programs—like preventive services—to make up the shortfall.

The Executive Budget proposed to cut the Block Grant by \$62 million. The Assembly's proposal included a full restoration of these cuts, while the Senate's included a partial restoration of \$39 million.

Kinship Guardianship Assistance Program (KinGAP)

Final Budget The **Final Budget** continues 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 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. Schuyler Center urged that it be funded as such—separate, uncapped, and outside of the Foster Care Block Grant, with no reduction to the Foster Care Block Grant.

The Executive, Assembly and Senate budget proposals all continued funding KinGAP through the Foster Care Block Grant.

Kinship Navigator and Kinship Caregiver Services

Final Budget The **Final Budget** includes funding for kinship caregiver services at \$2.23 million. This reflects flat funding compared to last year's enacted budget.

The budget also includes \$320,500 in funding for the statewide Kinship Navigator information and referral network, reflective of an Assembly addition to the Executive proposal. This is flat funding compared to last year's final budget.

Background Kinship caregiver programs offer important services to people who care for relatives' minor children outside of formal foster care. Hundreds of thousands of New York children are currently in the care of kin; these numbers are likely to increase due to the State's ongoing opioid epidemic, and the new federal administration's promise to dramatically increase deportations, both of which may result in an increase in the number of parents being unable to care for their children. Programs provide information about family members' rights, support to meet children's education and

health care needs, and assistance with obtaining benefits. Schuyler Center urged sustained funding for kinship services and a modest increase for the Kinship Navigator to allow it to expand a promising pilot project and reach more kinship families.

The Executive Budget cut funding for kinship caregiver services to \$338,750, and the Kinship Navigator to \$220,500. The Assembly proposed a full restoration to both, and the Senate did not propose any restoration.

Foster Care and Higher Education

Final Budget The **Final Budget** includes \$4.5 million in funding for the Foster Youth College Success Initiative to support youth in foster care to pursue higher education. This is an increase of \$1.5 million compared to last year's final budget, and will support the enrollment of a third cohort of students in the program.

Background The Schuyler Center is a member of the steering committee of the Fostering Success Youth Alliance (FYSA), which is working to provide a realistic path to higher education for the State's youth in care. Schuyler Center and FYSA urged investment of \$4.5 million to continue to support the first two cohorts of students and bring a new cohort on in the fall of 2018.

The Executive and Senate included \$1.5 million (a cut of \$1.5 million compared to last year's final budget), while the Assembly added \$1.5 million for a total of \$4.5 million.

Post-Permanency and Prevention Services

Final Budget The **Final Budget** includes an investment of \$7 million in adoption assistance savings that are derived from a higher federal share of adoption assistance, into post-permanency services and prevention services to prevent children from entering foster care.

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

The Executive Budget proposed to invest the \$7 million into post-permanency and prevention services. Both the Assembly and Senate accepted this proposal.

Juvenile Justice

Final Budget The **Final Budget** includes legislation to raise the age of juvenile jurisdiction through a phased-in plan that incrementally raises the age to 17 by October 2018 and to 18 by October 2019. The legislation will move misdemeanors to Family Court, and creates 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. In some cases, as determined by a three-part test, violent felonies that do not involve a deadly weapon, sexual offense or significant physical injury, will also be transferred to Family Court. 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.

The budget provides \$110 million in capital funding for new and existing buildings.

Background	<p>Prior to passage of this legislation, New York was one of only two states in the nation that continues to automatically prosecute all 16- and 17-year-olds as adults. The Raise the Age Campaign, of which Schuyler Center has been a member for several years, worked tirelessly to pass legislation that comprehensively raises the age of juvenile jurisdiction.</p> <p>The Executive and Assembly budget proposals included plans to raise the age, and the Senate indicated an understanding of the importance of the issue and a willingness to work on it. Ultimately, New York's legislative leaders came together and passed a strong bill that will give thousands of New York teenagers a second chance.</p>
------------	--



Family economic security and support

Maternal, Infant and Early Childhood Home Visiting

Final Budget	<p>The Final Budget includes funding for the Nurse-Family Partnership home visitation program at \$3,425,00, a cut of \$75,000 compared to last year's final budget, and maintains flat funding for the Healthy Families New York home visiting program at \$23,288,200. No funding was included for Parents as Teachers or the Parent Child Home Program.</p>
--------------	---

Background	<p>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. Schuyler Center urged a significantly higher investment in home visiting to allow New York to serve all communities with families in need and to ensure the best health and social outcomes for all New York mothers, infants and families.</p> <p>The Executive Budget included \$3 million for NFP and flat funding for HFNY at \$23.3 million. Neither the Assembly nor the Senate proposed increased funding for any home visiting program.</p>
------------	--

Child Care Subsidies

Final Budget	<p>The Final Budget cuts funding for child care subsidies for low-income families living at less than 200% of the federal poverty level by \$7 million (from \$806 to \$799 million). It is estimated that this cut will result in more than 900 families losing their child care subsidy—adding to the 83% of eligible families currently without access to subsidies due to inadequate funds. The final budget omits the proposal to require counties to draw \$27 million of the total subsidy dollars from federal Title XX funds, allowing counties again to use these funds at their discretion to fund certain county social services, including senior and child welfare services. The budget also cuts funds for the Facilitated Enrollment program, which supports subsidies for families with slightly higher incomes (up to 275% of the federal poverty level), by \$424,000.</p>
--------------	--

Background	<p>Currently, the State provides subsidies for only 17% of New York families eligible for child care assistance (i.e., those living at less than 200% of the federal poverty level). Child care in New York State is now the most expensive in the nation, costing as much as \$14,000 per child per year. Notably, those same families who are not receiving subsidies are also, for the most part, excluded from the modest increase in the State's child and dependent care tax credit included in the budget because it enhances the credit only for families earning more than \$50,000 annually. Schuyler Center urged a substantial increase in child care subsidies to enable more children to have access to safe, quality child care, and more parents to go back to work and achieve economic stability.</p>
------------	---

The Executive budget included flat funding for child care subsidies, and proposed that \$27 million in counties' discretionary federal Title XX funds be diverted away from other essential social services programs to keep child care subsidy funding at the same level as 2016-2017. The Assembly and Senate both restored these shifted costs, while the Assembly proposed an increase in subsidies of \$13 million, and the Senate proposed a \$5.34 million for Facilitated Enrollment.

Pre-Kindergarten

Final Budget The **Final Budget** protects the State's current investment in Pre-K, and adds \$5 million in new funding for 3- and 4-year-old full-day seats in high-need districts, with priority for districts that do not yet have any Pre-K programs, and re-appropriates \$11 million to support Pre-K services for 3-year-olds which was allocated in 2016, but not spent. The budget also consolidates the Priority Pre-K and Universal Pre-K programs as a first step to consolidate the State's Pre-K programs into a single program, distributed by allocation like other education funding.

Background More than 106,000 4-year-olds outside New York City—81%—do not have access to full-day Pre-K. Nearly 24,000 of those 4-year-olds waiting for a seat are in high-need districts. The funding for Pre-K is delivered through numerous funding streams, some of which are by competitive grant. Complex rules and other factors have made it difficult for some districts to secure funding. Schuyler Center urged additional resources and consolidation of funds into a single program with funding distributed by allocation would significantly strengthen the program and help achieve expanded access.

The Executive Budget proposed adding \$5 million for Pre-K seats in high-need districts. The Senate rejected the Executive's proposal, while the Assembly proposed adding \$50 million for new Pre-K seats.

Afterschool Programs

Final Budget The **Final Budget** invests \$35 million for the creation of the Empire State After-School program. The funding will be available to school districts in municipalities participating in the Empire State Poverty Reduction Initiative or those in counties or school districts with a child poverty rate above 30% or with 5,000 – 20,000 children living in poverty. The budget also restores \$2.5 million in funding for Advantage After School to \$19,755,300. This is a \$2.5 million cut, compared to last year's final budget.

Background High-quality after school programs have been shown to help close the achievement gap for low-income children and families.

The Executive Budget proposed reducing Advantage After School by \$5 million, as compared to last year's enacted budget. It also proposed \$35 million for the creation of the Empire State After-School program. The Assembly and Senate both restored \$5 million to Advantage After School while the Assembly accepted the Governor's Empire State After-School proposal and expand community-level eligibility, while the Senate rejected the proposal.

Enhanced Child and Dependent Care Tax Credit

Final Budget The **Final Budget** amends New York State's child and dependent care tax credit to increase the tax credit received by families with children in qualifying child care who are earning between \$50,000 and \$150,000. It also increases the maximum amount of expenses creditable for families with more than two family members in care. Qualifying

families with two or fewer family members in care would receive, on average, between \$150 and \$375 in additional benefits each year; those with three or more family members in care could receive a more substantial additional 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. Currently, eligible filers can receive between 20% and 110% of the federal credit, depending on their income, with families earning between \$50,000 and \$150,000 receiving an average annual credit of \$235, and those earning less than \$50,000 receiving an average annual credit of \$628. The federal and State credit allows tax filers to claim up to \$3,000 in allowable expenses for one child or dependent in care, and \$6,000 for two.

The Executive Budget proposed increasing the child and dependent care tax credit for families earning between \$50,000 and \$150,000 annually. The Assembly accepted the proposal, while the Senate proposed to expand the Governor's proposal to expand the credit for families earning less than \$50,000 annually and to increase the creditable amount for families with three or more children.

Child Tax Credit

Final Budget

The **Final Budget** does not include an increase in or expansion of the Empire State Child Credit.

Background

The Empire State Child Credit provides eligible taxpayers a refundable credit equal to 33% of the federal child tax credit or \$100 per qualifying child, whichever is greater. While New York is a leader in the nation in offering a refundable child tax credit, the State credit contains a significant flaw: it excludes children under age four from eligibility—the very group that is most severely impacted by poverty, and would most benefit from receiving a credit. Schuyler Center recommended that the State fill in this gap in the law so that low- and moderate-income families with very young children would be eligible to receive this credit, which could yield substantial benefits for thousands of the State's youngest residents, particularly those living in or near poverty.

Neither the Executive, Assembly nor Senate budget proposals included an expansion of the Empire State Child Credit.

Earned Income Tax Credit

Final Budget

The **Final Budget** does not include an increase in 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 research shows that children of EITC recipients are healthier and do better in school. Schuyler Center recommended that the State raise the EITC to 40% of the federal benefit.

Neither the Executive nor the Senate budget proposal included increases to the State EITC; the Assembly proposed to increase the State EITC from 30% to 35% of the federal EITC.



Public health, health coverage, access and care

Public Health: Community Water Fluoridation Fund

Final Budget	The Final Budget re-appropriates funding approved in the previous two budgets for installation or upgrading of water fluoridation equipment. This funding continues the program begun last year to strengthen the fluoridation infrastructure in New York.
Background	<p>Schuyler Center leads a statewide Oral Health Leadership Team which recommended this proposal. Community water fluoridation is the single most cost-effective way to improve oral health, especially for children in poverty. The Schuyler Center urged full re-appropriation of these funds to ensure that the many New York communities in need of fluoridation or upgrades have the opportunity to access these funds.</p> <p>The Executive Budget reappropriated funding for the installation or upgrade of community water fluoridation equipment. Both the Senate and Assembly accepted this proposal.</p>

Public Health: Funding for County Public Health Departments

Final Budget	The Final Budget does not increase the formula of either the base grant or the per-capita grant under the General Public Health Work (GPHW) program reimbursement.
Background	<p>GPHW reimburses local health departments for public health programs such as disease prevention and management. Local health departments are seeking an increase in the formula to maintain a sound public health infrastructure in the State. Threats to public health, including the Zika virus and the opioid epidemic, in addition to the needs of a health system with a growing focus on social determinants, require a more robust public health system.</p> <p>The Executive Budget proposed reducing some GPHW expenditures for New York City from 36% to 29%. Both the Senate and Assembly rejected these cuts.</p>

Public Health: Community, Maternal and Child, School-Based, and Preventive

Final Budget	In the Department of Health section of the Final Budget , the “pools” of funding that were proposed in the Executive Budget (Disease Prevention and Control; Maternal and Child Health; Public Health Workforce; and Health Outcomes and Advocacy) were removed. While some of the funding was restored, there were cuts to some public health programs.
Background	<p>The Executive Budget proposed pooling public health funding lines and reducing the total for each pool by approximately 20%. Both the Assembly and Senate rejected the pooling and the associated cuts.</p> <p>The Executive Budget provided little explanation or rationale for the proposed consolidation and reductions to these public health programs that address health concerns and issues including: evidence-based cancer services; obesity and diabetes; childhood asthma coalitions; school-based health centers; sickle cell; and poison control.</p>

Health Coverage: Essential Plan Premiums

Final Budget	The Final Budget omits proposed changes to premiums and cost sharing for the Essential Plan.
--------------	---

Background	The EP is offered on the New York State of Health Exchange as an affordable option for people who make too much for Medicaid but are unable to afford other coverage options. Even small increases in premiums for low-income people could cause some to drop out of health coverage. The Schuyler Center urged that the State not require the payment of premiums by enrollees in the Essential Plan.
------------	--

The Executive Budget proposed requiring a monthly premium payment for individuals enrolled in the Essential Plan. The Senate made no changes to this proposal while the Assembly rejected it.

Health Coverage: Consumer Assistance

Final Budget	The Final Budget includes \$3.5 million for Community Health Advocates (CHA), compared to the \$3.25 million that was 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 preventive services. Schuyler Center recommended allocation of \$4 million for a year-round CHA program. The anticipated upheaval in health coverage at the federal level will lead to an increased need for CHA services to assist people in understanding the impact of changes on their coverage.
------------	--

The Executive Budget included \$2.5 million for CHA, a cut of \$500,000 compared to last year's enacted budget. The Assembly added \$750,000 to the program, while the Senate made no changes to the Executive's proposal.

Health Coverage: Early Intervention

Final Budget	The Final Budget makes no changes to the Early Intervention program.
--------------	---

Background	The Early Intervention program provides, at no cost to families, therapeutic and support services to children under the age of three who have disabilities or developmental delays.
------------	---

The Executive Budget proposed several changes to the Early Intervention program. The budget Briefing Book identified State savings of \$3.9 million in the budget year, growing to \$14 million in 2019, as well as county savings. The proposed changes included facilitating and requiring collection of insurance information from parents, maximizing appeals of insurer payment denials and requiring insurance to pay for benefits covered by the children's health insurance policy. Neither the Assembly nor the Senate proposed any changes to this provision.

Health System Transformation: Adult Homes

Final Budget	The Final Budget includes \$38 million to support the transition of adult home residents into community-based settings.
--------------	--

The Executive Budget maintains funding of quality programs at adult homes at \$6.5 million. This money provides valuable services to residents in adult homes in the form of clothing allowances, air conditioning in residents' rooms, and computers for resident use.

Background

The transition funding is part of a settlement between New York State and the federal government, which requires that New York reduce the census of persons with psychiatric disabilities in adult homes. Schuyler Center is encouraged that the rate of residents choosing to move to new housing options has begun to accelerate, though many adult home residents with psychiatric disabilities remain in these inappropriate settings.

The Executive Budget included \$38 million to support the transition of adult home residents into community-based settings. The Executive Budget also maintained funding of quality programs at adult home at \$6.5 million. Neither the Senate nor Assembly proposed any changes to either provision.
