



**Testimony before the Joint Fiscal Committees
on the SFY 2015–16 Executive Budget
Human Services Budget Hearing
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Schuyler Center would like to thank the chairs and members of the respective human services committees for the opportunity to submit testimony on the 2015-16 New York State Executive Budget. Schuyler Center is a 143-year-old statewide, nonprofit organization dedicated to providing policy analysis and advocacy in support of public systems that meet the needs of people in poverty. Schuyler Center often works on areas that fall between multiple systems of care including health, welfare, human services and more recently early care and learning.

Schuyler Center has a long history of advocacy in child welfare and human services. We are a founding member of *Winning Beginning NY*, a statewide coalition of about 200 organizations and individuals representing early care and learning programs, parents, and advocates from a range of venues. Schuyler Center convenes a statewide workgroup on maternal, infant, and early childhood home visiting, which brings together State agencies, providers and advocates to strengthen coordination between and access to important dual-generation interventions

Thank you for this opportunity to submit testimony.

Overview

Poverty and inequality threaten the State's economic vitality and strain New York's public systems including health, education and public safety. One in five households have income below \$20,000 per year and the gap between those at the top and those at the bottom has increased dramatically in recent decades. Household income among that bottom fifth has not changed since the 1970s.

After several years of recession and a slow recovery, poverty rates remain high, particularly for our children and for those who live in urban areas. The effects of living in poverty, even for a short period of time, have been well documented. Poverty in childhood is strongly associated with cognitive, behavioral, social and emotional difficulties, and with the lifetime effects of compromised educational and employment attainment. The implications are significant, lifelong and societal.

Far too many people in New York State still struggle to put food on the table and to adequately provide for their children. Schuyler Center for Analysis and Advocacy urges the State to put children and families who live in poverty at the center of public discourse and renew the State's commitment to fight poverty by expanding opportunity.

The last several years of growing need and flat or reduced funding have taken their toll on the human services system that families depend upon. The human services sector should be prioritized for reinvestments to strengthen the State's infrastructure.

Minimum Wage

Increase the minimum wage and index it to inflation

The Governor's Executive Budget proposes increasing the State's minimum wage to \$10.50 and to \$11.50 in New York City, to account for the higher cost of living, by the end of 2016. This is a welcome increase, and a significant gesture, to help raise low-wage working families out of poverty. At a time when New York faces growing income inequality, it is incumbent upon the State to take action to ensure that full-time workers do not live in poverty and raising the minimum wage is an important step.

Most importantly, New York must index its minimum wage to inflation so that it keeps pace with ever-rising costs of living. Fifteen states, and the District of Columbia, have indexed their minimum wage (Alaska, Arizona, Colorado, Florida, Michigan, Minnesota, Missouri, Montana, Nevada, New Jersey, Ohio, Oregon, South Dakota, Vermont and Washington).

While an increase in the minimum wage will help families at the lower end of the income scale, it will also have an impact on the non-profit sector's ability to provide services. For example, an increase in the minimum wage, without commensurate increases in funding, will reduce the funding available for training and summer jobs programs.

The Schuyler Center urges the Legislature to support an increase to the minimum wage, ensure that it is indexed to inflation, and consider its impact on the services provided to at-risk children, youth and families.

Early Care and Learning

It is widely recognized that the earliest years of a child's life are extremely important for health, development and learning that can last a lifetime. A strong early start is a major predictor of future success and is particularly important to mitigate disparities in health, education and other long-term outcomes.

Invest an additional \$100 million for child care subsidies in the 2015-16 Budget

The Governor's Executive Budget includes flat funding for child care subsidies at a time when the child care system is in crisis, and fewer and fewer working families can access affordable child care. Schuyler Center recommends that the Legislature increase child care subsidies by \$100 million to allow at least 13,000 additional low-income children access to child care. In addition, we propose that this \$100 million be part of a five-year commitment to the expansion of subsidies to reach \$2.2 billion annually by the year 2020 to help an estimated 305,000 low-income children to access child care.

In 2013, social service districts across the state ran out of child care funding months before the end of the year. Many districts had to lower eligibility levels or stop providing subsidies to new families. These subsidies are often what make it possible for parents with low-wage jobs to make ends meet. Without a subsidy, the high cost of *quality* child care (at least \$10,000 per year per child) is out of the reach for the majority of low-income workers, as the average full-time minimum wage worker makes only \$16,680 a year. Without an increase in the State's investment parents' ability to participate in the workforce, and to provide financial stability for their family and a supportive learning environment for their children, will be seriously undermined.

High-quality child care is not merely a safe place for children to be when parents are at work, but can result in better future academic outcomes. Quality child care during the critical first years of life provides a foundation for literacy, learning, and social-emotional skills.

Schuyler Center urges the Legislature's support for an additional investment of \$100 million in child care funding in the 2015-16 State Budget to provide child care services for approximately 13,000 eligible children who need services now but are going without, due to lack of available funding.

Invest in Quality Rating and Improvement

The Governor's budget includes a \$3 million investment in QUALITYstarsNY, New York's quality rating and improvement system (QRIS), a cogent and tested framework for ensuring quality and improving school success in early learning programs. We applaud the Governor for taking this step to improve child care quality. Research has shown that high-quality early learning programs have long-lasting positive effects on children's futures. It is simply critical that we invest in quality for our youngest New Yorkers in child care.

QUALITYstarsNY is a system that lays out expectations, helps create a blueprint for improvement, improves accountability, ensures that early childhood program staff understand their achievable goals in the context of the plan, and gives parents information about the early learning programs available for their children. It is essential that the State commits to funding QUALITYstarsNY in a meaningful and ongoing way.

Schuyler Center urges the Legislature to maintain the Governor's \$3 million investment in quality rating and improvement in the 2015-16 Budget.

Strengthen and Expand Evidence-Based Maternal, Infant and Early Childhood 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 – and public cost savings – in the short-, medium- and long-term.

In fiscal year 2007-08, New York State's budget included \$25.2 million for the Healthy Families New York (HFNY) Home Visiting Program. In 2008-09, the financial crisis led to an 8% reduction for HFNY to \$23.3 million. Funding has been held at \$23.3 million since then, and the 2015-16 Executive Budget continues that funding level. A survey of programs completed in 2013 by Prevent Child Abuse New York found that continued flat funding is resulting in an erosion of services and staff reductions at home visiting programs that have either not been able to keep up with cost increases or have suffered because of funding instability.

Schuyler Center appreciates that the Governor retained \$3 million in funding for the Nurse-Family Partnership (NFP) program which had not been included in previous Executive Budgets. NFP is an evidence-based home visiting program serving parts of New York City, Monroe, Onondaga and Chautauqua Counties. It is a program that gets results: stronger, healthier moms, healthier kids and long-term savings to the locality and the State in health, social service and even criminal justice costs.

In addition to HFNY and NFP there are other successful home visiting models that communities need to use to support and strengthen families. The Legislature should include funding for

additional home visiting programs to expand the reach of services and address the diverse needs of communities across the state.

Schuyler Center urges the Legislature to support home visiting programs and infrastructure:

- *Add \$3.5 million to restore Healthy Families New York to the 2007-2008 funding level.*
- *Support the Executive's proposal for \$3 million and add \$2 million to Nurse-Family Partnership funding.*
- *Add \$2 million for home visiting programs that demonstrate promising practices such as Parent-Child Home Program and Parent as Teachers.*

Child Welfare

The child welfare system serves some of the state's most vulnerable children and their families. The system includes the Statewide Central Register (SCR), child protective services, foster care, adoption and post-adoption. The expectations on the child welfare system are enormous, and adequate resources are required if the system is to reach those expectations.

Restore the state share for essential child welfare services from 62% in the Executive Budget to 65%, as is written in current statute, and ensure that it remains open-ended

The Executive Budget maintains funding for preventive, protective, adoption, independent living and after-care services at 62% state share, as did the enacted 2014-15 Budget, instead of restoring it to 65%, as is written in statute. Localities use these funds to provide essential services to families and their children who become involved with the child welfare system with the aim of keeping children safe, preventing foster care placements, and preventing re-reporting and re-entry. The direct and indirect costs resulting from our country's failure to prevent children's maltreatment is staggering. The costs grow significantly as maltreated children become adults. This funding is absolutely critical for the State in terms of reducing expenditures associated with Medicaid, unemployment, homelessness, and public benefits.

The research on the prevention of child abuse and neglect provides a clear pathway to the prevention of child maltreatment through policies that nurture children, strengthen families, and build caring and responsive communities. Evidence-based and evidence-informed services are needed to address the root causes of child maltreatment—social isolation, poverty, substance abuse, maternal depression and illness, domestic violence and lack of parenting skills. With close to one in four of the State's children living in poverty, assistance can help put families back into the workforce and ameliorate the impacts of poverty on children. A large number of the reports that come into the SCR have to do with poverty-related neglect. The Family Assessment Response (FAR) is particularly effective for these cases.

In 2003, the foster care population totaled 37,232; by 2012 this number had dropped to 20,631, a 45% decline over ten years. Uncapped preventive funding is among the core components of the State's strategy to reduce foster care placements, by increasing services to families in by offering services to strengthen and support families and their ability to care for their children. But localities are struggling to meet the needs of families in their communities and need more financial support from the State.

Schuyler Center urges the Legislature to re-assume the 65% state share, as provided in statute, to improve localities' ability to serve families in need. It is absolutely critical that this funding remain open-ended.

Support \$20 million to transition foster care children and youth to Medicaid managed care

The Governor's proposed budget allocates up to \$20 million in Medicaid funds for voluntary foster care agencies to support a transition in the financing and delivery of health care for children and youth in foster care. Voluntary foster care agencies are responsible for assuring children and youth in their care receive medical, dental and behavioral health services, and the transition to Medicaid managed care requires substantial systemic changes.

There are approximately 20,000 children and youth in foster care in New York State. Foster care youth have diverse and complicated health needs, specifically behavioral health. The transition to managed care must ensure that children and youth have access to medical, dental and behavioral health services and robust care coordination and management.

While some foster care agencies provide health care services and have developed significant health expertise, agencies have not had to bill for services, negotiate contracts with managed care plans or service providers, or maintain health information technology (IT) systems. Resources are needed to purchase health infrastructure, including electronic health records systems, as well as to assess readiness infrastructure and for staff training. Agencies will also need to collect service utilization patterns and determine payment models that will support the comprehensive medical, dental and behavioral health services children and youth need. It will be important for the State to ensure that this funding is used by foster care agencies to develop the necessary infrastructure so that children and youth in care experience minimal disruption of health services.

Schuyler Center urges the Legislature to support funding to ensure that the transition of foster care children and youth into Medicaid managed care enhances care and services.

Fund Kinship Guardianship Assistance (KinGAP) as a permanency option outside of the Foster Care Block Grant

The Executive Budget continues to fund the Kinship Guardianship Assistance Program (KinGAP) through the Foster Care Block Grant (FCBG). In 2011, New York implemented KinGAP using funds from the FCBG, with the intent to use the FCBG for a period of just one year, but KinGAP continues to be funded through the block grant. Although the number of children in foster care has declined, the health and service needs of the children who are in care are significant and costly. The FCBG must be used to meet their needs.

Relatives in approved or certified foster care settings can apply for KinGAP when both adoption and family reunification are ruled out. Many of these families need financial assistance to continue caring for a foster child in their home. With this option, kin families can exit the foster care system and continue to receive financial support while still caring for the relative child.

Between January 1, 2013 and December 31, 2013, 257 children left foster care and entered KinGAP arrangements. We anticipate the number of approved KinGAP and guardianship arrangements to continue to increase. KinGAP should be funded as a permanency option outside of the block grant, in the same manner as adoption subsidies. The pressures on the Foster Care Block Grant continue as the children who are placed in foster care have considerable service and treatment

needs which must be met. The Foster Care Block Grant is fully utilized for these children, leaving localities to pick up 100% of the costs for KinGAP.

Schuyler Center urges the Legislature to fund the Kinship Guardianship Assistance Program, which helps relatives care for children, as an uncapped permanency option and not through the Foster Care Block Grant.

Restore \$1 million in funding for Kinship Caregiver Services and increase funding for the Kinship Navigator Program to \$300,000

Once funded at \$2,750,000 in the 2009-10 Budget, funding for relative caretaker programs decreased to \$338,750 in the 2011-12 Budget and remains at that level in the 2015-16 Executive Budget.

Approximately 3% of all children in New York State live with relatives or close family friends in private or public kinship care arrangements. Kinship Caregiver programs offer important supports and services to kin, a majority of whom are grandparents, who care for their relatives' children in their household outside of the formal foster care program. The programs provide information about family members' rights, support to meet children's education and health care needs, and assistance with obtaining health and social service benefits. For as little as \$510 per child per year, these programs are far less costly than foster care placement. There were once 21 multi-county programs; now only eight programs remain covering 13 counties. These programs require secure, stable, and sufficient funding to support kin caregivers.

Schuyler Center requests that the Legislature restore \$1 million in funding for Kinship Caregiver programs and increase funding for the Kinship Navigator Program to \$300,000 to ensure that kinship families can access the supports they need.

Fund post-adoption services

The Executive Budget does not include funding for post-adoption services. The State's responsibility to children in foster care and families should not end if a child is adopted. Many children in foster care have significant emotional, mental and behavioral health issues due to childhood trauma, and therefore require additional services and supports. Adoptive parents who are unable to find the appropriate supports their child and family needs may be forced to dissolve their family and place their child in foster care, which hurts families and is more costly to the State.

New York State has funded post-adoption programs and services through TANF funds since 2000, funding upwards of a dozen programs. Due to funding reductions, nearly all of these programs have been cut. While TANF funding is essential to programs, funding for post-adoption services should not be limited to TANF funds so that families who are not eligible for TANF are not excluded from these important services.

The Schuyler Center urges the Legislature to add \$5 million for post-adoption services.

Juvenile Justice

Raise the jurisdictional age for juvenile justice to age 18 and raise the lower age to 12 for all children

The Governor's Executive Budget includes recommendations from the Commission on Youth, Public Safety and Justice to raise the age of juvenile jurisdiction to 18, and the minimum age of juvenile jurisdiction from age 7 to 12. The Executive Budget includes an initial investment of \$25 million for services and expenses related to raising the age.

We applaud the Governor for taking action on this important issue.

The Schuyler Center urges the Legislature to support this initiative and maintain funding for raising the age of juvenile jurisdiction.

Youth

Increase investment in after school programming

The Executive Budget reduced funding for *Advantage After School* by \$500,000 to \$17.26 million. This was a surprise given the bold promise from the Governor in his State of the State address in 2014 that after school programs were going to get an infusion of funds in the 2015-16 budget.

After school programs are an important part of the continuum to build a comprehensive high-quality system that supports children's learning and development and meets the needs of families. Lack of access to high-quality after school and summer learning opportunities contributes to the achievement gap that children face through their school years. Research has found that high-quality programs can significantly narrow the gap at each stage of a child's life, and that children need consistent access to such programs to continue making these gains. Creating a system that takes children from birth through high school, ensuring access to high-quality programs that support children's development while keeping them safe, will put all our children on a path toward success in college, career and life.

After school is one component of our education continuum. It is critical that New York also ensure adequate funding for a strong P-12 school infrastructure.

Schuyler Center urges the Legislature to make a significant investment in after school programs to ensure that the estimated 1.1 million children who need an after school program can access one.

Increase funding for Summer Youth Employment

The Executive Budget includes a slight increase in TANF funding for Summer Youth Employment programs from \$27.5 million in last year's enacted budget to \$30 million this year. Summer Youth Employment programs provide youth between the ages of 14 and 24 with paid summer employment in entry-level jobs across sectors including government, nonprofit, and private sector, and give youth job-training and employment-readiness skills. We appreciate the increases to youth employment in the Executive Budget and are looking to the Legislature to build on that by adding funds to both account for a higher minimum wage and increase the number of jobs available.

Schuyler Center urges the Legislature to maintain \$30 million for Summer Youth Employment and add \$19.31 million to account for an increased minimum wage and an additional 10,000 jobs.

Increase funding for Youth Delinquency and Development Programs to \$15,407,244

The Executive Budget decreases Youth Development and Delinquency Programs by \$1,285,544 as compared to the enacted 2014-15 Budget. Last year, the Legislature added this amount in budget negotiations.

Schuyler Center urges the Legislature to add \$1.285 million to restore funding for Youth Delinquency and Development Programs to \$15.4 million.

Other

Increase the Earned Income Tax Credit (EITC)

The Governor's Executive Budget does not include an increased Earned Income Tax Credit (EITC). The EITC is one of the best ways to "make work pay" for low-income families. EITC also positively impacts children: research shows that the children of EITC recipients do better in school and are healthier.

At a time when income inequality in New York continues to grow, it is important that the State support working families by increasing the EITC to 40% of the federal benefit.

Schuyler Center urges the Legislature to increase the State's EITC to 40% of the federal benefit to help support working families.

Support the Nonprofit Infrastructure Capital Investment Program

The Executive Budget includes a one-time \$50 million investment to support capital projects to improve the quality, efficiency, and accessibility of human service organizations that provide direct service to New Yorkers through state contracts. This investment will help to support organizations that provide essential services to many of the state's most vulnerable citizens.

Schuyler Center requests that the Legislature maintain the Governor's funding for nonprofit infrastructure.

New York – An Opportunity State

Governor Cuomo, in his State of the State address, called for an Opportunity Agenda. Schuyler Center hopes that the Legislature will help to expand that agenda so that opportunity is available to all New Yorkers. We look to the Legislature to make real investments in programs that help families lift themselves out of poverty, that support children and youth, and make our state a stronger, safer place for all its citizens. As New York's economy improves, the state – the government and its people – should set a goal of reducing poverty and income inequality, and improving well-being that includes measurable benchmarks toward attaining that goal. The work needs to focus on investing early and sufficiently, and documenting results across the spectrum of issues and policy areas that affect the lives of children and families.

We urge the Legislature to place a special focus on programs designed to keep families and children from falling through the cracks, by supporting the recommendations in this testimony as a step toward realizing opportunities for New York's vulnerable citizens that will yield significant cost savings down the road.

Thank you. We appreciate the opportunity to submit testimony and look forward to continuing to work with you to build a strong New York.

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