

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

Schuyler Center's *First Look* is an initial assessment of New York State's 2017-18 Executive Budget and how it advances priorities that improve the health and well-being of all New Yorkers, especially those living in poverty. We evaluate the State budget in a time marked by uncertainty with a new federal administration in office that has pledged to make significant changes to federal health and human services programs. The Governor has responded to this uncertainty by including throughout the Executive Budget language reserving the right to reduce the amount of funding proposed "if revenue is less than the amount assumed in the 2017-18 fiscal plan," adding considerable uncertainty at the state level as well.

Despite this uncertainty, the Governor's budget includes some important programs to aid middle class families whose incomes have not kept pace with rising child care, college, and health care costs, including a landmark proposal to make SUNY and CUNY tuition free for middle class students, and a small tax credit increase for middle class families with children and other dependents in care. However, also struggling are the nearly one-quarter of New York families who live in poverty, and hundreds of thousands more who live in near poverty. The Governor's budget mainly flat funds or cuts programs that support and strengthen these families. For instance, the Governor's budget proposes no new funds for child care subsidies for low-income families, leaving 83% of those families on their own to cover child care costs, which can exceed \$10,000 per child per year. Nor does the proposed tax credit cover them. The budget also contains significant cuts to child welfare services both directly, and by shifting costs to counties without providing counties with new funds. This is of significant concern in light of recent federal data showing New York's consistent failure in comparison to all other states with regard to child welfare outcomes.

Schuyler Center staff will spend the coming days gaining a deeper understanding of the Executive Budget and its impacts, and urging lawmakers to adopt a budget that supports and strengthens all New York families.



### Child welfare and juvenile justice

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

##### What's in the Executive Budget

The **Executive 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. A more strategic approach would make services available further upstream, before there is any documented risk of entry into foster care. Schuyler Center urges 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.

## Child Welfare Financing: the Foster Care Block Grant

**What's in the Executive Budget** The **Executive Budget** proposes to decrease 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. Of note: the Executive 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. A reduced block grant will mean that counties will have to assume a higher share of spending for their foster care systems.

## Kinship Guardianship Assistance Program (KinGAP)

**What's in the Executive Budget** The **Executive 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 of these families require financial assistance to continue caring for a foster child in their household; with KinGAP, kinship families can exit the foster care system and continue to receive financial support. KinGAP is an important way to promote permanency for children and youth and should be funded as such – separate, uncapped, and outside of the Foster Care Block Grant, with no reduction to the Foster Care Block Grant.

## Kinship Navigator and Kinship Caregiver Services

**What's in the Executive Budget** The **Executive Budget** includes funding for kinship caregiver services at \$338,750. This is a cut of \$1.9 million from last year's final budget.

The budget also includes \$220,500 in funding for the statewide kinship navigator information and referral network. This is a cut of \$100,000 from last year's final budget.

**Background** Kinship caregiver programs offer important support and 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 urges, at a minimum, maintenance of funding for kinship services at \$2.3 million, and an increase in funding to the kinship navigator to \$410,000.

## Foster Care and Higher Education

**What's in the Executive Budget** The **Executive Budget** includes \$1.5 million in funding for the Foster Youth College Success Initiative to support youth in foster care to pursue higher education.

**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. A total of \$4.5 million (+\$3 million) is needed to continue to support the first two cohorts of students and bring a new cohort on in the fall of 2018.

## Post-Permanency and Prevention Services

**What's in the Executive Budget** The **Executive Budget** proposes to invest \$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.

## Juvenile Justice

**What's in the Executive Budget** The **Executive Budget** includes legislation to raise the age of juvenile jurisdiction through a phased-in plan that would incrementally raise the age to 18 by January 2020. The Budget provides \$110 million in capital funding for new and existing buildings.

**Background** New York is one of only two states in the nation that continues to automatically try all 16- and 17-year-olds as adults. The Schuyler Center is a member of a statewide coalition recommending that New York create a juvenile justice system that provides opportunities for youth and advances public safety by raising the jurisdictional age. We look forward to working with the Legislature on passing legislation to comprehensively raise the age.



## Family economic security and support

### Maternal, Infant and Early Childhood Home Visiting

**What's in the Executive Budget** The **Executive Budget** includes funding for the Nurse-Family Partnership home visitation program at \$3 million 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.

**Background** Maternal, infant and early childhood home visiting is available to a small number of parents with young children in a few areas around the state. A significantly higher investment is needed if New York is committed to serving all communities with families in need and to ensuring the best health and social outcomes for all New York mothers, infants and families.

### Child Care Subsidies

**What's in the Executive Budget** The **Executive Budget** includes flat funding of \$806 million for child care subsidies and proposes that counties must draw \$27 million of the total subsidy dollars from federal Title XX funds, which counties currently use at their discretion to fund certain county social services, including senior and child welfare services. The budget contains no additional funding to cover new federal requirements enacted under the federal Child Care and Development Block Grant (CCDBG) Act of 2014. The budget Briefing Book indicates that the State "will work aggressively to secure additional funding or sensible regulatory relief from this unprecedented, unfunded Federal mandate."

Background	Currently, the State provides subsidies for only 17% of New York families eligible for child care assistance. Child care in New York State is now the most expensive in the nation, costing as much as \$14,000 per child per year. Under the Governor's proposal to flat-fund subsidies, 83% of low-income families will continue to receive no subsidies, and that percentage may rise should the State be required to implement some of the new CCDBG rules. Notably, those same families who are not receiving subsidies are also excluded from the Governor's proposed modest increase in the State's child and dependent care tax credit.
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### Pre-Kindergarten

What's in the Executive Budget	The <b>Executive Budget</b> adds \$5 million in new funding for 3- and 4-year-olds in high-need districts, with priority for districts that do not yet have any Pre-K services, and re-appropriates the full \$22 million that was in the 2016 budget for Pre-K. The Budget also converts the Priority Pre-K competitive grant to an aid formula distributed by allocation. The budget Briefing Book describes this as a first step to merge the State's Pre-K programs into a single program.
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Background	More than 106,000 4-year-olds outside New York City 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 new funding and re-appropriation is a positive step in that it will modestly increase the number of children enrolled in Pre-K, but still falls far short of providing access to 4-year-olds in high-need districts, and shorter still of the Governor's stated goal of universal Pre-K.
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### Afterschool Programs

What's in the Executive Budget	<p>The <b>Executive Budget</b> proposes \$35 million for the creation of the Empire State After-School program. The funding would be available to school districts in municipalities participating in the Empire State Poverty Reduction Initiative.</p> <p>The Budget reduces funding for Advantage After School by \$5 million, as compared to last year's final budget, to \$17,255,300. Last year the Legislature added the additional \$5 million in funding.</p>
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Background	High-quality after school programs have been shown to help close the gap for low-income children and families. The Governor's expansion of after school programs in communities with high rates of poverty through the creation of the Empire State After-School program is a positive step toward ensuring that more New York children have access to these important programs.
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### Enhanced Child and Dependent Care Tax Credit

What's in the Budget Executive	The <b>Executive Budget</b> proposes amendments to New York State's child and dependent care tax credit that would increase the tax credit received by families with children in child care who are earning between \$50,000 and \$150,000. Qualifying families would receive on average between \$150 and \$375 in additional benefits each year.
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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. With the enhancements, families in this earnings bracket will receive an average increase of \$187 per year. The maximum a
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family with one child can receive per year (even with the Governor's proposed enhancement) is \$1,155, and with two or more children, \$2,310. The proposal does not increase the credit for the hundreds of thousands of low-income families who are eligible for child care subsidies but do not receive them due to inadequate State funding.

### Child Tax Credit

**What's in the Executive Budget** The **Executive 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 recommends 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.

### Earned Income Tax Credit

**What's in the Executive Budget** The **Executive 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 recommends that the State raise the EITC to 40% of the federal benefit.



## Public health, health coverage, access and care

### Public Health: Community Water Fluoridation Fund

**What's in the Executive Budget** The **Executive Budget** re-appropriates funding approved in the previous two budgets for installation or upgrading of water fluoridation equipment. This funding expands the program begun last year to strengthen the fluoridation infrastructure in New York.

**Background** 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.

### Public Health: Funding for County Public Health Departments

**What's in the Executive Budget** The **Executive 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. The Budget proposes reducing some expenditures for New York City from 36% to 29%.

**Background** 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.

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

**What's in the Executive Budget** In the Department of Health section of the **Executive Budget**, a number of funding lines have been pooled together and a 20% reduction taken to each pool for a total reduction of approximately \$25 million. Pools include Disease Prevention and Control; Maternal and Child Health; Public Health Workforce; and Health Outcomes and Advocacy.

**Background** The Budget provides 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.

## Health Coverage: Essential Plan Premiums

**What's in the Executive Budget** The **Executive Budget** includes a provision to require monthly premium payments of \$20 for individuals enrolled in the Essential Plan (EP) with incomes between 138–150% of the Federal Poverty Level (FPL) and a provision to increase all premiums going forward by the annual growth percentage in the Medicaid Consumer Price Index (CPI). Currently there is no premium for individuals between 138–150% FPL and a \$20 premium for individuals between 150–200% FPL.

**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.

## Health Coverage: Consumer Assistance

**What's in the Executive Budget** The **Executive Budget** includes \$2.5 million for Community Health Advocates (CHA), compared to the \$3 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. New York should allocate \$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.

## Health Coverage: Early Intervention

**What's in the Executive Budget** The **Executive Budget** proposes several changes to the Early Intervention program. The budget Briefing Book identifies State savings of \$3.9 million in the budget year, growing to \$14 million in 2019, as well as county savings. The proposed changes include 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.

**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.



## Health System Transformation: Adult Homes

### What's in the Executive Budget

The **Executive 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. We are 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.