



Schuyler Center's *Last Look* at the NYS 2018-19 Enacted Budget as It Intersects with Our Policy Priorities

On March 30, 2018, the New York State Legislature and Governor reached an agreement on the 2018-2019 State Budget. Faced with a significant deficit, the Executive Budget had proposed sharp cuts in services, with those cuts disproportionately targeting programs that serve and support low-income families and children. The Legislative one-house budgets, particularly the Assembly budget, included proposals to shield New York children and families from some of the harshest proposals. Schuyler Center, together with our many partners and allies, spent the last three months fighting hard to secure investments in programs that strengthen families, protect children, expand educational opportunities, and improve health outcomes, with mixed success.

Among the damaging proposals we helped defeat: a cap and cut to New York City's child welfare preventive services; a delay to the expansion of services for children with behavioral health needs; and a cut and detrimental restructuring of public health programs. Harmful proposals that could not be averted included the defunding of Close to Home, New York City's trauma-informed juvenile justice system, and a structuring of Raise the Age implementation that effectively prevents New York City from accessing any the state funds.

The final budget contains a few bright spots for New York children and families, chief among them a seed investment to ensure implementation of recommendations made by New York's First 1,000 Days on Medicaid workgroup. This small investment, if protected and nourished, will help to improve the health and development of the nearly 60% of New York children age zero to three who are covered by Medicaid. Other new investments for children and families are increases in funding for the Foster Youth College Success Initiative, Pre-K, child care subsidies, and after school programs.

With the budget battle behind us, we are eager to get to work with our partners in and outside government to ensure these investments are used as effectively as possible to ensure that all New York children are provided the tools they need to learn, grow and thrive.



CHILD WELFARE AND JUVENILE JUSTICE

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

What's in the Final Budget

The **Final Budget** rejects the proposed spending cap on New York City's child welfare services (preventive, protective, independent living, adoption administration and aftercare services), and provides a statewide funding appropriation of \$635 million.

What was in the Executive Budget

The **Executive Budget** proposed to place a cap on New York City's spending on preventive, protective, independent living, adoption, and aftercare services. Such a cap would have removed the incentive to innovate in prevention and resulted in significant cuts to the City's Administration for Children's Services. The budget appropriated \$635 million for these services statewide, but reduced the State share to 62% from 65% (as is written in statute).

Legislative Response

The **Assembly** rejected the Executive Budget proposal to cap New York City’s spending on child welfare services, and added \$17 million to the appropriation line.

The **Senate** accepted the Executive proposal to cap New York City’s child welfare funding, but included language indicating that they did so “with prejudice.”

Background

Localities use this open-ended funding stream to pay for services that include child protective services and services to prevent children from entering, or re-entering, foster care.

Open-ended, uncapped funding for these services is critical to ensuring that social service districts invest in the services that produce positive outcomes for children and families and keep kids safely out of foster care.

Additionally, 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 Foster Care Block Grant

What’s in the Final Budget

The **Final Budget** does not restore the \$62 million cut to the Foster Care Block Grant included in last year’s final budget, and instead maintains last year’s funding of the Block Grant at \$384 million.

What was in the Executive Budget

The **Executive Budget** did not propose restoration of the \$62 million cut to the Foster Care Block Grant included in last year’s final budget.

Legislative Response

Neither the **Assembly** nor the **Senate** proposed to make funding restorations to the Foster Care Block Grant.

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 Final Budget

The **Final Budget** invests \$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 represents level funding compared to last year’s final budget.

What was in the Executive Budget

The **Executive Budget** proposed the same \$7 million investment.

Legislative Response

The **Assembly** and **Senate** accepted the Executive Budget proposal.

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 Final Budget	<p>The Final Budget includes funding for kinship caregiver services at \$2.4 million. This represents level funding compared to last year's enacted budget.</p> <p>The budget also provides \$320,500 in funding for the statewide Kinship Navigator information and referral network. This represents level funding compared to last year's enacted budget.</p>
What was in the Executive Budget	<p>The Executive Budget proposed funding for kinship caregiver services at \$338,750, and \$220,500 for the statewide Kinship Navigator information and referral network.</p>
Legislative Response	<p>The Assembly restored \$1.9 million to kinship caregiver programs and \$100,000 to the Kinship Navigator. The Senate did not restore or add funding to the Executive Budget proposals.</p>
Background	<p>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.</p>

Kinship Guardianship Assistance Program (KinGAP)

What's in the Final Budget	<p>The Final Budget continues funding KinGAP within the Foster Care Block Grant, as was done in previous budgets.</p>
What's in the Executive Budget	<p>The Executive Budget maintained KinGAP within the Foster Care Block Grant.</p>
Legislative Response	<p>Neither the Assembly nor the Senate included a proposal to move KinGAP funding outside of the Foster Care Block Grant.</p>
Background	<p>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.</p>

Foster Care and Higher Education

What's in the Final Budget	<p>The Final Budget fully funds the Foster Youth College Success Initiative (FYCSI) at \$6 million. This is a \$1.5 million increase over last year's funding, and will fund four cohorts of students.</p>
What's in the Executive Budget	<p>The Executive Budget proposed \$1.5 million in funding for the FYCSI, a \$3 million cut compared to last year's final budget.</p>

Legislative Response

The **Assembly** budget proposal added \$4.5 million to the Executive Budget's funding for FYCSI. The **Senate** accepted the Executive Budget proposal, but added no additional funding.

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.

Juvenile Justice

What's in the Final Budget

The **Final Budget** reauthorizes New York City's Close to Home juvenile justice program, but eliminates all \$41.4 million in State funding for the program.

The budget also includes \$100 million for services and expenses related to raising the age of juvenile jurisdiction, but includes language – requiring a participating county to stay within the 2% property tax cap in order to be eligible for funding – that will effectively exclude New York City from accessing that funding.

What was in the Executive Budget

The **Executive Budget** proposed the elimination of State funding for the Close to Home juvenile justice program.

The Executive Budget also proposed \$100 million for implementation of raise the age, but included language limiting access to those counties that remain within the 2% property tax cap, or are able to demonstrate financial hardship.

Legislative Response

The **Assembly** restored \$41.4 million to Close to Home, and removed language from the Raise the Age funding that would exclude New York City from receiving State support.

The **Senate** did not restore funding for Close to Home, but indicated that they accepted the Executive Budget proposal "with prejudice." Like the Assembly, the Senate also removed language from the Raise the Age funding that would exclude New York City from receiving State support.

Background

Close to Home is a juvenile justice reform initiative, first enacted in 2012, and implemented in New York City, that is 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.

In 2017, New York State passed legislation to raise the age of juvenile jurisdiction. The legislation, which will be 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.



PUBLIC HEALTH, HEALTH COVERAGE, ACCESS AND CARE

Cuts to Public Health Programs

What's in the Final Budget	The Final Budget rejects the proposal to consolidate 30 public health programs, and cut funding to the programs by 20%.
What was in the Executive Budget	The Executive Budget proposed consolidating funds from a number of public health programs into four pools (Disease Prevention, Maternal and Child Health, Health Workforce, and Health Outcomes and Advocacy) with a 20% cut to each pool.
Legislative Response	Both the Senate and the Assembly rejected the Executive proposal to cut and consolidate public health programs.
Background	A similar proposal to consolidate and cut public health programs was included in the 2017-18 Executive Budget. While the proposal to consolidate was rejected, the 20% cut was implemented as part of the 2017-18 Budget. These programs maintain the health of populations and reduce overall health costs through preventive initiatives like maternal and child health services, teen pregnancy prevention and disease prevention programs.

Community Water Fluoridation Fund

What's in the Final Budget	The Final Budget includes a re-appropriation of funding for infrastructure.
What was in the Executive Budget	The Executive Budget proposed to re-appropriate 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.
Legislative Response	Both the Assembly and the Senate accepted the re-appropriation.
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.

Adult Homes

What's in the Final Budget	The Final Budget includes \$38 million for the transition of adult home residents into community settings and maintains \$6.5 million for quality programs. There were no increases in SSI rates or the Personal Need Allowance.
What was in the Executive Budget	The Executive Budget proposed \$38 million to support the transition of adult home residents into community-based settings. The Executive Budget also proposed to maintain funding 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.

Legislative Response	The Assembly and Senate continued the funding for quality programs. The Senate also included a provision to provide a \$20 million increase in State funding for individuals who have SSI and live in adult homes that would have gone entirely to adult home operators.
Background	The transition of adult home residents with mental illness to community-based settings continues, albeit slowly due to ongoing challenges. Adult home oversight is lax and the quality of care and living conditions varies widely. Advocates have urged that the State increase the residents' Personal Needs Allowance (PNA) which is essential to allowing them some measure of independence, and that part of any increase in the SSI allowance to Adult Care Facilities should be directed to increasing the PNA.
Consumer Assistance	
What's in the Final Budget	The Final Budget contains \$3.9 million for Community Health Advocates (CHA).
What was in the Executive Budget	The Executive Budget included \$2.5 million for CHA. This is a decrease of \$1 million from the \$3.5 million that was included in last year's final budget.
Legislative Response	The Assembly added \$1 million and the Senate added \$1.5 million to the CHA programs.
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.
Children's Behavioral Health Transition to Managed Care	
What's in the Final Budget	The Final Budget includes \$15 million for the transition of children's behavioral health services to managed care.
What was in the Executive Budget	The Executive Budget did not include funding for implementation of certain enhanced children's mental health services.
Legislative Response	The Assembly added \$15 million and the Senate added \$7.5 million for these services.
Background	The Department of Health, Office of Mental Health, Office of Children and Family Services, together with providers and advocates, have developed a robust plan designed to improve and streamline eligibility and services for children with behavioral health needs. It was expected there would be an appropriation in the Medicaid budget for the six new State Plan Services and home and community-based services.



EARLY CHILDHOOD WELL-BEING

First 1,000 Days on Medicaid

What's in the Final Budget	Full funding for the First 1,000 Days on Medicaid was included in the Final Budget .
What was in the Executive Budget	The Executive Budget proposed a \$1.45 million investment for 2018-19, increasing to \$5.8 million in 2019-20 to begin implementing the recommendations of the First 1,000 Days workgroup.
Legislative Response	The funding was included in both the Senate and Assembly one-house bills.
Background	In 2017, New York State Medicaid kicked-off a first-in-the-nation initiative to develop recommendations for how Medicaid could improve outcomes for the youngest New Yorkers, aged 0-3 years, sixty percent of whom are covered by Medicaid. A workgroup made up of pediatricians, early childhood experts, educators, and advocates focused on all aspects of children's well-being, including health and development; parents and caregivers; housing; early education; child welfare; and behavioral health. The workgroup submitted a 10-point plan of actions that Medicaid should undertake to improve outcomes. (https://www.health.ny.gov/health_care/medicaid/redesign/first_1000.htm)

Maternal, Infant and Early Childhood Home Visiting

What's in the Final Budget	<p>The Final Budget includes \$6.8 million in funding for the Nurse-Family Partnership (NFP) program, a \$3.4 million increase over last year's final budget. However, the budget language indicates some of these funds are to be used to cover expenses already accrued.</p> <p>The budget proposed flat funding of Healthy Families New York (HFNY) at \$23,288,200. No funding was included for Parents as Teachers or the Parent Child Home Program.</p>
What was in the Executive Budget	<p>The Executive Budget proposed \$6 million in funding for NFP.</p> <p>The budget also proposed flat funding for HFNY at \$23,288,200. No funding was proposed for Parents as Teachers or the Parent Child Home Program.</p>
Legislative Response	Both the Assembly and Senate maintained the Executive Budget proposals of \$6 million for NFP and flat-funding for HFNY.
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 aims to serve all communities with families in need and endeavor to ensure the best health and social outcomes for mothers, infants and families.

Child Care Subsidies

What's in the Final Budget

The **Final Budget** includes more than \$100 million in new investment in child care subsidies, with \$7 million coming from State funds, and an estimated \$106.5 million flowing from new federal Child Care and Development Block Grant (CCDBG) funds. Total 2018-2019 funding for child care subsidies will be approximately \$912.5 million (depending on exactly how much new federal money is allocated), as compared to \$799 million last year.

The budget indicates that the new funds are to be allocated as follows: (1) up to \$80 million are to cover infant and toddler activities and to cover new federal health, safety and quality requirements; (2) at least \$10 million to expand access to subsidized child care; and (3) additional funds may be directed to implementing and increasing subsidy reimbursement rates.

What was in the Executive Budget

The **Executive Budget** proposed to restore the \$7 million cut from child care subsidies last year, yet added no new money to cover rising costs, including those associated with the increasing minimum wage.

Legislative Response

The **Assembly** accepted the Executive proposal, and in addition, proposed to invest an additional \$128.7 million to supplement existing federal, state, and local funding for child care assistance for low-income families. It directed that \$31 million be invested to expand availability of subsidies and the rest to implement and increase subsidy reimbursement rates and to cover costs associated with implementing regulations required by the federal Child Care and Development Block Grant Reauthorization of 2014. The Assembly's proposed new investment was to come from State general funds only if the expected federal funds were not appropriated at all, or in a lesser amount. In either of those cases, the Assembly proposed that the State make up the difference with State general funds.

The **Senate** accepted the Executive proposal.

Background

Currently, the State provides subsidies for fewer than 20% of New York families eligible for child care assistance. Child care in New York State is among the most expensive in the nation, costing as much as \$15,000 per child per year. And, the underinvestment in child care also means most of the child care workforce is not paid a living wage. Nearly 60% of New York child care workers' families participate in some type of public assistance. The shortage of investment in child care impedes parents' ability to achieve economic security, driving many working families into poverty.

While New York State lawmakers were negotiating the State budget, the federal government was also negotiating the FY2018 Omnibus budget. The federal bill, passed on March 21, 2018, includes a \$2.37 billion appropriation to the federal CCDBG, representing the largest increase in child care funding in history. New York State is projected to receive approximately \$106.5 million in new CCDBG funding for FY2018.

Child and Dependent Care Tax Credit

What's in the Final Budget	The Final Budget contains no changes to New York State's child and dependent care tax credit.
What was in the Executive Budget	The Executive Budget proposed no changes to New York State's child and dependent care tax credit.
Legislative Response	The Senate and Assembly proposed 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. Last year, the Final 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.

Pre-Kindergarten

What's in the Final Budget	The Final Budget adds \$15 million in new funding for Pre-K expansion for 3- and 4-year-olds. All districts may apply, with priority for districts without any Pre-K services and proposals that target the highest-need schools and students and maximize total number of eligible children served. Priority is also given to proposals that include students of all learning and physical abilities in integrated settings. The final budget continues all other Pre-K funding streams for FY2018-19 at current levels, including the state's \$25 million Federal Preschool Development Grant which funds 2500 full-day seats.
What was in the Executive Budget	The Executive Budget proposed to add \$15 million in new funding for 3- and 4-year-olds in high-need districts, with priority for districts without any Pre-K services and applications that include students of all learning and physical abilities. The budget proposed to maintain all other current Pre-K funding streams for FY2018-19 so long as districts continue to serve the same number of children.
Legislative Response	<p>The Assembly proposed to add \$50 million in new funding for 4-year-olds. The new investment was to be open to all districts, with preference to high-need districts. The Assembly also proposed to continue to integrate all pre-kindergarten programs into the Universal Pre-Kindergarten program to create a unified pre-kindergarten program, while maintaining all current funding levels and slots. The Assembly also proposed to add provisions to create a consistent process for allocating Pre-K funding in the future.</p> <p>The Senate rejected the Governor's proposed \$15 million expansion, and offered no new funding for Pre-K this year.</p>
Background	The State's investment in Pre-K now totals \$837 million, with more than 120,000 preschoolers now served in part-day and full-day programs. The \$15 million in new funding is a modest step forward because it will increase the number of children enrolled in Pre-K by a small number and re-opens the Pre-K program to all districts. But, it still falls far short of providing full-day Pre-K to all

4-year-olds. The \$15 million will still leave at least 78,000 4-year-olds, mostly outside of New York City, without full-day Pre-K. It also does little to move the state toward establishing a single, coherent Pre-K program.

Early Intervention

What's in the Final Budget The **Final Budget** rejects the Executive Budget proposal to restructure Early Intervention, along with the Executive and Assembly proposals to increase provider reimbursement rates.

What was in the Executive Budget The **Executive Budget** proposed to restructure the Early Intervention referral, screening, and evaluation process, and to increase the Early Intervention reimbursement rate if providers met certain conditions.

Legislative Response The **Assembly** and **Senate** rejected the Executive proposal to restructure the Early Intervention referral, screening, and evaluation process. In addition, the Assembly proposed an increase in Early Intervention provider reimbursement rate – without the conditions contained in the Executive proposal which providers reported would have increased their costs substantially.

Background The Early Intervention program provides therapeutic and support services to children under the age of three who have disabilities or developmental delays.

Child Tax Credit

What's in the Final Budget The **Final Budget** includes statutory changes to the Empire State Child Credit to decouple it from the new federal tax law, and in this way, maintain the credit at current levels. It continues to exclude children under age four from coverage.

What was in the Executive Budget The **Executive Budget** proposed statutory changes to the Empire State Child Credit to maintain the credit at the levels that existed prior to the passage of the 2018 federal tax overhaul in early January. The budget did not propose to increase the credit, or expand eligibility to include children under age four.

Legislative Response The **Assembly** and **Senate** accepted the Governor's proposed statutory changes, and did not increase the credit, or expand eligibility to include children under age four.

Background New York's Empire State Child Credit had provided eligible taxpayers a credit equal to 33% of the federal child tax credit or \$100 per qualifying child, whichever was greater. The credit excluded children under age four. The new federal tax law doubled the federal child tax credit, and raised the income level at which it begins to phase out. Had the State made no statutory changes to decouple the Empire State Child Credit from the new federal child tax credit, the State credit would have become available to many more families, and the credit amount would have increased.

The Schuyler Center has long recommended expanding the State credit to include children under age four, and making the credit more robust for young children.

Earned Income Tax Credit

What's in the Final Budget The **Final Budget** includes no increase to the State Earned Income Tax Credit (EITC).

What was in the Executive Budget The **Executive Budget** did **not** propose an increase in the State EITC.

Legislative Response Neither the **Assembly** nor the **Senate** proposed increases in the State 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.

Afterschool Programs

What's in the Final Budget The **Final Budget** restores funding for Advantage After School to the 2016-2017 level of \$22.3 million, a \$2.5 million increase over last year.

It also includes \$45 million for the Empire State After-School program, a \$10 million increase in investment from last year. Thirty-five million are to continue to fund the programs funded last year and the new \$10 million will be used to expand the program to (a) school districts or community-based organizations eligible to participate in the 2017 round of awards, (b) to districts with high rates of student homelessness, or (c) to districts in at-risk or high-needs areas in Nassau or Suffolk counties.

What was in the Executive Budget The **Executive Budget** proposed to reduce funding for Advantage After School by \$2.5 million to \$17,255,300, as compared to last year's final budget of \$19.8 million. Last year the Legislature added the additional \$2.5 million to the program. (The previous year - 2016-2017, the Legislature added \$5 million, bringing total funding for Advantage After School that year to \$22.3 million.)

The budget also proposed to invest \$45 million for the Empire State After-School program, a \$10 million increase over last year.

Legislative Response The **Senate** and **Assembly** each added \$2.5 million to the Advantage After School Program, and otherwise accepted the Executive proposals regarding 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.