



Schuyler Center's Next Look at the NYS 2021-22 Budget: Senate and Assembly One-House Budget Proposals as they Intersect with Schuyler Center's Most Urgent Budget Priorities

As New York lawmakers enter the final phase of State Fiscal Year (SFY) 2021-22 Budget negotiations, we renew our call to leaders to pass a budget that prioritizes the health and well-being of New York's low-income families and children and all New Yorkers living on the margins. A year into the COVID-19 pandemic, it is well understood that the New Yorkers facing the challenges of poverty, disability, ill-health, racial discrimination, and poor mental health have suffered disproportionately from school closures, layoffs, supply shortages, social distancing, and other measures implemented to address the COVID-19 pandemic.

There are concrete reasons for optimism. Vaccines are rolling out, putting the end of the pandemic in sight. Earlier this month, the federal government passed the American Rescue Plan Act (ARPA) – arguably the most consequential investment in the nation's children and families in a generation. It will significantly reduce child poverty in New York and across the nation, in large part by sending cash directly to families through stimulus checks and refundable tax credits. It directs billions of dollars in aid to New York's battered education and child care systems, to state and local government; and billions more to bolster nutrition and housing support. With these ARPA funds, augmented by State funds, New York has what it needs to set in motion a just, equitable recovery; one that reduces the income inequality and racial disparities that have long persisted, and advances shared prosperity.

Highlighted below are State budget actions that hold real opportunity – and threat – for New York children, families, and marginalized New Yorkers. We ask our New York leaders to ensure the final enacted budget seizes these opportunities, and takes all steps necessary to curtail the threats, by ensuring robust investment in services essential to the well-being of New York children and the New Yorkers hit hardest by the impacts of the pandemic.

CHILD WELFARE AND JUVENILE JUSTICE

This year, more than ever, New York must provide families the supports they need to recover – together – from the trauma many have experienced this year. New York must also ensure it is ready to fully implement the federal Family First Act this year, by supporting preventive services and family-based foster care.

- Support the Assembly proposal to restore the 5% cut of the State share of preventive services funding (\$30.5 million), and restore the State funding ratio to 65% as required by statute. New York State previously cut the State funding share for protective and preventive services in 2008. **That cut has never been restored.**
- Support the Assembly proposal to restore the \$11.2 million cut to the Foster Care Block Grant, and move KinGAP funding to the adoption subsidy line to incentivize counties to inform families of all their options.

- Support the Assembly and Senate proposals to fully fund the Kinship Navigator and caregiver services by adding \$1.9 million to the Executive's \$542,500, for a total \$2.5 million in funding.
- Include in the budget language from S.3109 (Persaud)/A.6269 (Frontus) and \$500,000 to create an office of the Foster Care Ombudsman, which will better support kinship and foster families and the children in their care. As the State moves toward implementing the federal Family First Prevention Services Act (FFPSA) this fall, which requires New York to ensure that more children are appropriately placed with families, retaining and recruiting more kin and foster families is increasingly important.
- Accept the Executive Budget's proposal to close four underutilized Youth Facilities in Article VII Part H. Closing four State-operated juvenile placement facilities would reduce New York's investment in youth incarceration.
- Accept the Executive Budget's proposal to implement qualified residential treatment program (QRTP) provider designations and procedures in Article VII Part L. The proposed changes are required to comply with the Federal Family First Prevention Services Act, which is set to take effect in New York on September 29, 2021.
- Accept the Executive Budget's proposal to expand the Family Assessment Response (FAR) process statewide in Article VII Part M. FAR is a differential response model that provides a solution-focused option for families to partner with Child Protective Services (CPS) to keep their children safely at home. At a time when families urgently need to be connected with supportive services, FAR remains underused statewide.

WORKING FAMILY TAX REFORMS

Empire State Child Tax Credit

In New York, at least 712,000 children live in poverty. The federal American Rescue Plan Act (ARPA) – with its robust child tax credit, stimulus checks, an expanded EITC, housing and nutrition supports – is expected to sharply curtail child poverty across the nation, at least in the coming year. However, ARPA's poverty fighting child tax credit leaves out an estimated 72,000 immigrant children in New York without a Social Security Number. Many are Dreamers who did not receive DACA or children of essential workers. New York must step up and support these children by including A.3146-A (Hevesi) (amendment pending)/S.5866 (Cooney) in the final budget. This bill will:

- Immediately expand New York's Empire State Child Credit to provide children in low-income families left out of the American Rescue Plan a credit of \$1,000 for younger children (under four years of age) and \$500 for older children (4-17); and
- Apply and make permanent this expansion to all New York children, should the American Rescue Plan's child tax credit enhancement lapse. Among the important, permanent reforms this bill would make to New York's child tax credit: (1) end the law's current exclusion of young children under four from eligibility, and provide them a larger credit; (2) make the full credit available to children living in families with little to no income; and (3) increase the credit for older children.

Earned Income Tax Credit

Expand the New York State Earned Income Tax Credit (EITC) to pay 40% of the federal EITC to eligible filers as proposed in the Assembly budget proposal. We also urge New York to cover two currently excluded groups: young childless adults ages 18-24 and immigrant filers with Individual Taxpayer Identification Numbers (ITINs).

EARLY CHILDHOOD WELL-BEING

Child Care

Child care is imperative to New York's recovery from the devastating impacts of this pandemic. The challenges facing New York families and the child care sector they rely upon cannot be overstated. Yet this moment also presents an extraordinary opportunity in the form of an influx of federal child care relief funds. **New York has, or will soon receive, a combined total of \$2.3 billion in child care stimulus funds, representing nearly three times the State's annual child care subsidy budget.** Effectively invested, these funds could help New York transform its child care system into the strongest, most equitable in the nation. Given the extraordinary amount of federal child care funds flowing into New York, budgeting decisions must be made collaboratively by the Executive and Legislative branches.

- Accept the plan in the Assembly's budget proposal to invest a portion of the federal child care relief funds to expand access to quality child care to many low-income families hit hard by the impacts of the pandemic, and set New York on a path to providing fair, equitable access to child care to all New York families. The plan proposes allocating federal funds to expand access to subsidies and otherwise stabilize the sector. Specifically, federal funds would be directed to:
 - Expand access to child care subsidies for families earning up to 85% of State Median Income,
 - Expand access to child care subsidies to priority groups across the state, including to parents seeking work or in job training; foster parents; parents who are disabled, among others,
 - Limit parent co-pays,
 - Compensate providers when children are absent,
 - Provide up-front stabilization grants, wage supplements, and other investments to stabilize the workforce and child care providers.
- Adopt budget language providing the Legislature ongoing oversight over how New York invests the remaining federal child care relief funds given the extraordinary amount of federal funds flowing into New York.
- Accept the Executive Budget's proposal to expand access to child care in communities classified as "child care deserts." (\$6 million). (We look forward to learning more about the State's plan address this issue.)

Pre-Kindergarten

New York is overdue to fulfill the promise of providing full day pre-K to all New York four-year-olds.

- Adopt the Senate proposal to invest \$500 million for expansion of full day pre-K and continue \$500,000 for the Long Island Pre-K Initiative.

Early Intervention

Early Intervention provides therapeutic and support services to eligible infants and toddlers under the age of three who qualify due to disabilities or developmental delays. The pandemic has disrupted service delivery, with many children missing out on evaluations and services. The number of children enrolled in EI is at its lowest point since 2013 and in June 2020, the number of providers was down 15% compared to 2019.

- Reject Executive Budget cuts of \$13.7 million and accept the Senate and Assembly prohibitions on reducing services to children.
- Support the Assembly proposal to pass a Covered Lives assessment to ensure that commercial insurers pay their fair share of Early Intervention services. The assessment should be at least \$40 million in SFY22. The funds should be invested in EI, not used to supplant existing revenue from the state and counties.
- Support the Assembly's proposal to conduct a comprehensive assessment of the EI rate methodology. Additionally, the State should develop a new tuition rate-setting methodology for Preschool Special Education so that rates better reflect the costs of delivering services.

Maternal, infant, and early childhood home visiting

Maternal, infant, and early childhood home visiting, a proven strategy for improving maternal and child outcomes, is available to less than five percent of families with young children in New York State and is entirely unavailable in some areas. During the current fiscal year, the State has held back funding allocated to programs, due to State fiscal concerns.

- Support restoration of all home visiting funding. This includes the Senate addition of \$369,000 for the universal prenatal and post-partum home visitation program that funds the Maternal and Infant Community Health Collaboratives (MICHC) and \$600,000 for Nurse-Family Partnership and the Assembly addition of \$1.3 million for Healthy Families NY and \$1 million for Nurse-Family Partnership.

PUBLIC HEALTH, HEALTH COVERAGE, ACCESS AND CARE

Medicaid Spending Cap

- Accept the Assembly proposal to reject the Medicaid spending cap. Efforts to keep expenditures within the self-imposed cap have resulted in reductions particularly affecting Medicaid enrollees who have disabilities and are in need of home health services and people who rely on safety-net providers.

EPSDT in CHP

- Accept the Assembly proposal for expanding Child Health Plus to include all benefits of the Early Periodic Screening, Diagnosis and Treatment (EPSDT) program.

12 Months Postpartum Coverage

- Accept the Assembly proposal for 12-month Medicaid coverage for post-partum coverage to ensure that women receive necessary health services during a medically vulnerable period.

Essential Plan

- Accept the Executive Budget proposal to eliminate premiums for Essential Plan coverage for New Yorkers earning between \$39,300 and \$52,400 for a family of four. It is estimated that with this change, an additional 100,000 people would enroll in the Essential Plan.
- Accept the Senate and Assembly proposals to eliminate premiums for Essential Plan dental and vision coverage.

Public Health

Reject the illogical Executive Budget cut to the General Public Health Works Budget – funds for public health – that would result in a cut to the NYC Department of Health (\$18 million).

Adult Homes

Adult home residents live in tight quarters, often in substandard conditions. Like nursing home residents, they were hit hard by the pandemic. These chronically underfunded programs that support these residents should not be subject to cuts.

- Reject the Executive Budget's proposal to eliminate EQUAL funding (\$6.5 million). Adult home residents are low-income adults, many of whom struggle with mental and other health concerns. The EQUAL program and advocacy funding commenced more than a decade ago to help remediate what are often substandard – or worse – living conditions in adult homes and lack of basic necessities.
- Reject the Executive Budget's proposal to eliminate Adult Home advocacy funding (\$230,000). The advocacy budget funds four community and legal services organizations to help ensure that residents know their rights and have advocates protecting their exercise of those rights.