Schuyler Center’s Next Look at the NYS 2022-23 Budget: Senate and Assembly One-House Budget Proposals as they Intersect with Schuyler Center’s Priorities

Schuyler Center’s Next Look is an initial assessment of how the New York Senate and Assembly State Fiscal Year (SFY) 2022-23 One-House Budget proposals would address some of the issues most critical for the health and well-being of New York’s low-income families and children and all New Yorkers living on the margins. With two years of the COVID-19 pandemic exacerbating existing inequities, it is essential that New York adopt a final budget that centers and prioritizes New Yorkers who face the challenges of poverty, disability, ill-health, racial discrimination, and poor mental health.

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. We will continue to study the budget proposals and work to secure a just final budget that sets-up all New Yorkers to thrive.

CHILD WELFARE AND YOUTH JUSTICE

This is an important year for child welfare funding in New York State. New York must reauthorize, strengthen, and broaden funding for programs that support child and family well-being. It must also support the grossly undercompensated workforce—the backbone of the system.

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

The Assembly and Senate propose restoring the State share for child welfare preventive services to 65% ($35 million), a positive sign about the State’s willingness to invest in services that help prevent entry into the child welfare system. Policymakers previously cut the State share of funding for protective and preventive services from 65% to 62% in 2008, leaving counties to pay the additional share. That cut has never been restored. Additionally, counties must spend an additional $40 million on other social services programs before they can access the open-ended match for child welfare preventive services, a change made in the 2020-21 enacted budget.

Human Services Workforce

The Assembly proposes important investment in the human services workforce by:

- increasing the cost-of-living-adjustment (COLA) to 11%;
- establishing an annual COLA using the Consumer Price Index;
- adding workers in Health Home Care Management programs (Dept. of Health), supportive housing programs, and child welfare preventive services to those receiving the COLA.
Modernize Foster Parent Reimbursement Rates

Settlement terms of a lawsuit filed by the Adoptive and Foster Family Coalition of New York require increased reimbursement for foster parents. The Executive would have counties assume the full cost of the rate increase. The Assembly proposes to have the State share the costs of the increased foster parent reimbursement rates with the counties, proposing:

- $55.2 million for the Foster Care Block Grant;
- $26.9 million for the Adoption Subsidy Program;
- Requiring the State to pay the full cost of the rate increases if the new rates are not announced to counties by July 1, 2023.

Kinship Navigator and Kinship Caregiver Services

The Assembly proposes fully funding the Kinship Navigator and caregiver services by adding $2 million to the Executive's $559,250, for a total $2.6 million in funding.

Kinship Guardianship Assistance Program (KinGAP)

The Senate proposes funding KinGAP outside of the Foster Care Block Grant at $25 million. This positive step could further incentivize counties to robustly implement KinGAP and ensure families are informed of all their options.

Foster Youth College Success Initiative (FYCSI)

Assembly and Senate proposals would fund FYCSI at an additional 10% above the Governor’s proposal in the Executive Budget, for a total of $8.64 million. The Assembly and Senate proposals would cover additional current and former foster care students who are now able to self-identify as having been in foster care, due to a recent change in New York’s Tuition Assistance Programs (TAP) application.

Youth Justice

Recent news stories report policymakers are considering rollbacks to New York’s Raise the Age legislation as part of budget negotiations; these proposals are not in the Executive or one-house budgets. Together with other child advocates, we urge policymakers to reject any proposals to dilute Raise the Age. Instead, advance and invest in public safety solutions that address the root causes of gun violence. Rolling back the historic youth justice law will not make New York safer. Reducing gun violence starts with ensuring that full funding for Raise the Age is reaching communities, which has not happened in the five years since the law went into effect.

CHILD POVERTY

Empire State Child Tax Credit

New York’s Empire State Child Credit is one important strategy for reducing child poverty, though it can and should be expanded and strengthened to reach currently excluded children under age four and very low-income children. It provides eligible taxpayers a credit equal to 33% of the federal child
The Assembly proposes strengthening New York’s Empire State Child Tax Credit by:

- Increasing the credit for families with incomes up to $100,000 as follows:
  - 100% increase for families under $10,000;
  - 75% increase for families between $10,000 and $25,000;
  - 50% increase for families between $25,000 and $50,000;
  - 25% percent increase for families between $50,000 and $100,000.
- Including children under the age of four.

The Assembly’s proposal includes important steps to reach those most in need and could be further strengthened by striking the minimum-income requirement and “phase-in” structure, which reduces or eliminates the benefit for the lowest-income families.

**Earned Income Tax Credit**

The Assembly and Senate propose to increase New York State’s Earned Income Tax Credit (EITC) from 30% to 37.5% of the federal credit, with the Senate proposing a four-year phase-in. The Earned Income Tax Credit is one of the most effective strategies for reducing poverty and building economic security.

- The Assembly also proposes the following:
  - Doubling the benefit for low-income individuals with no qualifying children;
  - Expanding the credit to taxpayers with an Individual Taxpayer Identification Number (ITIN);
  - Making the EITC credit advanceable, to be paid out in three installments of 25% of the credit throughout the year, with the remainder paid out when a taxpayer files their taxes.

**EARLY CHILDHOOD WELL-BEING**

**Child Care**

Child care has received unprecedented attention during this year’s budget negotiations because the pandemic spotlighted what families, and many businesses have long known: child care is essential to a vibrant economy; the efficient functioning of businesses; the economic security and well-being of families; and the health of our communities. It is well understood that for New York to experience a full economic recovery that does not leave low-income families behind and sideline women from work due to caregiving responsibilities, the State must take bold steps to make high-quality child care accessible to all families. Both the Assembly and Senate have put forth bold child care proposals, each with different strengths. Drawing components from each proposal could set New York on a short path to a dramatically more equitable, sustainable child care system.
### Senate – Total for 2022-23: $2.4B

| Subsidy Expansion | 300% FPL – Aug. 1, 2022  
|                   | 400% FPL – Aug. 1, 2023  
|                   | 500% FPL – Aug. 1, 2024 |

### Assembly – Total for 2022-23: $3B

| Subsidy Expansion | 260% FPL – Aug. 2022  
|                   | 325% FPL – April 2023  
|                   | 400% FPL – April 2024  

*Cty option to expand to 400% FPL in 2022

### Co-Pays

|                | Below 300% FPL – free as of Aug. 1, 2022  
|                | 300-400% FPL – no more than 10% of income over FPL beginning Aug. 1, 2023  
|                | 400-500% FPL – no more than 10% of income over FPL beginning Aug. 1, 2024 |

Maximum - 10% of income over FPL

### Work/immigration status requirements

|                | None |
|                | Retains current work/activity/immigration requirements |

### Age of eligible children

|                | 5 years of age and under (approximately) |
|                | 6 weeks through 12 (current eligibility) |

### Subsidy reimbursement rates

|                | 75th percentile of market rate – SFY 2022-23  
|                | 85th percentile – SFY 2023-24  
|                | 100th percent of the true cost of care – SFY 2024-25 and thereafter |
|                | 90th percentile – SFY 2022-23 |

### Workforce supports

|                | $3,000 per year, for two years to full-time workers beginning 60 days after enactment; paid out monthly. Other limitations apply |
|                | $500M for continued stabilization funds; to access, providers must agree to maintain or increase wages |

### Subsidy funding

|                | $2.2 billion: covers expanded subsidy eligibility; subsidy rate increase; workforce bonuses |
|                | Total cost of subsidy not entirely clear; $370M for subsidy rate increase; $500M for continued stabilization grants |

### Infrastructure

|                | $200M for infrastructure expansion |
|                | $200M for infrastructure expansion |

The following elements of the Senate and Assembly child care budget proposals should be included in the final enacted budget to enable New York to stabilize the child care sector and provide dramatically more low-income New York families access to high-quality child care:

- Provide access to free or low-cost child care to all New York children without exception, beginning this year with children from low-income families; eliminate all work, activity, and immigration status requirements.

- Implement meaningful, and sustained increases to workforce compensation beginning this year. New York’s child care sector cannot survive, let alone expand to serve more families, unless the State takes bold steps to invest in workforce compensation to address the child care staffing crisis.

- Ensure all expansions to subsidy eligibility apply to children aged 6 weeks to 13 years. The State’s child care subsidy system has always served babies through elementary and middle-school-aged children, applying the same eligibility standards and reimbursement rates to all. At the same time,
many child care providers serve multiple children from the same family—often infants through school aged. Changes to this approach would be disruptive to families and child care providers.

- Implement an increase in operating support for providers to bring rates closer to the true cost of care.

**Pre-Kindergarten**

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

- The Assembly proposal adds $125 million for universal pre-kindergarten at a rate of $10,000 per child and $25 million to increase universal pre-kindergarten rates for current programs.

- The Senate proposal adds $250 million for the universal pre-kindergarten phase-in for two years; specifies that undistributed funding will be available to enhance the per-child rate for existing programs; and includes $5 million to hold universal pre-K harmless for enrollment declines due to the pandemic.

- **The Assembly and Senate proposals move New York closer to the $500 million needed to expand access to quality full-day pre-K for all four-year-olds in the state, at a rate of $10,000 per child, which approaches the true cost of care.**

**After School Programs**

The Assembly and Senate proposals restore $5 million to ensure base funding for Advantage After School Programs. High-quality after school programs have been shown to help close the achievement gap for low-income children and enable families to achieve economic stability.

The Executive, Senate, and Assembly should include a new investment of $169 million that will increase the per student rate to $4,300, the true base cost rate, for the following programs:

- $40.4 million for Advantage Afterschool Program
- $41.4 million for Extended School Day/School Violence Prevention Program
- $87.5 million for Empire State After School Program

**Early Intervention**

The Assembly proposes adding $31.8 million to Early Intervention services to increase the rates paid to Early Intervention providers by 11%. Early Intervention (EI) provides therapeutic and support services to eligible infants and toddlers under the age of three who qualify due to disabilities or developmental delays. Yet thousands of children wait for services or are denied services, due to a lack of providers, in violation of their rights, and reimbursement rates for providers of EI services are lower now than they were in the 1990s.

**Maternal, Infant, and Early Childhood Home Visiting**

The Assembly proposes adding $1.5 million for Nurse-Family Partnership. 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.
PUBLIC HEALTH, HEALTH COVERAGE, ACCESS AND CARE

Child Health Plus

The Executive, Assembly and Senate proposals expand services available through Child Health Plus and eliminate premiums for the lowest income families. Child Health Plus is an important component to New York’s continuum of health insurance options for families by providing coverage for children above the Medicaid threshold but without or with unaffordable private coverage. The Executive proposal adds certain Medicaid services to Child Health Plus as a way to improve children’s access to mental health and other important services. The expansion of services is extremely important as COVID-19 has taken a toll on children’s mental health. The Executive proposal also eliminated the monthly premium for Child Health Plus.

12 Months Postpartum Coverage

The Executive, Assembly, and Senate proposals extend post-partum Medicaid coverage from 60 days to one-year, with the Executive proposal excluding undocumented immigrant women. The Assembly strikes language excluding undocumented women and prohibits cost-sharing in the Essential Plan for 12 months post-pregnancy. The Assembly adds language that outlines specific services to be provided in pre-natal and post-partum care, including dyadic services, care coordination, and case management. The American Rescue Plan Act of 2021 (ARPA) established a new state option to extend Medicaid coverage for one year following the baby’s birth, in the interest of improving health outcomes for postpartum women and their babies by reducing coverage loss and improving access to important services (including mental health) in the postpartum period.

Public Health

The Assembly, Senate, and Executive proposals increase local public health funding (Article 6) by $25.7 million, including an increase to base grants. The Assembly proposal maintains the Executive proposal to increase reimbursement for fringe benefits by 50% while the Senate adds an additional $12.5 million to increase the reimbursement by 75%. Local public health departments are an essential part of the infrastructure protecting the health of communities—including preparing and responding to infectious diseases such as COVID-19. Public health programs maintain the health of populations and provide important services, such as maternal and child health programs, teen pregnancy prevention, tobacco control, and disease prevention. For the first time in several years, the Executive proposal increases Article 6 funding for local public health departments.

Adult Homes

The Executive, Senate, and Assembly would maintain funding for community-based organizations that provide advocacy for adult home residents and also maintain EQUAL funding. EQUAL provides adult home residents with services and programs that improve their quality of life. These include clothing allowances, air conditioners for resident rooms, improved food choices, capital improvements, and other items residents decide are important.