Thank you for the opportunity to testify on the 2023-24 New York State Executive Budget. The Schuyler Center is a 150-year-old statewide, nonprofit organization dedicated to policy analysis and advocacy in support of public systems that meet the needs of disenfranchised populations and people living in poverty. We urge policymakers to consider policy and budget decisions through the lens of New York’s recently enacted Child Poverty Reduction Act committing the State to reduce by half in ten years the number of children experiencing poverty.

Schuyler Center leads and participates in several coalitions focused on the well-being of children, families, and communities, including Raising New York; the Empire State Campaign for Child Care; Fostering Youth Success Alliance; and Medicaid Matters New York; among others. Schuyler Center staff are appointees to state advisory bodies related to child and family well-being, including the Child Poverty Reduction Advisory Council (Kate Breslin) and the Child Care Availability Task Force (Dede Hill).

New York has committed to cutting child poverty in half; policies at the human services table, including child care, array of preventive services, and home visiting have a large role to play to meet this goal and set up New York children and families to thrive.

For too long, New York leaders have chosen to allow hundreds of thousands of New York children to experience poverty, with devastating costs. There are more than four million children residing in New York State. Nearly one-in-five are experiencing poverty and about 40% live in low-income (below 200% of the federal poverty level) families, who struggle to make ends meet. Children in Black, Hispanic/Latino, and multi-racial families experience poverty at much higher rates than non-Hispanic white children, the result of systemic and ongoing racism in housing, education, employment, and other systems. Evidence shows a lack of economic resources for families compromises children’s ability to grow and achieve adult success, hurting them and society.

Families with young children face poverty at greater rates and the birth of a child is a leading trigger of “poverty spells” experienced by families. Poverty creates conditions that are often interpreted as parental failings. Families experiencing poverty have a higher likelihood of experiencing crises related to lack of basic needs, and of having poverty be construed as “neglect,” leading to entanglement with the child welfare system.

One of the key learnings of the last three years is that government policy can make a real and immediate difference in the lives of children and families who are struggling to make ends meet. Pandemic-era federal supports confirmed that it is possible to quickly and sharply cut child poverty and boost family economic security.
In early 2022 New York enacted landmark legislation, the [New York State Child Poverty Reduction Act](#), committing New York State to cutting child poverty in half in a decade. The Act had near-unanimous, bipartisan support from upstate and downstate, rural, urban, and suburban legislators and constituents. It is imperative that New York take meaningful steps this year to make good on its promise to New York children.

Expanded access to high-quality affordable child care, nutrition supports, and affordable housing, along with robust refundable tax credits are proven to reduce child poverty and improve family economic security. Also critical to the well-being of children and families are programs that support and strengthen families and keep families together, like home visiting and community-based, community-chosen programs for families.

Below we highlight some of the key human services investments we are calling for New York to include in the budget to strengthen families, improve child and family well-being, and to enable families to move out of poverty and into economic security.

**Summary of Top Recommendations**

- Increase investments (by approximately $5B) in child care to move New York down the path to universal child care starting with:
  - $1B for workforce wage supplements of $12,500 per worker, per year until the state implements a new provider reimbursement methodology and pay scale;
  - $60M to extend child care assistance to children currently ineligible due to immigration status
- Increase investments in afterschool programs
- Modernize the monthly foster care housing subsidy to keep New York families safely together, and help prevent youth aging out of foster care from experiencing homelessness; pass S.2038-A/A.2525-A
- Create the Child and Family Wellbeing Fund ($28M)
- Invest $175M in home visiting that lays the foundation for universal access
- Restore the statutory State reimbursement rate of 75% for child welfare preventive funding
- Restore funding for the Kinship Navigator to $320,500 and for local kinship programs to $2,238,750

**CHILD CARE AND AFTERSCHOOL**

Expanding access to high-quality, culturally-responsive, affordable child care, afterschool, and pre-K has long been a top priority of Schuyler Center because access to these programs strengthens families, children, and communities in myriad ways. Access enables parents, particularly mothers, to work and build family economic security, leads to better health and cognitive and social-emotional skills for children, and reduces racial inequities in kindergarten readiness. It reduces parental stress by providing parents opportunity to work, go to appointments, and engage in the many other responsibilities parents must juggle, knowing their children are in a safe, enriching environment. Access also improves economic productivity. U.S. employers nationally experience an average productivity loss of $13 billion a year due to employee child care challenges.
For these reasons, and many more, it is imperative for all New York’s children and families to have easy access to high-quality child care and afterschool, and yet, the barriers to access are many and formidable.

1. **Child care in New York is unaffordable.**

Without assistance, child care is financially out of reach for nearly all NY families. It is not uncommon for a family to pay more than $30,000 a year for child care and afterschool programming, or some combination of the two. These high costs have left many NY families facing child care bills that amount to a quarter, or even 50%, of family income. Meanwhile, the federal government pegs child care affordability at no more than 7% of family income.\(^3\) The math just doesn’t work for families.

New York made progress addressing affordability barriers last year when it expanded access to child care assistance, raising the income eligibility cap from 200% to 300% of the federal poverty level (FPL), making 265,000 children newly eligible for child care. The Executive Budget proposes expanding eligibility further, to 85% of State Median Income (SMI), and capping family co-pays statewide at 1% of income over FPL. If passed, the income cut-off for a family of four will rise to $93,258, from the current $83,250, and up from last year’s cap of $55,500.\(^4\) **These are strong proposals that we support.**

Importantly, one group of New Yorkers left out of these expansions—and left out of child care assistance altogether in most of the state—are immigrant families whose children are barred from accessing federal child care assistance. New York City is currently implementing a program to reach these children living in the City; **it is up to New York State to assist the rest of the state’s children.**

2. **Child care workforce numbers are inadequate to meet need, and are declining, so is child care capacity.**

While the importance of eligibility expansions cannot be overstated, they will be meaningless if families cannot find child care in their communities. Child care capacity is down nearly 2% from pre-pandemic numbers, a significant decline given that New York went into the pandemic with 64% of families living in child care “deserts”—communities with less than one spot for every three children.

One reason for New York’s declining capacity is that the child care workforce remains significantly smaller than it was pre-pandemic, down by 8%. The workforce shortage—which is compounding a shortage that pre-dates the pandemic—is due largely to low wages. Child care educators—96% women, and majority of color—are paid on average $34,000 a year, a wage that is so low they live in poverty at more than twice the rate of New York workers in general.\(^5\)

Not only are these low wages harmful for child care educators and their families, they undermine the quality of child care programs because “the quality of child-teacher interactions and relationships is THE most important factor in achieving positive developmental outcomes for children”—particularly very young children.\(^6\) Low wages lead to high turnover and over-taxed educators, undermining quality.
The Executive Budget proposes $389 million re-programmed from last year’s budget for a third round of stabilization grants to be used for workforce retention activities. This is an important investment, but insufficient to turn the tide on the flight of the workforce from the child care sector.

3. Administrative hurdles prevent many eligible families from gaining access to assistance.

To access child care assistance, families must navigate significant administrative hurdles that include processing delays and waitlists, too frequent recertifications, burdensome documentation requirements, and inequities in eligibility rules across counties. Notably, Governor Hochul, in her January 2023 State of the State address, acknowledged the existence of these barriers and their intentional creation to discourage participation, and committed to taking steps to eliminate them. Governor Hochul stated: “[l]ess than 10% of families who are eligible for child care assistance are actually enrolled. This is the legacy of a system that is difficult to navigate — by design. That has to change.”

Significant Child Care Proposals in the Executive Budget

The Executive Budget proposes to increase child care subsidy funding to approximately $1.03 billion (up from approximately $895M in 2022-23). Those funds are derived from: (1) the State General Fund with an investment of $451.1 million, representing a $128 million increase from last year; (2) approximately $336.6 million drawn from federal Child Care Development Fund (CCDF) funds;7 and (3) $244.4 million drawn from federal TANF funds.

The Executive Budget continues to report a significant amount of reappropriated child care funds (funds not spent during the last budget year.) These funds derive from the $2.4 billion in federal COVID-19 child care stimulus funds New York received from the CARES Act, Consolidated Appropriations Act of 2021, and the American Rescue Plan Act of 2021, along with unspent recurring federal CCDF funds (“rollover” funds). The 2023-24 Executive Budget proposed to continue to reappropriate this funding. Specifically, $487 million of re-programmed funds are appropriated to supplement recurring subsidy funding to expand income eligibility for child care subsidies to 85% State Median Income (SMI), maintain the child care subsidy reimbursement rate at the 80th percentile of the market rate, and to limit family copayments to 1% of income over the Federal Poverty Level (FPL), continue 12-month eligibility for subsidies, and to cover costs for up to 80 absences per year per child. We welcome and support all of these proposals.

The Executive Budget re-programs $389 million from last year’s budget for a third round of stabilization grants to be used for workforce retention activities, including payroll assistance, sign-on bonuses and other expenses to hire new employees. This is a welcome investment, but falls short of the $1B needed to stop the exodus of the child care workforce.

Also, fully reappropriated, and seemingly unspent from last year, is $50 million in capital funding for infrastructure expansion. These funds should be invested without further delay after gathering input from child care providers and parents about what would be the best, most effective use of these funds.

Also included in the Executive Budget are proposals to implement categorical income-eligibility for families enrolled in other public assistance programs; requiring local social service districts to provide child care assistance to families experiencing homelessness and families
caring for a child in foster or kinship care; creating a statewide electronic application process; and requiring counties to reimburse providers for up to 80 absences per family. The Governor has also proposed to implement statewide electronic processing for child care assistance. These are strong proposals that we support, but there is much more to be done.

Schuyler Center fully supports and is working to advance the Empire State Campaign for Child Care’s (ESCCC) 2023-24 budget priorities. Among Schuyler Center and ESCCC’s top priorities:

- **$1B for workforce wage supplements of $12,500 per year until the state implements a new provider reimbursement methodology and pay scale ($611M more than that Executive Budget has proposed for workforce).** This supplement is similar to one implemented last year by Washington, D.C. New York should also establish health insurance premium support program for child care workers as their income rises above Medicaid eligibility levels.

- **$60M to extend child care assistance to all otherwise eligible children without regard to their immigration status.** All New York children deserve access to safe, high-quality child care.

- **Additional investments to improve upon the Executive Budget’s proposal of categorical income eligibility to make recipients of other benefits automatically eligible for child care assistance; implement presumptive eligibility; and once and for all, end the outdated, inequitable practice of providing child care assistance only for the exact hours a parent is working or in training.** Children and families and providers need families to be able to easily access child care assistance, and to use that assistance to secure predictable, consistent hours of care.

**Significant Afterschool Proposals in the Executive Budget**

The Executive Budget proposes $28 million for Advantage After School, $5 million less than last year’s Enacted Budget and moves funding from OTDA to OCFS. If funding is not restored in the final Enacted Budget, 2,500 to 5,000 children will lose their current Advantage After School programs. The Executive Budget provides level funding for the Empire State After School Program at $58 million and also moves funding from SED to OCFS. These two programs were moved to OCFS as they will be consolidated into one afterschool program beginning FY 2025.

Schuyler Center supports the request of the statewide afterschool network, the NYS Network for Youth Success and calls on New York to:

- Invest $219 million towards a higher per student rate of $4,300 and consolidation of Empire and Advantage After School programs
- Add within the Budget language of Empire Afterschool and Advantage Afterschool Programs to establish the following initiatives:
  - A higher per student rate in statute for Empire and Advantage programs (A.7881/S.6750 in 2022);
  - An afterschool taskforce to facilitate efforts toward a strong, aligned, and coordinated afterschool system
- Restore the cut to Advantage Afterschool to maintain base funding of $33 million
• Add line item funding of $500,000 to the NYS Network for Youth Success, the statewide afterschool network

• Add budget language to reinforce school-community partnerships in the proposed $250 million set-aside of Foundation Aid increase for high-impact tutoring

We look forward to continuing to work with the Legislature on building a system of universal afterschool, one that is coordinated with universal child care, across New York State.

CHILD WELFARE

True child welfare is achieved when New York’s children and families can easily access resources and supports of their own choosing provided by and for their community, and that enable families to achieve economic security and stability. To set-up families to thrive and avoid interactions with child welfare systems requires broad, equitable access to economic opportunities, and robust, sustained investments in widely available services like child care, refundable tax credits, nutrition and housing supports, and more. Most of these services and supports are found outside formal child welfare systems; broad access can help ensure most families never come into contact with the formal child welfare system.

The child welfare system includes the Statewide Central Register (SCR), Child Protective Services, Preventive Services, foster and kinship care, and adoption/post-adoption. The responsibilities placed upon the child welfare system are enormous and profound, and adequate resources are required if the system is to fulfill them.

The Executive Budget was largely devoid of significant proposals or new investments in child welfare prevention. Here are several proposals we urge be included in the final enacted budget.

Strengthen the Housing Subsidy for Families Currently Involved in the Child Welfare System and Youth Aging Out of the Child Welfare System

Each year, approximately 1,000 youth age out of foster care.9 As many as one-third of youth who age out of foster care experience homelessness, and many more experience unstable housing arrangements. At the same time, many families involved with child welfare face housing instability, contributing to stress and increasing the possibility of family separation.

Currently, youth and families involved in the child welfare system are eligible to receive a housing subsidy if it is determined that the subsidy will help stabilize their housing. Unfortunately, because the subsidy amount ($300 per month) hasn’t been raised since it was implemented in 1988, it is now wholly insufficient to stabilize the housing of youth or families in most cases. This is the case because New York State’s median monthly gross residential rent is $1,390 per household; in New York City, that jumps to $1,579.10

With homelessness and housing instability at a crisis point in New York State, straining all of New York’s housing systems, it is imperative that New York invest in this housing support dedicated to youth aging out of foster care work, and to families involved in the child welfare system. These are two groups often lacking any family they can fall back on during difficult times. It is imperative for New York to modernize this vital preventive service this year. Another barrier to utilization is that the subsidy is only available to youth until they reach age
21. Because New York extends foster care until age 21, this means that youth aging out of the system are unable to avail themselves of the benefit to assist them in their transition to independent living.

Schuyler Center urges the Legislature to pass S.2038-A/A.2525-A to modernize the monthly foster care housing subsidy to reflect current housing costs by raising the maximum subsidy amount to $725/month and indexing the subsidy to inflation, and increasing the upper age limit of eligibility from 21 to 24 so that youth who age out of foster care at age 21 can avail themselves of the subsidy program for up to three years.

Create the Child and Family Wellbeing Fund

The Child and Family Wellbeing Fund is a flexible fund dedicated to reinvesting in communities that have had disproportionately high involvement with the child welfare system. This will not only help keep families out of systems like child welfare, but will invest in communities. The Fund will create a dedicated funding stream for family and community strengthening initiatives (sometimes called primary prevention), structured to utilize participatory grantmaking to streamline funding to initiatives deemed most needed, desired, and/or impactful in the identified communities.

Schuyler Center urges the State to invest $28 million to create this new, innovative approach to supporting families.

Strengthen Preventive Services—Including Community-Based Services—to Keep Families Strong and Together

New York State currently invests state dollars in services for families to avoid deeper child welfare system involvement and support children remaining safely in their homes. This open-ended state reimbursement has been credited with contributing to the dramatic reduction of children in foster care since 2010 through supports including housing assistance, child care, clinical services, home visiting, transportation, job training, education, and emergency cash grants. Many of these kinds of resources are not eligible for federal reimbursement, making it a crucial state budget issue. State-funded, open-ended prevention funding is necessary to continue to build a broad continuum of ways to support family well-being.

The Executive Budget proposes an appropriation of $900 million for preventive, protective, independent living, adoption, and aftercare services, an increase of $289.9 million from last year’s Enacted Budget. This increase in appropriation authority will support increased claims for these services by counties. It also aligns with the federal Fiscal Year. In prior years, New York’s appropriations have been six months behind actual claims.

The Executive Budget also, once again, reduces the State share of preventive funding from the 65% written in statute to 62%. Localities use this open-ended, matched funding stream to pay for services that include Child Protective Services and services to prevent children from entering, or re-entering, foster care. When this fund was established in 1980, the State’s share was set at 75%.
The Executive Budget proposes maintaining funding at $12.1 million for the Community Optional Preventive Services (COPS) program. COPS funds services that are available to all families, which include education, school-based and “therapeutic” programs, and home visiting. A more strategic approach to prevention would make services available further upstream, before there is any risk of entry into foster care.

Schuyler Center urges the State to robustly fund child welfare Prevention Services and community-based services without cost shifts to local government by: restoring the 75% State share of prevention; and expanding and strengthening prevention and community services.

Invest in the Human Services Workforce

The Executive Budget proposes funding a 2.5% cost-of-living-adjustment (COLA) for certain State-funded human services programs. For the Office of Children and Family Services, the budget increase applies to the Foster Care Block Grant, the adoption subsidy, and supportive housing for transition-age and former foster youth, for a total of $8.4 million.

Schuyler Center urges the Legislature to support the human services workforce with a more effective 8.5% COLA, ensuring New York State provides and expands the crucial services that support New York children and families.

Support Youth Who Have Experienced Foster Care so they can Pursue Higher Education

Only two to seven percent of foster youth complete a two- or four-year degree. Yet, the best way to ensure that a youth will secure and retain good-paying employment in adulthood is a college education. The Executive Budget proposes $7.9 million in funding for the Foster Youth College Success Initiative (FYCSI) to support youth in foster care who pursue higher education to graduation. This is a cut compared to last year’s Enacted Budget’s $8.2 million, which included $241,000 added by the Assembly. FYCSI supports about a thousand students every year through successful completion of their course of study. More youth avail themselves of FYCSI support each year.

Schuyler Center asks the Legislature to fund FYCSI at $10 million this year to support youth pursuing higher education who either are, or have been, in foster care.

Restore Funding for Kinship Caregiver Services and the Kinship Navigator Program

Hundreds of thousands of children in New York live with grandparents, other relatives, or close family friends when their parents are unable or unwilling to do so, and a significant number of children are placed in direct custody arrangements with kin by the child welfare system. In direct custody placements, children are cared for by kin who do not receive financial support. Local kinship caregiver programs offer important supports and services to kin, a majority of whom are grandparents, who care for children in their home outside of the child welfare system, and often with extremely limited resources. Kinship caregiver programs provide information about family members’ rights, support to meet children’s education and health needs, and assistance with obtaining health and social service benefits.
Regional Permanency Resource Centers (PRCs) support adoption and kinship families through providing services and connecting families to resources such as peer support, mentoring, navigation for cross-system needs, therapeutic services, counseling, or respite care. PRCs also work to avoid foster care or out-of-home placements.

The New York State Kinship Navigator is a statewide resource and referral network for kinship families, providing information and connections to important resources.

The Executive Budget proposes funding for PRCs at $338,750. This is a significant change in language, which last year provided this funding for local kinship caregiver programs. This is a significant cut compared to last year's final budget's $2.2 million, which included $1.9 million added by the Assembly.

The Executive Budget proposes $220,500 in funding for the statewide Kinship Navigator information and referral network. This is a significant cut compared to last year's final budget's $320,500, which included $100,000 added by the Assembly.

Schuyler Center requests that the Legislature advance a fully funded, unified, comprehensive kinship navigator service, to efficiently provide services, assistance, respite, information, and training to kinship families.

Fund the Kinship Guardianship Assistance Program Independent of the Foster Care Block Grant

The Executive Budget proposes funding of the Foster Care Block Grant at $395.5 million, an increase of $4.8 million as compared to last year's final budget. The increased funding would support the 2.5% Human Services cost-of-living-adjustment for this program.

Counties use the Foster Care Block Grant to pay for foster care and the Kinship Guardianship Assistance Program (KinGAP), a subsidized guardianship that supports and enables kin to provide a permanent home to children they have a positive preexisting relationship with who would otherwise be placed in institutions. The state imposed a deep cut to the Block Grant of $62 million in 2017-18 that has never been restored. This leaves less funding available for counties to support the KinGAP program, depriving children of being placed in a stable home with kin. Sufficient foster care and KinGAP funding is essential as the State implements the Family First Prevention Services Prevention Act, which requires New York to strengthen and expand its foster and kin family placement options, so children are not placed in institutional settings unless clinically necessary.

Schuyler Center urges the Legislature to fund KinGAP outside of the Foster Care Block Grant, so counties have resources needed to provide the most appropriate level of care to the children and young people in the child welfare system.

Fund Post-Permanency Services

The Executive Budget includes an investment of $18 million in funding that mostly comes from adoption assistance savings, for post-permanency (including adoption and guardianship) services. The State’s responsibility to children in foster care and families should not end if a child is adopted. Many children who have been in foster care have significant emotional, mental, and behavioral health issues due to childhood trauma, and therefore require additional
services and supports. Adoptive and kinship families who are unable to find the appropriate supports may be forced to dissolve their family and place their child in foster care, which hurts families and is costlier to the state.

**Schuyler Center urges the Legislature to maintain the Executive’s $18 million for post-adoption and post-guardianship services.**

**Expand and Strengthen Evidence-Based Home Visiting**

Maternal, infant, and early childhood home visiting is recognized across the nation as a uniquely effective approach to family strengthening, with myriad benefits to children and families’ health, well-being and economic security. Home Visiting has been proven to improve birth outcomes; increase high school graduation rates for children who received home visiting services while young; increase workforce participation and lower need for public assistance.

Maternal, infant, and early childhood home visiting programs are available to fewer than five percent of families with young children in New York State. In the FY 2023 Enacted Budget, Healthy Families New York Program received $11 million to expand Home Visiting programs throughout the state. While this was an extraordinary step, a significantly higher investment is still needed this year if New York aims to serve all communities with families in need and endeavor to ensure the best health and developmental outcomes for mothers, infants, and families. This budget is a good step, but more support is needed to reach all the families that can benefit from these services.

**Schuyler Center urges the Legislature to support State investment in Home Visiting to maintain existing programs and expand services to more families. We also urge that additional funding be included to ensure that more families receive needed services. Specifically, to support home visiting programs and infrastructure, we request the following investments:**

- Support the additional $11 million included in the Executive Budget for Healthy Families New York.
- Support the $3 million included in the Executive Budget for Nurse Family Partnership and add an additional $1.5 million.
- Restore $200,000 and add an additional $300,000 for ParentChild+ to support further expansion of their programs and access and professional development opportunities.

**A recovery that centers children, families, and communities**

As New York implements the Child Poverty Reduction Act’s commitment to halving child poverty in a decade, and turns the corner to pandemic recovery, we urge the Legislature and the Governor to pass a 2023-24 Budget that centers children and families; prioritizes communities hit hardest by the pandemic; and uses this moment of rebuilding as an opportunity to build back the systems upon which children and families and all New Yorkers rely to be aligned, coordinated, well-resourced, and equitable.
Thank you. We appreciate the opportunity to present testimony and look forward to continuing to work with you to build a strong New York.

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7. This is an estimate we have deduced from various budget documents. The exact budget line is found in Aid to Localities, 2023-24, p. 296, appropriating “up to $550,000,000 of the state block grant for child care.” The actual appropriation is not explicitly stated in the budget bill.

8. For a full discussion of the Governor’s 2023 State of State Child Care proposals, and Schuyler Center and the ESCCC’s response to those proposals, see Empire State Campaign for Child Care 2023 Policy Priorities In Light of 2023 Executive Budget. (February 2023).


