March 31, 2023

Dear Governor Hochul, Members of the Senate, and Members of the Assembly:

On March 23, the Child Poverty Reduction Advisory Council (CPRAC) submitted this report to Senate Finance Committee Chair Liz Kreuger and Assembly Ways and Means Committee Chair Helene Weinstein. This review of the Executive Budget proposal by the CPRAC is required by statute each year going forward. Specifically, the Child Poverty Reduction Statute requires the CPRAC to develop a report “analyzing the proposals contained within the executive budget submission that are expected by the advisory council to impact the child poverty rate” and for the report to be submitted to the Chairs of the Senate Finance and Assembly Ways and Means Committees.

The Child Poverty Reduction Statute creates an expectation that New York's policymakers will make intentional budget decisions that reduce child poverty in New York, starting now.

While this report is an accurate assessment of what is in the Executive Budget proposal related to impact on child poverty, it does not identify what is missing from the Executive Budget proposal that can have an impact on child poverty in a significant way and soon. Many things that are missing from the Executive Budget are included in the Legislative Budget proposals and can be in the Final Budget presently being negotiated by the Governor, Senate, and Assembly.

Below are SFY 2023-24 budget priorities that were missing from the Executive Budget for which there is likely impact on child poverty. The items below were included in Legislative budget proposals (all or in-part) and are still possible.

Child Poverty Reduction Opportunities in the 2023-24 Budget:

1. Deliver tax relief to children in low-income families by strengthening refundable tax credits. Specifically,
   a. Include children under age four in the Empire State Child Credit (ESCC) ($179 million). Both the Senate and Assembly one-house proposals include this eligibility expansion.
   b. Remove the Empire State Child Credit’s minimum income requirement and phase-in ($50 million children under four included, per above). Black and Hispanic children are 1.75 and 1.6 times, respectively, more likely to be excluded from the Empire State Child Credit because of the income requirement than their white counterparts. Neither one-house proposal explicitly includes this, but the amount included in the Assembly proposal is nearly enough to include children under four and remove the minimum income requirement and phase-in.
c. **Make New York’s Earned Income Tax Credit (EITC) available to immigrant tax filers who file with an Individual Tax Identification Number (ITIN),** rather than a Social Security Number (SSN). The Assembly includes $65 million to expand eligibility to ITIN filers in 2025; the Senate one-house proposal would do the same.

d. **Increase the amount of the Empire State Child Credit** and ensure that the lowest-income families and those with young children receive the most robust credit. The Assembly adds $288 million to extend last year’s supplemental ESCC for 2024 and $182 million to extend the supplemental EITC for 2024. These supplemental amounts should be tailored to reach those most in-need by including children under age four in the ESCC and removing the ESCC’s minimum income requirement and phase-in.

The Working Families Tax Credit would accomplish all of the above.

2. **Keep children and families housed by funding the Housing Access Voucher Program (HAVP),** a state-level voucher program to provide housing stability to New York families at risk of homelessness. Housing in New York costs more than twice the national average and nearly one-third of households with children were **behind on rent in November 2022.** Voucher programs have been shown to lower rent burdens, prevent eviction, and reduce the risk of homelessness. Notably, children who grow up in households with vouchers have increased earnings in their 20s and lower incarceration rates. Stable housing is foundational to children’s well-being. Both the Senate and Assembly one-house proposals include a **$250 million investment that would serve 13,760 households,** including nearly 4,000 families with children.

3. **Establish and fund statewide, permanent Healthy School Meals for All** to ensure all students receive a healthy school breakfast and lunch at no cost each school day. Nearly 600,000 children in New York State **lack the food they need,** and additional federal food assistance is slated to end in March 2023. Providing free meals for all students—regardless of income—is a proven strategy to reduce food insecurity, improve mental and physical health, support students’ ability to thrive academically, and bolster equity. Both the Senate and Assembly one-house proposals include $280 million for universal free school meals.

4. **Increase working peoples’ pay: increase the minimum wage and index it to inflation; invest $1 billion in New York’s child care educators; increase rates for providers of Early Intervention developmental services; increase home care worker pay; and provide an 8.5% COLA for the caring workforce.**

   a. **The Raise the Wage Act** would raise the minimum wage to $21.25 in NYC, Westchester, and LI and $20 upstate by 2026. In 2027, upstate would reach parity with the rest of the state, as the minimum wage would automatically increase each year. The Act would give 2.9 million workers an average raise of $63 per week, and could greatly reduce child poverty across New York State.

   b. **Invest $1B for child care workforce wage supplements of $12,500 per worker, per year until the state implements a new provider reimbursement methodology and pay scale.** The Senate includes $500 million in addition to the Executive’s proposed $389 million for the Child Care Workforce Retention Grant Program, including up to $12,000 in salary enhancements for child care workers.
c. Include an 11% increase in Early Intervention (EI) reimbursement rates. The Office of the State Comptroller released on audit in February 2023 that revealed thousands of infants and toddlers with developmental delays and disabilities are waiting for the services they need, in violation of their legal rights. Action must be taken in the state budget to increase all Early Intervention reimbursement rates in order to reverse the loss of EI providers. Both the Senate and Assembly budget proposals include an 11% increase.

d. Fund an 8.5% COLA for the caring workforce. The Senate includes $20.4 million to fund the COLA and the Assembly includes a proposal to do the same.

5. **Increase the State share of child welfare preventive funding to 65% (balance 35% county-funded) and increase the child welfare housing subsidy to $725 per month, index to inflation, and allow youth to be eligible until they reach age 24.** This will provide more resources for children and families impacted by the child welfare system, who are disproportionately low-income and Black. Both the Senate and Assembly one-house proposals would restore the State share of funding to 65%. The Assembly proposes an increase in the child welfare housing subsidy to $725 per month and makes youth eligible to 24.

6. **Extend child care assistance to children currently excluded due to immigration status ($60 million).** The Senate includes language in support of providing assistance to children currently ineligible for coverage and refers to expanded use of facilitated enrollment.

Sincerely,

American Academy of Pediatrics-NYS
Children’s Defense Fund-New York
Citizens’ Committee for Children
Community Service Society of New York
Families Together in New York State
New York Immigration Coalition
New York State Council of Churches
Prevent Child Abuse NY
Robin Hood
Schuyler Center for Analysis and Advocacy
The Children’s Agenda
The Education Trust-New York
Westchester Children’s Association