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## New York's Children Are the Heart of Our State - Where Are They in the Final Budget Negotiations?

As State Budget negotiations continue into the third week of April, it is crucial that legislators focus on key actions that will directly and immediately improve the daily lives of New York's children and families. Measures to reduce poverty among children and promote economic security for New York's families must remain top priorities as legislators move to finalize the budget.

Today, we call upon Governor Hochul and our legislative leaders to not let the needs of New York's children and families fall by the wayside. Cutting child poverty, and the racial inequities associated with it, is a central obligation of our state government and a moral imperative. Reducing child poverty is also the law: New York enacted the Child Poverty Reduction Act in 2022, committing the State to cut child poverty in half in a decade.

Our children are counting on Governor Hochul, Majority Leader Stewart-Cousins, and Speaker Heastie to remember the power each budget holds over their daily lives and long-term futures – from hunger to housing to early childhood development – and acting accordingly.

"Our children truly are the heart of New York State: their curiosity, laughter, and energy; their ability to help us see the best in the world. Yet across our State, one in five children experience poverty and the stress, hunger, housing worries, and other challenges that come along with it. Hundreds of thousands more are in families just above poverty and still working hard to make ends meet. Some will experience lifelong impacts. When we talk about ending child poverty, we are also talking about increasing childhood joy. With the passage of the Child Poverty Reduction Act, the State made a firm commitment to reduce child poverty. This is the year for New York to begin to uphold that commitment. Legislative leaders must ensure the choices they make in this year's budget are investments that help give our babies, children, and youth the opportunity to thrive," said Kate Breslin, President and CEO of the Schuyler Center for Analysis and Advocacy.

These critical actions must be included in this year's Budget to immediately assist New York's children and families:

- 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) and remove the minimum income requirement and phase-in, to reach children experiencing the most severe deprivation and improve racial equity. The Assembly and Senate bills both include an expansion of eligibility to children under age four.
  - b. Make the Earned Income Tax Credit (EITC) available to immigrant tax filers who file with an Individual Tax Identification Number (ITIN). The Assembly and Senate both would expand eligibility to ITIN filers.

The Working Families Tax Credit would accomplish all of these and more.

- 2. Increase New York's minimum wage and adjust it each year to keep up with rising costs. The failure of the minimum wage to keep up with rising costs of living contributes to economic insecurity for families. It is critical that the minimum wage be both increased and adjusted for inflation. In addition, the budget should invest in livable wages for the workforce that provides crucial child development, mental health, and other child- and family-supporting services by increasing rates for providers of Early Intervention developmental services and home care and an 8.5% COLA for the caring workforce.
- 3. Keep children and families housed by establishing the Housing Access Voucher Program (HAVP), a state-level voucher program to provide housing stability to New York families at risk of homelessness. Voucher programs have been shown to lower rent burdens, prevent eviction, and reduce the risk of homelessness. Stable housing is foundational to children's well-being. A \$250 million investment would serve 13,760 households, including nearly 4,000 families with children. Both the Senate and Assembly proposals include \$250M for the Housing Access Voucher Program.
- 4. 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. 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. The Senate and Assembly proposals include Healthy School Meals for All.
- 5. Address the child care workforce shortage and end harmful exclusions from our child care system by including at least \$889M for compensation and \$60M for immigrant children. The Senate one-house proposal includes \$500M in addition to the Executive's proposed \$389M for the Child Care Workforce Retention Grant Program. The Senate also

includes language in support of assisting currently ineligible children through the State's existing facilitated enrollment program.

6. Increase the State share of child welfare preventive funding and increase the child welfare housing subsidy to \$725 per month, index it 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.

A budget that fails to take steps to reduce New York's unacceptable child poverty rate, ensure every child has access to nourishing school meals, or end harmful exclusion of immigrant children from child care assistance is a budget prioritizing politics over the health and wellbeing of New York's children. As negotiations continue, we urge Governor Hochul and legislative leaders to center our children's needs, not consider them an afterthought.

## **Additional Resources:**

- <u>Letter to legislators from 80+ organizations calling for meaningful budget action to cut child poverty.</u>
- <u>Executive Budget Assessment</u>: A key directive of the NYS Child Poverty Reduction
   Advisory Council is assessing the potential impact of budget proposals on child poverty.
   This letter from Schuyler Center and our partners is an initial assessment of included
   proposals, and recommendations for actions that should be added to *this year's* budget.
- Recording and materials: <u>March 7 meeting of the Child Poverty Reduction Advisory</u> <u>Council</u>.
- Schuyler Center statement <u>Governor Hochul's Budget Proposal: Modest Investments in</u> Child and Family Well-Being, But Bold Action is Needed
- Analysis: First Look at the 23-24 Executive Budget Proposal
- Child care workforce shortage: <u>Survey findings</u> and <u>press release</u>
- Op-Ed: <u>Albany must use the state budget to make New York more affordable for its people</u>, Richard R. Buery, CEO of Robin Hood and Heather Briccetti Mulligan, president and CEO of the Business Council of New York State.

"New York State's children and families have to be our top priority every year in order to recover from the devastating austerity budgets and cuts from the last several decades. This year that means: expanding the Empire State Child Tax Credit to families with children under 4 and eliminating the income phase in which disproportionately and negatively affects

communities of color, providing a real cost of living adjustment to all of our workforces from child care to foster care to preventative service workers that have been paid poverty wages for too long, finally complying with our own state law and reimbursing counties for the statutorily required 65% for prevention services, and raising the child welfare housing subsidy that has been stagnant since 1988 to \$725 per month while allowing foster youth up to 24 to access it because 1/3 of these youth fall into homelessness after foster care. There will be more to accomplish next year, in order to climb out of this unconscionable hole our state government has dug us into." said Assemblyman Andrew Hevesi, Chair of the Children and Families Committee.

"The Governor has a choice to make — shelter billionaires and the corporations they own from taxes, or stand up for New York's children and fully fund the programs they need. These six simple measures must be included in the final budget. In particular, we need no less than \$889M for the child care workforce, a priority that needs the Governor's full support to achieve" said Senator Jabari Brisport, Chair of the Committee on Children and Families.

"We cannot abandon New York families at a time of rising economic insecurity, less purchasing power and skyrocketing costs of housing and childcare. Doing so would only enshrine poverty into law. Failing to expand the Empire State Child Tax Credit to all children living in poverty, or adjust the state minimum wage to keep pace with inflation, disregards the plain reality that family wellness is inextricably linked to the vitality of our state and economy as a whole. These are investments with incredible social and economic returns that the Governor and Legislature should seize upon to strengthen the state economy," said Jason Cone, Chief Public Policy Officer at Robin Hood. "Down to the final hours, we will continue to work with lawmakers to ensure these glaring omissions are resolved in the final adopted state budget."

"Hearing repeatedly from those on the front lines that our families are suffering as assistance for housing, SNAP and tax credits have dried up. New York's children and families need relief from skyrocketing inflation, stagnating wages, unaffordable housing and more. In these final days of budget negotiations – don't forget our children," said Allison Lake, Executive Director, Westchester Children's Association, "Take action and support evidence-based policies recommended by the CPRAC to help our children thrive today and into the future."

"We call on our state leaders to refocus the budget negotiations on the needs of New York's children and families. This budget needs to address child poverty and recognize that families across the state are struggling to survive" said Elie Ward, Director of Policy for NYS American Academy of Pediatrics. "We need to clearly change our tax structure to offer families a Working Families Tax Credit, and increase the minimum wage so families can care for themselves. We need to fund universal school meals and expand SNAP benefits and we need to assure that families can have access to stable housing. We also need to assure that children have access to vital mental health and physical health services. We are asking our legislators to be Champions for Children. We are hopeful that they are up to the task."

"Budgets are moral documents. As State Budget negotiations persist, the Children's Defense Fund – New York stands alongside our partners in reminding our State elected officials that 1 in 5 New York children live in poverty in one of the richest states in the wealthiest nation in the history of the world," said **Kercena A. Dozier, Executive Director of the Children's Defense Fund – New York**. "Child poverty is – and always has been – a policy choice. The fact that Black and Latinx children are more than twice as likely to live in poverty than white children in our State is a racial and moral injustice in addition to an economic failure. Our State must take bold and meaningful steps in this Budget to reduce New York's child poverty rate and to begin to fulfill the mandate of the Child Poverty Reduction Advisory Council."

"New York State adopted an official goal to cut child poverty in half by 2031 when it adopted the Child Poverty Reduction Act," said Larry Marx, Chief Executive Officer, The Children's Agenda. "But family hardships and poverty are creeping up this year due to the growing unaffordability of basic needs and the end of pandemic supports. That's why we need a budget that strengthens the Empire State Child Credit and Earned Income Tax credit, funds universal school meals, and ties minimum wage increases to inflation. The Children's Agenda's poll last year showed that a whopping 90% of Monroe County parents would find a tax credit for young children 'very helpful.' New York State can use tax credits to either reduce child poverty or bolster the film and gambling industries. We vote to cut child poverty, and we are counting on Gov. Hochul and the legislature to vote the same way."

"For the last three years, families across the state have continued to struggle with the compounding effects of Covid-19, job insecurity and reduced income, housing instability and food insecurity, and a 40-year high inflation rate that has dramatically increased the costs of basic needs. Findings from CCC's recent index on Child and Family Well-being in New York State underscore the urgent need for the State to invest in solutions that lift incomes, increase housing stability, strengthen childcare and enhance tax credits to support vulnerable families and communities. As State Leaders finalize the budget for Fiscal Year 2023-24, we urge them to prioritize actions to support essential recovery programs and reforms to help combat child poverty," said Juan Diaz, Policy and Advocacy Associate at Citizens' Committee for Children of New York (CCC).

"New York families, especially families of color and those in low-income households, continue to disproportionately bear the brunt of economic challenges that were exacerbated by the pandemic. From affording diapers and formula to having a secure and safe place to call home, New Yorkers across the state are struggling more than ever to meet the needs of their families. However, the opportunity to provide sustainable relief is within reach. The Child Poverty Reduction Advisory Council's recommendations to Governor Hochul and the New York State Legislature are essential to reducing child poverty and improving health and education outcomes for all children, especially the most marginalized. We strongly urge our New York leaders to support all New York children and define New York as a national leader in the fight to eradicate child poverty," said Dia Bryant, Executive Director, The Education Trust—New York.

"For far too long, children and families, and the programs that support them, have been an afterthought in New York's budgets. We know that the initiatives that support families -- including refundable tax credits, housing supports, nutrition programs, and child care -- are critical to alleviating familial stress, strengthening families and communities, and building brighter futures for New York's children," said Timothy Hathaway, Executive Director, Prevent Child Abuse NY "As our lawmakers negotiate this year's final budget, we urge them to make children and families a priority for New York."

"New York State leaders have an opportunity to put children and families first in this budget. Inflation has ravaged our communities in recent years and yet the child welfare housing subsidy for parents and foster youth has not been increased since 1988, excludes older foster youth who too often age out into homelessness, and the state defers full COLA for human service agencies year after year. Our children, our families, and your communities deserve better. This year must be the year we put children first," said Paige Pierce, CEO, Families Together in New York State.

"Moms are watching closely as our lawmakers finalize New York's budget," **said Diana Limongi, Campaign Director for Early Learning at MomsRising.** "Our state's child care system is in crisis. Amidst rising costs and a pandemic that has turned endemic, we hear from MomsRising members every day who are struggling to find and afford the child care they need to hold jobs and put nutritious food on the table, with moms of color and immigrant families suffering the most. We are counting on the state legislature to make long overdue investments in child care, healthy school meals and tax relief for working families. Ensuring all of New York's children and families can thrive should be our elected leaders' top priority."

"With ongoing, acute staffing shortages in New York's child care programs impacting parents' ability to provide for their families and the continued exclusion of the children of many of New York's essential workers from child care assistance due to their immigration status, it is clear that lawmakers must do more for child care in this year's budget," said Dede Hill, Executive Committee Member, Empire State Campaign for Child Care, "To live up to our values as New Yorkers and the needs of our economy, we must ensure that all families have access to the child care they need and all children receive the early education they deserve by investing at least \$889M directly in the child care workforce and creating a \$60M fund to provide care for otherwise-eligible children who are excluded due to their immigration status."

"New York's children deserve to be cared for and nurtured. We must ensure that every family can access affordable, high quality child care by investing in the child care workforce and including immigrant children in subsidy eligibility. We must also make sure that every child is fed. The Healthy School Meals For All does just that," said Shoshana Hershkowitz, Statewide Organizer for Education and Childcare, Citizen Action of NY. "These are basic quality of life issues that impact children and families, and our legislature and governor must deliver for our youngest residents."

"Guaranteeing the vitality of children must be at the forefront of final state budget negotiations. Common sense tax relief for low-income families with young children and compensation for the child care workforce are ways that children can thrive in high-quality learning environments. By investing in these and other economic security priorities, the Governor and the Legislature will ensure that New York's children and families across the state can flourish," said Jessica Klos Shapiro, Senior Director of Policy and Community Education, Early Care & Learning Council

"Our state budget must not leave our youngest New Yorkers behind," **said Steven Morales, NY Policy Director at** All **Our Kin**. "All families need access to care, and all children deserve the supportive, nurturing, and rich educational experiences that child care educators provide. All Our Kin joins the call for Gov. Hochul and the legislature to invest deeply in child care access, including family child care, and in compensation for the child care workforce."

## **About Schuyler Center for Analysis and Advocacy**

Schuyler Center for Analysis and Advocacy (SCAA) is a leading statewide, nonpartisan, policy analysis and advocacy organization based in Albany, NY. SCAA works to shape policies to improve health, welfare, and human services for all New Yorkers, especially children and families impacted by poverty and inequitable systems. Learn more at <a href="https://www.scaany.org">www.scaany.org</a>