





# Schuyler Center's *Last Look* at the NYS 2023-24 Budget as It Intersects with Our Policy Priorities

On May 4, 2023, the New York State Legislature and Governor reached an agreement on the 2023-24 New York State Budget. Schuyler Center's *Last Look* is our initial assessment of the enacted State budget and how it advances priorities that improve the health and well-being of all New Yorkers, especially children and families living in poverty.

This year's budget is a story of partial solutions where bold and transformative policy is needed. The budget includes an expansion of the Empire State Child Tax Credit to include babies and toddlers under age four. This means that the child tax credit will reach an additional 600,000 to 900,000 children statewide. For real poverty fighting impact, we will continue to advocate to increase the credit from the maximum of just \$330 per year per child, and to ensure the full credit is granted to the lowest-income New Yorkers, rather than a partial credit, as is the case currently. A long overdue increase to the child welfare housing subsidy from \$300 a month to \$725 a month will help stabilize housing for families involved in the system who can receive it and youth aging out of foster care, for whom housing instability is often a reality. The budget also includes notable investments in child care - measures that will make a tangible difference in the lives of children and families, and early childhood educators.

While each of these actions represents progress, we still have a long way to go. The door to the New York dream should be wide open for every New Yorker, regardless of zip code or income or race. Schuyler Center will continue advocating for the bold policy solutions that New York's children and families need, especially those experiencing poverty, inequity, and systemic racism.

CHILD WELFARE			
2023-2024 Enacted Budget	\$900 million for preventive, protective, independent living, adoption, aftercare services at 62% State share (balance p by county). Note: the significant increase in this funding reflects both an increased use of services and a technical change made to better reflect how county claims are processed and accounted (per OCFS).		
2022-2023 Enacted Budget	\$610 million for preventive, protective, independent living, adoption, aftercare services at 62% State share (balance paid by county)		
Background	New York State currently invests State dollars in services that aim to keep families together, minimize/expedite their involvement in the child welfare system, and support youth in State placements and the caregivers who support youth and families. This is paired with a county funding match (62% state/38% county). This open-ended funding has contributed to a significant reduction of children in foster care over the last 20 years through supports that include housing assistance, child care, clinical services, home visiting, transportation, job training, education, and emergency cash grants. Many of these services are not eligible for federal reimbursement, making it a crucial NYS budget issue. State-funded, open-ended child welfare Prevention Services funding sustains a broad continuum of supports.  Although New York law sets the State's share at 65%, since 2008 the State has in each budget reduced the State's share to 62%, leaving 38% to be covered by counties. When this fund was established in 1980, the State share was set at 75% and was paid at that share until 2002.		
2023-2024 Enacted Budget	Increases the maximum monthly housing subsidy to \$725, ends at age 21 for transition-age youth—the first increase to the monthly amount since the subsidy was established 35 years ago in 1988		
2022-2023 Enacted Budget	No change to the Preventive Services housing subsidy, which provided a maximum of \$300/month and ends at age 21 for transition-age youth		
Background	The child welfare Preventive Services housing subsidy is currently funded at 62% State share. First implemented in 1988, this service has offered, since its inception, up to \$300 a month in housing assistance to stabilize the housing situation of families involved in the child welfare system and youth in the system who are aging out. Thirty-five years after this rate was set, \$300 a month is insufficient to stabilize the housing of youth or families in New York State, where median monthly gross residential rent is about \$1,400.		

2023-2024 Enacted Budget	Provides a 4% cost-of-living adjustment (COLA) for human services workers		
2022-2023 Enacted Budget	Provided a 5.4% cost-of-living adjustment (COLA) for human services workers		
Background	The cost-of-living-adjustment (COLA) is one-time, aimed to provide the immediate fiscal relief needed to prevent program reductions in human services. If no action is taken in next year's budget, the rates will revert back to 2021 rates. According to providers, a history of flat funding has been the primary driver of persistent staffing shortages, program reductions, and burdensome debt for human services providers. Like last year's COLA, this year's leaves out Preventive Services providers and children's health home care managers.		
2023-2024 Enacted Budget	\$2.2 million for kinship care and caregiver support services provided through Permanency Resource Centers (PRCs), nonprofits, and voluntary agencies \$320,500 for the statewide Kinship Navigator—a restoration of funding for the Kinship Navigator to the 2021 level		
2022-2023 Enacted Budget	\$2.2 million for kinship caregiver services		
	\$220,500 for the statewide Kinship Navigator		
Background	Regional PRCs support adoption and kinship families by 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.		
	Local kinship caregiver programs offer support and services for people who care for children with whom they have a preexisting positive relationship, outside of formal foster care. Kinship caregiver programs provide information about caregivers' rights, support to meet children's education and health care needs, and assistance with obtaining benefits.		
	The Kinship Navigator is a statewide resource and referral network for kinship families, providing information and connections to important resources.		
2023-2024 Enacted Budget	\$8.2 million for the Foster Youth College Success Initiative (FYCSI)		
2022-2023 Enacted Budget	\$8.2 million for the Foster Youth College Success Initiative (FYCSI)		
Background	FYSCI was created in 2015 and supports costs for youth who have experienced foster care and are attending college, including tuition and fees, books, transportation, housing, advisement, tutoring, medical expenses, academic support and personal expenses. With program participation expected to increase in the coming year, this year's flat funding will mean there will be fewer resources for each participant.		

REFUNDABLE TAX CREDITS			
2023-2024 Enacted Budget	\$179 million to expand the Empire State Child Credit (ESCC) to include children under age four.		
2022-2023 Enacted Budget	No policy change related to expanding eligibility for the Empire State Child Credit.		
Background	New York's Empire State Child Credit currently provides eligible taxpayers a maximum credit up to \$330 per child per year for children ages four through 16. Very low-income families do not qualify for the full credit, but qualify for a per child amount of \$100 per year, that increases as income increases.		
	Income transfers to families—even modest ones—can improve outcomes for children in all areas of well-being, from health to educational achievement, and future earnings. Young children—the very children excluded from New York's child tax credit—are more likely to live in poverty and more likely to suffer far-reaching negative consequences as a result of experiencing poverty. New York's child tax credit is the only one in the nation to exclude very young children.		
	National data tracking the impacts of the temporary expansion of the federal child tax credit in 2021 as a form of pandemic relief confirms how effective refundable tax credits can be in reducing child poverty and its many negative and lasting impacts, particularly if targeted to reach the poorest and youngest.		
2023-2024 Enacted Budget	Taxpayers filing with an Individual Taxpayer Identification Number (ITIN), rather than Social Security Number, are excluded from receiving the State Earned Income Tax Credit (EITC)		
2022-2023 Enacted Budget	Taxpayers filing with an Individual Taxpayer Identification Number (ITIN), rather than Social Security Number, are excluded from receiving the State Earned Income Tax Credit (EITC)		
Background	The EITC is one of the best ways to "make work pay" for low-income families and individuals, and research shows that children of EITC recipients are healthier and do better in school. The State's EITC provides eligible taxpayers a refundable credit equal to 30% of the federal EITC. Non-custodial parents are also eligible for a credit.		
	A number of groups that would benefit from the credit are completely excluded from the State EITC. Among them: young childless adults ages 18 to 25 at exactly the period in their lives when they are struggling to gain their footing in the workforce and are more likely to live in poverty. Also excluded are many immigrant tax-filers. Experts estimate there are 107,000 children in households that do not qualify for EITC financial support solely because a parent files taxes using an Individual Tax Identification Number (ITIN).		

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2023-2024 Enacted Budget	Does not extend last year's supplemental ESCC	
2022-2023 Enacted Budget	Included a one-time supplemental ESCC payment for those receiving the state child tax credit for the 2021 tax year. The supplemental credit was an additional credit equal to 100% of the current credit for families with federal adjusted gross income less than \$10,000, incrementally scaling down to a supplemental equal to 25% of the current credit for families with federal adjusted gross income equal to or greater than \$50,000. Eligible families could receive this supplemental payment only if they filed a timely tax return and if the payment was at least \$25. Notably, children under age four were still excluded from this temporary expansion.	
2023-2024 Enacted Budget	Does not extend last year's supplemental EITC	
2022-2023 Enacted Budget	Included a supplemental enhanced EITC, alongside the current earned income tax credit, for the 2021 tax year to eligible individuals and families. The enhanced credit paid a supplement equal to 25% of the current credit.	
MINIMUM WAGE		
2023-2024 Enacted Budget	The minimum wage will increase starting in 2024 as follows:  • For New York City, Long Island and Westchester: \$16 in 2024, \$16.50 in 2025, \$17 in 2026  • For the remainder of the state: \$15 in 2024, \$15.50 in 2025, \$16 in 2026  Starting in 2027, the minimum wage will be increased based on the Consumer Price Index (CPI) for the Northeast Region. The adjusted minimum wage will be announced annually by the Director of the Division of the Budget in October.  The minimum wage will not increase in a given year if:  • The CPI is negative  • The unemployment rate rises half a percentage point or more  • Total non-farm employment decreases between January and July	
2022-2023 Enacted Budget	No change to minimum wage	
Background	In 2016, New York State increased the minimum wage in increments, by region, up to \$15/hour with the purpose of ensuring workers earn a livable wage. In 2023 the minimum wage in New York City, Long Island, and Westchester County is \$15; the minimum wage in the rest of the state is \$14.20. Due to rapid inflation, the benefits of the law have quickly eroded. The failure of the minimum wage to keep up with the rising cost of living contributes to today's inequality and heightened economic insecurity, especially for women and people of color. Women are more likely to have lower wages and women of color, single mothers, and women working part-time in underpaid jobs are at high risk of experiencing poverty, especially as costs rise.	

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HOUSING VOUCHER PROGRAM			
2023-2024 Enacted Budget	Housing Access Voucher Program not included		
2022-2023 Enacted Budget			
Background	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.		
UNIVERSAL SCHOOL MEALS			
2023-2024 Enacted Budget	\$134.6 million to expand access to free school meals		
2022-2023 Enacted Budget	No expansion of school meals		
Background	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. While the new investment does not make schools meals free to all public school students across the state, it will enable high poverty schools in New York to provide free school breakfast and lunch to all students in those schools through a new state subsidy to supplement the federal Community Eligibility Provision (CEP). Many schools are eligible for CEP but do not receive full federal reimbursement for all meals servedt The new state funding will close that gap, enabling all CEP-eligible schools to participate and offer meals to all students at no charge. Excluded from this important program are the many low-income children who attend schools not eligible for CEP and who may miss out on free meals if their families miss application deadlines, are just over the income eligibility or encounter some other hurdle that prevents access.		

PUBLIC ASSISTANCE		
2023-2024 Enacted Budget	Disregard earned income received by recipients of public assistance participating in a work activity or training program, including 2-year degree programs; also provides a one-time income disregard up to 6 months following job entry for recipients earning 200% of the federal poverty level or less	
2022-2023 Enacted Budget	No action to prevent benefits cliffs for New Yorkers eligible for public assistance	
Background	A benefits cliff occurs when a family suddenly loses access to some or all public assistance services as soon as their earnings increase by a small amount. The programs that tend to abruptly cut families off of support include SNAP, school nutrition, health care, child care assistance, TANF, and housing. This means wage increases often result in a net loss of income, which can disincentivize workers from pursuing incremental raises that would otherwise eventually stabilize them.	
2023-2024 Enacted Budget	No diaper allowance	
2022-2023 Enacted Budget	No diaper allowance	
Background	A nationwide study found that the average household in need of diapers—36 percent of households—falls 19 diapers short each month. This means that families with young children are often going without diapers or trying to stretch diapers for their children until their next paycheck arrives, causing family stress and increasing the risk of diaper rash. Insufficient diapers can also lead to a child being barred from child care and other early education programs which routinely require families to provide diapers for their children. Barring a child from child care can have lasting effects on the economic security of the parents and the child, and deprive the child of early learning opportunities that can be critical to school readiness and overall child well-being. An allowance for low-income parents to receive up to eighty dollars every 3 months for diapers for a child up to two years old would save many families from having to choose between keeping their baby healthy and comfortable, and falling deeper into economic insecurity or poverty.	

#### **CHILD CARE**

### 2023-2024 Enacted Budget

Total ongoing investment for child care assistance (subsidies) approximately \$1.032 billion. The child care subsidy funds are derived from a number of funding lines: \$446 million cash amount (\$459 appropriation - spending authority) from the State General Fund; \$350 million drawn from the federal Child Care Development Fund (CCDF) (with appropriation at up to \$550 million); and \$236 million drawn from federal Temporary Aid to Needy Families (TANF) funds.

Other child care investments of note: \$1 million for a new business navigator program to help businesses identify child care supports for their employees; \$4.8 million for a new employer-supported child care pilot program which will serve families between 85 and 100% of SMI in three regions of the state; \$1.4 million for a new pilot program through Facilitated Enrollment to expand access to children regardless of immigration status and episodic workers with income of less than 400% of FPL in NYC and \$4 million for an identical pilot to serve communities outside of NYC; level funding for the Infant-Toddler Resource Network of up to \$7 million, which provides critical training and supports to providers serving our youngest New Yorkers, and \$5 million for QUALITYstarsNY, the state's quality rating and improvement system, along with \$24 million in reprogrammed funds to be used for QUALITYstarsNY and technology improvements to child care systems. The Final Budget also projects a receipt of additional federal Child Care Development Block Grant (CCDBG) funds of up to \$105 million (as has been the case for the last six years) which will be allocated primarily to cover infant and toddler activities and federal health, safety and quality requirements; and \$50 million in reprogrammed funds for child care capital projects. (See appended chart for more details).

## 2022-2023 Enacted Budget

Total ongoing investment for child care subsidies: \$894.6 million, approximately \$62.4 million over previous year's Enacted Budget for child care subsidies. The child care subsidy funds are derived from a number of funding lines: \$323 million comes from the State General Fund; \$311.5 million is drawn from the federal Child Care Development Fund (CCDF) (with appropriation (spending authority) up to \$450M) and the remaining \$260.1 million is drawn from federal Temporary Aid to Needy Families (TANF) funds.

Other child care investments of note: drawing upon ongoing federal CCDF funds, the Final Budget maintained level funding for the Infant-Toddler Resource Network of up to \$7 million, which provides critical training and supports to providers serving our youngest New Yorkers; \$5 million for QUALITYstarsNY, the state's quality rating and improvement system; \$50 million for "capital design, construction, reconstruction, rehabilitation, and equipment" for new and existing eligible child care facilities. The Final Budget also projects a receipt of additional federal Child Care Development Block Grant (CCDBG) funds of up to \$105 million (as has been the case for the last five years) which will be allocated primarily to cover infant and toddler activities and federal health, safety and quality requirements.

All of last year's headline child care investments, which funded expanded support for families, child care providers, and the child care workforce, were drawn from reprogrammed federal stimulus and CCDBG funds from prior years. (See appended chart for more details).

#### **Background**

Currently, and for many years, New York families have struggled to find and afford high quality child care and afterschool programs for their young and school-aged children due to inadequate public investment in child care assistance and in the child care sector. Over the last two years, and continuing to date, New York has made some historic investments in child care

assistance, making tens of thousands of New York families newly eligible for assistance. While the significance of these expansions cannot be overstated, they are meaningless to a growing number of families unable to find a child care provider able to care for their child due to a severe and growing workforce shortage cause by low wages. To truly address New York's child care workforce crisis will require significant, sustained public investment not just in expanding access to child care assistance in families, but also the adoption of a true cost of care model for setting child care assistance reimbursement rates at a level that allows for providers to pay their workforce a thriving wage.

### PRE-K, AFTERSCHOOL, AND HOME VISITING

2023-2024 Enacted Budget	<ul> <li>Increased funding by \$150 million for the expansion of Pre-K slots and:</li> <li>requires school districts that are eligible for universal prekindergarten aid but have not utilized it to provide information on the barriers in utilizing funding in the universal prekindergarten enrollment reporting proposal and create a three-year implementation plan</li> <li>includes building aid eligibility to school districts for universal prekindergarten classrooms and requires SED release guidance to all school districts</li> <li>may increase aid for early adopters of universal prekindergarten programs (still studying).</li> </ul>	
2022-2023 Enacted Budget	Increased funding for pre-K by \$125 million to support expanding access to children in communities without universal pre-K; maintained level funding for the Long Island Pre-K Initiative at \$500,000 and allowed for school districts to seek waivers to give them more flexibility to work with community-based organizations licensed by the Office of Children and Family Services, including child care providers.	
Background	In 2013, then-Governor Cuomo promised full-day pre-K for all four-year-olds. Yet, tens of thousands of 4-year-olds, more than 50%, outside New York City are still waiting to attend full-day pre-K. However, New York has continued a slow, but steady expansion of pre-K outside of New York City, with a new investment of \$125 million last year, and another increase of \$150 million this year.	
2023-2024 Enacted Budget	The Final Budget maintains level funding at \$33 million for Advantage Afterschool Program, maintains the original rate of \$1,600 per student, and \$55 million for Empire State Afterschool Program. The budget consolidates afterschool funding streams, moving Advantage After School funding from the Office of Temporary and Disability Assistance and funding for Empire State After-School from State Education Department to the Office of Children and Family Services.	
2022-2023 Enacted Budget	\$33 million for Advantage Afterschool Program and \$55 million for Empire State Afterschool Program.	
Background	High-quality after school programs offer a broad range of educational, recreational, and culturally age-appropriate activities, and have been shown to help close the achievement gap for low-income children and enable families to achieve economic stability.	

2023-2024 Enacted Budget	Included \$37 million for Healthy Families NY, \$4.2 million for Nurse-Family Partnership and \$200,00 for Parent Child Plus, Inc.	
2022-2023 Enacted Budget	Increased funding for Healthy Families New York to \$37 million; included \$4.2 million for Nurse-Family Partnership and allocated \$200,000 to Parent Child Plus, Inc.	
Background	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. A significantly higher investment is needed if New York aims to serve all communities with families in need and endeavors to ensure the best health and developmental outcomes for mothers, infants, and families.	
	PUBLIC HEALTH, HEALTH COVERAGE, ACCESS AND CARE	
Enacted Budget 2023-2024	Included \$205 million for the Early Intervention program. Did not include a vital provider rate increase. Includes \$2.5 million for a study of a new methodology for funding preschool special education programs.	
2022-2023 Enacted Budget	Included \$205 million for the Early Intervention program, an increase of \$40 million. Did not include a vital provider rate increase.	
Background	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. Access to timely services is critical, yet many children do note receive timely services as required by law. One reason for the dearth of services: the reimbursement rates the State pays providers and evaluators are so low, providers have left the field, unable to afford to provide these services. The alternative rate setting methodology for preschool special education is an important first step toward transforming the complex and inadequate funding for these programs.	
2023-2024 Enacted Budget	Expands the Essential Plan to individuals up to 250% of the FPL. Includes the Essential Health Benefits, 12-month coverage postpartum, vision and dental coverage. It would not include coverage for people without immigration documentation. This proposal would be subject to New York State securing federal approval through a waiver.	
2022-2023 Enacted Budget	Enacted expansions of the Essential Plan	
Background	New York launched the Essential Plan as an affordable option for low- and moderate-income New Yorkers. This proposal will reduce the number of uninsured adults in New York but it still leaves 245,000 New Yorkers who do not have documentation without an affordable insurance coverage option.	

2023-2024 Enacted Budget	Provides Medicaid reimbursement to community health workers providing services to children and adults with health-related social needs.		
2022-2023 Enacted Budget	No proposal		
Background	Access to primary care services, including mental health care, is essential to the well-being of families. Community health workers connect families to health care and social service systems. Because they understand the communities they serve, they are able to facilitate access to services and improve the quality of services through their cultural competence.		
2023-2024 Enacted Budget	equires the development of a state rental registry with proactive inspections to identify lead hazards. Adds \$18 million or county health departments and \$20 million for a grant program.		
2022-2023 Enacted Budget	lo proposal		
Background	Protecting children from exposure to lead is important to lifelong good health. No safe blood lead level in children has been identified. Even low levels of lead in blood have been shown to affect learning, ability to pay attention, and academic achievement. The program as enacted is important for children but will require additional resources for local health departments to be able to manage successfully.		
2023-2024 Enacted Budget	Includes \$2 million to create an independent advocacy assistance program for people with intellectual/developmental disabilities. While the budget includes language to create the program in Mental Hygiene Law, there is work ahead to ensure the program is independent and accountable to the people it intends to serve.		
2022-2023 Enacted Budget	No action		
Background	People with I/DD, their family members and their advocates need individual assistance navigating the complex system of services and care coordination intended to provide for their needs and choices. This program, modeled after existing advocacy assistance services for other people, would be available statewide to assist people with service denials, access issues, and more.		

### **APPENDIX: Child Care**

	FY 2023	FY 2024 Enacted Budget
Child care assistance (subsidy) funding	<b>\$894.4M (baseline) plus \$670M</b> to expand subsidy eligibility to 300% of FPL; increase subsidy rate to the 80 <sup>th</sup> percentile of the market rate; cap co-pays at 10% of income over FPL; continue 12-month eligibility for subsidies; cover 24 absences per child per year for SFY 2021 and 2022.	Approx. <b>\$1.045B</b> (baseline) plus <b>\$376M</b> to expand subsidy eligibility to 85% of SMI; maintain subsidy rate at the 80 <sup>th</sup> percentile of the market rate; cap co-pays at 1% of income over FPL; continue 12-month eligibility for subsidies; cover 80 absences per child per year
Subsidy expansion	300% FPL beginning August 1, 2022 (up from 200% FPL)	85% of State Median Income (SMI) beginning October 1, 2023
Co-pays	Limits family co-pays to 10% of income over FPL (down from up to 35% of income over FPL)	Limits family co-pays to 1% of income over FPL beginning October 1, 2023
Immigration status/work requirements	Child must meet immigration requirements and families must engage in work or educational activities	Small pilot program through Facilitated Enrollment will expand access to children regardless of immigration status and episodic workers.
Continued child care assistance during breaks in work/activities	Two weeks required; up to a month at discretion of each Local Social Services District (LSSD)	Uniform standard across the state to be set by OCFS regulation
Payment for absences	Covers costs for up to 24 absences per year per child for SFY 2021 and 2022	Covers costs for up to 80 absences per year per child beginning October 1, 2023
Subsidy reimbursement rates	80 <sup>th</sup> percentile – Beginning June 1, 2022 (up from 69th percentile of market rate)	No change
Stabilization grants/ workforce supplements	\$343M – reprogrammed funds available for "a second round of stabilization grants, at least 75 percent of which must be used for workforce initiatives."	\$500M - reprogrammed funds available for "a third round of stabilization grants for workforce retention initiatives"
Infrastructure	\$50M for infrastructure expansion	Reprogrammed to be distributed in grants of no less than \$50,000 each by a joint process created by the dormitory authority and OCFS "for payment of capital costs of design, construction, reconstruction, rehabilitation, and equipment for existing or proposed child care facilities; and the acquisition of equipment or other capital assets with a useful life of not less than ten years."