

New York Children's Action Network Holds Productive Annual Meeting

The New York Children's Action Network (New York CAN) held its Annual Meeting on October 7th in Albany. The state budget deficit was the hot topic of the day. Participants traveled from all corners of New York State to engage in discussion with state program and finance experts.

The morning program featured a panel led by *Kristin M. Proud*, Deputy Secretary for Human Services, Technology and Operations, and Senior Advisor to the Office of Taxpayer Accountability. Also on the panel were *Todd Scheuermann*, Chief Budget Examiner, Division of Budget (for human services) and *Alisa Timoney*, Chief Budget Examiner, Division of Budget (for education).

The panel emphasized the state's dire fiscal circumstances. The presenters expect fierce competition over diminishing resources in New York. The current budget deficit is \$2.1 billion and could rise to \$3 billion by the end of the fiscal year. By 2011-2012 the budget gap could balloon to \$13 billion. According to the panel, the deficit is the result of a decline in revenue, not wasteful spending.

Following last year's collapse of the stock market, revenue from Wall Street has not recovered to past levels. The resulting fiscal picture will require long-term changes in the state's approach to budgeting. Although the Governor's Office is cutting administrative expenses this year, the Legislature will have to make deeper cuts in order to deal with the deficit. While the Governor is not considering increasing taxes or new revenue sources at this time, he has again directed agencies to review their core missions and focus on services that support those missions.

Even while coping with this year's deficit, state agencies working on next year's budget must also plan for the phase-out of the federal stimulus money. Further complicating the upcoming budget situation, there are a number of court decisions with the potential to drive spending and policy making in the coming year. Advocates received assurances that before the new budget proposal is finalized it will be reviewed for its impact on children and families.

The panelists also responded to numerous questions on general concerns and about specific programs. Panelists recognized the difficulty posed by the budget crisis to balancing investments in prevention with the provision of services to people with immediate needs. While revenue is down, caseloads are increasing; that is putting even more pressure on the budget. In the past, the state has been able to use savings to make investments; that will not be possible this year. The challenge is to hold the line on program funding and protect the safety net. Ninety thousand New Yorkers will exhaust their unemployment insurance by the end of the year and some will turn to their social service districts for help. At the same time, the Administration does not want to shift additional costs to the counties since each county is in a financial crunch as well.

Panelists recognized that non-profits have ongoing contracting issues with state

agencies that are exacerbated when funding cuts loom. Part of the problem stems from the sheer depth of the recession and the speed with which it hit New York State, which necessitating numerous budget actions over the past 18 months. Part is a function of old business practices still in use by state agencies. The state must work more efficiently and change business practices, including better use of technology and elimination of outmoded, duplicative processes. State agencies are talking about this now, and the panel urged New York CAN members to bring suggestions to their attention.

The guest experts alerted the audience that in the coming months there would be a mix of cuts along with new and better spending approaches. They suggested that, given the magnitude of the deficit, maintenance of funding levels for any specific programs should be considered a success.

The afternoon business session started with a call for members to recommit to New York CAN. Several members spoke about the benefits of participating in New York CAN, including networking, educational activities and the strength of universal messaging around children's issues. The members present indicated their continued commitment to the coalition.

Participants raised several issues about New York CAN's committee structure, and charged the Steering Committee to revisit committee structure and consider reorganizing by Issues Areas, as well as convening Ad Hoc meetings. Members expressed an interest in additional educational forums and agreed that the organization can serve as a place for members and others to discuss controversial and timely issues. They also agreed that New York CAN should strategize around the upcoming legislative session and the 2010 elections.