



## **Looking Forward to 2013: Creating Opportunity for All of New York's Children and Families**

**T**he Schuyler Center for Analysis and Advocacy's priorities focus on strengthening families and communities by ensuring a strong and healthy start for all, regardless of income, and by promoting robust and sustainable public systems that generate positive results for vulnerable New Yorkers.

Childhood poverty can set a child up for a lifetime of challenges that include cognitive, behavioral, social and emotional difficulties, with long-term effects of compromised educational and employment attainment. The implications are significant, lifelong and societal.

Almost one in four New York children live in poverty, and every week another 433 children fall below the poverty line.<sup>1</sup> Most (65%) poor children have parents who are working, but are unable to make enough to bring their family out of poverty.<sup>2</sup> These children are in families that are struggling to put food on the table, to heat their homes in winter, and to find and pay for safe, high-quality learning environments that prepare kids for success in school.

Children, especially those under the age of five whose brains are just developing, need good nutrition, stability, and high-quality early learning experiences to grow and develop, but the odds are against them if they don't have the resources for a fair and even start.

Poverty disproportionately affects children, with twice as many children living in poverty than people over age 65.<sup>3</sup> The rates are much higher for children who live in our cities and for children of color. This disparity underscores the value of the social safety net because, according to the Bureau of the Census, the senior poverty rate would have been five times as high in 2011 without Social Security.<sup>4</sup>

As New York State looks forward to a new year, a legislative session that will bring many new members, the challenge of recovering from Storm Sandy, and hopes for continued economic recovery, the Schuyler Center looks forward to working with our partners on policies

that measurably improve child and family well-being across the state. Below are proposals we urge policy-makers to consider over the coming months that aim to produce measurable results for New York's families and children.

### **Family Economic Security: Promoting policies that make work pay to ensure that families can meet their needs.**

Ideally, good jobs with family-supporting wages and health insurance benefits would be available to all. Yet we live in a state where one in five households have income below \$20,000 per year and the gap between those at the top and those at the bottom has increased dramatically in recent decades. Household income among that bottom fifth has not changed since the 1970s.<sup>5</sup>

There is significant support for putting policies in place to ensure that those at the lower ends of the income scale have the opportunity to work their way up.

Policies that can do that—increase opportunities for success—include:

- Increasing the minimum wage and indexing it to inflation. The minimum wage in New York State is \$7.25 per hour, equivalent to the federal rate. Nineteen states have higher standards. Even the proposal that moved in the New York State Assembly last year—to raise the minimum wage to \$8.50 and adjust it each year for inflation—fails to raise a full-time (52 weeks, 40 hours per week) working parent with two children above the federal poverty threshold. But, for low-income workers and their families, it is a piece of the solution.<sup>6</sup>

Critics suggest that increasing the minimum wage would have a negative effect on employment and result in job loss. In a 2012 letter to President Obama and Congressional leadership, a team of internationally respected economists note that

the weight of academic literature in recent years suggests that increases in the minimum wage have little or no effect on the employment of minimum wage workers, even during times of weakness in the labor market.<sup>7</sup>

- Expanding the State Earned Income Tax Credit and exploring other tax policies that increase opportunity for low-income households. New York’s credit is currently 30% of the federal credit; a bill introduced last year would have increased it to 35%. The EITC is widely regarded as one of the most effective tools to help lift working families out of poverty and reduce poverty among children. Surveys and data show that the refunds are typically spent on “Main Street” where they contribute to the local economy.
- Strengthening the safety net. Government programs have helped significantly to prevent and alleviate poverty during the recession. Programs such as unemployment insurance, Temporary Assistance to Needy Families (TANF), and food assistance (SNAP and WIC) provide families with additional resources and help balance the income of low-wage workers. Public health insurance, such as Medicaid and Child Health Plus, provide additional support.

### **Maternal, Infant and Early Childhood Home Visiting: *Strengthening families, children and communities.***

There is a growing understanding at the national and state levels about the importance and efficacy of intervening early with at-risk children and families. There is also growing consensus that evidence-based maternal, infant and early childhood home visiting can have a significant and positive impact on a range of child and family outcomes.

For children born at a low birthweight, prematurely, or with congenital health problems, the achievement gap begins before birth. Maternal, infant and early childhood home visiting programs are among the research-based interventions that have shown strong positive results for these children and their families.

Home visiting programs have documented outcomes—increasing children’s safety, health and learning, as well as promoting families’ economic stability—and significant cost savings. A study by the RAND Corporation suggests that, for every \$1 spent on home visiting for at-risk families, there is a \$5.70 return on investment.<sup>8</sup>

The federal Affordable Care Act (ACA) provides funding for states to develop their home visiting infrastructure to improve outcomes for families who reside in at-risk communities. New York State has invested ACA funds in home visiting and has also recently included evidence-based home visiting in its Medicaid waiver application to the federal government.

It has taken New York State nearly 20 years to build its existing home visiting supports and services but they remain very limited; only a small percentage of those who would benefit are served.

Evidence of the educational, health, child welfare, and family economic security benefits of high-quality home visiting, bolstered by ACA funding and the potential of additional support through the Medicaid waiver, provide New York with an opportunity to develop infrastructure (including research, training, data collection and coordination, and central administration) and continue to invest in the expansion of proven programs.

### **Early Care and Learning: *Investing in access to high quality child care and early education for better and less disparate educational outcomes and lower costs.***

One out of three children in New York State start Kindergarten already behind in basic skills.<sup>9</sup> This gap can persist throughout a child’s school career.

A significant body of research suggests that “From birth to age 5, children rapidly develop foundational capabilities on which subsequent development builds.”<sup>10</sup> Researchers at the National Academy of Sciences find that “Striking disparities in what children know and can do are evident well before they enter Kindergarten. These differences are strongly associated with social and economic circumstances, and they are predictive of subsequent academic performance. Redressing these disparities is critical, both for the children whose life opportunities are at stake and for a society whose goals demand that children be prepared to begin school, achieve academic success, and ultimately sustain economic independence and engage constructively with others as adult citizens.”<sup>11</sup>

The achievement gap is evident as early as age 9 months. At-risk children are:

- 25% more likely to drop out of school.
- 40% more likely to become a teen parent.
- 50% more likely to be placed in special education.
- 60% more likely to never attend college.
- 70% more likely to be arrested for a violent crime.<sup>12</sup>

“Investing in early childhood development yields a much higher return than most government-funded economic development initiatives.”

—Federal Reserve Economists Rolnick & Grunewald in *The Economics of Early Childhood Development as Seen by Two Fed Economists*, Federal Reserve Bank of Minneapolis (Fall 2007).

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“Recent research has documented the high returns that early childhood programs can pay in terms of subsequent educational attainment and in lower rates of social problems, such as teenage pregnancy and welfare dependency.”

—Federal Reserve Chairman Ben S. Bernanke, Remarks at the 2011 Annual Awards Dinner of the Citizens Budget Commission, New York (March 2, 2011).

There is strong and significant research that shows that investing early saves money and improves outcomes. Seventy-five percent of brain growth and 85% of intellect, personality and social skills develop before age five, so it is imperative that we invest in our youngest children long before they enter school.<sup>13,14</sup>

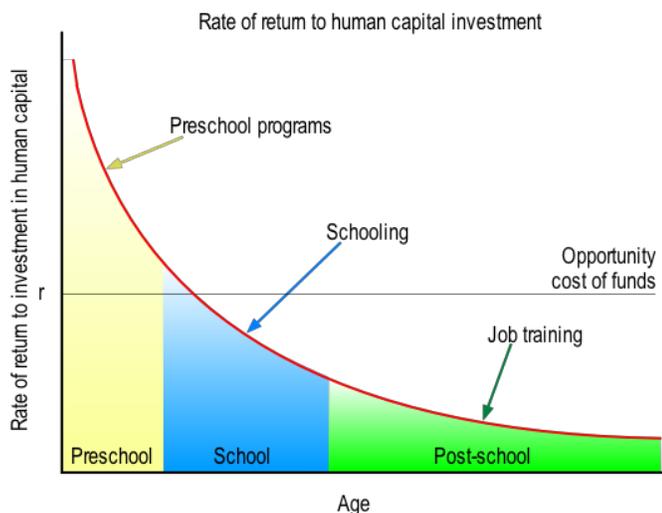
An early education program for children from low-income families was estimated to generate \$4 to \$11 of economic benefits over a child’s lifetime for every dollar spent on the program, according to a cost-benefit analysis funded by the National Institutes of Health.<sup>15</sup>

New York has the power to reach at-risk young children with programs and policies that begin early and can have a lasting impact. It is essential that we expand access to early childhood programs, including Pre-K, for all children across the state and especially in low-income communities. At present, only about half

of eligible four-year-olds are served by Pre-K. At the same time we can’t ignore the fact that quality matters, and the time is long overdue for New York to make a commitment to quality to improve child outcomes and accountability for public expenditures.

Measuring and improving the quality of early childhood programs can be challenging, but it is possible. Quality indicators include process and structural measures. New York State has designed a quality rating and improvement system (QRIS) called QUALITYstarsNY. QUALITYstarsNY is a system that lays out expectations, helps create a blueprint for improvement, improves accountability, ensures that early childhood program staff understand their achievable goals in the context of the plan and gives parents information about the early learning programs available for their children. Implementation of QUALITYstarsNY would ensure that parents and taxpayers are making the smartest investments with the highest returns for all of the state’s children, particularly those at risk.

### Invest Early for Better Outcomes and Lower Costs



Heckman, J. J. (2006). Skill formation and the economics of investing in disadvantaged children. *Science*, 312, 1900-1902.

### Health: Improving health coverage, access and care for New York’s most vulnerable residents.

Health in the earliest years, beginning with the future mother’s health before she becomes pregnant, lays the groundwork for a lifetime of well-being. And the impacts of toxic stress and adversity in the early years can have a lasting and significant effect on future health.<sup>16</sup>

Reliable, affordable, comprehensive insurance coverage is essential to ensure continuity in primary and preventive care as well as coverage for chronic conditions and unexpected needs. People who are both poor and uninsured are more likely to delay needed medical care for chronic diseases and more

likely to be hospitalized for a condition that could have been avoided with timely health care. Uninsured and underinsured persons receive less preventive care, are diagnosed at a more advanced stage of illness and, once diagnosed, tend to receive less therapeutic care and have a higher mortality rate.

Health and health coverage are extremely important for kids and families:

- Having health insurance increases timely initiation of prenatal care.
- Insured babies have a lower risk of mortality than uninsured.
- Poor health affects educational attainment.
- A relationship exists between slowed growth from low birthweight and cognitive development, which affects educational attainment.
- Prematurity and low birthweight lead to higher medical and education costs during childhood.

Poor health and social-emotional well-being early in life set the stage for long-term costs in adulthood that will be borne by society, while children who are both physically and emotionally healthy have a greater chance of becoming self-sufficient, productive adults. The Affordable Care Act (ACA), Medicaid redesign and investments in health planning give New York an opportunity to design an improved system that explicitly recognizes the needs of children, connects them to coverage and care, and sets them on a course for a healthy future.

Policies should aim to build a health care delivery system that protects the most vulnerable and effectively and efficiently meets the needs of New Yorkers in the future.

Many opportunities exist in the coming year to ensure that child and family-friendly policies are adopted by New York State as it implements key milestones of the ACA. These include ensuring that coverage for families moving between programs is seamless and that there are mechanisms for measuring and improving quality of care and coverage.

In addition, thoughtful planning and implementation of Medicaid Managed Care for children and youth in foster care, coupled with the federal law to ensure Medicaid coverage for this population to age 26, provide new opportunities to improve access to high-quality health, mental health and dental health care for this extremely vulnerable and medically need population.

Additionally, the Governor's Early Childhood Advisory Council is moving forward with work to augment the provision of developmental screening and follow-up for vulnerable children, with recommendations to include developmental screening among health plan quality measures and payment methodologies.

### **Child Welfare: *Developing and maintaining effective systems that serve at-risk families and prevent entry into the child welfare system.***

One of the best ways to prevent the negative outcomes and costs associated with involvement in the child welfare system is to invest in programs that strengthen families before a report is needed to the State Central Register. State investments should provide localities with the resources, flexibility and responsibility to address local needs and target those most at-risk as early as possible, while at the same time ensure that funds are spent on high-quality programs that work.

In order to protect and strengthen effective programs that serve at-risk families and prevent entry and re-entry into the child welfare system, New York should:

- Fully fund preventive, protective, independent living, adoption, and aftercare services at the 65% state share in statute. Funds for these critical services are used to keep children with their families and out of costly foster care; reduce the effects of trauma children have endured; address any mental health or substance abuse treatment needs of family members; and pave the way for successful transitions into independent living or adoption—all of which achieve better outcomes. Although a 65% state share is written into New York State statute, funds are reimbursed to localities at a 62% state share.
- Fund the Kinship Guardianship Assistance Program as an uncapped permanency option with no reduction to the Foster Care Block Grant. In 2010, New York State enacted legislation offering a Kinship Guardianship Assistance Program (KinGAP) to families in approved foster care settings who wish to continue caring for their relatives when the child cannot return home or be adopted. The financial assistance offered allows kin, mostly grandparents on limited incomes, to continue providing a home for their loved ones. These placements lead to better outcomes for foster youth. Funding for KinGAP

was provided by taking funds from the Foster Care Block Grant, funds that are fully utilized to meet the complex needs of those youth who remain in foster care. KinGAP is a permanency option and should be funded as adoption subsidies are funded without diminishing the Foster Care Block Grant.

- Increase the number of former foster youth who have access to higher education. Make the Tuition Assistance Program (TAP) accessible to them by allowing former foster youth to use the “dependent” schedule and rescinding the requirement to attend full-time.

New York can and should be an opportunity state. While our economy continues to limp along, the state—the government and its people—should set a goal of reducing poverty and improving well-being that includes measurable benchmarks toward attaining that goal. The work needs to focus on investing early and seeking real results across the spectrum of departments, issues and policy areas that affect the lives of children and families.

## Endnotes

- <sup>1</sup> U.S. Census, Children Birth to Age 17 Living Below Poverty in NYS (900,626 in 2011; 878,114 in 2010).
- <sup>2</sup> National Center for Children in Poverty, Demographics of Poor Children in NY (<http://www.nccp.org/profiles/demographics.html>).
- <sup>3</sup> United States Poverty Status in the Past 12 Months; U.S. Census Bureau, 2011 American Community Survey.
- <sup>4</sup> Boteach, M., *5 Things You Need to Know About the 2011 Poverty Data*, Center for American Progress. September 12, 2012, <http://www.americanprogress.org/issues/poverty/news/2012/09/12/37674/5-things-you-need->.
- <sup>5</sup> Economic Policy Institute/Center on Budget and Policy Priorities, *Pulling Apart: A State by State Analysis of Income Trends*; November 2012.
- <sup>6</sup> Fiscal Policy Institute.
- <sup>7</sup> Economic Policy Institute, July 23, 2012, downloaded from <http://www.epi.org/files/2012/minimum-wage-letter.pdf>.
- <sup>8</sup> Karoly, L., Kilburn, M., Cannon, J.; *Early Childhood Interventions: Proven Results, Future Promise*; RAND Corporation; 2005.
- <sup>9</sup> QUALITYstarsNY brochure, Early Childhood Advisory Council, New York State Council on Children and Families, [http://ccf.ny.gov/ECAC/WG/Quality/Resources/ECAC\\_BrochureLowRes.pdf](http://ccf.ny.gov/ECAC/WG/Quality/Resources/ECAC_BrochureLowRes.pdf).

- <sup>10</sup> Shonkoff & Phillips, *From Neurons to Neighborhoods: The Science of Early Childhood Development*, National Academy Press; 2000.
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- <sup>12</sup> Ounce of Prevention Fund, <http://www.ounceofprevention.org/about/why-early-childhood-investments-work.php>.
- <sup>13</sup> Wills, Christopher, *The Runaway Brain*; 1993.
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- <sup>16</sup> The Foundations of Lifelong Health Are Built in Early Childhood, National Forum on Early Childhood Policy and Programs, Center on the Developing Child at Harvard University (2010), [http://developingchild.harvard.edu/index.php/resources/reports\\_and\\_working\\_papers/foundations-of-lifelong-health/](http://developingchild.harvard.edu/index.php/resources/reports_and_working_papers/foundations-of-lifelong-health/).



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