

Schuyler Center's Next Look: NYS Budget 2015-16

March 18, 2015

Comparison of the Executive Budget and Single House Budget Bills with Schuyler Center Policy Priorities

In January, Schuyler Center shared a *First Look* at Governor Cuomo's Executive Budget proposal and how it intersected with our [policy priorities](#). This is our *Next Look*, which provides an overview of how the Assembly and Senate budget proposals compare with the Governor's priorities on several important issues. Schuyler Center staff will spend the coming days gaining a deeper understanding of the proposed budget initiatives and ensuring that the final budget advances priorities that improve the health and well-being of all New Yorkers, especially those living in poverty.

Strengthening public health, health coverage, access and care

Public Health

The Healthy Teeth Amendment: Governor Cuomo's proposed budget included language that requires communities to have a public notice period before community water fluoridation is eliminated. This will ensure that local residents, parents and health professionals have ample time to share their views or concerns, promoting transparency and democracy in local communities. The Governor's proposed budget also provides funding for the replacement or installation of new fluoridation equipment.

Assembly Response: Includes the Healthy Teeth Amendment.

Senate Response: Includes the Healthy Teeth Amendment.

Schuyler Center convenes a statewide Oral Health Leadership Team, which recommended this proposal. Community water fluoridation is the single most cost-effective way to improve oral health, especially for children in poverty. We applaud the Governor and Legislature for including this provision in the budget proposals.

Public Health Pools: Governor Cuomo's proposed budget contained language that consolidates various public health appropriations into 'pools' (chronic disease, maternal and child health, infectious disease, workforce, health outcomes and advocacy) with 15% reductions for each pool. A reduction in funding for vital public health services at a time when localities

are struggling and the State is implementing the Prevention Agenda and aiming to reduce avoidable health care expenditures through primary and preventive care is inconsistent and deeply concerning.

Assembly Response: Removes pooled funding mechanism and restores cuts.

Senate Response: Removes pooled funding mechanism and restores cuts.

Health System Transformation

Adult Homes: Governor Cuomo's proposed budget included \$38 million to support the transition of adult home residents into community-based settings. This is an increase of \$8 million over the 2014-15 enacted budget. There is also a proposal in the budget to add 400 beds for adult home transition into the community.

Despite the funding, the State continues to fail adult home residents, many of whom have been waiting for years to be able to live in the community. The current pace of the transition of adult home residents into the community is unacceptable.

The Governor's proposed budget also eliminated the Enhancing the Quality of Adult Living (EQUAL) program and would move half of this funding, \$3.3 million of the \$6.6 million total, to support transitions to community housing. EQUAL funding goes to adult home operators, but requires input from resident councils regarding how funds are spent. While there are ways that the EQUAL program could be improved upon, the funding is one important venue for residents to positively affect their living environments.

Assembly Response: Includes \$38 million for adult home transition and restores EQUAL funding to \$6.6 million.

Senate Response: Includes \$38 million for adult home transition and restores EQUAL funding to \$6.6 million.

Last year's final budget included \$30 million for residents of adult homes to transition to community-based settings.

Value-Based Payment: Governor Cuomo's proposed budget authorizes managed care plans to engage in value-based payment arrangements with Performing Provider Systems or subsets of providers as designated under the Delivery System Reform Incentive Payment Program (DSRIP).

A component of Medicaid Redesign is to move toward value-based payments, designed to shift Medicaid away from paying for volume and toward paying for outcomes.

Assembly Response: Rejects the Governor's proposal authorizing value-based payments. The Assembly adds language to establish Community Advisory Boards in the DSRIP initiative.

Senate Response: The Senate rejects the Governor's proposal authorizing value-based payments.

Population Health Improvement Program: Governor Cuomo’s budget included \$13.5 million (spread out over more than one fiscal year) for regional health planning, which is an increase compared to last year’s enacted budget. Regional planning improves efficiency and effectiveness in health care, bringing together stakeholders to transform regional health care systems to address prevention, access, cost, quality, and population health.

Assembly Response: Accepts the Governor’s proposal to fund health planning.

Senate Response: Accepts the Governor’s proposal to fund health planning.

Last year’s final budget included \$9 million to support health planning.

Medicaid Managed Care Transition

Foster Care Transition to Managed Care: The Governor’s proposed budget allocated up to \$15 million, in addition to the \$5 million in last year’s budget, to support voluntary foster care agencies in their efforts to transition health coverage for foster care youth from Medicaid fee-for-service to managed care. The money will support training and consulting services for voluntary foster care agencies to prepare for the transition of foster care youth into Medicaid managed care, including the ability to use health information technology.

Assembly Response: The Assembly accepts the Governor’s proposal

Senate Response: The Senate accepts the Governor’s proposal

Last year’s final budget included \$5 million in funding with the promise of \$15 million this year for the transition of children and youth in foster care into Medicaid managed care, and authorized the Office of Children and Family Services (OCFS) and the Department of Health (DOH) to develop a formula to distribute the funds.

School-Based Health Centers: Governor Cuomo’s proposed budget included flat funding of \$23.5 million for School-Based Health Centers.

Assembly and Senate Response: Accept the Governor’s proposal. In addition, the Senate and the Assembly both add language that would create a two-year managed care demonstration project including three school-based health centers. Based on the demonstration additional school-based health centers would be phased-in to managed care. Behavioral health and reproductive health care services provided by school-based health centers would be carved-out of managed care.

Community Reinvestment: According to the Governor’s Budget Briefing Book, there is \$15 million for community reinvestment in mental health services, which build upon last year’s \$44 million of enhancements to community reinvestment.

Assembly Response: The Assembly includes language to limit the number of beds to be reduced; clarifies that no facilities will close and requires 12 month notice on service reductions.

Senate Response: Includes \$8.1 million and rejects 137 bed reductions in State operated facilities.

Last year's budget included \$44 million annualized, in savings, from bed closures from last year.

Behavioral Health Medicaid Managed Care Transition: Governor Cuomo's proposed budget included a reauthorization of \$68 million for the transition to Medicaid managed care, Health Homes expansion, 250 additional Children's Home and Community Based Services (HCBS) waiver slots and support for PROS programs.

Assembly Response: Accepts the Governor's proposal.

Senate Response: Accepts the Governor's proposal.

Health Coverage

New York State of Health: Governor Cuomo's proposed budget included \$63 million in funding for the New York State of Health, which would come from a surcharge on private health insurance premiums on coverage inside and outside the Exchange. The Governor's briefing book estimates that the average surcharge would be less than \$25 annually.

Assembly Response: Accepts the Governor's proposal to fund the Exchange.

Senate Response: Does not include any funding for the New York State of Health.

Basic Health Program: The Governor's proposed budget included \$35.7 million in funding for the implementation of a Basic Health Program (BHP). BHP is a health insurance coverage program for low-income adults with incomes too high for Medicaid but who are likely to find Exchange coverage unaffordable.

Assembly Response: Accepts the Governor's proposal.

Senate Response: Does not include any funding for implementation of the BHP and repeals the State's authority to pursue a Basic Health Program.

Last year's final budget authorized New York to create a Basic Health Program.

Child Health Plus: Governor Cuomo's proposed budget included provisions that align Child Health Plus (CHP) reimbursement rates for ambulatory behavioral health with current Medicaid reimbursement standards.

Assembly Response: Accepts the Governor's proposal and extends rates through 2017.

Senate Response: Accepts the Governor's proposal and extends rates through 2018.

Of Note: Federal funding for CHP is set to expire in September of this year, without congressional action.

Consumer Assistance: Governor Cuomo’s proposed budget included \$2.5 million for consumer assistance programs that help New Yorkers get and use health insurance. These essential programs provide assistance to New Yorkers as they enroll in and begin to use health insurance, thereby ensuring that insurance coverage translates into use of medical care, including preventive services.

Assembly Response: Accepts the Governor’s proposal and adds an additional \$500,000. In addition, the Assembly includes a new proposal to create a new Independent Consumer Advocacy Network, an independent ombudsman within NYSDOH to assist Medicaid managed care.

Senate Response: Does not include any new funding for consumer assistance programs, but accepts the Governor’s “dry” appropriation and reappropriation.

Last year’s final budget allocated funding from the federal government to continue to fund the Consumer Health Advocate program.

Presumptive Eligibility for Medicaid: The Assembly added a proposal to provide presumptive eligibility for Medicaid within 60 days of release from jail or prison.

Strengthening families and promoting family economic security

Property and Income Tax Focused on Low- or Moderate-Income New Yorkers: The Executive Budget included a property tax relief plan for homeowners and renters, often referred to as a “circuit breaker.” The plan, which the Governor reports would total \$1.66 billion, would be available for households earning \$250,000 or less and paying 6% or more of their income in property taxes and would be dependent upon municipalities’ participation in the Governor’s 2014 property tax cap initiative. The plan would be phased-in over four years, with the property tax percentage threshold at 3.75% in 2015 and rising to 6% in 2016.

Assembly Response: The Assembly accepts the Governor’s proposed property tax credit plan but does not link it to the property tax cap.

Senate Response: The Senate modifies the Governor’s real property tax relief credit program to the property tax relief check program that would provide \$1.5 billion in property tax savings to 3.3 million homeowners.

Student Loan Forgiveness: The Executive Budget included a proposal that would allow New York residents who receive a high school diploma or equivalent in New York, then attend college and stay in New York State, to pay nothing on their student loans for two years, providing that they also participate in the federal Pay as You Earn (PAYE) program and earn less than \$50,000 annually. When fully phased-in, the program is expected to cost approximately \$41.7 million.

Assembly Response: The Assembly modifies the Governor’s loan forgiveness program to allow students who enroll in graduate programs to apply for loan forgiveness after they complete

their graduate program. In addition, the Assembly clarifies that if the loan is deferred, loan forgiveness would be deferred.

Senate Response: The Senate modifies the Governor's proposal and reduces the appropriation to cover 50% of a student's loan for two years.

Minimum Wage: Governor Cuomo proposed raising the minimum wage to \$10.50 by the end of 2016 and to \$11.50 in cities with populations over 1 million (New York City) to reflect the higher cost of living. The minimum wage is already scheduled to increase to \$9.00 by December 31, 2015. The Governor's proposal does not index the minimum wage to inflation.

Assembly Response: The Assembly proposes to increase the minimum wage over a three year period to \$15 for cities with populations over 1 million (New York City) and counties with a population of 900,000 or more (New York City suburbs) that fall within metropolitan commuter transportation districts and to \$12.60 in the remainder of the state by 2019. The plan would link minimum wage to the rate of inflation by 2019.

Senate Response: The Senate does not add any new funding for raising the minimum wage.

Earned Income Tax Credit: Governor Cuomo's proposed budget did not include an increased Earned Income Tax Credit (EITC).

Assembly Response: The Assembly does not increase the EITC.

Senate Response: The Senate does not increase the EITC.

Schuyler Center recommends that the State raise the EITC to 40% of the federal benefit. The EITC is one of the best ways to "make work pay" for low-income families. Research shows that children of EITC recipients do better in school and are healthier.

Last year's budget extended the noncustodial EITC through tax year 2016 at a cost of \$4 million. The credit is available to noncustodial parents who pay child support for a qualifying child.

Maternal, Infant and Early Childhood Home Visiting: Governor Cuomo's proposed budget included funding for the Nurse-Family Partnership home visitation program at \$3 million for the first time. This money has historically been added by the Legislature in the final budget. The Governor also maintained funding for the Healthy Families New York home visiting program at \$23,288,200.

Assembly Response: The Assembly fails to add new funding for Healthy Families NY, but adds an additional \$1 million for Nurse-Family Partnership.

Senate Response: The Senate does not add any new funding for home visiting.

Schuyler Center urges the State to increase funding for home visiting programs and develop a coordinated and universal home visiting system that is able to reach families early to ensure the best health and social outcomes for mothers, infants and families.

Last year's budget included \$3 million for Nurse-Family Partnership added by the Legislature, an increase over the previous year, and maintained funding for Healthy Families New York at \$23.3 million.

Pre-K: Governor Cuomo's proposed budget continues last year's \$340 million for full-day pre-kindergarten for four-year-olds, plus an additional \$25 million in federal funds designated to support quality early childhood education, for a total of \$365 million. The Governor also proposed an additional \$25 million to expand high-quality half-day and full-day Pre-K for 3-year-olds in high need school districts for two years.

Assembly Response: The Assembly adds \$80 million to Pre-K funding – \$40 million for districts in New York City and \$40 million for districts outside of New York City. The Assembly adds language to correct the funding methodology to ensure that districts receive funding on a predictable, periodic basis in the school year that the services are delivered.

Senate Response: The Senate adds \$40 million for districts outside New York City.

Schuyler Center appreciates the commitment of the Legislature to increase funding to keep New York on a track to eventually make universal access to Pre-K for four-year-olds a reality. We commend the Assembly for recognizing the burden the Governor's reimbursement structure put on school districts, particularly districts outside New York City.

The final budget must ensure that all districts can access funds to expand full-day, high-quality Pre-K, which means dedicating resources to districts outside of New York City and ensuring that districts can access Pre-K funds in advance, rather than requesting reimbursement later.

Last year's budget included \$340 million to support the expansion of universal full-day pre-kindergarten. \$300 million of that was dedicated to New York City, while the rest of the state received \$40 million.

Child Care Subsidies: Governor Cuomo's proposed budget maintained flat funding for child care subsidies.

Assembly Response: The Assembly includes an additional \$25 million for child care subsidies.

Senate Response: The Senate adds \$20 million for child care subsidies.

The cost of and need for child care continues to grow and subsidy dollars do not meet demand. Quality child care contributes to child development, child safety and economic development. Parents who have access to reliable quality child care miss less work and children who receive high-quality early care enter kindergarten ready to learn. Investing in child care is essential to stabilize low-income families and New York needs to increase its investment.

Last year's budget included an additional \$41 million – \$34 million plus a \$7.2 million restoration for facilitated enrollment – for child care. An amendment to the Social Services law enacted a teen-earning-income-disregard that allows families to disregard a teen's earnings as a part of their household income, aligning child care with other needs-based programs.

Quality Improvement in Child Care (QUALITYstarsNY): Governor Cuomo's proposed budget included a \$3 million investment in the implementation of New York's quality rating and improvement system, QUALITYstarsNY. This amount would be split evenly for the 2015-16 and 2016-17 school years.

Assembly Response: The Assembly does not add funding for QUALITYstarsNY.

Senate Response: The Senate does not add funding for QUALITYstarsNY.

Last year's final budget did not invest in assessing or improving child care quality through QUALITYstarsNY or any other mechanism.

Afterschool Programs: Governor Cuomo's proposed budget reduced Advantage After School by \$500,000 to \$17,255,300, as was proposed in last year's Executive Budget.

Assembly Response: The Assembly maintains the Governor's funding and adds an additional \$1 million in TANF funding for Advantage After School.

Senate Response: The Senate does not add new funding to Advantage After School.

Last year's final budget included \$500,000 in TANF funding, added by the Legislature, to restore Advantage After School funding to 2013-14 budget levels.

Serving at-risk families, preventing entry into the child welfare system, and producing positive results for children and families

Child Welfare

Preventive, Protective, Independent Living, Adoption, and Aftercare Services: Governor Cuomo's proposed budget appropriated \$635 million for preventive, protective, independent living, adoption, and aftercare services, maintaining the State share at 62%.

Assembly Response: The Assembly does not restore the State share for preventive funding to 65%, as is written in statute, but includes \$1.625 million in TANF funding for preventive services, with \$174,000 designated for post-adoption services.

Senate Response: The Senate does not restore the State share for preventive funding to 65%, as is written in statute and does not add any new money.

Localities use preventive funding to prevent the need for foster care placements and ensure permanency for children and youth in care. Localities are experiencing increased pressures on their local budgets and have a property tax cap to consider. Schuyler Center urges the State to re-assume the 65% State share, to amplify localities' efforts to prevent entry into the system.

Last year's final budget did not restore the State share for preventive services to 65%, as required by statute, but instead maintained it at 62% and included an additional \$1 million from TANF funds.

Foster Care and Higher Education: Governor Cuomo’s proposed budget did not include funding to support youth in foster care to pursue higher education, as recommended by the Fostering Success Youth Alliance, of which Schuyler Center is a steering committee member.

Assembly Response: The Assembly includes \$1.5 million in funding for a comprehensive college initiative to support youth who are or had been in foster care.

Senate Response: The Senate does not invest in higher education for youth in foster care.

It is incumbent on the State to support youth placed in their care in the successful transition to adulthood.

Kinship Guardianship Assistance Program (KinGAP): Governor Cuomo’s proposed budget continued funding KinGAP within the Foster Care Block Grant, as was done in previous budgets.

Assembly Response: The Assembly accepts the Governor’s proposal.

Senate Response: The Senate accepts the Governor’s proposal.

KinGAP provides relatives in approved or certified foster care settings another permanency option when both adoption and family reunification are ruled out. Many of these families require financial assistance to continue caring for a foster child in their household. With the KinGAP option, kinship families can exit the foster care system and continue to receive financial support. Schuyler Center advocates separate funding for KinGAP outside of the Foster Care Block Grant. It is important that Kinship Guardianship be funded as an uncapped permanency option with no reduction to the Foster Care Block Grant.

Kinship Caregiver Services: Governor Cuomo’s proposed budget includes flat funding for Kinship Caregiver services at \$338,750.

Assembly Response: The Assembly accepts the Governor’s funding and adds an additional \$1 million in TANF funds for kinship caregiver programs.

Senate Response: The Senate accepts the Governor’s proposal.

Kinship caregiver program offers important support and services to relatives who care for relatives’ children in their household outside of the formal foster care program. The programs provide needed information about family members’ rights, support to meet children’s education and health care needs, and assistance with obtaining benefits.

Safe Harbor: Governor Cuomo’s proposed Executive Budget did not include funding for Safe Harbor, a program to support vulnerable youth, including sexually exploited youth.

Assembly Response: The Assembly includes a \$5 million investment in Safe Harbor.

Senate Response: The Senate invests \$3 million in Safe Harbor.

Schuyler Center applauds the Legislature for recognizing the importance of funding Safe Harbor and urges the Governor and Legislature to include \$5 million for Safe Harbor in the final budget.

Last year's budget included \$3 million for Safe Harbor added by the Legislature.

Juvenile Justice: Governor Cuomo's proposed budget included recommendations from the Commission on Youth, Public Safety and Justice to raise the age of criminal responsibility in New York. The Governor proposed phasing-in the changes, raising the age of criminal responsibility to 17 by January 2017, and to 18 by January 2018. The proposal also included raising the minimum age of juvenile jurisdiction from age 7 to 12, except in cases of murder which is recommended to be age 10. The recommendations maintain District Attorney control over serious violent crimes. The budget included \$25 million in funding for "services and expenses related to raising the age."

Assembly Response: The Assembly modifies the Governor's proposal for raising the age of criminal responsibility, moving up the timeline for implementation and slightly expanding the list of crimes for which youth can be tried as adults.

Senate Response: The Senate does not include Raise the Age in its budget proposal, citing concerns about implementation and impact on local courts and offices.

Schuyler Center is a member of a statewide coalition recommending that New York create a juvenile justice system that provides opportunities for youth and advances public safety, in part by raising the jurisdictional age, as proposed by the Governor. We appreciate the Senate's concerns and hope that those concerns can be addressed because the time is now to raise the age in New York.

Youth

Summer Youth Employment: Governor Cuomo's proposed budget slightly increased TANF funding for Summer Youth Employment programs to \$30 million, up from \$27.5 million in last year's final budget.

Assembly Response: The Assembly maintains the Executive Budget's \$30 million in funding for Summer Youth Employment.

Senate Response: The Senate reduces funding for Summer Youth Employment to \$27.5 million.

Last year's final budget allocated \$27.5 million, which included an additional \$2.7 million in funding to support youth ages 14 to 20.

Youth Development Program: Governor Cuomo's proposed budget decreased the Youth Development Program by \$1.286 million, the amount that the Legislature added to the program in the enacted 2014-15 budget.

Assembly Response: The Assembly maintains the Executive Budget's investment and restores \$1.28 million to the Youth Development Program for 2015.

Senate Response: The Senate maintains the Executive Budget's investment and restores \$1.28 million to the Youth Development Program for 2015.

Last year's final budget restored funding for the Youth Development Program to \$15.4 million with an additional \$1.286 million.

Other

Rochester Anti-Poverty Task Force: Governor Cuomo's policy briefing book detailed an interagency workgroup to bring together the Rochester community including public, private and nonprofit leaders to combat poverty and fight inequality in the city. The taskforce would coordinate and integrate resources, utilize data and information technology, develop more flexible funding arrangements, and evaluate services based on outcomes.

Assembly Response: The Assembly adds \$250,000 in funding for the United Way of Rochester to support the Anti-Poverty Task Force work.

Senate Response: The Senate does not include the Rochester Anti-Poverty Task Force in its budget proposal.

At Schuyler Center's 2015 policy forum focused on poverty and inequality, three upstate Mayors, including Rochester Mayor Lovely Warren, spoke about the need for local solutions bolstered with State support.