



Schuyler Center's Next Look at the NYS 2018-19 Executive Budget as It Intersects with Our Policy Priorities

In January, the Schuyler Center shared its *First Look* at Governor Cuomo's 2018-2019 Executive Budget with our assessment of how it advances policies that improve the health and well-being of all New Yorkers, especially low-income children and families. As we noted then, the Executive Budget disproportionately targets for cuts programs that serve and support low-income families and children. Among the worst hits: a sharp cut to New York City's child welfare preventive services (by capping what for decades has been an uncapped funding stream); defunding of New York City's trauma-informed juvenile justice program, Close to Home; and a structuring of Raise the Age implementation that would prevent New York City from accessing any the state funds. At the same time, the Executive Budget would find savings by delaying an expansion of services for children with behavioral health needs, and failing, once again, to include any new investment in child care subsidies. Taken together, these cuts would strike a devastating blow to children – primarily low-income children of color.

The Legislative one-house budgets, particularly the Assembly budget, would soften the blow to New York children. Both one-houses propose to allow New York City to access state funds to implement Raise the Age and reject the delay in implementing behavioral health services for children. And, the Assembly one-house rejects the proposed cap to child welfare preventive services, and restores funding to Close to Home. And, while the Senate budget accepts the Governor's proposed cap to preventive services and zeroing out funding for Close to Home, it does so with prejudice, and calls upon the Executive "in the strongest terms, to reconsider these misguided actions."

In tight budget years, it is too often the case that the state balances the budget by cutting essential services for those unsupported by powerful interest groups, including low-income children and families. We urge our elected leaders to reject deep cuts for poor children and families and pass a final budget that puts New York children and families first.



CHILD WELFARE AND JUVENILE JUSTICE

Preventive, Protective, Independent Living, Adoption, and Aftercare Services

What's in the Executive Budget

The **Executive Budget** proposes an appropriation of \$635 million for preventive, protective, independent living, adoption, and aftercare services, but reduces the state share to 62% from 65% (as is written in statute). The budget also includes problematic language capping New York City's spending on these services to \$320 million.

The budget also would flat fund \$12 million for the Community Optional Preventive Services (COPS) program, continuing to limit that funding to programs that were funded when the COPS program was cut in 2008.

Assembly Response

The **Assembly** rejects the Executive Budget proposal to cap New York City's spending on child welfare services, preserving the open-ended funding stream, and adds \$17 million to the appropriation line, restoring the amount of the cut proposed by the Executive.

Senate Response

The **Senate** accepts the Executive proposal to cap New York City's child welfare funding, but includes language in their resolution indicating that they accept the proposal "with prejudice."

Background

Localities use this open-ended funding stream to pay for services that include child protective services and services to prevent children from entering, or re-entering, foster care. A cap on New York City's funding for these services will be harmful to the City's ability to meet the needs of families and children in need, and sets a dangerous precedent for limiting critical preventive funding.

Additionally, the State should expand its investment in primary prevention. A more strategic approach to prevention would be to make services available further upstream, before there is any documented risk of entry into foster care. The Schuyler Center urges the state to re-assume the 65% State share, setting aside the 3% restoration to be used for targeted, community-based primary prevention services to prevent child abuse and neglect, and strengthen families.

Kinship Navigator and Kinship Caregiver Services

What's in the Executive Budget

The **Executive Budget** proposes funding for kinship caregiver services at \$338,750. This is a cut of \$1.9 million from last year's final budget. Last year the Assembly added \$1.9 million.

The budget also proposes \$220,500 in funding for the statewide Kinship Navigator information and referral network. This represents a cut of the \$100,000 the Assembly added to last year's budget.

Assembly Response

The **Assembly** restores \$1.9 million to local kinship caregiver programs, and \$100,000 to the Kinship Navigator.

Senate Response

The **Senate** does not restore or add additional funding for either kinship caregiver services or the Kinship Navigator.

Background

Kinship caregiver programs offer important support and services to people who care for relatives' minor children outside of the formal foster care program. Programs provide information about family members' rights, support to meet children's education and health care needs, and assistance with obtaining benefits. These services are particularly critical for families struggling with opioid and other substance abuse, and immigrant families facing parental immigration detention or deportation. The Schuyler Center urges the State to at least maintain level funding to these important and cost-effective programs.

Foster Care and Higher Education

What's in the Executive Budget

The **Executive Budget** proposes \$1.5 million in funding for the Foster Youth College Success Initiative (FYCSI) to support youth in foster care to pursue higher education to graduation. This represents a \$3 million cut compared to last year's final budget.

Without the addition of \$4.5 million, the program will not be able to support students who may already be participating, and could prevent some from successfully completing their course of study.

Assembly Response The **Assembly** adds \$4.5 million to the Governor’s budget proposal, for a total of \$6 million, fully funding the Initiative.

Senate Response The **Senate** accepts the Governor’s proposal to fund FYCSI at \$1.5 million and adds no additional funding to support young people in foster care attending college.

Background The Schuyler Center is a member of the steering committee of the Fostering Youth Success Alliance, which is working to provide a realistic path to higher education for the State’s youth in care. The Schuyler Center urges the State to fully fund FYCSI at \$6 million.

Juvenile Justice

What’s in the Executive Budget The **Executive Budget** proposes \$100 million for services and expenses related to raising the age of juvenile jurisdiction. The budget also proposes an additional \$50 million to support capital expenditures related to raising the age.

However, there are concerns that the Executive Budget’s proposed elimination of funding for the **Close to Home** juvenile justice program – which is a program that could serve some justice-involved 16 and 17-year-olds – could impact the state’s ability to successfully implement raise the age legislation. Close to Home was first enacted in 2012 and was funded in last year’s budget at \$41.4 million.

Assembly Response The **Assembly** restores \$41.4 million to Close to Home.

The Assembly also removes language from the Budget that would require counties to remain within the State’s 2% property tax cap in order to be eligible for reimbursement for expenses related to raising the age of juvenile jurisdiction. This language would have excluded New York City from receiving state support for raising the age of juvenile jurisdiction.

Senate Response The **Senate** accepts the Governor’s proposal to zero out funding for Close to Home, but includes language in their resolution, indicating that they do so “with prejudice.”

The Senate also removes language from the Budget requiring counties to remain within the State’s 2% property tax cap in order to be eligible for reimbursement for expenses related to raising the age of juvenile jurisdiction.

Background In 2017, New York State passed legislation to raise the age of juvenile jurisdiction. The legislation, which will be phased in over 2018 and 2019, moved misdemeanors to Family Court, and created a new Youth Part of the criminal court for felonies, with the presumption that non-violent felonies will be moved down to Family Court, unless the district attorney files a motion within 30 days showing “extraordinary circumstances” that the case should remain in the Youth Part. Family Court judges will also preside over the

Youth Part of the criminal court. As part of the legislation, an increased number of youth will be provided with rehabilitative services.

Close to Home is a juvenile justice reform initiative implemented in New York City and designed to keep youth close to their families and community. Under Close to Home, young people receive therapeutic services at small group homes, where they are close to resources that can support their successful transition back into their communities.

Schuyler Center urges the State to restore funding to Close to Home, and remove the language requiring counties to remain within the State's 2% property cap to be eligible for reimbursement for expenses related raising the age of juvenile jurisdiction so that New York City is not hampered in its efforts to Raise the Age.



PUBLIC HEALTH, HEALTH COVERAGE, ACCESS AND CARE

Children's Behavioral Health Transition to Managed Care

What's in the Executive Budget

The **Executive Budget** does **not** include funding for implementation of certain enhanced children's health services.

Assembly Response

The **Assembly** restores \$15 million to support an expansion of behavioral health services for children.

Senate Response

The **Senate** provides \$7.5 million to providers of children's behavioral health services to contribute to expenses associated with the transition of children's behavioral health providers and services to managed care.

Background

The Department of Health, Office of Mental Health, Office of Children and Family Services, together with providers and advocates, have developed a robust plan designed to improve and streamline eligibility and services for children with behavioral health needs. It was expected there would be an appropriation in the Medicaid budget for the six new State Plan Services and home and community-based services. The Governor is proposing a two-year delay in the roll out of the new services, leaving children and families who need these services and the providers that serve them without adequate resources to meet need.

Cuts to Public Health Programs

What's in the Executive Budget

The **Executive Budget** proposes consolidating funds from a number of public health programs into four pools (Disease Prevention, Maternal and Child Health, Health Workforce, and Health Outcomes and Advocacy) with a 20% cut to each pool.

Assembly Response

The **Assembly** fully restores \$9.18 million for discrete public health programs targeted for cuts and rejects the pooling of funds.

Senate Response

The **Senate** fully restores \$9.2 million for discrete public health programs targeted for cuts and rejects the pooling of funds.

Background

Last year's Executive Budget similarly proposed a 20% cut to and consolidation of public health programs. While the discrete program lines were restored, the 20% cut was implemented. These cost-saving programs maintain the health of populations and reduce overall health costs through preventive initiatives like maternal and child health services, teen pregnancy prevention and disease prevention programs. If this proposed cut is implemented, this will mean deep cuts to these programs two years in a row. The Schuyler Center urges the State to, at a minimum, maintain level funding of these critical public health programs.

Adult Homes

What's in the Executive Budget

The **Executive Budget** proposes \$38 million to support the transition of adult home residents into community-based settings. The **Executive Budget** also proposes to maintain funding quality programs at adult homes at \$6.5 million. This money helps provide quality of life improvements for adult home residents, such as air conditioning in residents' rooms, or computers for resident use.

Assembly Response

The **Assembly** continues the \$6.5 million for quality programs.

Senate Response

The **Senate** continues the \$6.5 million for quality programs.

The **Senate** also would provide \$20 million to increase the State Supplemental Security Income (SSI) share allowance for Adult Care Facilities. This would be an increase in State funding for individuals who have SSI and live in adult homes that will go entirely to adult home operators.

Background

The transition of adult home residents with mental illness to community-based settings continues, but challenges remain to moving out significant numbers of individuals. For those individuals who reside in adult homes, adult home oversight is lax and the quality of care varies widely.

It appears as though the Senate initiative aims to ensure that small and medium-sized adult care facilities, particularly those in upstate New York, remain open, in light of the fact that some homes have closed their doors over the past several years.

While the bulk of adult home residents' SSI payment goes to operators, residents receive a monthly Personal Needs Allowance (PNA). Residents are desperately in-need of an increase in the limited PNA. Residents, many of whom have diabetes or other chronic conditions, spend a substantial amount of their PNA on food, as they find meals offered by the facilities inedible or not able to meet their nutritional needs. Other necessities, such as clothing and personal hygiene items, are major expenses for residents, leaving very little for entertainment, transportation and other activities that bring meaning to one's life.

In the State's efforts to support adult care facilities, it is critical to also support adult home residents. Should this proposal move forward, Schuyler Center and the NYS Coalition for Adult Home Reform urge an increase in adult home residents' Personal Needs Allowance proportionate to what adult home operators would receive in their rate, at an additional cost of \$2.9 million.

Consumer Assistance

What's in the Executive Budget

The **Executive Budget** includes \$2.5 million for Community Health Advocates (CHA). This is a decrease from the \$3.5 million that was included in last year's final budget.

Assembly Response

The **Assembly** adds \$1 million to Community Health Advocates.

Senate Response

The **Senate** adds \$1.5 million to Community Health Advocates.

Background

CHA programs 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. The Schuyler Center urges the State to increase funding of CHA to \$4.5 million.



EARLY CHILDHOOD WELL-BEING

Maternal, Infant and Early Childhood Home Visiting

What's in the Executive Budget

The **Executive Budget** proposes \$6 million in funding for the Nurse-Family Partnership (NFP) program, a \$2.6 million increase over last year's final budget. However, the budget language indicates some of these funds may be used to cover expenses already accrued.

The budget proposes flat funding for Healthy Families New York (HFNY) at \$23,288,200. No funding was proposed for Parents as Teachers or the Parent Child Home Program.

Assembly Response

The **Assembly** maintains \$6 million for NFP and maintains flat funding for HFNY.

Senate Response

The **Senate** also maintains \$6 million for NFP and flat funding for HFNY.

Background

Maternal, infant and early childhood home visiting is available to a small number of parents with young children in a few areas around the state. A significantly higher investment is needed if New York aims to serve all communities with families in need and endeavor to ensure the best health and social outcomes for mothers, infants and families.

Child Care Subsidies

What's in the Executive Budget

The **Executive Budget** proposes to restore the \$7 million cut from child care subsidies last year, yet adds no new money to cover rising costs, including those associated with the increasing minimum wage.

Assembly Response

The **Assembly** accepts the Executive proposal, and in addition, proposes to invest an additional \$128.7 million to supplement existing federal, state, and local funding for child care assistance for low-income families. It directs that \$31 million be invested in expanding availability of subsidies and the rest to support reinstatement of the market-related payment rate to the 75th percentile and an adjustment in the maximum market-related payment rates based on a survey to be completed in October 2018. Remaining funds are to cover costs associated with implementing regulations required by the federal Child Care and Development Block Grant Reauthorization of 2014.

It appears as though the Assembly's proposed new investment will come from State general funds only if the expected federal funds are not appropriated at all, or in a lesser amount. In either of those cases, the Assembly proposes that the State will make up the difference with state general funds.

Senate Response

The **Senate** accepts the Executive proposal.

Background

Currently, the state provides subsidies for fewer than 20% of New York families eligible for child care assistance. Child care in New York State is among the most expensive in the nation, costing as much as \$15,000 per child per year.

Underinvestment in child care also means most of the child care workforce is not paid a living wage. Nearly 60% of New York child care workers' families participate in some type of public assistance. The shortage of investment in child care impedes parents' ability to achieve economic security, driving many working families into poverty.

Federal Budget

Last month, Congressional leaders reached a bipartisan budget agreement for non-military spending that included \$5.8 billion for child care (CCDBG) funding. This will amount to approximately \$129 million in new funds for New York this year and then again next year. **However, the agreement is not final until the full Congress approves and appropriates the Omnibus Budget. It is still possible that the budget deal will be scuttled, or that the CCDBG appropriation will be reduced.**

Pre-Kindergarten

What's in the Executive Budget

The **Executive Budget** proposes to add \$15 million in new funding for 3- and 4-year-olds in high-need districts, with priority for districts without any Pre-K. The budget also proposes explicit language encouraging applications that include students of all learning and physical abilities. The budget continues all other current Pre-K funding streams for FY 2018-19, but freezes the funding in place, as long as districts continue to serve the same number of children.

Assembly Response

The **Assembly** proposes to add \$50 million in new funding for 4-year-olds. The new investment is open to all districts, with preference to high need districts. The Assembly also continues to integrate all pre-kindergarten programs into the Universal Pre-Kindergarten program to create a unified pre-kindergarten program, while maintaining all current funding levels and slots. The Assembly also adds provisions to create a consistent process for allocating Pre-K funding in the future.

Senate Response

The **Senate** proposes to reject the Governor's proposed \$15 million expansion, and offers no new funding for Pre-K this year.

Background

More than 81,000 4-year-olds outside New York City do not have access to full-day Pre-K. The new funding is a modest step forward, in that it will increase the number of children enrolled in Pre-K by a small amount, but still falls far short of providing access to 4-year-olds in high-need districts, and shorter still of the Governor's stated goal of universal Pre-K and movement toward a single, coherent Pre-K program.

Child Tax Credit

What's in the Executive Budget

The **Executive Budget** proposes statutory changes to the Empire State Child Credit to maintain the credit at the levels that existed prior to the passage of the 2018 federal tax overhaul in early January. The budget does not increase the credit or expand eligibility to include children under age four.

Assembly Response

The **Assembly** accepts the Governor's proposed statutory changes, and does not increase the credit, or expand eligibility to include children under age four.

Senate Response

The **Senate** accepts the Governor's proposed statutory changes, and does not increase the credit, or expand eligibility to include children under age four.

Background

New York's Empire State Child Credit provides eligible taxpayers a credit equal to 33% of the federal child tax credit or \$100 per qualifying child, whichever is greater. While the new federal tax law doubles the federal child tax credit, and raises the income level at which it begins to phase out, the Executive Budget proposes to continue to tie the Empire State Child Credit to the federal Child Tax Credit as it existed prior to the 2018 federal tax overhaul. Thus, the Executive Budget, if passed, would keep the State's credit at current levels. Also unchanged would be the Empire State Child Credit's exclusion of children under age four from eligibility – the very group most severely impacted by poverty, and would most benefit from receiving a credit. The Schuyler Center recommends expanding the State credit to include children under age four, and making the credit more robust for young children.

About the budget process:

The Governor's Executive Budget proposal was released on the third Tuesday in January, the date he is constitutionally required to present his budget to the public and legislature.

What happens next?

- ✓ The State constitution allows the Governor to submit revisions to the budget within 30 days of submitting the budget to the Legislature (referred to as 30-day amendments).
- ✓ The Senate and Assembly hold a series of joint legislative hearings on the Governor's proposed budget.
- ✓ In early to mid-March, each house of the legislature presents and passes its own version of the budget, accepting, rejecting, or amending items in the Governor's proposed budget.
- ✓ An agreement on the final budget should be reached before April 1st, when the new State Fiscal Year will begin. The Cuomo administration and Legislature have been committed to, and successful in, securing passage of on-time budgets.

Budget legislation includes:

Appropriations bills: These contain the line-item appropriations. The legislature may not alter appropriations bills except to reduce or strike-out appropriations, or to add distinct, separate items ("legislative adds"). The governor can line-item veto legislative additions (but not reductions or eliminations or provisions that the legislature did not alter).

Article VII bills: These include statutory provisions necessary to implement the budget as proposed. These bills are treated like any other legislation, and can be accepted or amended by the legislature, and approved or vetoed by the governor.