



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

Schuyler Center's *First Look* is an initial assessment of New York State's 2018-19 proposed Executive Budget and how it advances priorities that improve the health and well-being of all New Yorkers, especially those living in poverty. Schuyler Center staff will spend the coming days gaining a deeper understanding of the Executive Budget and its impacts, and working with lawmakers to achieve a final State budget that prioritizes investing in children and families, and reducing poverty and inequality.

We are pleased the Executive Budget proposes budgetary support for the development of the recommendations of the State's trailblazing First 1,000 Days on Medicaid Initiative. Other proposals in the Executive Budget that will support and strengthen New York children and families include \$15 million in new investment in Pre-K, a restoration of last year's \$7 million cuts to child care subsidies, and a new investment of \$10 million for the Empire State After-School Program, with \$8 million targeted to school districts with high student homelessness.

However, once again, absent from this Executive Budget proposal are any bold moves to aid the nearly one-quarter of NY families and children living in poverty. And services for children with mental health needs once again are not prioritized. While we recognize the state is facing a real and significant budget shortfall – and bracing for federal funding cuts – it is shortsighted to close the budget gap by underinvesting in our children and families. **Every budget that skimps on keeping children healthy, strengthening families, and building family economic security deprives more of our children the stepping stones they need to reach their full potential. This harms not only our children, but also threatens the future economic health and success of our state.**



### EARLY CHILDHOOD WELL-BEING

#### First 1,000 Days on Medicaid

##### What's in the Executive Budget

The **Executive Budget** proposes a \$1.45 million investment for 2018-19, increasing to \$5.8 million in 2019-20 to begin implementing the recommendations of the First 1,000 Days workgroup.

##### Background

In 2017, New York State Medicaid kicked-off a first-in-the-nation initiative to develop recommendations for how Medicaid could improve outcomes for the youngest New Yorkers, aged 0-3 years, sixty percent of whom are covered by Medicaid. A workgroup made up of pediatricians, early childhood experts, educators, and advocates focused on all aspects of children's well-being, including health and development; parents and caregivers; housing; early education; child welfare; and behavioral health. The workgroup submitted a 10-point plan of actions that Medicaid should undertake to improve outcomes. ([https://www.health.ny.gov/health\\_care/medicaid/redesign/first\\_1000.htm](https://www.health.ny.gov/health_care/medicaid/redesign/first_1000.htm))

## Maternal Depression

### What's in the Executive Budget

Outside the budget process, Governor Cuomo's [2018 Women's Agenda for New York](#) includes an initiative to support health providers in the delivery of care to mothers experiencing maternal depression. Released in January, the report outlines policies requiring health insurance to cover maternal depression screening by both adult and pediatric primary care providers. It also includes measures to expedite referrals and treatment, including expansion of Project TEACH to connect primary care providers with mental health specialists, enhanced screening and referrals at WIC clinics and increased access to telepsychiatry. Under the initiative, state agencies will launch a campaign about symptoms and treatment options and DOH and OMH will also advance specialty programs to treat maternal depression.

### Background

In a 2009 report, the National Research Council (NRC) and Institute of Medicine (IOM) pointed out the important public health benefits and savings that could be achieved if health systems became better at identifying and treating maternal depression among low-income women, particularly women with young children. Depression interferes with parenting and is associated with poor health and development in children. Depression hinders a mother's ability to climb out of poverty while also reducing her ability to help her children thrive.

## 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 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 at \$23,288,200. No funding was proposed for Parents as Teachers or the Parent Child Home Program.

### 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.

### 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.

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And, the 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.

### Child and Dependent Care Tax Credit

#### What's in the Executive Budget

The **Executive Budget** proposes **no** changes to New York State's child and dependent care tax credit.

#### Background

The New York State child and dependent care tax credit is a fully refundable tax credit that is calculated as a percentage of the federal child and dependent care credit. Last year, the Final Budget increased the tax credit by a very modest amount for families with children in qualifying child care who earn between \$50,000 and \$150,000.

### 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 services. The budget also includes explicit language encouraging districts to seek funding for inclusive classrooms, that is, classrooms 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.

#### 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 towards a single, coherent Pre-K program.

### Early Intervention

#### What's in the Executive Budget

The **Executive Budget** proposes to restructure the Early Intervention referral, screening, and evaluation process, and to increase reimbursement from health insurance companies. The Executive Budget Briefing Book indicates these changes would result in a cost savings of \$3.2 million in 2019 and \$11.9 million in 2020. We will be working with partners in the coming weeks to more fully analyze this proposal and its likely impact on children who benefit so significantly from these services.

#### Background

The Early Intervention program provides therapeutic and support services to children under the age of three who have disabilities or developmental delays.

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## 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.

### 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.

## Earned Income Tax Credit

### What's in the Executive Budget

The **Executive Budget** does **not** propose an increase in 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 research shows that children of EITC recipients are healthier and do better in school.

## Afterschool Programs

### What's in the Executive Budget

The **Executive Budget** proposes to reduce funding for Advantage After School by \$2.5 million, as compared to last year's final budget, to \$17,255,300. Last year the Legislature added the additional \$2.5 million to the program.

The budget also proposes to invest \$45 million for the Empire State After-School program. This is a \$10 million increase over last year. The language indicates \$35 million will continue the awards made last year and \$10 million will be used to expand the program to new school districts or community-based organizations in eligible communities, with \$8 million targeted to districts with high rates of student homelessness.

### Background

High-quality afterschool programs have been shown to help close the achievement gap for low-income children and enable families to achieve economic stability.



## 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.

#### 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.

### The Foster Care Block Grant

#### What's in the Executive Budget

The **Executive Budget** does not propose restoration of the \$62 million cut to the Foster Care Block Grant included in last year's final budget, instead proposes maintaining last year's funding of the Block Grant of \$384 million.

#### Background

Counties use the Foster Care Block Grant to pay for foster care and the Kinship Guardianship Assistance Payment (subsidized guardianship) program. A reduced block grant means that counties assume a higher share of spending for their foster care systems.

### Prevention and Post-Adoption Services

#### What's in the Executive Budget

The **Executive Budget** would invest \$7 million in adoption assistance savings derived from a higher federal share of adoption assistance, into post-permanency services and services to prevent children from entering foster care. This would amount to level funding compared to last year's final budget.

#### Background

Post-permanency services are available to families after an adoption or guardianship arrangement has been finalized. These services are intended to help support families in permanency and to meet the needs of children and youth who had been in foster care.

## 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.

### 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. The Schuyler Center urges the state to at least maintain level funding to these important and cost-effective programs.

## Kinship Guardianship Assistance Program (KinGAP)

### What's in the Executive Budget

The **Executive Budget** proposes to continue funding KinGAP within the Foster Care Block Grant, as was done in previous budgets.

### Background

KinGAP provides relatives in certified foster care settings a 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 KinGAP, kinship families can exit the foster care system and continue to receive financial support. KinGAP is an important way to promote permanency for children and youth and should be funded as such – separate, uncapped, and outside of the Foster Care Block Grant, with no reduction to the Foster Care Block Grant.

## 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 (FYSI) 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, when the Assembly added \$3 million to the Governor's proposal, bringing the program to \$4.5 million.

Without a restoration 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.

### Background

The Schuyler Center is a member of the steering committee of the Fostering Success Youth 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 maintain level funding to FYSI.



## 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.

### 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, 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.



## PUBLIC HEALTH, HEALTH COVERAGE, ACCESS AND CARE

### 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.

### Background

Public health programs were similarly pooled in the 2017-2018 Executive Budget and a 20% funding cut was proposed. 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.

## Community Water Fluoridation Fund

### What's in the Executive Budget

The **Executive Budget** proposes to re-appropriate funding approved in the previous two budgets for installation or upgrading of water fluoridation equipment. This funding expands the program begun last year to strengthen the fluoridation infrastructure in New York.

### Background

Schuyler Center leads 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.

## 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 budget also proposes to maintain funding quality programs at adult homes at \$6.5 million. This money provides valuable services to residents in adult homes in the form of clothing allowances, air conditioning in residents' rooms, and computers for resident use.

The **Executive Budget** also proposes \$5 million for in-reach, peer support and other support services to assist individuals living in impacted adult homes transition successfully to the community.

### 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.

## 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.

### 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.

## 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 mental health services

### 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 state 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.



### **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 by April 1<sup>st</sup>, 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.