



## Schuyler Center's *Last Look* at the State Fiscal Year 2019-20 Budget

On April 1, 2019, the New York State Legislature and Governor reached agreement on the 2019-20 State Budget. Schuyler Center's *Last Look* is our assessment of the enacted State budget as it compares to Schuyler Center's policy priorities.

The Budget is largely disappointing in its failure to include bold proposals to provide the tens of thousands of families experiencing poverty or near poverty a pathway into economic security. Missing are significant investments in services proven to improve family economic security, strengthen families, and prevent child welfare involvement, like quality, affordable child care, evidence-based home visitation, family strengthening programs, and working family tax credits.

The Legislative one-house budgets included a proposal to help low-income families afford child care, but it was dropped from the final budget, despite significant advocacy. Schuyler Center, together with partners and allies, spent these recent months fighting hard to secure investments in strengthening families, protecting children, expanding educational opportunities, and improving health outcomes, with mixed success.

The final budget contains a few bright spots for New York children and families, chief among them a seed investment to support, recruit, and retain current and prospective foster families, including kinship caregivers. Other investments for children and families contained in the budget are increases in funding for the Foster Youth College Success Initiative and Pre-K, along with limited investment in Early Intervention services for very young children with developmental delays or disabilities.

With the budget battle behind us, we continue to work with partners in and outside government to ensure State resources are used as effectively as possible so all New York children have fair opportunity to learn, grow, and thrive.



### CHILD WELFARE AND JUVENILE JUSTICE

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

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##### *Final Budget*

The **Final Budget** appropriates – level with previous years funding – \$635 million for preventive, protective, independent living, adoption, and aftercare services, and, once again this year, reduces the State share to 62% from 65% (as is written in statute).

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

##### *Background*

Localities use the open-ended preventive funding stream to pay child protective services along with services to prevent children from entering, or re-entering, foster care. While State reimbursement to counties is written into statute at 65%, it has been reduced to 62% through the budget every year since 2008.

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.

## Family First Transition Fund

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### *Final Budget*

The **Final Budget** appropriates at least \$3 million of new federal adoption de-linking funds to create a Family First Transition Fund to help counties prepare for implementation of the new Family First Prevention Services Act. These funds “shall be available to social services districts . . . for services to support, recruit, and retain current and prospective foster families, including kinship caregivers in accordance with a plan” to be developed by OCFS.

### *Background*

The Family First Prevention Services Act, which passed Congress in early 2018, fundamentally changes the approach to child welfare financing. Under the law, new requirements will be in place around the use of federal funding to support children in group home settings. The law aims to encourage states to place more children with foster families, including relatives. States will also be allowed to use some federal foster care dollars to fund evidence-based preventive services. The Schuyler Center had urged the State to support the Transition Fund with a clean funding line, using State General Funds, rather than de-linking federal funds that have been effectively used for post-adoption services critical to children and families.

## Foster Care Block Grant

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### *Final Budget*

The **Final Budget** level-funds the Foster Care Block Grant at \$383.5 million and does not restore the \$62 million cut to the Foster Care Block Grant included in the 2017-18 Enacted Budget. The Budget does not include funds to cover a much-needed cost-of-living adjustment (COLA) for the child welfare workforce.

### *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

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### *Final Budget*

The **Final Budget** invests approximately \$7.6 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, representing level funding compared to last year’s final budget.

An additional \$3 million of adoption assistance savings is allocated to fund the newly established Family First Transition Fund (see above).

### *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 Caregiver Services and Kinship Navigator

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### *Final Budget*

The **Final Budget** includes funding for kinship caregiver services at \$2.4 million. The Assembly added \$1.9 million to the \$338,750 included in the Executive Budget. This represents level funding compared to last year's enacted budget.

The budget also provides \$320,500 in funding for the statewide Kinship Navigator information and referral network. The Assembly added \$100,000 to the Executive's \$220,500, bringing the total funding level compared to last year's enacted 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 Kinship Navigator is a statewide resource and referral network for kinship families, providing information and connections to important resources.

The Schuyler Center urges the State invest in cost-effective kin programs and support a federal kinship navigator project evaluation to prepare for implementation of the Family First Prevention Services Act.

## Kinship Guardianship Assistance Program (KinGAP)

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### *Final Budget*

The **Final Budget** continues to fund 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 relative's 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; the State should fund KinGAP as separate, uncapped, and outside of the Foster Care Block Grant, with no reduction to the Foster Care Block Grant.

## Foster Care and Higher Education

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### *Final Budget*

The **Final Budget** allocates \$6 million in funding for the Foster Youth College Success Initiative (FYSI) to support youth in foster care to pursue higher education to graduation. The Legislature added \$4.5 to the Governor's \$1.5 million investment, to bring total investment to the same amount – \$6 million – allocated in last year's budget. This level of investment, if continued in future years, should suffice to support a cohort of students to successful completion of 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 and urges the State to maintain funding to FYSI.

## Persons in Need of Supervision (PINS)

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### *Final Budget*

The **Final Budget** changes the law governing Persons in Need of Supervision (PINS – youth that act out such that their parents or guardians are unable to supervise them), in a number of very important ways. Among the most important changes: PINS youth may no longer be placed in detention; counties may continue to access uncapped state preventive funding to provide critical support to these youth and their families, like respite care, counseling and other services for PINS diversion; and PINS youth (pre- and post-disposition) may be placed in foster care when deemed the safest option.

### *Background*

A child under the age of 18 who does not attend school or behaves in a way that is dangerous or out of control, or often disobeys his or her parents, guardians or other authorities, may be found to be a Person in Need of Supervision or “PINS,” by a family court judge. A variety of services can be used to defer PINS petitions from going forward including crisis intervention; mediation; preventive services; family counseling; substance abuse programs; anger management; and other services that a family may request. If services cannot meet the child and family needs to correct the situation, and the PINS court process must be utilized, the Department of Probation is then engaged, and DOP staff meet with the family to discuss the issues, the court process and other options, if appropriate. Among the actions family court may currently take in a PINS matter is to detain the child in a non-secure detention facility.



## WORKING FAMILY TAX REFORMS

## Child Tax Credit

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### *Final Budget*

The **Final Budget** does not expand the Empire State Child Credit 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 at the levels that existed prior to the passage of the 2018 federal tax overhaul, or \$100 per qualifying child, whichever is greater. The Empire State Child Credit continues to exclude children under age four from eligibility – the very group most severely impacted by poverty, and would most benefit from receiving a credit. Assemblymember Jaffee and Senator Montgomery have introduced same-as bills (A.1222/S.4633) to extend the credit to cover children under age four, and double the credit for these young children. The Schuyler Center will be working to advance this important legislation.

## Earned Income Tax Credit

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### *Final Budget*

The **Final Budget** does not increase or expand 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 individuals, and research shows that children of EITC recipients are healthier and do better in school. The state’s EITC provides eligible taxpayers with children a refundable credit equal to 30% of the federal child tax credit. Non-custodial parents are also eligible for a credit, along with most childless adults – although this credit is considerably smaller.

One group that is completely excluded from the federal and state EITC are young childless adults ages 18 to 25 at exactly the period in their lives when they are struggling to gain their footing in the workforce and build a nest egg for a future family. The poverty rate for young New York adults is 20%, far exceeding the 14% poverty rate for New York State overall. The Schuyler Center urges the State to increase the state EITC for eligible taxpayers with children and expand the credit to include young childless adults.

## Employer-Provided Child Care Tax Credit

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### *Final Budget*

The **Final Budget** creates a state Employer-Provided Child Care Tax Credit allowing employers with qualifying expenditures toward employee child care to claim a credit that will apply to taxable years beginning on or after January 1, 2020.

### *Background*

The tax credit will match the federal Employer-Provided Child Care Tax Credit. While Schuyler Center believes that engaging business in efforts to expand access to quality child care is essential, there is data from other states that have created similar credits, and from the federal credit, showing that employer provided child care tax credits have been underutilized and largely ineffective. In fact, in recent years numerous states have let their employer provided child care credits lapse.

## Child and Dependent Care Tax Credit

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### *Final Budget*

The **Final Budget** does not strengthen the Child and Dependent Care Tax Credit to better reflect the high costs of child and dependent care.

### *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. This credit is an important means of enabling working families – particularly middle-income families – shoulder the high costs of quality child care so parents can work and achieve economic security while their children learn. In 2017-2018, the Enacted Budget increased the tax credit by a modest amount for families with children in qualifying child care who earn between \$50,000 and \$150,000.



## EARLY CHILDHOOD WELL-BEING

## Maternal Health

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### *Final Budget*

The **Final Budget** includes \$8 million to establish a Maternal Mortality Review Board to conduct a multidisciplinary review of every maternal death and develop recommendations to improve care and management. Funds also will support expansion of Community Health Worker programs; creation of a maternal mortality and morbidity data warehouse; and other strategies to reduce maternal mortality and morbidity.

### *Background*

Black mothers in New York are four times more likely to die during childbirth than White or Asian mothers. Studies show maternal health is essential to the health of children – and, by extension, the whole family. Still, many mothers, particularly women of color, suffer from lack of access to health care, poor conditions, and poor quality of life. Focused investment in health equity and maternal health is overdue.

## Maternal, Infant, and Early Childhood Home Visiting

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### *Final Budget*

The **Final Budget** includes \$3.5 million for the Nurse-Family Partnership Program, a \$500,000 increase compared to last year, and \$26.1 million for the Healthy Families NY Program, an increase of nearly \$3 million over last year to mitigate the impact of minimum wage increases.

### *Background*

Maternal, infant, and early childhood home visiting is available to a very small number of parents with young children in a few areas around the state (see [www.scaany.org](http://www.scaany.org) for county and state detail regarding home visiting need and capacity). A significantly higher investment is needed for New York to serve all communities with families in need and ensure the best health and developmental outcomes for all mothers, infants, and families.

## Child Care

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### *Final Budget*

The **Final Budget** includes a \$26 million increase over last year's child care subsidy funding. The funds consist of \$9 million federal Child Care and Development Block Grant (CCDBG) and \$17 million drawn from TANF funds made available in large part by shifting 10% of costs for NYC family public assistance from the State to New York City. These new funds are expected to raise child care subsidy reimbursement levels (the amount paid to child care providers). The State projects this amount will hold reimbursement rates outside of New York City at the 69th percentile of the new market rate – to be released during April 2019. Total 2019-20 funding for child care subsidies will be approximately \$832 million plus approximately \$97 million in new federal CCDBG funds. In comparison, last year's 2018-19 final budget included approximately \$806 million for child care subsidies, along with approximately \$97 million in new CCDBG funds. Like last year, the Final Budget allocates the new federal funds as follows: (1) up to \$80 million to cover infant and toddler activities and new federal health, safety and quality requirements; (2) at least \$10 million to expand access to subsidized child care; and (3) additional funds may be directed to implementing and increasing subsidy reimbursement rates.

The Final Budget also includes new investment of more than \$2 million to expand the Infant-Toddler Resource Network, which provides critical training and supports to providers serving our youngest New Yorkers, and flat funding at \$5 million for QUALITYstarsNY, the state's quality rating and improvement system. Finally, a total of \$9,988,000 was allocated for the Child Care Facilitated Enrollment Projects, which support subsidies for families with slightly higher incomes (up to 275% of the federal poverty level), representing flat funding compared to last year's allocation.

The State also will launch a child care worker scholarship, create a common application for child care assistance, and require Regional Economic Development Councils to prioritize child care in their 2019 plans.

### *Background*

Currently, the State provides child care subsidies for fewer than 20% of New York families eligible for child care assistance.

The Final Budget's inclusion of \$26 million to raise subsidy reimbursement levels is critical insofar as it keeps child care subsidy reimbursement rates outside of New York City from slipping below the current 69th percentile of the market rate when the new survey is released. (The 75th percentile of the market rate is considered the minimum rate necessary to support quality child care.) What remains an open question is whether, and how, funds will be identified to ensure the reimbursement rate does not fall far below the 69th percentile in any part of the state.

The State failed, again, to make a substantial investment in child care to improve quality and keep child care providers' doors open, parents working, and children learning. Progress is being made on the newly convened Child Care Availability Task Force to develop – and implement – a comprehensive plan to expand access to quality child care for all New York families. Schuyler Center is a part of this Task Force and dedicated to contributing to its work.

## Pre-Kindergarten

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### *Final Budget*

The **Final Budget** adds \$15 million in new funding for pre-K expansion for 3- and 4-year-olds. All districts may apply, with priority for districts without any pre-K services and proposals that target the highest-need schools and students and maximize total number of eligible children served. The budget also includes \$475,000 for the state's first Regional Pre-K Technical Assistance Center, a pilot on Long Island. The enacted budget continues to fund all existing pre-K programs and to consolidate funding streams to sustain services for the future.

### *Background*

More than 80,000 4-year-olds outside New York City do not have access to full-day pre-K. The Executive proposal is a modest step forward, while the Assembly's would have doubled the pre-K expansion in 2019-20 to \$30 million. This expansion would still fall short of the unmet need, but would move the State more rapidly toward meeting its promise to make pre-K truly universal. The Assembly had, for the first time, proposed to add aid for transportation for pre-K, representing a critical step forward in broadening access to early childhood education and pre-K. Without transportation, many children cannot attend a pre-K program, especially in rural and suburban districts, and without aid for transportation, many districts could not afford to provide it.

## Early Intervention

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### *Final Budget*

The **Final Budget** includes a five percent increase in reimbursement rates for certain professionals providing Early Intervention services – occupational therapists, physical therapists, and speech language pathologists. The Final Budget does not include a requirement that private health insurance companies contribute to help cover Early Intervention services, though both houses of the Legislature had included this “covered lives” initiative.

### *Background*

The Early Intervention program provides therapeutic and support services to eligible infants and toddlers, under the age of three, who qualify due to disabilities or developmental delays. Access to timely services is critical when delays are identified, yet data show that one in four children did not receive mandated Early Intervention services within the required time frame. Low provider payment rates, including cuts implemented in 2010 and 2011, have been cited as a reason that providers have ceased to provide services in several areas in the state. Commercial insurance often denies coverage for EI services, so recent proposals have sought to find ways to make providers whole for claims denied by commercial insurance. Estimates suggest the actual amount private insurance companies should be paying for EI services is close to \$45 million.

## Afterschool Programs

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### *Final Budget*

The **Final Budget** includes a restoration of \$5 million to the Advantage After School program, bringing the full investment to \$22.3 million, level with last year's funding, along with \$10.7 million in new funds to support the minimum wage increase.

The Final Budget also increases investment by \$10 million in the Empire State After-School program – with \$2 million reserved for school districts and community-based organizations located in high-risk areas in Nassau or Suffolk County. The other \$8 million is targeted to applicants in school districts with high rates of student homelessness and communities vulnerable to gang activity. With the addition of these new funds, total investment in the program will rise to \$55 million. These funds will allow an additional 6,250 students to engage in afterschool programs.

### *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.

## Juvenile Justice

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### *Final Budget*

The **Final Budget** includes \$200 million for services and expenses related to raising the age of juvenile jurisdiction. Based upon language included in the statute, it is unlikely that New York City will be eligible to receive any of the funding.

The Final Budget fails to restore \$41.4 million in funding to the Close to Home juvenile justice program, cut in last year's Enacted Budget.

### *Background*

In 2017, New York State passed legislation to raise the age of juvenile jurisdiction. The legislation, which is being 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.



## PREPARING FOR THE 2020 CENSUS

## Counting Children in the 2020 Census

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### *Final Budget*

The **Final Budget** includes \$20 million for services and expenses necessary for community outreach to assist in reducing the anticipated undercount in the 2020 federal census.



## Background

The data collected through the decennial Census drives funding and political power. Every year, more than \$53 billion in federal funds is allocated to New York and localities based on Census counts, either directly or through Census population estimates/surveys that in turn rely on the decennial Census. This includes \$6.7 billion for programs that benefit children, such as Medicaid, the Children's Health Insurance Program (Child Health Plus), education grants, Head Start, foster care and child care assistance.

New York experienced a significant undercount in the last Census, including among young children who, for many reasons, are historically undercounted in the Census. Another undercount in 2020 could lead to a significant cut in programs that New York children and families rely upon. It could also lead to a loss of representation for New Yorkers in Congress and beyond, and distorted, inaccurate data. The impacts of an undercount would haunt us for a decade. Schuyler Center had joined child, family, immigrant, social and economic justice organizations from around the state in urging the State to invest at least \$40 million this year to enable trusted community-based organizations to engage New Yorkers across the state to ensure as full and fair a count as possible.



## PUBLIC HEALTH, HEALTH COVERAGE, ACCESS AND CARE

### Health Coverage

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#### Final Budget

The **Final Budget** does not include any funding to expand health insurance coverage to New Yorkers not eligible for existing coverage or who find coverage unaffordable but it does include provisions to codify the NY State of Health Marketplace to protect existing coverage options and establishes a Marketplace Advisory Committee.

#### Background

Efforts at the federal level to destabilize the health insurance market created under the Affordable Care Act have begun to cause an erosion of coverage throughout the country and, even in New York, recent data indicates that coverage for children under age 5 has begun to slip. Protecting existing coverage is essential, but New York should also create opportunities for populations not currently enrolled to have access to health insurance options.

### Lead Poisoning Prevention

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#### Final Budget

The **Final Budget** includes language to lower the definition of elevated blood lead level from 10 to 5 micrograms per deciliter. There is also new language requiring that annual water quality reports include general information regarding lead pipes reasonably known to be located within the water system.

The budget also include \$6.8 million for the additional work created by the lowering of the definition of elevated blood lead levels.

#### Background

Lead poisoning is preventable. In the United States, the major source of lead is exposure to lead-based paint and lead-contaminated dust found in older buildings. There is no safe level of lead and the CDC recommends public health interventions for blood lead levels greater than 5 micrograms of lead per deciliter of blood. With the Legislature's rejection of the cut to NYC's General Public Health Works, there would need to be a different source of funding for this initiative. County governments have indicated they support lead poisoning prevention and remediation, but need resources to undertake the work.

## Public Health

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### *Final Budget*

The **Final Budget** reduces reimbursement for the General Public Health Work (GPHW) program for New York City from 36% to 20% for non-emergency expenses above the base rate. The total reduction is \$27 million in fiscal year 2020 and \$54 million when fully annualized.

### *Background*

Public health programs maintain the health of populations and provide important services, such as maternal and child health programs, teen pregnancy prevention, tobacco control and disease prevention.

## Adult Homes

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### *Final Budget*

The **Final Budget** includes \$48 million for supportive housing opportunities and supports for individuals with mental illness transitioning out of adult homes.

### *Background*

Following a class action lawsuit, up to 4,500 adult home residents with mental illness were promised an opportunity to move out of institutional settings into independent community apartments, with the ongoing supports they need to successfully transition from institutional to community living.

Should New York State consider increasing the SSI/SSP payment going to adult home operators, the State should also increase the portion for residents. In addition, the State should ensure that increases for adult home operators are required to be spent on improving conditions. In New York City's 20 large "transitional" adult homes, operators spend less than \$3.20 *per resident, per day* on food. Low-income adult home residents on SSI/SSP receive \$204 as a personal needs allowance per month, the equivalent of about \$6.80 per day. This amount has not gone up in ten years.

## Consumer Assistance for Health Insurance

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### *Final Budget*

The **Final Budget** funds the consumer assistance program (CHA) at \$3.9 million.

### *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 \$8 million.

## Population Health Improvement Program

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### *Final Budget*

The **Final Budget** restores funding for the population health improvement program.

### *Background*

A component of New York's health system reform, the PHIP promotes the "Triple Aim" of better care, lower health care costs, and better health outcomes by contracting with entities in each region of the state. The contracted PHIP agencies in each region bring together a variety of stakeholders that impact, or are impacted by, health and health care issues and establish neutral forums for identifying, sharing, disseminating and helping implement best practices and strategies to promote population health and reduce health care disparities in their respective regions.

## Health Workforce Data

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### *Final Budget*

The **Final Budget** does not include any provisions for expanding health workforce data to inform and improve health planning and access.

### *Background*

This policy would collect and make available data about the state's health professionals to inform workforce planning. It would require health professionals, except physicians, to complete a brief survey as part of their triennial re-registration process. Reportable information would include demographics, education and practice characteristics. It would apply to some 40+ categories of licensed health professions. As the State aims to lower health care costs and improve outcomes, reliable workforce data can facilitate better assessments of the adequacy of workforce supply in relation to demand both now and in the future. The information, in de-identified, aggregate form, would be available publicly.