



## A Summary Analysis of New York City Preliminary Budget for Fiscal Year '06 in the January 2005 Financial Plan

A rebounding economy and stronger revenue forecast is beginning to pay off for children. CCC's analysis of the Mayor's early budget proposals and revenue forecast for FY'06 contained in the 2005 January Financial Plan finds that children are better positioned at the sounding bell of budget negotiations than they have been in several years. We are heartened by many of the Mayor's priorities and pleased that many City Council initiatives and restorations for children's services have been baselined in the Mayor's Preliminary Budget proposal.

Despite notable gains for children, the Preliminary Budget proposes approximately \$141 million in cuts to children's services. We urge the Mayor to rethink these budget proposals and fully fund core children's services in the FY'06 Executive Budget. Failing that, we will again ask the City Council to protect vital services for children and families in the FY'06 Budget.

### ADMINISTRATION FOR CHILDREN'S SERVICES

| Program                                                 | Proposed Cuts CTL* FY06 |         | Proposed Adds CTL FY06 |               |
|---------------------------------------------------------|-------------------------|---------|------------------------|---------------|
|                                                         | Not Baselined           | New Cut | Baselined              | New Add       |
| Preventive Services                                     |                         |         | \$7.8 million          | \$4.7 million |
| Foster Care Board and Care Rates                        |                         |         | \$11.8 million         | \$7 million   |
| Substance Abuse Programs for Foster Care Youth          | \$2.6 million           |         | \$5 million            |               |
| Life Skills Training                                    |                         |         | \$500,000              |               |
| DoEd Specialized School Placement for Foster Care Youth |                         |         |                        | \$3.8 million |
| After Care Services                                     |                         |         |                        | \$4.7 million |
| Child Care Slots                                        | \$10 million            |         | \$9 million            |               |
| Quality Child Care Slots                                |                         |         |                        |               |
| Fees for Working Parents                                |                         |         | \$1.9 million          |               |
| School Age Child Care Restructuring                     | \$15 million            |         |                        |               |
| Day Care Worker Contract                                |                         |         |                        | \$20 million  |

### DEPARTMENT FOR YOUTH AND COMMUNITY DEVELOPMENT

| Program                                                | Proposed Cuts CTL FY06 |         | Proposed Adds CTL FY06 |         |
|--------------------------------------------------------|------------------------|---------|------------------------|---------|
|                                                        | Not Baselined          | New Cut | Baselined              | New Add |
| Youth Development and Delinquency Prevention           |                        |         | \$10 million           |         |
| Beacons                                                | \$8.1 million          |         |                        |         |
| After-3 Program                                        |                        |         | \$2.5 million          |         |
| City Council Discretionary Youth Funds                 | \$5.2 million          |         |                        |         |
| Miscellaneous Youth Programs                           | \$3.9 million          |         |                        |         |
| Drug Prevention, Runaway and Homeless Youth, Youthlink | \$863,000              |         |                        |         |
| Summer Youth Employment                                | \$11.4 million         |         |                        |         |

\* City Tax Levy (CTL)

**DEPARTMENT OF EDUCATION**

| Program                             | Proposed Cuts CTL FY06 |         | Proposed Adds CTL FY06 |         |
|-------------------------------------|------------------------|---------|------------------------|---------|
|                                     | Not Baselined          | New Cut | Baselined              | New Add |
| Teachers' and Principals' Choice    | \$16 million           |         |                        |         |
| Reduce Class Size in the Grades K-3 | \$10 million           |         |                        |         |

**DEPARTMENT FOR HOUSING PRESERVATION AND DEVELOPMENT**

| Program                               | Proposed Cuts CTL FY06 |         | Proposed Adds CTL FY06 |         |
|---------------------------------------|------------------------|---------|------------------------|---------|
|                                       | Not Baselined          | New Cut | Baselined              | New Add |
| Anti Eviction and SRO Legal Services  | \$2.5 million          |         |                        |         |
| City-Wide Task Force on Housing Court | \$350,000              |         |                        |         |

**OFFICE OF THE CRIMINAL JUSTICE COORDINATOR**

| Program                              | Proposed Cuts CTL FY06 |         | Proposed Adds CTL FY06 |         |
|--------------------------------------|------------------------|---------|------------------------|---------|
|                                      | Not Baselined          | New Cut | Baselined              | New Add |
| Legal Services for Working Poor      | \$402,000              |         |                        |         |
| Anti Eviction and SRO Legal Services | \$2.75 million         |         |                        |         |

**DEPARTMENT OF JUVENILE JUSTICE**

| Program                      | Proposed Cuts CTL FY06 |         | Proposed Adds CTL FY06 |         |
|------------------------------|------------------------|---------|------------------------|---------|
|                              | Not Baselined          | New Cut | Baselined              | New Add |
| Community Based Intervention | \$500,000              |         |                        |         |

**DEPARTMENT OF HEALTH AND MENTAL HYGIENE**

| Program                                    | Proposed Cuts CTL FY06 |                | Proposed Adds CTL FY06 |         |
|--------------------------------------------|------------------------|----------------|------------------------|---------|
|                                            | Not Baselined          | New Cut        | Baselined              | New Add |
| Infant Mortality                           | \$2.8 million          |                |                        |         |
| School Based Health Clinics                | \$536,000              |                |                        |         |
| Summer School Nurses                       | \$2.5 million          |                |                        |         |
| Public and Private School Nurses           |                        |                | \$4.7 million          |         |
| Asthma Control Initiative                  | \$445,000              |                |                        |         |
| Early Intervention                         |                        | \$34.5 million |                        |         |
| Mobile Dental Van for Underserved Children | \$268,000              |                |                        |         |

**HEALTH AND HOSPITALS CORPORATION**

| Program                                      | Proposed Cuts CTL FY06 |                | Proposed Adds CTL FY06 |         |
|----------------------------------------------|------------------------|----------------|------------------------|---------|
|                                              | Not Baselined          | New Cut        | Baselined              | New Add |
| Adolescent Substance Abuse Treatment         | \$1.55 million         |                |                        |         |
| Outpatient Pharmacies and Medication Waivers | \$1.25 million         | \$1.15 million |                        |         |
| Mental Health Treatment for Children Under 5 | \$670,000              |                |                        |         |
| Child Health Clinics                         | \$5.3 million          |                |                        |         |

**HUMAN RESOURCES ADMINISTRATION**

| Program                       | Proposed Cuts CTL FY06 |         | Proposed Adds CTL FY06 |         |
|-------------------------------|------------------------|---------|------------------------|---------|
|                               | Not Baselined          | New Cut | Baselined              | New Add |
| Legal Assistance for the EITC | \$765,000              |         |                        |         |
| Food Pantries                 | \$670,000              |         |                        |         |

**TOTALS**

| Program | Proposed Cuts CTL FY06 |                | Proposed Adds CTL FY06 |                |
|---------|------------------------|----------------|------------------------|----------------|
|         | Not Baselined          | New Cut        | Baselined              | New Add        |
| ALL     | \$105.7 million        | \$35.7 million | \$48.5 million         | \$40.2 million |



## Securing Every Child's Birthright

### Too Many Children Face a Future Where Achievement and Economic Security Are Out of Reach

Sadly, too many New York City children still face a future where achievement and economic security are out of reach. *Securing Every Child's Birthright* is a new CCC community education and outreach campaign to harness the power and commitment of New Yorkers to ensure that every child is healthy, housed, educated and safe. The campaign champions bold policies and initiatives to address barriers to economic, housing and developmental security that stand in the way of a productive future.

As revenue projections come in higher than anticipated, the Mayor and the City Council have the opportunity to build on effective economic development initiatives like the New York City Earned Income Tax Credit, to chart a new course for the future. *Securing Every Child's Birthright* offers new thinking about old problems, and challenges policymakers and fellow New Yorkers to -think big- about public amenities, public services and public benefits that can create structural and lasting improvements for New York City children. *Securing Every Child's Birthright* can be phased-in beginning in FY'06 as the down-payment on a multi-year approach to ensure that every New York City child is healthy, housed, educated and safe.

#### ECONOMIC SECURITY

##### **\$22 million: Create a New York City Child and Dependent Care Credit (CDCC)**

Create a New York City Child and Dependent Care Credit (CDCC) for working families that now purchase care for children or adult dependents. State and federal Child and Dependent Care Credits (CDCC) already help families offset the cost of child or dependent care but more assistance is needed to reduce out-of-pocket costs and support employment. A New York City Child and Dependent Care Credit set at 10 % of the New York State credit would provide a maximum credit of \$98.00 annually to eligible families. Allocate \$22 million for a New York City CDCC to serve 225,000 eligible households.

##### **\$1 million: Facilitate Filing for the NYC Earned Income Tax Credit**

Allocate funding to enable community-based organizations to provide outreach and application filing assistance to 800,000 eligible households, for the federal, state and New York City EITCs. Together, the federal, state and New York City EITCs can increase household income by as much as \$5600 annually.

##### **\$35 million: Raise the New York City Earned Income Tax Credit (EITC)**

The New York City Earned Income Tax Credit supports work and provides tax relief to low-wage earners by offering a tax credit to 800,000 working families. Build on the NYC EITC by raising it to 7% of the federal EITC, increasing the maximum tax refund for NYC-EITC filers to \$301 annually.

## **DEVELOPMENTAL SECURITY**

**\$11 million: Establish a Newborn Home Visiting Program for First Time Parents.** Expand the NYCDOHMH Newborn Home Visiting Program to reach all New York City infants born to first-time parents. First-time parents will receive a home visit following the infant's birth to address issues of baby care and safety (including window guards), provide information on health insurance, pediatric care providers, early care and education opportunities, tax credits, supplemental food programs and other community resources that will support family life, healthy child development and assist parents returning to work. The DOHMH program costs \$200 to serve each family with a newborn and reaches only 3,000 of the 54,000 New York City infants born to first-time parents. Expand the Newborn Home Visiting Program this year at a cost of \$11 million, split 50%-50% by New York City and New York State.

**\$47 million: Expand Early Care and Education Opportunities for Children 0-3**

Add 5,000 slots in center-based and ACS contracted family child care network programs for young children age 0-3 years. New York City's regulated child care system now serves only 7,200 of over 23,000 eligible infants and toddlers whose parents need and are likely to use care (30% take-up rate for 77,000 eligible 0-3 year olds). Phase-in an expansion of 15,800 regulated child care slots for 0-3 year-olds. In Year 1, add 5,000 slots for young children at a cost of \$12,500 per infant/toddler slot in a center-based program and \$6,120 per infant/toddler slot in an ACS contracted family child care network program. To accommodate the special needs of infants and toddlers, the city should also develop a pool of capital conversion funds to retrofit existing child care classrooms and convert them for use by young children 0-3 years.

## **HOUSING SECURITY**

**Create a New York City Affordable Housing Trust Fund**

Increase the production of affordable housing units in New York City, where 22.7% of renters have severe affordability problems and spend more than 50% of their income on rent and 14.3% of homeowners spend more than 60% of their income on housing costs. An Affordable Housing Trust Fund would offer: a dedicated pool of funds to provide grants and loans for new construction, renovation and preservation projects; project-based rent subsidies; and, low interest loans to first-time homebuyers. Possible sources of revenue for the New York City Affordable Housing Trust Fund include: Battery Park City surplus funds; a mortgage recording tax on co-ops; and revenue generated from new municipal capital projects, among other sources.

**\$21.8 million: Create a Housing Security Program for Working Families**

Assist working families who spend more than 50% of their income on housing with rent subsidies or mortgage assistance. Modeled on the federal Section 8 program, eligible families earning up to 80% of Area Median Income (\$45,126 family of three) would pay 30% of their adjusted income on rent/mortgage, with the Housing Security Program subsidy covering the difference in their housing costs, up to the Fair Market Rent (set annually by HUD). Families must be working to receive Housing Security subsidies. The maximum subsidy would total \$725 per month or \$8700 annually per family the first year, with the amount of subsidy decreasing as income increases. A total of 60,000 New York City families would be eligible for this program. In Year 1, phase-in the Housing Security Program and serve 5,000 working families at a cost of \$43 million, split 50%-50% by New York City and New York State.

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