



SFY07-08 State Adopted Budget Highlights

The New York State Legislature and Governor reached a budget agreement on March 30th – the state fiscal year 07-08 budget puts forward a \$120.9 billion plan and increases overall spending by 7.3%. The budget is supported with \$51.6 billion in state general funds and proposes slower growth in state spending (4% compared to 10% last year).

Revenue Sharing:

The state budget agreement reduces the risks to New York City on the revenue side of the budget. Specifically it provides New York City with \$20 million in municipal aid in SFY07-08 and reductions in municipal aid will be fully restored to \$328 million in the out years – beginning in SFY08-09. In doing so, the budget agreement reduces the amount of revenue lost by the city in the coming year, and protects state-county revenue sharing obligations in the out years.

Education

The state budget agreement increases education aid for SFY07-08 by \$1.76 billion bringing total statewide education spending up to \$19.64 billion. The education agreement creates a new foundation aid formula that targets resources to school districts most in need and sets new accountability standards for districts. The agreement also includes a four year increase in Foundation Aid of approximately \$5 billion, which essentially codifies into law the CFE settlement.

New York City will receive \$715 million in new state aid for the 2007-2008 school year.

The budget agreement also mandates that New York City commit \$2.2 billion in increased spending by 2011, which is linked to the state's implementation of foundation aid increases.

New York City's contribution must be targeted in ways that will support educational programs with priority placed on class size reduction within five years targeting low performing and overcrowded schools.

The budget agreement also lifts the cap on charter schools to 200 (up from 100) of which 50 will go to New York City.

Early Education

Universal PreKindergarten

The state budget agreement adds \$145.9 million statewide to UPK (\$46.9 million above the Governor's Executive Budget proposal) and brings total statewide UPK resources to \$437 million.

New York City will benefit from an additional \$60 million in UPK resources.

Per child rates for UPK were held harmless and were not reduced. New UPK funds can ONLY be used to support ½ day UPK for four year olds and cannot be used to support full day UPK for four year olds or ½ UPK for three year olds.

Preschool Special Education

The state budget agreement establishes a Temporary Task Force on Preschool Special Education.

Health

The state budget agreement expands health insurance coverage and streamlines enrollment and recertification for Medicaid and Family Health Plus. It expands health insurance coverage to 400,000 uninsured children in New York State at a cost of \$165 million over two years for an expansion of the Child Health Plus program. It streamlines enrollment for 900,000 Medicaid-eligible adult New Yorkers.

The state budget agreement includes \$200 million in primary and preventive initiatives including: new funding for prenatal and postpartum home visitation programs in at-risk communities, body mass index screening for school children, and new investments in public health programs combating cancer, diabetes, obesity, asthma and other diseases.

Provides \$600 million to health care providers serving the largest number of Medicaid beneficiaries – with more than \$100 million going to hospitals serving the largest number of Medicaid patients. The state budget agreement also restores funding for community health centers, family planning, prenatal providers and various dental clinics; adds \$675,000 to school-based health services; and establishes a pilot program for childhood lead poisoning prevention in high risk areas.

Mental Health

The state budget agreement maintains full funding for Achieving the Promise children's mental health initiative and the 330 home and community based waiver slots.

The state budget agreement includes several additions:

- \$350,000 to enhance rates for children's day treatment programs
- \$1 million to develop a public awareness and education campaign focused on suicide prevention among young Latinas and elderly Asian women
- \$2 million to promote best practices in the delivery of culturally and linguistically competent mental health services

The state budget agreement rejects a proposal that would have eliminated loopholes in private insurance coverage for EI services.

Child Care

The state budget agreement funds the state Child Care Block Grant (CCBG) at \$862 million. This includes \$506 million in CCBG and \$356.3 million in TANF funds shifted from the Flexible Fund for Family Service (FFFS) to the state CCBG. The entire child care allocation is \$4.3 million higher than the FY07 expenditures on child care.

In addition the state budget agreement transfers TANF funds to the following programs:

- \$3.4 million to SUNY/CUNY child care
- \$1.75 million for migrant worker child care
- \$11 million for facilitated enrollment – child care demos

The state budget agreement also provides general funds support for child care including:

- \$4 million for worker retention child care
- \$2.032 to child care resource and referral agencies

Child Welfare

The state budget agreement extends child welfare financing (the foster care block grant and open-ended 65%/35% reimbursement for protective, preventive, adoption and independent living services) for two years.

The budget also includes funds to annualize COLAs in the following three areas:

- \$36.3 million for foster parent rates
- \$4.8 million for preventive services COLA
- \$1.57 million to support 100% of the MSAR for congregate care providers

The state budget agreement established performance based contracting for preventive services – requiring that all direct or contract preventive services include performance or outcome based provisions and allowing the state to leverage fiscal penalties on localities that fail to do so. The budget agreement allows OCFS to waive implementation

requirements for districts that have current contracts extending past 1/2008 that cannot be amended. The budget agreement requires OCFS to report to the Governor by 1/2009 on implementation of performance based contracting.

The state budget agreement reduces the allocation supporting the new Medicaid waiver being designed to enhance services for foster children with multiple needs, by approximately \$1.5 million. The savings are attributed to the timing of the waiver implementation and should not negatively impact services provided to foster children.

Juvenile Justice

The state budget agreement includes a total of \$20 million for detention alternatives, evidenced based community initiatives and other programs designed to divert youth from state placement.

The state budget agreement also includes a total of \$4.4 million to support 218 direct staff for OCFS facilities, which will include 182 front line child care staff and 36 mental health professionals.

The state budget agreement adds \$500,000 to double the number of staff in the OCFS Ombudsman's Office from five to ten. Enacted Article VII legislation also codifies the Ombudsman's Office and requires that the Ombudsman report directly to the Commissioner.

The state budget agreement allows OCFS to reduce or increase a county's claim for reimbursement for a prior year based on a review of actual expenditures for care and supervision for youth in detention facilities. This process allows OCFS to retroactively address either over or underpayment of state aid to counties for detention services offered in prior years. New York City is expected to owe \$6 million in SFY08 and potentially more in the out years.

The state budget agreement closes only two of three underutilized or vacant community residential homes – the closures were designed to align detention bed capacity with census decreases and allow OCFS to expand the availability of detention alternatives in local communities.

Family Court

The state budget agreement did not increase the number of family court judges.

Youth Services

The state budget agreement includes the following TANF investments for youth services:

- \$35 million for SYEP outside of the FFFS.
- \$28.2 million for Advantage after-school programs outside of the FFFS.

Additional support for youth services includes:

- \$32.2 million for Extended Day/ Violence Prevention which maintains funding
- \$29.4 million for Youth Development and Delinquency Prevention which represents a \$1 million increase
- \$6.8 million for Runaway and Homeless Youth which represents a \$500,000 increase
- \$15.5 million for 21st Century Community Learning Centers which offsets federal reductions in cohort 1 programs.
- \$9.3 million for Special Delinquency Prevention programs which maintains funding

Income Support

The state budget agreement includes a Flexible Fund for Family Services (FFFS) at \$654 million in TANF.

The state budget agreement allocates \$580 million in TANF funds outside of FFFS. \$356.3 million is for child care subsidies and is shifted to the state Child Care Block Grant. The remaining \$224 million is spent on a wide range of child and family supports including youth services, homelessness prevention, supportive housing, employment services and others:

TANF allocations outside of the FFFS that support education, training and employment and family supports include:

- \$8.3 million transportation
- \$3 million non-residential domestic violence services
- \$21.6 million home visiting
- \$12.5 million food pantries
- \$12.1 million pregnancy prevention
- \$7.3 million adolescent pregnancy prevention
- \$5 million WIC
- \$6.5 million BRIDGE
- \$4.0 million wage subsidy program
- \$2 million language immersion and ESL
- \$1 million adult literacy
- \$1.5 million VESID
- \$1 million basic education
- \$14 million intensive case management

Housing and Homelessness

The state budget agreement allocates TANF resources outside of the FFFS for the following programs:

- \$5 million in supportive housing programs for families
- \$1 million for emergency homelessness programs
- \$4 million for homeless assistance programs

Food

The budget agreement provides \$500,000 for a "Pride of New York" Wholesalers Market in New York City for upstate farmers to connect to downstate markets. The funds will support the design phase of the project.