



Summary of State FY 2011-2012 Adopted Budget (As Compared to CCC's State Budget Priorities)

Last week, Governor Cuomo signed into law the \$132.5 billion New York State Budget for Fiscal Year 2011-2012, which began on April 1, 2011. This Budget includes a \$10 billion reduction in spending, much of which is borne by New York's children.

Despite the spending reductions being profound, there are several critical policy areas that were ameliorated in the final budget, including:

- The Primary Prevention Incentive Program (PIIP) was rejected.
- Local detention and alternatives to detention and incarceration are funded with \$76.3 million in state matching funds and an additional \$8.2 million is available for ATD/ATI programs. The State will be reducing its juvenile placement facility capacity by 376 beds and the budget provides for 60 days notice to close a facility, rather than the 12-month notice currently in law.
- The reformulation of state building aid was rejected and school improvement and construction plans are expected to remain on track, which will help efforts to address overcrowding and reduce class size.
- In a move toward managed care, all behavioral health services will be managed, approved, and coordinated through Regional Behavioral Health Organizations.
- The proposal to enact a full family sanction for public assistance cases was rejected.
- The 10% across the board cut to Early Intervention services was reduced to a 5% percent reduction.
- The State's \$15.5 million for the Summer Youth Employment Program (SYEP) was fully restored.

A detailed analysis how CCC's budget and legislative priorities fared in the State's Adopted budget is provided below.

Child Welfare

- **CCC:** Support preserving 62% state matching reimbursement for child protective, preventive, independent living and adoption administration, but recommend returning to the statutory reimbursement level of 65%.
- **Result:** The Adopted Budget preserves the 62% match.

- **CCC:** Oppose reducing the state's adoption subsidy match from 73.5% to 62% (from what had been a 75% state match). This proposal reduces the state's commitment to children adopted from foster care.
- **Result:** The Executive Budget proposal was adopted. The Adopted Budget enacts a reduction in adoption subsidy match (from 73.5% down to 62%).

- **CCC:** Oppose eliminating all state support for children in special education placements (Committee on Special Education Placements).
- **Result:** The Executive Budget proposal was partially ameliorated. The legislature restored \$34.6 million for 18.4% State support for both in-state and out-of-state CSE placements. (State support used to be 36.8%.)

- CCC: Oppose failing to include a state match for subsidized kinship guardianship, which becomes effective April 1, 2011. Recommend developing a state match for subsidized kinship guardianship akin to adoption subsidy and funded outside the foster care block grant.
- Result: Adopted Budget provides funding for the Kinship Guardianship Assistance program out of the Foster Care Block Grant on a one-year pilot basis.

- CCC: Oppose eliminating programs that prevent foster care placement including \$2 million for Nurse-Family Partnership and \$6 million for preventive contracts such as post-adoption services (formerly funded with TANF-resources).
- Result: The Legislature partially restored funding for some TANF-funded programs. Nurse-Family Partnership received \$0 (down from \$2 million) and preventive contracts received \$610,000 (down from \$6 million). A full chart of TANF initiatives and new funding levels can be found at the end of this document.

- CCC: Oppose eliminating all state support for sexually exploited youth by cutting the \$3 million allocated to the implementation of the Safe Harbor Act.
- Result: Adopted Budget eliminates all of state funding for the Safe Harbor Act.

Early childhood education

- CCC: Support maintaining the \$393 million funding commitment for child care subsidies and funding it outside the Flexible Fund for Family Services (FFFS). Oppose reducing overall child care support by \$55 million due to loss of TANF-funded programs and the ARRA funding. Recommend increasing state support for child care to keep up with increasing costs so that counties are not forced to cut child care subsidies from low-income working families.
- Result: Adopted Budget maintains funding levels for the child care block grant. Total funding for FFFS is reduced by \$9 million (which will not impact child care). Legislature restores \$4.9 million for SUNY/CUNY child care and child care demonstration projects. Federal stimulus funding has ended.

- CCC: Support maintaining funding for Universal Pre-Kindergarten (UPK) at \$393 million, but recommend allowing counties the flexibility to use funds for full day UPK.
- Result: Funding for UPK maintained.

- CCC: Oppose increasing the fee for child abuse and neglect background checks from \$5 to \$60, and eliminating the fee exemption for child care providers who must get these checks bi-annually. This fee increase for low-income child-serving providers is one of the only revenue-raising proposals in the Executive Budget.
- Result: Fee exemption for child care providers is eliminated. Legislature modified the proposal to raise the fee from \$5 to \$25 (rather than \$60) and restored \$7.1 million for this purpose.

- CCC: Support allowing local social service districts to access food stamp employment and training funding (FSET) to support eligible child care expenses.
- Result: This provision passed in the budget and now requires federal approval.

Education

- **CCC:** Oppose decreasing School Aid by \$1.5 billion, or 7.3%, year-to-year. This reduction undermines the implementation of the Campaign for Fiscal Equity's settlement.
- **Result:** The Legislature restored \$230 million of the Governor's proposed \$1.5 billion cut, for a total of \$19.6 billion in School Aid for the 2011-2012 school year.

- **CCC:** Recommend targeting the \$500 million competitive grants for school district performance and efficiency to initiatives proven to retain teacher positions, prevent increases in class size, and improve quality instruction in the classrooms throughout the state.
- **Result:** The Legislature adopted the creation of the 2 new grant programs for a total of \$500 million and modifies the program to be multi-year, starting in SFY 2012-2013, with \$50 million to be disbursed in the SFY 2012-2013. The Legislature also modified some of the criteria for school districts to be awarded the grant funding.

- **CCC:** Support increasing state support to supplement federal funding for the School Lunch and Breakfast Program and the Summer Food Program by \$800,000, for a total of \$36 million.
- **Result:** Adopted in the Budget.

- **CCC:** Oppose reformulating building aid, as it would negatively impact school construction and improvement projects, overcrowding and class size.
- **Result:** Legislature rejected this proposal and it was not adopted in the budget.

Health And Mental Health

- **CCC:** Recommend ensuring that Medicaid Redesign results in health care coverage options that protect and address the specific health and mental health care needs of children, including children currently covered by Medicaid, Child Health Plus, and Family Health Plus; children served by waiver programs due to fragile health, behavioral health, and/or developmental disability; and children in foster care.
- **Result:** No timeline for foster children or children in waiver programs to move into managed care adopted in the budget. Steps taken in Medicaid Redesign to protect children's health and behavioral health needs.

- **CCC:** Recommend establishing a children's work group to inform whether and how to implement managed care for special populations of children, including children with serious emotional disturbance, children participating in waiver programs, and children in foster care. Recommend that if special populations of children are required to enter managed care plans, benefit packages meet their complex health and behavioral health needs. (Medicaid Redesign Proposal #1458)
- **Result:** Adopted Budget does not mandate the transition of special populations of children to Medicaid Managed Care and does not adopt any timeline for children to transfer in to Medicaid Managed Care. The Budget says that special populations of children may be required to enroll in managed care when the program features and reimbursement rates are approved by the Commissioners of Health, Mental Health, Persons with Developmental Disabilities, Children and Family Services and Alcohol and Substance Abuse Services as appropriate. Workgroups were not established through the budget process.

- CCC: Oppose creating co-payments for Child Health Plus B. (Medicaid Redesign Proposal #104)
- Result: The Legislature rejected this proposal that would have increased co-payments for Medicaid and Family Health Plus and instituted a co-payment for Child Health Plus (and restored \$7.5 million).

- CCC: Support establishing interim regional Behavioral Health Organizations to manage carved out behavioral health services. (Medical Redesign Proposal #93) Recommend developing a child and adolescent specific Behavioral Health Organization that would address the multiple needs and service integration issues of children and adolescents.
- Result: Legislature adopted the proposal to implement regional BHOs to manage, approve and coordinate the care for behavioral health services.

- CCC: Support enabling DOH, OMH, OASAS and OPWDD facilities to add services licensed by another agency to facilitate the integration of physical, behavioral and developmental services. (Medicaid Redesign Proposal #1021)
- Result: This proposal was rejected and not included in the Adopted Budget.

- CCC: Oppose developing utilization controls on behavioral health clinic visits for children where reimbursement rates would decrease from 100% to 75% to 50% of the rate depending on the number of visits. Utilization controls are particularly harmful to children because collateral contacts with parents, teachers, and significant individuals in a child's life are billed as visits under children's Medicaid. (Medicaid Redesign Proposal #26)
- Result: The Legislature accepted the proposal to authorize the State to implement behavioral health utilization controls.

- CCC: Oppose lifting prescriber prevails protections as medications are not necessarily clinically interchangeable and prescribers must be able to select the most appropriate, clinically indicated medications for their patients. (Medicaid Redesign Proposal #15, attachments E and H)
- Result: The Legislature rejected this proposal and restored \$30 million to maintain, “provider prevails” under Medicaid fee-for-service.

- CCC: Oppose changing policies and reimbursement rates related to Early Intervention Services (such as the 10% across the board reduction and requiring providers to bill Medicaid directly). Recommend allowing programmatic and rate reforms enacted in SFY10-11 to have a chance to produce savings.
- Result: The Legislature rejected many of the proposals related to Early Intervention in the Adopted Budget. The 10% across the board cut reduction in EI rates was reduced to 5% (\$5.5 million restored). The provision to require EI provider to bill Medicaid directly was rejected (and \$500,000 restored) and the proposal to maximize commercial insurance coverage was also rejected.

- CCC: Recommend reinvesting the savings from restructuring Child and Family Clinic-Plus into pediatric screening and children's mental health treatment.
- Result: This proposal was not adopted. The money cut from Child and Family Clinic-Plus was not reinvested into children's mental health screening or treatment.

- CCC: Oppose eliminating family-based treatment program beds that are serving children with mental illness.
- Result: The Adopted Budget eliminated the family-based treatment program beds.

Other:

- The Legislature provided \$800,000 to exempt pediatric nursing homes from a trend factor reduction.
- The Legislature accepted the proposal to authorize and expand upon a study, required by the federal government, to determine the actual costs of school and pre-school supportive health services and related transportation costs incurred by school districts and counties.
- The Legislature rejected the provisions that would have authorized pharmacists to administer routine immunizations.
- The Legislature approved the plan to convert Brooklyn Children's Psychiatric Center from a children's psychiatric hospital to a community-based program for children with serious emotional disturbances.
- The Legislature temporarily changed the 12-month notification required for mental health facility closures, consolidations, and service reductions to 30 days for closing a ward and 60 days to close a facility.
- The Legislature created a state indemnity fund to pay the medical costs for neurologically impaired infants.

Housing and Homelessness

- CCC: Oppose eliminating programs that prevent homelessness including \$1 million for the Supplemental Homeless Intervention Program, \$2.5 million for Supportive Housing for Families, and \$125,000 for Emergency Homeless Services (formerly funded with TANF resources).
- Result: The Legislature restored \$205,000 for the Supplemental Homeless Intervention Program, \$508,000 for Supportive Housing for Families and Youth, and \$176,000 for Emergency Homeless Services. The Legislature also approved the proposal to consolidate the funding for 4 other homeless housing support programs and appropriated \$25.9 million for these programs (Homeless Intervention Program, Homelessness Prevention Program, SRO, and Operational Support for AIDS Housing.)
- CCC: Oppose eliminating the state's share of funding for shelter supplements (\$35 million) for families in permanent housing through the New York City Work Advantage Program.
- Result: The Legislature allocated \$15 million for a "new program" for the homeless in New York City.

Income Support

- CCC: Oppose enacting stricter Public Assistance work requirement sanctions that, upon a parent's second infraction, close and terminate the entire family's case until the parent complies, and, upon a third infraction, close and terminate the entire family's case until the parent complies, followed by a six-month pro rata sanction.
- Result: The Legislature rejected this full family sanction proposal and restored \$7.4 million.
- CCC: Oppose restructuring Temporary Assistance for Needy Families (TANF) financing by funding Family Assistance with federal dollars previously used to fund other services for families and children. Oppose restructuring Safety Net (SN) financing by increasing local contributions from 50% to 70%, leaving counties with higher costs in the out-years as SN caseloads are projected to grow.
- Result: The Legislature approved this proposal and used an additional \$15 million anticipated from State Safety Net savings to make restorations.

- CCC: Oppose delaying the implementation of the public assistance grant increase.
- Result: The Adopted Budget delays implementation of the third phase of the public assistance grant increased from July 1, 2011 to July 1, 2012.

Judiciary

- CCC: Recommend increasing the number of Family Court Judges statewide and in New York City.
- Result: The Adopted Budget did not increase the number of Family Court Judges. In addition, the Judiciary budget was cut by \$170 million (\$70 million more than the Judiciary's proposal). The result is anticipated layoffs throughout the court system.

Juvenile Justice

- CCC: Support downsizing the juvenile justice facility capacity by eliminating unused beds and eliminating the 12-month waiting period rule. Recommend facility closure decisions a) ensure youth can be placed close to their homes and b) maintain the array of facility types (secure, limited secure and non-secure) so downsizing does not result in a cost-shift to the counties given state law currently provides reimbursement for private placements through the capped foster care block grant.
- Result: The Adopted Budget approves the Executive proposal to reduce the system by 376 beds. The Legislature does not eliminate the 12-month waiting period, but provides for 60 days notice this fiscal year only. The Legislature also provides a list of criteria to be used by OCFS in determining facility closures, including how close the facilities are to where the children live.
- CCC: Support increasing state support for more cost-effective community-based alternative to detention and incarceration programs through the development of the Supervision and Treatment Services for Juveniles Program. Recommend that the state make this funding stream permanent and open-ended so that counties can rely on state support. Recommend modifying the proposal in the first year so that counties are able to access the funds without a match and develop new and expand existing programs before the capped detention block grant is in effect.
- Result: The Adopted Budget increases the amount of resources available for detention to \$76.3 million (from a proposed \$30 million) and allows counties to also use this funding for alternatives to detention and incarceration. The county match is 32%. The Adopted Budget also restores \$8.2 million for alternatives to detention (of which \$500,000 is for Vera to develop a Risk Assessment Instrument). Counties are able to access this funding for I without a match in the first year (match is 32% after this fiscal year). Judges that place low and medium risk youth in detention will need to explain why in their court orders. The funding for alternatives can be used to prevent PINS placements. PINS children can be detained in foster care in all counties (currently only available in NYC.)
- CCC: Oppose eliminating cost-effective services that keep youth out of the juvenile justice system, such as home visiting programs, after school programs, runaway and homeless youth services and the Summer Youth Employment Program.
- Result: The Legislature restored or partially restored many of these programs. Please see the PPIP and Youth Services sections for more details.

Primary Prevention Incentive Program (PIIP)

- **CCC:** Oppose creating the Primary Prevention Incentive Program (PIIP), which reduces funding for programs, such as homevisiting, after school programs, and runaway and homeless youth services, that have historically produced good outcomes for children by preventing foster care and juvenile justice involvement. The PIIP cuts state funding in half and requires a county match to access funds as reimbursement is 62% state / 38% local, saving the state \$35 million in SFY 11-12.
- **Result:** The Adopted Budget rejects the creation of the PIIP (so there is no competitive block grant and no new state match.) Except for home visiting, which was fully restored to meet the criteria for federal funding, 50% of the funding was restored for the programs impacted by the PIIP. Please see the chart below:

Program	SFY 10-11 Funding	SFY 11-12 Funding/Restoration
Home Visiting	\$23.29 million	\$23.29 million
Community Optional Preventive Services (COPS)	\$24.3 million	\$12.12 million
Youth Development and Delinquency Prevention/ Special Delinquency Prevention (YDDP/SDPP)	\$28.2 million	\$14.12 million
Runaway and Homeless Youth	\$4.7 million	\$2.36 million
Settlement Houses	\$900,000	\$450,000
Kinship	\$700,000	\$338,750
Caseload Reduction	\$1.5 million	\$757,200
Hoyt Family Trust Fund	\$1.2 million	\$621,850
Post-placement Services	N/A	\$311,700

Revenue and cost shifts

- **CCC:** Recommend raising revenue by maintaining the temporary Personal Income Tax increase on New York's highest earners, creating an Excise Tax on Sugar-Sweetened Beverages, and reforming Pensions.
- **Result:** The Adopted Budget failed to include any of these revenue-raising proposals, which could have mitigated cuts to children’s services and education.

- **CCC:** Oppose balancing the state's budget by shifting costs to localities, such as through eliminating the AIM for New York City, shifting Title XX funds to child welfare, reducing the state's share of adoption subsidies, Safety Net assistance, shelter for homeless adults, and eliminating the state's support for Committee on Special Education placements and the Work Advantage Program.
- **Result:** The Adopted Budget included a number of cost shifts, but the Legislature did mitigate some of the proposals. The Title XX cost shift, which would have impacted senior centers, was rejected and the funding was fully restored. The reduction for CSE placements was cut in half and the State provided some funding to NYC to replace the Advantage Program (but it is unclear at this time what NYC will be able to do with this funding.) The Adopted Budget includes the elimination of NYC’s AIM (\$300 million), as well as the reduced state share for adoption subsidies, Safety Net assistance and shelter for homeless adults.

Youth Services

- CCC: Oppose eliminating the state's \$15.5 million of support for the Summer Youth Employment Program (SYEP), which would result in a loss of 11,000 summer jobs statewide, about 6,000 of which are in New York City.
- Result: The Adopted Budget fully restored the \$15.5 million for SYEP.

- CCC: Oppose eliminating all \$4.7 million of state funding for the Runaway and Homeless Youth Program (RHY), which would force RHY service providers to compete for funding from the Primary Preventive Incentive Program, and eliminate state support for residential programs that would not be eligible for PPIP preventive funds.
- Result: The Adopted Budget partially restored funding for Runaway and Homeless Youth Services (\$2.36 million).

- CCC: Oppose reducing funding for the Advantage After School Program by \$5.34 million, which would eliminate access to after-school programs for nearly 5,000 children.
- Result: In addition to the \$17.2 million allocated by the Executive, the Legislature restores an additional \$500,000 for Advantage, leaving the program funded at \$17.7 million in SFY11-12, a \$4.5 million reduction from SFY 10-11.

The Legislature restored \$24.9 million in funding for initiatives previously funded with TANF. The chart below provides details of these restorations:

Initiative	SFY10-11 Funding Levels (TANF)	SFY 11-12 Funding Levels (Legislative Initiatives)
Advantage Schools	\$11.2 million TANF (also \$11 million general fund)	\$500,000 (for a total of \$17.7 million with Executive allocation; reduction is \$4.5 million from SFY10-11 funding level)
Alternatives to Detention	\$6 million	Fully restored and flexibility with detention funds. See Juvenile Justice section.
Caretaker Relative/Kinship	\$250,000	\$51,000
Child Care CUNY/SUNY	\$1.6 million (\$696,000 CUNY; \$947,000 SUNY)	Total: \$1.5 million: \$334,000 legislative restoration for CUNY/SUNY child care; \$544,000 for CUNY child care; \$653,000 for SUNY child care)
Child Care Demonstration Projects	\$5.265 million	\$3.395 million
Emergency Homeless	\$125,000	\$176,000
Non-residential domestic violence	\$1.449 million	\$510,000
Nurse-Family Partnership	\$2 million	\$0
Preventive Services	\$6 million	\$610,000
Settlement Houses	\$1 million	\$500,000
Summer Youth Employment	\$15.5 million	\$15.5 million
Supplemental Homeless Intervention Program	\$1.006 million	\$205,000
Supportive Housing for Families and Young Adults	\$2.5 million	\$508,000
Strengthening Families Through Stronger Fathers	\$0	\$200,000