



TESTIMONY

OF

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PRESENTED TO THE

NEW YORK STATE SENATE FINANCE COMMITTEE

AND

NEW YORK STATE ASSEMBLY COMMITTEE ON WAYS AND MEANS

REGARDING THE

NEW YORK STATE EXECUTIVE BUDGET PROPOSALS FOR

EDUCATION

STATE FISCAL YEAR 2011-2012

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Good Morning. My name is Louise Feld and I am the Policy Associate for Education, Food and Economic Security at Citizens' Committee for Children of New York (CCC). CCC is a 67- year old privately supported, independent, multi-issue child advocacy organization, dedicated to ensuring every New York child is healthy, housed, educated and safe. CCC does not accept or receive public resources, provide direct services, or represent a sector or workforce. For 67 years CCC has undertaken public policy research, community education and advocacy efforts to draw attention to children and their needs so that we can advance budget, legislative, and policy priorities that are cost-effective and produce better outcomes for New York's youngest residents. I would like to thank Chairman Farrell and Chairman DeFrancisco and members of the Assembly Ways and Means and Senate Finance Committees for this opportunity to submit testimony on the Governor's Executive Budget for State Fiscal Year 2011-2012.

It is clear that New York's troubled economy and staggering budget deficit demand long-term structural budget changes and not short-term fixes. To this end, Governor Cuomo's first Executive Budget looks to redesign state government to help address the fiscal challenges facing our state. While addressing the state's spending is critical and all New Yorkers are reeling from the economic downturn, few are being hit harder than poor children and their families. It is CCC's belief that we must not allow this year's budget to eliminate the safety net needed to ensure that the next generation of New Yorkers can reach their full potential.

Governor Cuomo's \$132.9 billion Executive Budget proposes to close a \$10 billion gap, almost entirely through spending reductions and cost-shifts to counties. While shifting costs of mandated programs to counties saves the state government money, it does not reduce the need for funds for these programs, leaving struggling counties burdened with paying for these programs and faced with tremendous service reductions. In addition to the proposed \$2.85 billion reductions to both Medicaid and Education, the Executive Budget proposes to reduce its commitment to Human Services by over \$300 million, \$114.2 million of which is Human Services cost shifts to localities.

For New York City, Mayor Bloomberg has estimated that the reduction in aid totals \$2.1 billion, including a \$1.4 billion in aid to public schools; \$361 million in cuts and cost shifts in social

services; and \$300 million due to the elimination of the AIM for New York City. And as you know, given the still ongoing work of the Medicaid Redesign Team, the impact of the \$2.85 billion Medicaid reduction is not yet known.

While there are some areas where the Executive Budget proposals protect essential programs for children and families, and Governor Cuomo has made laudable efforts to address the State's broken juvenile justice system, CCC is extremely concerned that the adoption of this budget, as it is proposed, would place the State of New York's most vulnerable children at even greater risk.

Notably, the Executive Budget includes numerous cuts and cost shifts for programs and services that have been cost-effective and have produced good outcomes for children. This Budget decreases state support and commitment to children adopted from foster care, special needs school children being educated in special schools to meet their needs, homeless families in New York City, new mothers seeking to raise safe and healthy children by participating in home visiting programs, and youth trying to engage in positive activities and grow into successful adults through participating in after school programs and the Summer Youth Employment Program.

These cost shifts can be seen in the elimination of the AIM to New York City, the changed formula for adoption subsidies, the elimination of state support for CSE placements, the new proposed requirement to use Title XX for child welfare, the changed formula for adult homeless shelter costs, and the changed financing structure for TANF Family Assistance and Safety Net. In addition, cuts and service reductions are not only proposed in Education and Medicaid support, but also impact critical services previously funded with TANF dollars, such as Nurse-Family Partnership, post-adoption services, supportive housing, homelessness prevention programs and the Summer Youth Employment program. Also, the Executive Budget proposes cuts to the Runaway and Homeless Youth Program, Healthy Families New York Home Visiting, Early Intervention Services, and family treatment beds for children needing mental health treatment.

We urge you to negotiate a budget that uses fairness as a guiding principle. Fairness includes making deliberative choices about where the expense side of the budget needs to be reduced without jeopardizing cost-effective programs, resisting the urge to merely shift costs to counties to bear, and ensuring there is shared sacrifice for all New Yorkers. We urge you to negotiate an Adopted Budget that ensures that the state remains committed to the programs that produce positive outcomes for children, and ultimately saves the state money on more expensive interventions such as foster care, medical care, homeless shelters, and the juvenile justice system. Fairness also requires an acknowledgement that it is inequitable and disingenuous for the State to balance its budget by shifting costs for essential and mandated services to the counties, including New York City, which is hit particularly hard by the Executive Budget.

Further, fairness requires supporting revenue-generating proposals, to ensure shared sacrifice. CCC urges you to extend the personal income tax increase; to impose an excise tax on sugar-sweetened beverages as a means to take a critical step towards addressing childhood obesity while increasing revenue; and to work with the Governor and Mayor Bloomberg on pension reform.

Turning to the State Fiscal Year 2011-2012 Executive Budget proposals for education, our lawmakers need to ensure that, despite the State's severe economic issues, they do not approve an Adopted Budget that jeopardizes the education of New York's next generation of leaders.

CCC is pleased to see that the Executive Budget proposes to maintain funding for Universal Pre-Kindergarten (UPK) at \$393 million for SFY2011-12. Preparing 4-year olds for kindergarten is critical for their later academic success. While half-day (2 ½ hours) UPK is beneficial for these young children, full day UPK has demonstrated even greater success. We urge you to negotiate an Article VII bill that would allow counties that have achieved a standard of universality for half-day UPK be given the flexibility to use the State's funds to expand their programs to full day UPK.

CCC also appreciates the proposed \$800,000 increase in State funds to supplement Federal support for the School Lunch and Breakfast Programs and the Summer Food Program, resulting

in a total of \$36 million for these essential programs. School meals represent a vital and consistent year-round source of food for a substantial number of New York children, many of whose families face difficulty accessing healthy, affordable foods, particularly during the economic downturn.

Despite these positive proposals, the SFY11-12 Executive Budget proposals regarding school aid include a number of recommendations that undermine the Campaign for Fiscal Equity's hard-fought battle to provide equitable resources to all of New York City's over 1 million school children, as well as the educational achievements of schoolchildren throughout the state.

We urge the Legislature to reject the proposed \$1.5 billion, or 7.3%, year-to-year reduction that will decrease School Aid to \$19.39 billion statewide for the 2011-2012 year. This reduction, which follows the loss of the \$1.3 billion in time-limited Federal funding that the American Recovery and Reinvestment Act provided, will be detrimental to New York's schools, many of which are still suffering from the previous year's reductions. CCC is particularly concerned about New York City's schools, which Mayor Bloomberg has estimated will suffer an overall \$1.4 billion loss that will result in a substantial number of teacher layoffs, increased class sizes, and negative impact to the quality of the basic education provided to New York City students.

Further, CCC asks that the Legislature reject the Governor's proposal to consider wealth as a factor in reimbursing summer school special education costs. This proposal will reduce the State's funding for New York City's summer special education students by an estimated \$120 million. Providing special education is a Federal and State requirement, but such a cut leaves this mandate unfunded.

At this time, CCC is concerned about the Governor's proposal to create a competitive school performance incentive program that awards \$500 million in grants for school district performance and efficiency. While we applaud innovations in education and recognize the importance of efficient use of education funding, we cannot ignore the immediate financial needs of our schools, especially in light of the considerable reductions in School Aid that the Governor has proposed. CCC would like to see the establishment of and support for programs and policies

that retain teacher positions, prevent increases in class size, and improve quality instruction in classrooms throughout the state, and therefore needs further information about the programs for which the \$500 million will be used.

Finally, CCC opposes the Governor's proposal for a 2% property tax cap on all local governments and school districts (excluding New York City). Such a tax cap would prevent local districts from employing the only mechanism that they have to raise funds for the continued functioning of their schools. Given the cuts to education that have already occurred in previous years and those that the Governor now proposes, the districts need to have even greater flexibility in order to raise revenue for local education needs. Without this flexibility, staff and teaching positions, provision of arts instruction, after-school programs, and a basic quality education all stand to suffer, especially in low-income areas, if the property tax cap is instituted.

In closing, we ask the Assembly and the Senate to negotiate a budget with the Governor that protects our youngest New Yorkers from paying for this economic downturn for the rest of their lives. While we appreciate that very difficult choices about revenue increases and expense reductions need to be made, we urge you to protect the services that will ultimately be less costly to the children of today and the taxpayers of tomorrow.

Thank you for the opportunity to submit my testimony.