



Analysis of the SFY10-11 Executive Budget

On January 19, 2010 Governor Paterson released his Executive Budget for SFY10-11. The \$134 billion budget proposes to close a \$7.6 billion gap by raising revenue and reducing state expenditures. While the budget protects many essential programs for children and families, the Governor and the State Legislature must go further to ensure that needed investments in programs that produce positive outcomes for children, are maintained in these difficult economic times. A detailed list of proposals that impact children is provided below.

REVENUE

Positive Proposals:

- Raising \$450 million (\$1 billion when fully annualized) to reinvest in health programs by imposing an excise tax on sugar-sweetened beverages, which will help combat childhood obesity and associated illnesses such as diabetes and heart disease.
- Raising \$200 million to reinvest in health care by increasing the tax on cigarettes by \$1 per pack. This initiative is expected to prevent more than 100,000 children from becoming smokers and cause more than 50,000 adult smokers to quit.
- Raising \$41 million by increasing court-filing fees to provide support for indigent defense, civil legal services and cost increases in the Judiciary budget.

Negative Proposal:

- Eliminating the Aid to Municipalities (AIM) for New York City, which is a \$302 million cut).

JUVENILE JUSTICE

Positive Proposals:

- Rightsizing OCFS juvenile facility capacity by closing/consolidating 4 facilities, to reduce the total capacity by 180 beds and leave the system at 81% utilization (versus 70%). This will result in a reduction of 251 OCFS staff over a 12-month period.
- Adding \$18.2 million for 169 new positions in juvenile facilities to improve staff to youth ratios and medical and mental health services for youth.

Negative Proposals:

- Cutting \$10.75 million in TANF funding for Alternative to Detention and Alternative to Placement programs and \$5 million for Community Reinvestment/Alternatives to Detention. This leaves only \$2 million state general funds for community based programs that have been effective at enabling children to remain safely in their communities.

Proposals Requiring Further Assessment:

- Allowing the state to withhold the state share of placement costs if a locality does not submit payment within 60 days of receiving the bill, saving the state \$27 million.
- Funding 50% of local detention costs through an allocation of \$72 million, which represents an increase of \$4 million due to increases in the cost of care and use of secure detention.

YOUTH SERVICES

Positive Proposals:

- Maintaining \$24.3 million for Extended Day.
- Adding \$3 million to support one or more long-term safe houses for sexually exploited youth and implement the Safe Harbor Act.
- Funding YDDP and SDPP at \$28.2 million, which represents an increase of \$784,567 from the funding level adopted after the FY10-11 mid-year Deficit Reduction Plan.
- Funding Runaway Homeless and Youth programs at \$4.7 million, which represents an increase of \$130,933 from the funding level adopted after the FY10-11 mid-year Deficit Reduction Plan.

Negative Proposals:

- Eliminating TANF funds for Youth programs, which leads to severe cuts to the Advantage After School Program and Summery Youth Employment Program (SYEP). Specifically, these proposed cuts are:
 - \$11.4 million cut to Advantage after school programming (leaving only \$17.2 million in state funding)
 - \$35 million cut to the Summer Youth Employment Program (SYEP) (leaving \$0 state support for this program)

Proposals Requiring Further Assessment:

- Allowing municipalities (counties, cities, towns and villages) to charge a fee to participants in YDDP recreational services programs, but require that any child who is unable to pay the fee must be accommodated through a scholarship or waiver of the fee.

CHILD WELFARE

Positive Proposals:

- Maintaining open-ended uncapped state reimbursement for preventive, protective, independent living and adoption administration services. The Executive Budget recommends \$701.9 million in funding, which represents a \$77.6 million increase.
- Fully implementing the Bridges to Health Medicaid Waiver program (B2H) by adding \$41.42 million (for a total of \$72.5 million) to increase the number of slots from 1,565 to 3,305 in SFY 2010-11.
- Appropriating \$2.137 million for the New York/New York III supportive housing program.
- Maintaining \$19 million in bond funding for the CONNECTIONS computer system modernization project.

Negative Proposals:

- Severely cutting funding for home visiting programs by cutting COPS reimbursement by \$2.9 million and eliminating \$5.822 of TANF funds for home visiting and \$5 million of TANF funds for Nurse-Family Partnership. These cuts are on top of the \$1.2 million cut to home visiting in the SFY09-10 mid year Deficit Reduction Plan.
- Reducing funding for the kinship care programs, quality enhancement fund, and child fatality review teams by 10%.
- Eliminating all funding (\$18.8 million in TANF funds) for preventive service contracts.
- Eliminating TANF funds for settlement houses (\$6 million) and non-residential domestic violence services (\$3 million).

Proposals Requiring Further Assessment:

- Maintaining \$436 million in the Foster Care Block Grant.
- Adding the permanency option of subsidized kinship guardianship in New York, but without any age limitations and funding it with money from the capped Foster Care Block Grant.
- Limiting court-ordered child protective investigations to instances when there is reasonable suspicion of child abuse or neglect.
- Allowing the use of electronic court appearances in juvenile delinquency, Persons in Need of Supervision (PINS), termination of parental rights, abuse and neglect and permanency hearings in Family Court.
- Easing the caseworker contact requirements with the parents of children in foster care by allowing some contacts with parent advocates to count towards the required casework contacts.

CHILD CARE

Positive Proposals:

- Funding child care with \$393 million in TANF funds outside of the Flexible Fund for Family Services (FFFS).
- Funding quality enhancement and trainings for family day care providers, pursuant to the agreements made with the United Federation of Teachers and Civil Service Employees Union. (\$3.235 million in state funds, \$3 million in federal AARA funds). In addition, funding is being provided for unions representing home-based child care providers to contribute to each union's cost of purchasing coverage under the Family Health Plus Buy-in program.

Negative Proposals:

- Funding child care with a total of \$508.2 million for the state's Child Care Block Grant (CCBG), which is comprised of \$300.8 million federal child care development funds, \$137.4 million state general funds and \$68.3 million local Maintenance of Effort. Given counties' use of roll-over funding, based on historical claiming, counties would need an additional \$40-50 million to fund the same number of subsidy slots this fiscal year.
- Shifting \$18 million of costs to localities by requiring localities to use federal Title XX dollars for Adult Protective and Domestic Violence costs, which used to be \$36 million that was paid 50/50 state/local. Localities had been using these Title XX funds for services such as homemaking, child care and senior centers.

INCOME SUPPORT

Positive Proposals:

- Implementing a one-time non-recurring \$10 million initiative for a family emergency food supplement to be provided to regional food banks. This initiative is paid for with federal AARA Emergency Contingency funds and regular Contingency funds.

Negative Proposals:

- Discontinuing the use of \$69 million of TANF to fund certain critical programs for children and youth such as Summer Youth Employment, Supportive Housing for Families and Non-Residential Domestic Violence programs.
- Delaying the implementation of the public assistance grant increase by reducing the July 2010 statutory increase from 10% to 5% and then providing a 5% increase for three consecutive years thereafter.

HOUSING AND HOMELESSNESS

Positive Proposals:

- Expanding the Low Income Housing Tax Credit Program to allocate an additional \$4 million in aggregate credit awards to taxpayers that develop qualifying housing projects for low-income New Yorkers over a ten-year period (equaling \$40 million).

Negative Proposals:

- Eliminating state operating subsidy for the New York City Housing Authority (NYCHA), saving the state \$3 million.
- Decreasing funding for the Homeless Intervention Program by \$1 million.

HEALTH

Positive Proposals:

- Expanding Child Health Plus (CHP) benefits to include medically necessary orthodontia services. (\$2.3 million).
- Increasing Early Intervention program reimbursement from commercial insurance.

Negative Proposals:

- Imposing a parent fee for Early Intervention services for families earning over 250% of the FPL.
- Modifying speech standards for Early Intervention, which will save the state \$1.4 million SFY10-11 but will likely screen out some “speech only” children.

Proposals Requiring Further Assessment:

- Requiring Early Intervention providers to bill Medicaid and private insurance, which would save the state \$500,000 in SFY10-11.
- Implementing Early Intervention Medicaid Savings of \$7.2 million by requiring preferred assessment tools for EI Evaluations, allowing paraprofessional aides for children with severe disabilities, revising EI home and facility-based rates, auditing EI providers and maximizing commercial insurance reimbursement.
- Reducing and restructuring indigent care reimbursement so that payments to hospitals would be reduced and determined solely bases on the cost of services provided to the uninsured, saving the state \$67.7 million.

MENTAL HEALTH

Positive Proposals:

- Extending current social worker and mental health professional licensing exemptions until 2014 for the Department of Mental Hygiene, the Office of Children and Family Services and local government programs.
- Increasing the number of residential beds by 2,600 including 1,111 OMH beds, 256 New York/New York III beds, 992 OMRDD beds and 272 chemical dependence treatment beds, which will be funded by \$223 million federal dollars and \$129 million additional state dollars.
- Creating a new employment service called “Students Work, too,” for developmentally disabled youth the last 2 years of high school so that they can obtain assisted employment after school.
- Continued development by OMRDD and SED of in-state residential and educational opportunities for children placed out of state or at-risk of out of state placement due to developmental disabilities.

Negative Proposals:

- Reducing the Timothy’s Law Subsidy by \$30 million, which is funding for state subsidy payments for mental health coverage provided as part of employee health insurance in firms with 50 or fewer employees.

Proposals Requiring Further Assessment:

- Changing billing practices by carving out Medicaid prescription drug costs from the operating costs of residential treatment facilities, which serve mentally ill youth and children.

EDUCATION

Positive Proposals:

- Adding \$222 million (for a total of \$2.5 billion in State support) for school construction.
- Implementing a 4-year moratorium on unfunded mandates for local school districts.
- Maintaining the Contracts for Excellence program such that all districts currently in the program would be required to continue in the program and maintain funding of existing C4E programs less the percentage reduction of the Gap Elimination Adjustment.
- Increasing support for the School Lunch and Breakfast program by \$600,000, for a total of \$32.3 million.

Negative Proposals:

- Reducing School Aid by 5%, which is \$1.1 billion on year-to-year basis. This is a one year \$1.4 billion reduction to overall School Aid (this consists of a \$2.1 billion Gap Elimination Adjustment (GEA) that is offset by \$726 million in Federal ARRA funds.) This extends the phasing in of the CFE settlement from 2013-14 to 2016-2017.
- Limiting state reimbursement for summer school special education by aligning state reimbursement with wealth-based ratios, saving the state \$68 million.

Proposals Requiring Further Assessment:

- Limiting reimbursement to localities for preschool special education by limiting growth to 2%. Total funds available are \$620 million in State Funds combined with \$194 million in ARRA.
- Delaying the planned full phase in of Universal Pre-Kindergarten (UPK) from 2013-14 to 2016-17 school years and funding by maintaining UPK funding at the 2009-10 level of \$400 million.