



## **Summary of State Fiscal Year 2012-2013 Executive Budget Proposals**

On January 17, 2012, Governor Cuomo released his Executive Budget for SFY 2012-2013. The Executive Budget proposes a \$132.5 billion budget that closes a \$3.5 billion gap in SFY 12-13 (and lowers the gap in future years) through \$2 billion in in state savings and \$1.5 billion in new resources from tax reform.

The Executive Budget proposes to continue much-needed reforms to the Juvenile Justice System by continuing to downsize the number of residential placement facilities, invest in community based alternatives, require a pre-dispositional assessment tool to assist with decision-making, and transition custody and control of youth in non-secure and limited secure facilities from New York State to New York City.

A detailed list of proposals that impact children and youth is provided below:

### **CHILD WELFARE**

#### **Positive Proposals:**

- Reauthorizing child welfare financing to include open-ended uncapped state reimbursement for preventive, protective, independent living and adoption administration.
- Providing the final year of bond support to complete the CONNECTIONS computer system modernization project.
- Implementing a new 24-hour, centralized hotline for reporting allegations of abuse and neglect of children, the developmentally disabled, the elderly and other vulnerable persons.

#### **Negative Proposals:**

- Decreasing the state's statutory share for preventive, protective, independent living and adoption administration services to 62% (rather than the 65% currently in statute)
- Maintaining the state cut to adoption subsidy (for children adopted from the foster care system) by reauthorizing the state's share at 62%, rather than 75% as it is currently enumerated in the statute.
- Failing to provide funding for kinship guardianship assistance by maintaining funding for the subsidy and nonrecurring payments to continue through the foster care block grant.
- Eliminating funding for settlement houses and seed funds to reduce child protective caseloads, saving the state \$1 million.

**Proposal Requiring Further Assessment:**

- Eliminating the planned 3.6% 2012-2013 Human Services COLA and replacing it with a new program to be established in 2013-2014 that will provide increases based on provider costs and meeting performance outcomes.

**EARLY CHILDHOOD EDUCATION****Positive Proposals:**

- Preserving 19,000 child care subsidies by offsetting reductions in federal funds with State General Fund support by \$93 million in SFY 12-13 and \$215 million in SFY 13-14.
- Creating a regional competition for a public/private partnership pilot program to fund new and expand existing preventive, early childhood development and other services for at-risk children and families to be funded at \$2 million (which shall not exceed more than 65% of the eligible program expenditures.)

**EDUCATION****Positive Proposals:**

- Maintaining the commitment to tie increases in School Aid to the growth in New York State personal income, such that there would be a 4% increase in the 2012-2013 school year (\$805 million) and 3.5% increase in the 2013-2014 school year. (Note: This increase only occurs if school districts implement a new teacher evaluation process. Please see proposals requiring further assessment.)
- Maintaining the Contract for Excellence Program such that all districts in the program would remain unless all of the school buildings in the district are reported as “In Good Standing.” School districts that remain would be required to maintain funding on C4E programs at the same level required for the 2011-2012 school year.
- Maintaining an additional \$7.7 million for State Assessments and GED testing (\$7 million for State Assessments and \$0.7 million for GED testing).

**Proposals Requiring Further Assessment**

- Linking the State Aid increase to compliance with the new teacher evaluation process, which will need to be fully implemented by January 17, 2013 for districts to receive the increased Aid.
- Targeting most of the 4% School Aid increase (\$805 million) for the 2012-2013 school year to high-need districts.
- Creating a Commission, by Executive Order, with the mandate to change New York’s education paradigm to focus on school accountability, in both management and teaching.
- Expanding the competitive grant programs aimed at encouraging school districts to implement innovative approaches to achieving academic gains and management efficiency.
- Apportioning growth in preschool special education costs above each county’s (excluding New York City) share of 2011-2012 costs for Pre-School Special Education equally to school districts, the county, and the State.
- Prohibiting, in most cases, children from being evaluated for preschool special education by the same agency that provides the child educational services to avoid the potential for a conflict of interest.

- Centralizing school bus purchases by implementing a single state contract to be developed with advice from school districts.
- Reforming the teacher disciplinary hearing process by allowing the State Education Department to set limits on the costs of hearings, disqualify hearing officers who fail to comply with statutory deadlines, and change the payment structure to encourage speedier outcomes.

## **FOOD AND INCOME SUPPORT**

### **Positive Proposals:**

- Increasing funding to fight childhood hunger with a \$1 million increase to the Nutrition Education and Outreach Program (NOEP), which provides nutrition outreach and education to underserved areas of the State in order to increase enrollment in the Food Stamps program.
- Making the non-custodial parent Earned Income Tax Credit permanent, so that parents who pay child support for a qualifying child with whom they do not reside can continue to claim the EITC.

### **Negative Proposals:**

- Delaying the 10% Public Assistance Grant increase, due to be implemented in July 2012 (and originally scheduled to be implemented in July 2011), such that a 5% increase will be implemented in July 2012 and the remaining 5% increase will be implemented in July 2013.

### **Proposals Requiring Further Assessment:**

- Streamlining the administration of child support enforcement by eliminating State funding (\$35 million) for child support enforcement administration; however, counties would retain certain child support payments currently sent to the state and would receive new federal resources.
- Taking over administration of the State SSI Supplementation Program by the State from the Federal Social Security Administration to achieve \$90 million in savings.

## **HEALTH**

### **Positive Proposals:**

- Providing counties Medicaid relief by reducing growth in the local share of Medicaid payments to 1% annually beginning in SFY2013-2014, fully eliminating the growth by SFY 2015-2016, and beginning a phased-takeover of local government administration of the Medicaid program, saving counties nearly \$1.2 billion over five years.
- Proposing legislation to establish a New York Health Benefit Exchange in accordance with federal health care reform.
- Requiring commercial health insurance to include EI service providers in their networks.

### **Proposals Requiring Further Assessment:**

- Proposing adjustments to the Early Intervention Program and programs for the aging that will result in state savings of \$19.2 million in SFY12-13 and \$36.2 million in SFY13-14.
- Centralizing fiscal administration of the Early Intervention (EI) Program through a fiscal intermediary contract (eliminating counties contracting with EI providers directly).

## **HOUSING AND HOMELESSNESS**

### **Positive Proposals:**

- Establishing a new Foreclosure Relief Unit within the Department of Financial Services to provide counseling and mediation services to help New Yorkers at risk of losing their homes, a revenue neutral initiative.
- Establishing a new Tenant Protection Unit within the New York Homes and Community Renewal to proactively enforce landlord obligations and impose strict penalties for failure to comply with New York State's rent laws.
- Expanding the amount of aggregate Low Income Housing Tax Credits available to taxpayers who develop qualifying low-income housing units by \$8 million per year for the next five years, increasing the total low-income housing opportunity by 600 units annually.
- Increasing funding to OASAS to support 12 new residential treatment opportunities for women with children who suffer from alcohol and/or drug dependencies.

### **Negative Proposals:**

- Suspending the \$15 million annual allocation from the SFY 11-12 budget for a new initiative to prevent eviction and address homelessness in NYC because the initiative remains under development. The Executive Budget proposes to suspend the funding pending a determination of the efficacy of the program and anticipates saving \$15 million in SFY 12-13 and SFY 13-14 due to the suspension.
- Failing to increase state funding for runaway and homeless youth.

### **Proposal Requiring Further Assessment:**

- Eliminating state funding for the Neighborhood and Rural Preservation Program, saving the state \$12 million.

## **JUDICIARY**

### **Negative Proposal:**

- Failing to request funding to increase the number of Family Court Judges statewide and in New York City.

## **JUVENILE JUSTICE**

### **Positive Proposals:**

- Continuing to rightsize the juvenile justice system by reducing state facility capacity by an additional 324 beds, which will produce cost-savings for all counties.
- Creating the "Close to Home" initiative, whereby New York City can submit a plan to transition the custody of youth in state non-secure placement facilities and then limited secure placement facilities to New York City. The Budget proposes that NYC would need to develop a plan, which includes public comment and a hearing, to properly care for and provide services to these young people, and that the state Office of Children and Family Services would monitor the city to ensure the youth receive proper care.

## **MENTAL HEALTH**

### **Positive Proposals:**

- Implementing a new 24-hour, centralized hotline for reporting allegations of abuse and neglect of children, the developmentally disabled, the elderly and other vulnerable persons
- Providing the Office of Mental Health and the Office of Alcoholism and Substance Abuse Services with the authority to contract jointly with Managed Behavioral Health Care Organizations (BHOs).
- Establishing a pilot program for children in OMH hospitals to receive a more appropriate education.

### **Proposal Requiring Further Assessment:**

- Restructuring the New York City Children's Psychiatric Centers (Bronx, Brooklyn and Queens) to create a single appointing authority named the New York City Children's Center.