Summary of the State Fiscal Year 2013-2014 Executive Budget

On January 22, 2013, Governor Cuomo released his $136.5 billion Executive Budget for State Fiscal Year 2013-2014. The Executive Budget proposes to close a $1.3 billion budget gap. Governor’s Cuomo’s proposals continue his work in juvenile justice reform and make important investments in education.

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

CHILD WELFARE

Positive Proposals:
- Maintaining open-ended, uncapped state reimbursement for preventive, protective, independent living and adoption administration services.

Negative Proposals:
- Continuing the decrease in the state’s reimbursement share to 62% for preventive, protective, independent living and adoption administration services (rather than the 65% in statute) and to adoption subsidy (rather than the 75% in 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 statewide for the Court Appointed Special Advocates (CASA) program.
- Failing to appropriate funding for sexually exploited children beyond the $1.5 million reappropriated.
- Cutting TANF funded programs including $2.0 million for Nurse-Family Partnership, $1.0 million for Settlement Houses and $610,000 for preventive services (which funds post-adoption services).

EARLY CHILDHOOD EDUCATION

Positive Proposals:
- Expanding the Universal Pre-Kindergarten program by providing $25 million for full-day prekindergarten targeted toward higher need students in lower wealth school districts.
EARLY CHILDHOOD EDUCATION CONTINUED

Proposals Requiring Further Assessment:

- Addressing the rate of growth in pre-school special education costs and concerns about improper billing by conducting a large-scale audit of providers, investing $1 million for counties to develop fiscal integrity tools and authorizing New York City to implement its own process for selecting providers and to competitively negotiate provider rates.
- Increasing the incentive for local governments to find and recover fraudulent and inappropriate spending by pre-school special education providers by allowing counties to keep 75% of all recoveries from local audits.

EDUCATION

Positive Proposals:

- Maintaining the commitment to support improved student outcomes, sustainable cost growth, equitable distribution of aid and beginning to implement the New NY Education Reform Commission recommendations for a total year-to-year proposed increase in education aid of $889 million (4.4%).
  - Proposing a $611 million increase (3%) in School Aid for the 2013-2014 school year.
    (Note: The increase in State Aid is again linked to implementation/compliance with a teacher evaluation system. Six districts, including New York City, did not implement teacher evaluation systems by the January 2013 deadline, and these districts were not eligible for State Aid increases in the 2012-2013 school year. Many of the approved teacher evaluation plans will expire after one year, so all school districts will need to have plans to implement the evaluation process for the 2013-2014 school year by September 1, 2013 to be eligible for the proposed State Aid increases.)
  - Providing $203 million in one-time financial relief to school districts to offset extraordinary increases in fixed costs.
  - Allocating $75 million to support recommendations of the Governor’s New NY Education Reform Commission:
    - Creating increased learning opportunities by providing $20 million to support extending school day or extended school year programs that extend learning time by 25%.
    - Providing $15 million to support the development of Community Schools statewide, which will integrate social services, health, and after-school programming to support students and families in these schools.
    - Investing an additional $4 million (bringing the total investment to $6 million) in Early College High School Programs, to improve college access and success.
    - Allocating $25 million for full-day Universal Pre-Kindergarten (see Early Childhood Education)
- Maintaining the Contract for Excellence Program for all school districts currently in the program (unless all of the school buildings in the school district are reported as “In Good Standing”), ensuring the participation of New York City, Buffalo, Rochester, Syracuse and Yonkers.
Proposals requiring further assessment:
- Allocating $11 million to reward high-performing teachers with $15,000 stipends for four years (as part of the $75 million proposed to implement New NY Education Reform Commission Recommendations).
- Creating a new waiver process which will allow school districts to petition the State Education Department for flexibility from special education requirements.

Negative Proposals
- Failing to include funds to support the transition to a new State-subsidized High School Equivalency Exam in New York State, including funds to accommodate the expected surge in test-takers prior to the start date of the new test (January 2014).

Positive Proposals:
- Increasing minimum wage from $7.25 to $8.75 an hour.
- Adding $2.0 million of TANF funding for Food Banks.

Positive Proposals:
- Assisting hospitals with the transition to a new indigent care methodology, so as to protect these hospitals from future Federal funding reductions.
- Integrating service delivery in common locations for physical health, mental health and substance abuse to promote coordinated, patient-centered care by breaking down traditional health-care silos.

Negative Proposals:
- Failing to provide funding for technological needs to help prepare for the transition of foster children into Medicaid managed care.

Proposals Requiring Further Assessment:
- Reforming the General Public Health Work Program (essentially, state matching aid for locally administered public health programs) to achieve state savings of $3.5 million in SFY 2014-15 and provide mandate relief for local governments of more than $16 million over five years by (1) reducing support to local health clinics for the provision of select third-party reimbursable services; and (2) to qualify chronic disease prevention and emergency preparedness and response activities for state matching funds.
- Reforming the Early Intervention program to achieve local savings of over $60 million over the next five years by a) requiring insurers to include EI service providers in their networks and then requiring consumers to use EI providers in their networks; and b) streamlining eligibility determinations to achieve program efficiencies.
HOUSING AND HOMELESSNESS

Positive Proposals:
- Making additional funding available for affordable housing through savings from Medicaid Redesign.
- Establishing a new House NY program that would invest $1 billion of additional resources over five years to preserve and create 14,300 affordable housing units statewide.
- Utilizing $64 million in excess reserves from the Mortgage Insurance Fund to support the Neighborhood and Rural Preservation Programs and the Rural Rental Assistance Program for a two year period.
- Developing 3,400 supported housing beds for the homeless housing program in New York City.
- Funding the MRT Supportive Housing Fund at $91 million, which will continue to provide service funding, rent subsidies and capital dollars for high cost Medicaid recipients.

Negative Proposals:
- Reducing funding for runaway and homeless youth services by $214,456.
- Reducing funding for the Homeless Housing and Preventive Services funding by $1.6 million.
- Cutting $500,000 of TANF-funded Emergency Homeless Services.

Proposal Requiring Further Assessment:
- Funding the HHAP Capital program at $30 million and transferring the program authority and staff from OTDA to Homes and Community Renewal (HCR), to create a more streamlined process for non-profit developers.

JUDICIARY

Negative Proposal:
- Failing to fund an increase the number of Family Court Judges statewide and in New York City.
- Failing to restore the significant funding reductions to the Family Courts, incurred over the last two fiscal years, which have led to additional court delays.

JUVENILE JUSTICE

Positive Proposals:
- Expanding the “Close to Home” initiative to include youth from counties outside NYC so they can receive more appropriate placements services closer to their home communities.
- Continuing to rightsize the juvenile justice system by reducing state facility capacity by an additional 88 beds and 15 after care slots to reflect the impact of expanding Close to Home to counties outside NYC, saving the state $1 million in SFY 13-14 and $6 million in SFY 14-15.
- Authorizing $100 million over the next five years to create “Pay for Success” (Social Impact Bonds) to achieve better Human Services outcomes while saving taxpayer money. The initiative offers the opportunity to invest in programs in the areas of health, education, juvenile justice and public safety.
MENTAL HEALTH

Positive Proposals:
- Making permanent the current long-time temporary exemption for certain social work and mental health professional licensure requirements of persons employed by a program or service operated, regulated, funded, licensed, or approved by agencies including OCFS, OMH, OPWDD, OASAS, and DOH and/or local government units or social services districts.
- Creating regional centers of excellence for the diagnosis and treatment of complex behavioral health illnesses. Savings from State Psychiatric Center regionalization will be reinvested to support the same or greater level of community-based services.

YOUTH SERVICES

Positive Proposals
- Maintaining state funding for the Summer Youth Employment Program at $25 million.
- Maintaining state funding for Extended Day/School Violence Prevention at $24.3 million.

Negative Proposal
- Reducing funding for Advantage After-School by $500,000 (from $17.7 million to $17.25 million).
- Reducing funding for the Youth Development Delinquency Prevention Program and the Special Delinquency Prevention Program (YDDP/SDPP) by $1.3 million (from $15.5 million to $14.2 million).

Proposals requiring further assessment:
- Proposing to combine the Youth Development Delinquency Prevention Program and the Special Delinquency Prevention into a single Youth Development Program.