

Brief Overview of the Impact on Children & Youth in Governor Cuomo's Executive Budget FY 2013-14

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Empire Justice Center Empire State Coalition
New York State Afterschool Network (NYSAN) Schuyler Center for Analysis and Advocacy (SCAA)
Winning Beginning New York*

SUMMARY

Governor Cuomo's proposed budget for FY2013-14 includes initiatives that will benefit New York's children as well as funding cuts that raise serious concern. We applaud the Governor's allocations for child care subsidies, pre-kindergarten, extended learning and Pay for Success contracts. We strongly object to reductions in the Nurse-Family Partnership program and Runaway and Homeless Youth services.

Specifically:

- We strongly recommend that the Legislature add \$92 million for child care subsidies to bring this critical assistance to 2010-11 levels, enabling thousands of low-income working families to purchase quality child care for their children.
- We also strongly recommend that \$2.5 million in new dollars for Nurse Family Partnership be allocated.
- We are concerned about changes to the administration of the Early Intervention and preschool special education programs, and urge the State to minimize the impact of these changes on children and families served by the programs.
- We urge restoration of Runaway and Homeless Youth funding, and recommend that New York State closely monitor the shifts in Youth Bureau dollars and programming at the local level to ensure minimal negative impact on New York's youth.
- We recommend that funding for the Advantage After School program be increased to \$28 million to expand access to more youth and families in need.
- We commend the Governor for initiating "Pay for Success" contracts, an innovative method of funding preventive services. We will monitor to ensure that the private dollars generated via these contracts supplement rather than supplant public finding for these services.

Child care and Universal Pre-Kindergarten (UPK)

Child care subsidies

The Executive Budget includes \$532,329,700 in funds for child care subsidies: \$137,362,700 in general funds plus \$394,967,000 in Temporary Assistance to Needy Families (TANF) federal funding. Although this is an increase in the state's proportion of funding given federal cuts, ***this adds up to essentially flat funding for child care subsidies in 2013-14, compared to FY 2012-13.***

Child care subsidy dollars have fallen dramatically in recent years, leaving many low income families in New York State to choose between putting their children in inadequate care or leaving the workforce. In Monroe County, more than 6,500 subsidized slots have been lost since 2001, nearly a 50% drop.

Without assistance, parents whose incomes place them at or near the federal poverty level cannot afford the cost of high-quality child care - the kind of care that research has shown will produce a larger pay-off in the long run, with fewer tax dollars needed for public assistance, special education, and many other services.

Recommendation:

- We applaud Governor Cuomo for maintaining the State level of investment in child care in the proposed budget, as compared to FY2012-13. We urge the Governor and State leaders to **increase that investment by another \$92 million to restore child care funding in New York State to the 2010-11 level of \$999 million.**

Universal Pre-Kindergarten (UPK)

The Governor's budget maintains funding for the Universal Pre-Kindergarten Program at last year's level of \$385 million.

The Governor's Education Reform Commission recommended, and the Governor included in his budget, \$25 million in competitive grants for full -day Pr-Kindergarten programs, targeting high need students in lower wealth school districts. Funding from this program can be used to expand existing programs or to establish new programs.

We commend this investment because the research is clear: young children are more likely to succeed academically and socially, and have better coping skills and fewer behavior problems if they spend their first years with nurturing, trained adults in a high-quality, developmentally-appropriate setting. They are less likely to need costly special education services and their chance of graduating from high school is increased.

Recommendations:

- We recommend that the new full-day UPK initiative become a permanent part of State Pre-K aid, with a plan to increase the program over time.
- We urge flexibility in distributing the dollars, allowing unused UPK funds to be reallocated to districts that can use them.

Nurse-Family Partnership (NFP) and Home visiting

The Governor proposes no allocation for the Nurse-Family Partnership program for FY 13-14. The Executive Budget includes \$2.5 million for NFP, but this is a reappropriation of funds from the FY 12-13 budget that were not spent because the New York State Department of Health still has not executed the contracts for last year's budget allocation.

This is a serious cut to NFP programs in New York State. In Monroe County, this will mean a loss of \$303,858, meaning that 70 young families will not receive this evidence-based program that promises better outcomes for both the mother and child.

The Community Optional Preventive Services (COPS) funding and Healthy Families New York (HFNY) funding were both funded at flat levels identical to FY 2012-13, \$12.1 million and \$23.28 million respectively. In Monroe County, Community Optional Preventive Services dollars fund the Building Healthy Children (BHC) home visitation program, EnCompass, and the Hillside Work Scholarship program.

The Executive Budget maintains the \$2 million for Public/Private Partnerships within the Office of Children and Family Services (OCFS) Budget. OCFS recently issued an RFP for these funds in last year's budget to increase services for at-risk children and youth to prevent involvement with the child welfare or juvenile justice systems and/or to expedite their return home. EnCompass and Hillside Work Scholarship Connection have both responded to the RFP.

Recommendation:

- We strongly urge the Legislature to allocate \$2.5 million in new dollars for Nurse Family Partnership. These dollars are an investment that will save the State millions of dollars in the future in the form of reduced expenditures on special education, public assistance, and many other services.

Runaway and Homeless Youth

The Governor proposes funding Runaway and Homeless Youth (RHY) services at \$2.36 M, a cut of \$214,456 from last year. This compounds problems created by drastic cuts in funding over the past 6 years - down from \$6.31 million in 2007-08.

At a time when the nation's economic crisis has left many families and youth in unstable housing situations, State funding has dropped precipitously. Shelters across the state have closed, and many RHY providers have had to cut supportive services that can prevent future homelessness, such as health and mental health services, education, vocational training and specialized programming for vulnerable populations.

Recommendations:

- We recommend a restoration of Runaway and Homeless Youth Services funding to FY2010-11 by adding \$2.6 million to the Governor's proposed budget.

- RHY funding flows through Youth Bureau allocations, though it has a distinct purpose separate from the youth development focus of the Youth Bureaus. RHY programs and funding should not be negatively impacted by the Governor's proposed reorganization of the State's youth development funding and programs.

Out-of-school time and Youth Services

- *Advantage Afterschool*
The Governor's Executive Budget includes \$17.25 million for Advantage Afterschool programs, a \$500,000 cut from the FY 12-13 budget (\$17.7 million). The FY 12-13 total reflects \$500,000 added by the Legislature last year.
- *Youth Development and Delinquency Prevention (YDDP) and Special Delinquency Prevention Programs (SDPP)*
The Executive Budget proposes to merge YDDP and SDPP into one fund at \$14.12 million, \$1.29 million less than in last year's budget (\$15.5 million). In FY 12-13, the Legislature added \$1.29 million to the Governor's proposed budget.

The newly merged funding stream will only be available to counties and New York City, and only after a comprehensive plan which assesses need and specifies performance outcomes has been approved by OCFS. No more than 15% of the funding can be used to operate a county youth bureau.

- *Extended Day/School Violence Prevention (ESD/SVP)*
The Executive Budget includes \$24,344,000 in funding for ESD/SVP, the same amount as in last year's budget.
- *Extended Learning Time*
Also in the Executive Budget is \$20 million for an Extended Learning Time proposal to provide increased learning opportunities through high-quality extended school day or extended school year programs.
- *Summer Youth Employment*
The Executive Budget includes flat funding of \$25 million using TANF funds for Summer Youth Employment Program.

Recommendations:

- We recommend that funding for the Advantage After School program be increased to \$28 million to expand access to more youth and families in need. Only eleven percent of the children ages 6 to 17 living in working families in Rochester are attending after-school programs with at least minimal quality standards. A restoration of Advantage dollars would expand the reach of these programs.
- We are concerned that the changes in youth development funding may have a negative impact on New York's youth, and we recommend that the State closely monitor the resulting shifts in dollars and programming at the local level.

- We urge the Legislature to restore \$1.29 million to YDDP/SDPP to maintain FY 2012-13 levels.

Education

General Support for Public Schools

- The Governor's proposal includes an increase of \$611 million (3 percent) in general support, compared to last year.
- Only districts who are compliant with their Annual Professional Performance Review (APPR) plan are eligible to receive increases in school aid. New York City and 6 other districts in the state were unable to reach agreement and finalize an approved APPR plan for the 2012-13 school year, so they will not receive increased aid.

School Performance Grants

- The 2011-12 enacted budget authorized two competitive multi-year grant programs totaling \$500 million. The proposed 2013-14 Executive Budget provides for \$50 million to be disbursed through a competitive grant process for Performance Improvement and Management Efficiency grants in the 2013-14 School Year.

Fiscal Stabilization Funding

- The Governor's proposed budget provides \$203 million in new "Fiscal Stabilization Funding", a one-time appropriation to school districts for FY 2013-14, in recognition of extraordinary increases in fixed costs, including pension contributions.

New NY Education Reform Commission Grants:

The Governor proposes to implement some of the recommendations of his Education Reform Commission with \$75 million in competitive grants for FY2013-14:

- \$25 million in grants for Full Day Prekindergarten programs for high need students in lower wealth school districts.
- \$20 million in grants to fund extended learning time in schools by at least 25% through an extended school day, additional school days, or a combination of both.
- \$15 million in grants of up to \$500,000 per grantee to support the creation of community schools. These schools would provide integrated social, health, and other services, as well as after-school programming.
- \$11 million in grants to reward high performing teachers, beginning with math and science teachers. These teachers will receive an annual stipend of \$15,000 for four years.
- An additional \$4 million in grants to fund investment in Early College High School Programs.

Additional proposals

- The Executive Budget also contains language that will require the State Education Department to implement recommendations towards requiring prospective teachers to pass a “bar exam” and be subject to a more intensive student-teaching experience.
- The State Education Department will additionally be required to create a school performance management system to streamline school district reporting and increase district transparency and accountability.
- Creation of a new waiver process which will allow school districts to petition the State Education Dept for flexibility from special education requirements.

Recommendation:

- We are pleased with the Governor's initiatives coming out of his Education Reform Commission, particularly the funding for targeted full-day PreK, community schools and extended school time. We urge the Legislature to support these new dollars.

Early Intervention and Preschool Special Education

Preschool Special Education

The Governor's budget recommends a large scale audit on fraud and abuse of preschool special education providers, and also includes \$1 million in targeted grants to counties to develop a fiscal integrity tool to better detect fraud and abuse. Counties would be allowed to retain 75 percent of local audit recoveries, instead of the 40.5 percent currently authorized.

Early Intervention (EI)

The Executive Budget includes \$163,121,000 - \$821,000 less than last year's budget.

The Governor's budget proposes a new requirement that commercial health insurance carriers include EI service providers in their networks. It also limits the choice of evaluators and service providers for EI families, mandating that they only use providers within their health insurance networks.

The budget changes eligibility determinations to achieve program efficiencies. If adopted, these changes would increase State costs by \$790,000 in FY2013-14 but would provide more than \$60 million in savings to the counties over the next five years.

The Executive Budget also 1) adds a health insurance representative to the team that develops and reviews a child's Individualized Family Services Plan (IFSP); 2) requires EI providers to join health insurance networks, negotiate their reimbursement rates with health insurers, and exhaust all appeals of claim denials by health insurers before being paid by E.I.

Recommendations:

- We ask that the many changes to the administration and funding of the E.I. and preschool special education programs be closely monitored to ensure that young children have their special needs identified and addressed in a timely manner.
- Similarly, we urge the State to monitor the impact of these changes to ensure that they do not negatively impact providers' ability to continue to meet the needs of the children and families they serve.

Juvenile Justice

Close to Home

The Close to Home initiative was enacted in SFY 2012-13 to place New York City youth in juvenile justice facilities closer to their home community, facilitating a closer connection with family and an easier transition out of placement. In FY13-14, youth from counties outside New York City who would otherwise be placed in non-secure facilities administered by the Office of Children and Family Services (OCFS) can also participate in this initiative. The Executive Budget includes \$3 million in net investments to support this proposal.

Close/Downsize OCFS Facilities

The Governor proposes to downsize juvenile justice facility capacity, reducing facility capacity by 88 beds and 15 after care slots to reflect the impact of the expansion of the Close to Home initiative. This will result in a savings of \$1 million in SFY 2013-14.

Recommendation:

- We urge State leaders to redirect funds that are saved by the closure of OCFS facilities to community-based services that will support youth in creating a positive path forward for their lives.

Pay for Success contracts

We commend the Governor for proposing an investment of \$100 million over 5 years in "Pay for Success" contracts.

This is New York State's first initiative with social impact bonds, an innovative funding mechanism that taps private dollars for upfront funding of social programs, promising a return on the investment in future years as the State's expenditures on remedial programs such as juvenile justice and prisons decline.

The Governor proposes to use these contracts to fund services in the areas of health care, early childhood development, primary or secondary education, public safety, human services, juvenile justice and aging. It is vital that these private dollars supplement rather than supplant public funding for these services, and we will monitor these contracts to ensure that there is a net increase in support.