REVIEW OF THE FY20-21 ENACTED NEW YORK STATE BUDGET

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TheChildren’sAgenda

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THE CHILDREN’S AGENDA PRIORITY ISSUES:

Child care:

FY21 Final Enacted Budget:
The NYS FY21 final budget provides level funding for child care assistance at $832 million, despite recommendations from the Empire State Campaign for Child Care and others urging increased resources for child care subsidies and for stabilizing the child care workforce and the child care system overall. In addition, in FY21 federal Child Care Development Block Grant (CCDBG) funding of $105 million is expected to be spent on a) infant/toddler care and implementation of federal health, safety and quality regulations ($80 million); b) expanding access to subsidized child care ($10 million) and c) increasing subsidy reimbursement rates ($8.75 million). The Infant/Toddler Resource Network, which offers training, technical assistance and information to providers and families, receives level funding at $6.53 million; QUALITYstarsNY, the State’s quality rating and improvement system, receives level funding of $5 million; and the Child and Adult Care Food Program (CACFP), which helps child care programs afford healthy, nutritious meals and snacks, is funded at $250,000. Finally, the Facilitated Enrollment child care subsidy program, which provides subsidies targeted at working parents earning 200%-275% of the federal poverty level, is level-funded at $9.99 M.

NOTE: The FY21 budget references up to $200 million in federal dollars designed to address the COVID-19 pandemic. On April 14, New York State announced that it will be receiving $163.6 million in child care funds from the recently passed federal CARES Act.

FY21 Executive Budget: The Executive Budget proposes no increase in funding for child care in New York.

FY20 Final Enacted Budget: The state child care funding increased by $26 million through a combination of federal dollars and a shift in TANF funds (a shift which will require New York City to replace $17 million with City funds).

Progress Standards The Children’s Agenda Had Recommended:

The following commitments and investments should be included in New York’s 2020-2021 final enacted budget:

1. New York commits to achieving universal access to quality, affordable child care by 2025; and

2. To set New York on a path to meeting the goal of universal access, and to curb the loss of providers and the exodus of educators from the field while working toward this goal, New York should make significant building block investments in child care this year, including:

   a. Investing at least $40M to create a fund to increase workforce compensation and improve child care quality. Low compensation for child care educators leaves many educators living in or near poverty. It also leads to high workforce turnover rates, causing instability for infants and young children who need consistency in caregivers in order to establish healthy and secure attachments. Priority should be given to programs that serve low-income families and care for infants and toddlers; and

   b. Investing at least $60 million in the state’s child care subsidy program to expand access to more working families by making eligibility levels and co-pays more fair and uniform across the state. At present, because there are not enough resources to serve all working families eligible for child care assistance, some counties cut off eligibility to families earning as little as $27,729 (130% of poverty, family of 3). At the same time, some counties, again because of inadequate funding, must set co-pays that are so high (exceeding $600 per month in numerous counties) that many families cannot afford to accept a subsidy. This investment would enable more working families to access quality child care this year, and lay the groundwork for the state to develop a model child care system that provides all New York families access to quality, affordable child care.
THE CHILDREN’S AGENDA PRIORITY ISSUES, CONT’D:

Early Intervention:

**FY21 Final Enacted Budget**: The approved budget reduces funding for the state’s Early Intervention program from $173 million last year to $164.9 million in FY21, a reduction of $8.1 million. It does not include the covered lives assessment, a mechanism which would draw in revenue from commercial insurers who currently reject most EI claims. The Pay and Pursue model was not approved.

**FY21 Executive Budget**: The Governor proposed a “Pay and Pursue” model for certain EI services designed to ease billing and increase revenue from commercial insurance carriers.

**FY20 Final Enacted Budget**: The Final FY20 Budget included a five percent increase in reimbursement rates for certain professionals providing Early Intervention services.

Preschool Special Education:

**FY21 Final Enacted Budget**: The Final budget contains no changes in reimbursement rates for the Preschool Special Education program.

**FY21 Executive Budget**: No proposed changes in reimbursement rates.

**FY20 Final Enacted Budget**: No changes in reimbursement rates.

**Progress Standards The Children’s Agenda had Recommended**:  
- Adopt a covered lives assessment for Early Intervention to draw more revenue from commercial insurance providers and invest the additional revenue in the EI program;
- Raise reimbursement rates for all Early Intervention evaluators, service coordinators, and service providers by 10% in order to recruit and retain enough professionals to serve all infants and toddlers in need.
- Increase reimbursement rates for preschool special education evaluations and classes by 10% to address the shortages of these programs for preschoolers with disabilities.

Tax Credits:

**FY21 Final Enacted Budget**: EMPIRE STATE CHILD CREDIT - The final FY21 budget does not reflect the Executive budget proposal to include children under age four in low-income families in the Empire State Child Credit.  
**EARNED INCOME TAX CREDIT** - The Final Budget includes a provision allowing the state to automatically issue refunds for the Earned Income Tax Credit to taxpayers who have unclaimed credits.

**FY21 Executive Budget**: In the Executive budget, the Governor expands the Empire State Child Credit to include children under age four in low-income families eligible and instructs the NYS Tax Department to automatically issue refunds for the Earned Income Tax Credit to taxpayers with unclaimed credits.

**FY20 Final Enacted Budget**: No changes to the Empire State Child Credit or Earned Income Tax Credit.

**Progress Standards The Children’s Agenda Had Recommended**:  
- Expand and strengthen the Empire State Child Credit by establishing a new early childhood tax credit of up to $1,000 per child and expand the existing credit to up to $500 for children 4-17.
- Increase and Expand the Earned Income Tax Credit by expanding the state’s match from 30% to 45% of the federal program and extending the state’s EITC to cover childless workers under age 25.
- Improve the structure of working family tax credits by allowing them to be paid out in quarterly installments and making the state EITC available to immigrant New Yorkers.
New York State’s FY21 Enacted Budget was approved in the midst of the COVID-19 crisis, with a truncated negotiation process and votes taken in the state Senate and Assembly under social distancing protocols. Going into January, a large Medicaid deficit appeared to be the biggest challenge facing New York’s fiscal situation. By March, steep drops in tax revenue due to large losses in the stock market and unprecedented unemployment became even bigger threats.

The enacted budget includes a provision that has never been invoked before, allowing the Governor to adjust the budget at three points during the fiscal year – April 30, June 30, and December 31 – if revenue varies more than 1% ($1 billion) from the estimates built into the budget passed April 2, 2020. The budget was balanced with $11 billion in borrowing and an infusion of federal Coronavirus relief funds.

Though there are no significant cuts to important programs that serve children and youth, the budget offers little good news for them. There is meager progress made toward addressing the daunting circumstances many families face. All New Yorkers will feel the effects of COVID-19 for years to come, but for some children – particularly the most vulnerable because of poverty, racism, trauma and health inequities - its impact will be permanent. Our health care, education, child care and other systems are fragile and siloed. We have a chance to use federal resources to rebuild the systems that failed children before and during the COVID-19 crisis, to make them stronger and more integrated than they’ve ever been. We hope New York State acts on the hard lessons learned during the pandemic by investing in affordable high-quality early learning, developmental services, income supports, and other strategies - at scale to fully meet the need, integrated into a seamless continuum, and sustainable irrespective of crisis - to help create a solid foundation on which New York’s children can grow and thrive.

**Pre-K**

**FY21 Final Enacted Budget**: There is no increase in Pre-K funding in the FY21 enacted budget. The Final Budget does extend the deadline for lead teachers to become fully certified by a year to June 2021. A $750,000 appropriation funds the Regional Pre-K Technical Assistance Center on Long Island.

**FY21 Executive Budget**: The Governor proposed a $15 million increase in Pre-K funding for FY21, expanding seats to approximately 2,000 students. Priority will be given to applications that serve the maximum number of students, those from districts without any Pre-K services and those that target high-need schools and students.

**FY20 Final Enacted Budget**: The enacted FY20 Budget included an increase of $15 million to expand Pre-K in New York with priority given to applications that serve districts without any Pre-K services, those that maximize the number of students served, and those that target high-need schools and students. $475,000 was allocated for the state’s first Regional Pre-K Technical Assistance Center, located on Long Island.

**After-school programs**

**FY21 Final Enacted Budget**: The enacted budget: a) funds the Advantage After School program at $33 million, with no additional funds to support minimum wage increases; b) funds the Empire State After School program at $55 million and c) does not include the Executive proposal for a $10 million increase for the Empire State After-School Program.

**FY21 Executive Budget**: The Executive budget proposes a $5 million cut from Advantage After School Programs and a $10 million increase for the Empire State After School program.

**FY20 Final Enacted Budget**: The FY20 final budget funded the Advantage After School Program at $33 million and added $10.7 million in additional funding to support the minimum wage increase. The Empire State After School program was allocated $55 million, a $10 million increase over the previous year.

**TCA Recommended**: In partnership with the NYS Network for Youth Success and Winning Beginning NY, The Children’s Agenda recommended a) investing an additional $25.2 million in the Empire State After School Program and an
additional $5.12 million in the Advantage After School Program to fund an increase in the per student rate to $2,320 while continuing to serve the same number of students; and
b) Extension of the $10.7 million support for the minimum wage increase through FY24.

K-12 Education – Community Schools
FY21 Final Enacted Budget: The final FY21 budget rejects the Executive Budget’s proposed increase in community schools aid and maintains last year’s allocation of $250 million. It does include $1.2 million for the three Regional Technical Assistance Centers serving community schools throughout the state.
FY21 Executive Budget: The Governor proposed a $50 million increase in community schools aid for a total of $300 million.
FY20 Final Enacted Budget: The approved FY20 budget included $250 million in community schools aid, a $50 million increase over the previous year; a change in the minimum amount of funding a school district receives from $75,000 to $100,000; and $1.2 million for the continuation of three Community Schools Regional Technical Assistance Centers for community schools across New York.

K-12 Education – Foundation Aid
FY21 Final Enacted Budget: Foundation Aid remains at $18.4 billion, and total school aid remains at $27.3 billion. Foundation Aid for the Rochester City School District is level-funded at $447.5 million.
FY21 Executive Budget: The Executive Budget proposed a $704 million increase in Foundation Aid.
FY20 Final Enacted Budget: In the enacted FY20 budget, Foundation Aid totaled $18.4 billion, and total school aid was $27.3 billion.

Juvenile Justice – Raise the Age
FY21 Final Enacted Budget: The final budget allocates $250 million for Raise the Age implementation, an increase of $50 million from FY20. It also requires the transfer of youth from the Department of Corrections and Community Supervision (DOCCS) facilities to more appropriate Office of Children and Family Services (OCFS) facilities by October 1, 2020, effectively ending the use of solitary confinement for Adolescent Offenders.
FY21 Executive Budget: In his Executive budget, the Governor increased funding for Raise the Age implementation to $250 million and proposes a transfer of Raise the Age Adolescent Offenders from the Department of Corrections and Community Supervision (DOCCS) to the Office of Children Family Services.
FY20 Final Enacted Budget: The final FY20 budget allocation for Raise the Age implementation was $200 million.

Child Welfare
FY21 Final Enacted Budget: The Final Budget reflects the Executive budget proposal to level-fund the Family First Transition Fund at $3 million.
FY21 Executive Budget: The Executive Budget proposes to level-fund the Family First Transition Fund at $3 million.
FY20 Final Enacted Budget: The FY20 enacted budget included $3 million of new federal adoption de-linking funds to create a Family First Transition Fund to help counties prepare for implementation of the new Family First Prevention Services Act.
TCA Recommended: The Children’s Agenda is a member of the CHAMPS-NY (Children Need Amazing Parents) coalition and supported the recommended increase of $1.5 million to raise the total allocation to $4.5 million per year for two years for the Family First Transition Fund.
Home Visiting
FY21 Final Enacted Budget: The following appropriations were approved in the enacted FY21 budget: Nurse-Family Partnership - $3.8 million; Healthy Families New York - $26.1 million; New York’s public-private partnership (Parent Child Plus and Parents as Teachers) - $0.
FY21 Executive Budget: The Governor’s proposed budget included $3 million for Nurse-Family Partnership and $26.1 million for Healthy Families New York. The public-private partnership funding ($3.6 million) that supported Parents as Teachers and Parent Child Plus programs was eliminated.
FY20 Final Enacted Budget: The FY20 enacted budget included a $500,000 increase for the Nurse-Family Partnership bringing its allocation to $3.5 million and a $3 million increase for Healthy Families NY, bringing its appropriation to $26 million.

Community Optional Preventive Services (COPS)
FY21 Final Enacted Budget: The final COPS allocation reflects the Executive budget’s funding proposal but rejects the proposed changes in eligibility.
FY21 Executive Budget: The Executive budget proposes flat funding and expanded eligibility so COPS dollars can serve additional programs.
FY20 Final Enacted Budget: The final FY20 budget allocated $20 million to the Community Optional Preventive Services (COPS) program.

Runaway and Homeless Youth:
FY21 Final Enacted Budget: The FY21 approved budget maintains funding at $4.98 million.
FY21 Executive Budget: The Executive budget proposes level funding at $4.98 million.
FY20 Final Enacted Budget: The FY20 enacted budget appropriates $4.98 million for the Runaway and Homeless Youth program.

Summer Youth Employment:
FY21 Final Enacted Budget: The final budget includes the Executive budget allocation of $45 million, $1 million more than last year, which allows the program to serve the same number of youth with the increased minimum wage.
FY21 Executive Budget: The Executive Budget increases funding for the Summer Youth Employment Program by $1 million, to $45 million.
FY20 Final Enacted Budget: The FY20 budget appropriation for Summer Youth Employment was $44 million.

Lead Poisoning Protection
FY21 Final Enacted Budget: The final budgeted amount for lead poisoning protection is $9.7 million.
FY21 Executive Budget: The Executive budget allocates $9.7 million.
FY20 Final enacted budget: The FY20 budget changed the definition of “elevated blood lead level” from 10 to 5 micrograms per deciliter, reflecting a concern about the damage caused by a lower amount of lead in a child’s body. $6.8 million is allocated to cover the costs associated with this change.