

### **State Fiscal Year 2021 Enacted Budget Overview**

On April 2, 2020, Governor Cuomo enacted the SFY '21 \$177 billion budget. CCC appreciates the challenging climate in which final budget negotiations took place and thanks the Governor and the New York State Legislature for their response to COVID-19.

The enacted budget includes several small but significant victories for children and families that CCC has championed for several years. However, the state budget also includes damaging cuts and cost-shifts that will hurt the ability of New York City and other localities to provide the necessary support for immediate needs and recovery. The state budget also does not go far enough to protect the hardest hit New Yorkers and communities during this pandemic. We urge the State to refrain from future cuts and to maximize federal relief resources to mitigate the harmful impacts of this crisis.

**Importantly, the enacted state budget includes several small victories that CCC has advocated for, including the following:**

- Ends adult incarceration of youth by transferring facilities operated by the adult Department of Corrections and Community Supervision to oversight by the Office of Children and Families.
- Ends the harmful use of solitary confinement in Adolescent Offender facilities where currently youth can be subjected to solitary confinement for up to 22 hours a day.
- Reforms the State Central Register to implement a higher standard to prove child maltreatment and limits reporting to employers, policy changes that will help counter racial inequities in the child welfare system and reduce economic insecurity.
- Includes \$250 million to support local Raise the Age reforms (rest of state, excluding NYC).
- Includes \$1.7 million to restore reimbursement rates for Children and Family Treatment and Support Services (CFTSS). These innovative behavioral health services were designed to provide family-focused, community-based supports intended to find and treat children's behavioral health problems early and prevent hospitalization.
- Protects Children's Health Homes from across the board budget cuts.
- Removes a proposal that would have allowed school districts to seek waivers that would have enabled them to opt out of important special education requirements.
- Restores \$5 million to the Advantage Afterschool program

**In addition, the Budget includes several new proposals, many in response to COVID-19.** The budget enacts a permanent Paid Sick Leave program requiring at least five days of paid sick leave for business with 5-99 employees, and seven sick days for businesses with more than 100 employees. The budget also bans flavored e-cigarettes, caps insulin co-pays at \$100, prohibits gender-based pricing discrimination on menstrual products and other goods and services, and provides \$10 million in funding to school districts to address student mental health in response to school closures.

**However, at a time when New Yorkers desperately need *greater* State support to combat the devastating impacts of COVID-19, the State budget also includes deeply damaging budget cuts and cost shifts.** The enacted budget includes over a billion dollars in cuts to Medicaid, though these cuts are being delayed which will allow the State to draw down federal stimulus funding for COVID-19 efforts. The budget also maintains deep cuts to New York City's Article 6 Public Health Fund, shifts new costs on to NYC across sectors including child welfare and homeless services, and reduces funding available for Early Intervention. Cumulatively, City officials estimate the state budget will result in approximately \$800 million in cost-shifts to NYC.

Additionally, the state budget keeps school funding entirely unchanged for the first time in six years. Even before this crisis, and especially now considering it, New York's students needed more support than ever. Unfortunately, federal education funds granted to New York as part of the stimulus relief package were used to fill in state school aid cuts, resulting in overall flat funding for schools, but preventing localities from using those federal dollars to fund new supports that will be needed for students most-impacted by learning loss in the movement to remote-learning.

Moreover, the budget does not include any new investments in child care, Pre-K, Preschool Special Education, or rental subsidies to prevent homelessness. The lack of investment in these services for families and communities most at risk will prove to make New York's recovery even more challenging.

**New Yorkers are facing unprecedented challenges from COVID-19, with nearly every aspect of health, mental health, housing, child welfare, education, and economic security impacted.** The SFY '21 Budget grants the Governor the authority to revisit the budget at regular intervals and propose additional cuts to municipalities. New York City is already facing a \$1.3 billion reduction in its budget for the current fiscal year and is facing a gap of \$6 billion for the coming fiscal year, an amount which may well grow. Moving forward, we must work with advocates, families, and elected leaders to ensure that the City of New York has the resources needed to protect the services that are so essential to help families weather this storm, come out whole, and recover.