



## **Summary of the State Fiscal Year 2015-2016 Executive Budget**

On January 21, 2015, Governor Cuomo released his \$141.6 billion Executive Budget for State Fiscal Year 2015-2016. The State Budget limits spending growth to 2% and anticipates ending the fiscal year with a surplus. It also includes \$5.4 billion in one-year money the State received from settlements with financial institutions and directs most of these funds towards economic development and infrastructure.

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

### **CHILD WELFARE**

#### **Positive Proposal:**

- Adding up to \$15 million (\$5 million of which is a reappropriation of unspent funds from FY14-15) to facilitate the transition of foster children to Medicaid Managed Care.
- Amending the KinGAP law to allow the relative guardian to name a successor guardian at the time of the agreement and enabling the subsidy to continue if the successor guardian becomes the guardian.

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

- Enacting provisions of the federal HR4980 law (Preventing Sex Trafficking and Strengthening Families Act) such as normalcy for foster children and restricting the permanency plan of another planned permanent living arrangement to children 16 and older. It is not clear whether the statutory amendments will lead to substantive practice changes.
- Adding \$8.85 million to the Foster Care Block Grant to partially finance the 2% cost-of-living (COLA) increase for foster care caseworkers. The state's contribution will finance 50% of the cost.

#### **Negative Proposals:**

- Continuing to reduce the state's share for preventive, protective, independent living and adoption administration services at 62% rather than the 65% prescribed by statute.
- Failing to provide funding for kinship guardianship assistance by maintaining funding through the foster care block grant rather than funding it in the same manner as adoption subsidy.
- Failing to at a minimum restore \$3 million for services for sexually exploited youth and thus failing to establish a reliable funding stream for sexually exploited youth so counties can invest in services and residential programs for this vulnerable population.
- Failing to add funding to the Community Optional Preventive Services (COPS) program, which is primary preventive services that enable counties to target preventive services to high needs communities. (Funding flat at \$12.124 million.)

## EARLY EDUCATION

### **Positive Proposals:**

- Adding \$3 million for two years for QUALITYstarsNY, a statewide system to assess, improve and communicate the level of quality in early education settings
- Adding \$25 million for two years to expand pre-kindergarten to 3-year olds in high needs school districts.

### **Negative Proposal:**

- Maintaining level funding of \$340 million statewide for pre-kindergarten for 4-year olds. New York City's allocation remains at \$300 million but unspent funds may now be reallocated to other school districts. Neither NYC nor the rest of the state received an anticipated increase in funding for SFY 2015-2016.
- Failing to increase the Child Care Block Grant to meet the substantial unmet need.

## EDUCATION

### **Positive Proposals:**

- Maintaining the Contracts for Excellence Program and the four grant programs (prekindergarten, extended learning time, community schools and early college high schools.)
- Establishing regional rates for Special Education Itinerant Teacher (SEIT) providers.

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

- Increasing School Aid by 4.8% (\$1.1 billion) only if the Governor's Education Reform Plan (see below) is adopted and otherwise increasing school aid by 1.7% (\$377 million).
- Making a significant school aid increase contingent upon implementing the Governor's Education Reform Plan, which includes:
  - Paying full SUNY or CUNY tuition for the top graduate program candidates who agree to teach in New York for at least 5 years. (\$3 million)
  - Creating the New York Teacher Residency program, a model that will integrate graduate teacher education programs with classroom experience like a medical residency for doctors. (\$3 million)
  - Reforming the teacher evaluation system by eliminating the local measure, making 50% of the score based on student state tests and the other 50% based on observations. A teacher would need to rate Effective or Highly Effective five consecutive years to be granted tenure.
  - Creating a Teacher Excellence Funds that will award the most highly effective teachers with \$20,000 to supplement their income. (\$20 million)
  - Reforming the teacher discipline and termination system.
  - Implementing the Massachusetts education receivership model whereby schools that are failing schools for three years a non-profit or other school district would come in and overhaul the curriculum, terminate underperforming staff, provide salary incentives to recruit highly performing educators, and obtain priority over pre-k, extended time, community schools and other state grant programs. (\$8 million)
  - Giving students from failing schools a preference in charter school lotteries.
  - Adding 100 schools to the charter school cap (from 460 to 560) and remove the regional limits on charter schools.
  - Passing legislation that will allow the state to better track enrollment and retention of children eligible for Free and Reduced Price Lunch, English Language Learners and students with disabilities in charter schools.

- Expanding the Master Teachers Program by extending it to teachers who are licensed to teach ESL or bilingual education and teachers with dual certifications in special education and education and increasing the opportunities for Master Teachers to provide ongoing mentoring to teachers in the beginning of their careers. (\$5 million)
  - Supporting the Pathways in Technology and Early College High School (P-TECH) for a third year. Graduates receive a high school diploma and associates degree at no cost. (\$3 million)
- Linking the passage of an Education Tax Credit and the DREAM Act. The capped \$100 million Education Tax Credit would be for both private and public schools. The DREAM Act would allow undocumented immigrants to apply for State college tuition assistance (\$27 million).

**Negative Proposal:**

- Creating a waiver process to allow school districts to petition the State Education Department for flexibility regarding special education requirements.

**HEALTH**

**Positive Proposals:**

- Implementing the Basic Health Plan, which is a new State insurance option for low-income people who do not qualify for Medicaid (up to 200% of the FPL), as authorized under the Affordable Care Act.
- Appropriating \$700 million in capital funding to stabilize the health care delivery system in central and east Brooklyn.
- Appropriating \$3 million in the Executive Budget for Nurse Family Partnership, which had previously been funded by the legislature.
- Giving the Department of Health authority to use Medicaid APG rates for behavioral health services delivered in Article 28 clinics to Child Health Plus patients.
- Adding \$2.5 million for CSS Community Health Advocates (CHA) to assist consumers with post health insurance enrollment issues.
- Appropriating \$82.5 million for Health Home establishment and infrastructure development.

**Negative Proposals:**

- Raising health insurance premiums to add revenue to the NY Health Exchange.
- Consolidating 41 local assistance appropriations into five separate pools comprised of programs that serve similar functions or reflect common characteristics and reducing overall funding by \$21.3 million.

**Proposal Requiring Further Assessment:**

- Requiring local governments to notify the public and the Department of Health of any intentions to discontinue fluoridation of water and investing \$10 million in a grant program to help communities install, replace, repair or upgrade water fluoridation equipment.
- Investing \$1.85 million to implement a universal prenatal and post-partum home visitation program.

## HOUSING AND HOMELESSNESS

### **Positive Proposals:**

- Continuing the House NY program, which invests \$1 billion of additional resources over five years to preserve and create 14,300 affordable housing units statewide and increasing the FY 2015-2016 allocation by \$130.4 million.
- Investing \$50 million in excess reserves from the Mortgage Insurance Fund (MIF) to support the Neighborhood and Rural Preservation Programs and the Rural Rental Assistance Program through the Housing Trust Fund Corporation, as well as homeless housing programs through the Homeless Housing and Assistance Corporation.
- Utilizing nearly \$440 million from JP Morgan Settlement Funds to support various housing programs including:
  - Up to \$116 million for NY/NY IV, a new statewide initiative to support approximately 5,000 new units of supportive housing;
  - \$100 million to preserve or create new affordable housing; and
  - \$25 million for improvements to public housing.
- Increasing the Homeless Housing Prevention Services Program (HHPSP) by \$1.68 million. This program funds the Solutions to End Homelessness Program (STEHP), the New York State Supportive Housing Program (NYSSHP), and the Operational Support for AIDS Housing Program (OSAH) (total of to \$31.68 million).

### **Negative Proposals:**

- Failing to maintain the \$144,000 legislative add for Runaway and Homeless Youth programs and thus reducing funding from \$2.5 million to \$2.356 million.
- Reducing funding for the Housing Trust by \$2.2 million (from \$44.2 million last year to \$40 million).

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

- Allocating up to \$40 million for the Living in Communities (LINC) I rental assistance program to provide rental assistance for working families in New York City shelters.
- Capping OCFS youth facility at a cumulative \$275 million through 2018-19, saving local districts approximately \$425 million. New York City is required to invest its share of savings, estimated at \$220 million, in rental assistance programs or other homeless services to address the homeless population.

## HUMAN SERVICES

### **Positive Proposals:**

- Creating a \$50 million Nonprofit Infrastructure Capital Investment Program to invest in capital projects such as renovations or expansions of space, technology upgrades related to electronic records, and accessibility renovations.
- Including a Human Services 2% COLA from April 1, 2015-March 31, 2016 for community based direct care and clinical staff at agencies with contracts through SOFA, DOH, OASAS, OMH, OPWDD and foster care caseworkers (OCFS).
- Appropriating \$69 million (a \$16 million increase) for the Pay for Success social impact bond initiative aimed at increasing outcomes in early childhood development, child welfare, health care or public safety.

## **INCOME SUPPORT AND FOOD SECURITY**

### **Positive Proposals:**

- Increasing the minimum wage to \$11.50 in New York City and \$10.50 outside New York City.
- Increasing funding for the Hunger Prevention and Nutrition Assistance Program (HPNAP) to \$34.547 million (a \$4.5 million increase from the FY14-15 emergency food appropriations from HPNAP and TANF.)
- Adding \$250,000 to help increase participating in the Child and Adult Care Food Program (CACFP), which provides federal funding for food in child care, adult care and after-school programs.
- Adding \$250,000 for a new farm to school initiative that will help schools purchase more food from local farmers and expand access to healthy local food for school children. Funds will be awarded through a competitive process.

### **Negative Proposal**

- Creating a 10% local share for New York City to support the Emergency Assistance to Needy Families (EAF) program, which provides short-term assistance to families in crisis earning under 200% of the FPL. The State estimates this will save the State \$15 million.

## **JUDICIARY**

### **Positive Proposals:**

- Seeking a 2.5% budget increase to annualize the costs of the 25 Family Court Judges, enable courts to stay open until 5:00 PM and for civil legal services.

### **Negative Commentary:**

- Failing to be supportive of the Judiciary's request for the restoration of much-needed resources and urging the Judiciary to adhere to the Governor's 2% growth cap.

## **JUVENILE JUSTICE**

### **Positive Proposals:**

- Including Article VII bills that will Raise the Age of Criminal Responsibility to 18 in New York and \$25 million for SFY 2015-2016 to plan, create and expand services including diversion and probation services and newly sentenced 16 and 17 year old youth who can be placed in OCFS facilities starting December 1, 2015. The age of jurisdiction is raised to 17 on 1/1/17 and to 18 on 1/1/18. The plan also increases the lower age of juvenile delinquency from 7 to 12 (except for murder).
- Adding \$10 million for capital expenditures for secure detention (a \$5.3 million increase) with all funds to be used for expenditures related to raising the age.

## **MENTAL HEALTH**

### **Positive Proposals:**

- Reinvesting \$15 million in savings from the downsizing of state psychiatric centers to be used for community-based services.
- Extending the pilot program to restructure educational services for children and youth residing in Office of Mental Health hospitals.
- Giving the Department of Health authority to use Medicaid APG rates as the fee to be paid by managed care organizations for behavioral health services delivered in Article 28, Article 31 and Article 32 clinics for children enrolled in Child Health Plus.

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

- Appropriating \$5 million for grants to Medicaid managed care plans, health homes and providers of behavioral health services to contribute to expenses associated with the transition of adult and children's behavioral health providers and services into managed care.

## **YOUTH SERVICES**

### **Proposal Requiring Further Assessment**

- Increasing funding for the Summer Youth Employment Program (SYEP) from \$27.5 million to \$30 million to address the January 1, 2015 minimum wage increase.
- Increasing funding to \$20 million for the Urban Youth Jobs Program.

### **Negative Proposal:**

- Failing to maintain the \$500,000 the legislature added to Advantage After-School. (Executive Budget appropriates \$17.25 million).
- Failing to maintain the \$1.285 million the legislature added to the Youth Development Program. (Executive Budget appropriates \$14.121 million.)