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**Submitted to New York City Council Committee on Health, Disabilities and Addiction and the  
Committee on Health  
CFY27 Preliminary Budget Hearing – Health, Mental Health and Substance Use, and Disabilities  
March 19, 2025**

For 80 years, Citizens' Committee for Children of New York (CCC) has been an independent voice for children advancing child and family well-being through research, advocacy, and civic engagement. With deep expertise in data, policy and child-serving systems, CCC champions proven solutions and mobilizes allies to secure reforms that improve child outcomes and promote equity. CCC drives systemic change to ensure every child is healthy, housed, educated, and safe.

Thank you Chair Caban, Chair Schulman, Chair Hanif and all the members of the City Council Committees on Health, Mental Health and Substance Use, and Disabilities for holding today's important hearing on the Mayor's FY27 Preliminary Budget and its impact on the health and mental health of New Yorkers.

### **Bolster Funding to Combat the Impacts of Health Coverage Loss**

For decades, New York has been a national leader in reducing uninsured rates, particularly for children. Between 2008 and 2024, New York's child uninsured rate fell from 5.7% to 2.4%. This significant decline in the number of uninsured children can be attributed to decades of city, state, and national level advocacy aimed at expanding coverage options for children and families.

H.R.1 and other federal legislation threaten this progress. In May of 2025, Governor Hochul's office estimated that H.R.1 would result in \$13.5 billion in annual healthcare losses for the state and cause nearly 1.5 million New Yorkers to become uninsured, largely as a result of newly established eligibility exclusions.<sup>i</sup> Additional coverage losses are expected as individuals struggle to comply with more complicated work requirements or lose access to subsidies that make healthcare coverage affordable. Though New York State is taking steps to preserve coverage for 1.3 million New Yorkers in the State's Essential Plan, more than 450,000 New Yorkers will lose public health coverage without further state action.<sup>ii</sup>

There is a long and established body of evidence demonstrating the relationship between parent and caregiver health coverage and children's coverage. When parents and caregivers gain health coverage, so do their children. Conversely, when parents lose health coverage, there is a greater likelihood that children will lose coverage too, even when they remain eligible.

The benefits of healthcare coverage for children are difficult to overstate. Children with health coverage are more likely to access preventive well-child visits, hearing, vision, and dental screenings, and on-time diagnosis and treatment. Inadequate health coverage results in higher rates of school absenteeism and dropout rates, as well as heightened risks of mental illness and poor health in adulthood. Moreover, a healthy start to life depends on health coverage early on to ensure appropriate prenatal care that can

reduce risks of infant mortality and preterm birth. Uninsured families also face greater risks of economic insecurity due to medical debt and financial hardship that can destabilize families and compromise child safety.<sup>iii</sup>

It is therefore imperative for the health of both adult and child New Yorkers that New York City make every effort to mitigate the harms of coverage losses that will result from federal legislation. We join other advocates in urging city leaders to enhance funding for the following programs/make the following investments in city programs:

- **Increase funding for NYC Care from \$100 million to \$200 million.** NYC Care provides vital services to New Yorkers who are undocumented or cannot afford health insurance. The program connects patients to services across H+H's facilities, helping patients access primary care, prescriptions, and specialists. Especially with the rise in uninsured New Yorkers due to federal actions, it will be essential for New York City to expand healthcare access options for its residents.
- **Increase funding for the Access Health initiative from \$3.6 million to \$4.5 million.** Access Health works through trusted community-based organizations to help educate New Yorkers about their healthcare options and connect them to services. In light of new federal work requirements, re-certification periods, and other barriers to coverage, it is particularly important to increase the number of trusted community workers able to connect residents to care.

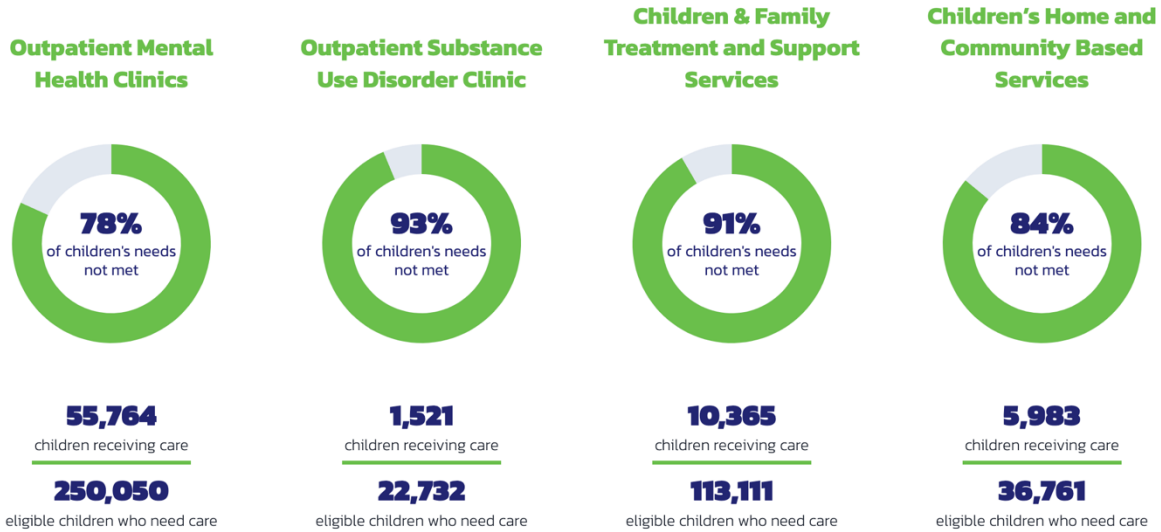
### **Addressing the Children's Behavioral Health Crisis**

Throughout New York, families are sitting on waitlists for weeks, months, and even years for behavioral health services their children urgently need. As a result, parents are leaving their jobs so they can navigate the mental health system for their children; children are cycling in and out of ERs and hospitals; and young peoples' needs are becoming more acute, complex, and difficult to address as they grow into adults.

At the center of this crisis is a deeply-underfunded children's outpatient system, which prevents children and youth from accessing necessary preventive services. **In fact, a recent study by the Healthy Minds, Healthy Kids Campaign found that at most, 1 in 5 New York City children covered by Medicaid are accessing the outpatient behavioral health (mental health and/or substance use disorder) services they need.**<sup>iv</sup>

## 4 in 5 New York City Children Who Need Behavioral Health Care Are Not Receiving Critical Services

The charts below illustrate the percent of children in New York City who need outpatient services but are not receiving them.



Decades of underinvestment in the children's behavioral health system, including low salaries and insufficient reimbursement rates, have contributed to the long waitlists confronting families.

As city leaders negotiate the FY27 City budget, we urge you to prioritize the following city investments to support the mental, emotional, and behavioral health needs of young people.

### Restore Funding for City Council Mental Health Initiatives

For years, the City Council Mental Health Initiatives have used non-traditional, community-based approaches to help identify children and families in need and offer developmentally appropriate services and support. These trusted community services respond and adapt to specific community needs and support programs not funded through state and federal sources.

Despite their value, funding for several of these initiatives was cut in FY24 and has never been restored, including Autism Awareness, Children Under Five, and Mental Health Services for Vulnerable Populations.

We urge city leaders to support these initiatives in the FY27 Budget by **providing a 3% increase across programs to match the citywide human services COLA initiative**, thus allowing providers to address the increasing costs of delivering services. We also recommend **increasing funding for Court-Involved Youth Mental Health to \$6.85 million**.

We recommend funding for City Council Mental Health Initiatives at the following levels:

- **Court-Involved Youth Mental Health -- \$6,850,000.** This initiative serves 3,000 youth annually **providing** assessments and connecting youth and families **involved in the** criminal justice system to mental health services. Funded at \$3.425 million in FY26, funding should be doubled to \$6.85 million

in FY27 to support existing providers and expand to meet growing mental health needs of court-involved youth.

- **NYC 988 Crisis Prevention and Intervention Hotline -- \$5,150,000.** This funding was made necessary after federal actions eliminating 988 Suicide & Crisis Lifeline's LGBTQ+ Youth Specialized Services. This funding helps the hotline reach LGBTQIA+ community as well as maintain adequate staffing levels and wait times.
- **Mental Health Services for Vulnerable Populations -- \$3,809,990.** This initiative supports community-based behavioral health programs, including medication for individuals in transitional housing and mental health services for families with child welfare system involvement. *This initiative was cut by \$270,000 in FY24.*
- **Children Under Five -- \$1,602,917.** This initiative funds mental health treatment for children under 5, including screening and clinical evaluation, individual and child- parent psychotherapy, consultations with child-serving agencies, and trauma-informed interventions. Early childhood is a critical time to identify, prevent and treat stress & trauma, and to build resilience for kids and families. *This initiative was cut by \$230,769 in FY24.*
- **Autism Awareness -- \$3,359,704.** This initiative supports wraparound services for autistic children in after-school, weekend, summer programs and during school closings. The programs also provides training to teach coping skills to families and caregivers impacted by autism. Approximately 2,000 children and families are served annually, including individuals without access to OPWDD services. *This initiative was cut by \$55,000 in FY24.*
- **Developmental, Psychological and Behavioral Health -- \$2,323,157.** This initiative helps individuals with behavioral health needs and developmental disabilities, supporting harm reduction, clubhouses and more. The funding may support medically supervised outpatient programs, transition management programs, Article 16 clinics, recreation programs, or other behavioral health services.
- **LGBTQIA Youth All-Borough Mental Health -- \$1,236,00.** This initiative supports comprehensive mental health services for vulnerable LGBTQ youth.
- **Mental Health Workforce Retention and Development -- \$309,000.** This was a new initiative in FY24 and supports retention and recruitment of public-mental health professionals working at public-facing agencies/organizations.
- **Youth Peer Support Pilot -- \$257,500.** This was a new initiative in FY 25 and supported the launch of a new program for 14- 24-year-olds living with mental illness.

### **Invest in School-Based Behavioral Health Supports**

Schools play an essential role in meeting the behavioral health needs of children, yet New York City's approach to addressing the students' social-emotional needs is fragmented and insufficient. Far too many students in crisis are still sent to emergency rooms, subjected to police intervention, or punished with disciplinary practices such as suspension.

Schools need resources and training to support the mental health of all students, rather than relying on punitive and traumatizing responses to student behavior. We urge you to take the following actions in the budget to support students' mental and emotional well-being.

- **Extend and baseline school-based mental health and social-emotional supports. The following programs are essential for supporting student mental well-being, but programs were funded for one year only in last year’s budget and must be restored.**
  - **Restorative justice practices (\$6 million).** Restorative practices address the root causes of troubling behavior, hold students accountable while keeping them in school learning, build and heal relationships, and teach positive behaviors. They also correlate with improved academic outcomes, school climate, and staff-student relationships.
  - **The Mental Health Continuum (\$5 million),** an innovative model that integrates a range of direct services, including expedited mental healthcare, a NYC Well hotline to advise school staff, mobile response teams to respond to students in crisis, training for school staff in Collaborative Problem Solving, and culturally-responsive family engagement to students with significant mental health challenges. This cross-agency partnership (NYCPS, Health + Hospitals, Department of Health & Mental Hygiene) supports students at 50 high needs schools. This program has consistently been funded for one year only, threatening its sustainability; we urge city leaders to baseline funding this year (\$787k for NYCPS, \$3.75 million for H+H, and \$472k for DOHMH).
  
- **Enhance Students’ Access to Community-Based Services Provided through School-Based Mental Health Clinics (SBMHC)**

Article 31 School-Based Mental Health clinics provide on-site services to children during the school day, including diagnosis, psychiatry, and individual and family counseling. SBMHC staff work closely with school staff to identify children in need and coordinate services. They engage the whole family and can serve family members at their community location. SBMHCs provide crisis mental health services, ensuring children receive a compassionate response when they are in crisis and reducing the use of suspensions, detentions and punitive measures.

These clinics are primarily funded by Medicaid and, when available, private insurance. However, funding is deeply insufficient. For example, Medicaid does not cover services to children without a diagnosis, and clinics are not reimbursed for services provided to children without health coverage. Other essential supports that clinics can offer schools – such as mental health education and training for staff, de-escalating a child-in-crisis scenario to prevent law enforcement involvement, and consulting on specific behavioral supports for classrooms – are not reimbursable through the Article 31 SBMHC model.

A \$3.75 million investment would enable up to 50 SMHC to provide the types of comprehensive wraparound services necessary to support students’ mental and social-emotional needs . Flexible funding to meet the specific needs of schools could include hiring an after school social worker for the clinic; hiring a behavioral specialist to consult with clinic staff several times each week; hiring a family/peer support worker; hiring a clinician that specializes in working in schools and advising on behavior supports for students; and numerous other targeted interventions designed to complement the school-based mental health clinic model.

**We urge city leaders to invest \$3.75 million to expand school-based mental health clinic services in up to 50 clinics.** Ultimately, we recommend a long-term goal of expanding funding to all SMHC’s in the city.

Thank you for your time and attention to these critical issues.

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<sup>i</sup> New York State Office of the Governor. “Governor Hochul Updates New Yorkers on the Impact of House Republican Budget Bill to New York State’s Health Care Economy.” May 2025.  
<https://www.governor.ny.gov/news/governor-hochul-updates-new-yorkers-impact-house-republican-budget-bill-new-york-states-health>

<sup>ii</sup> New York State of Health. "Press Release Following Federal Funding Cuts." 2025.  
<https://info.nystateofhealth.ny.gov/news/press-release-following-devastating-federal-funding-cuts-new-york-state-takes-new-action>

<sup>iii</sup> Kaiser Family Foundation. (2024).

*Medicaid and Children’s Health: 5 Issues to Watch Amid Recent Federal Changes.*

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<https://www.kff.org/uninsured/health-policy-101-the-uninsured-population-and-health-coverage/?entry=table-of-contents-introduction>

<sup>iv</sup> The full report and regional breakdowns can be found at: <https://healthymindshealthykids.org/bh-gap-analysis/?region=New+York+State>