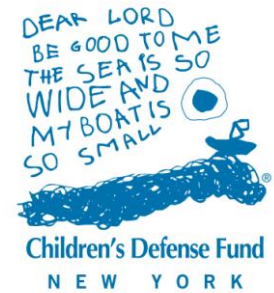


January 25, 2010

Provisions in the Executive Budget Affecting Children



In times of challenge and uncertainty, like the one we are facing now, New York State needs leaders who are willing to be courageous and forward thinking. The Governor's Executive Budget for 2010 – 2011, which proposes to close the \$7.4 billion budget gap, includes some positive initiatives and in some cases protects critical children's services. However, the Governor missed important opportunities to achieve long-term savings by supporting innovative policies and programs that have been proven effective in addressing the challenges of vulnerable children and youth.

To successfully address our state's budget crisis, our leaders must be able to understand and invest in programs that will provide long-term savings, in addition to the actions needed to close the budget gap immediately. Making reductions to programs that help prevent the need for more costly government intervention in the future is short-sighted. While the Governor's proposal makes an important statement by keeping some vital children's programs intact such as health insurance programs for children and parents, there are several critical areas where services will be cut that will only increase the longer term costs to the state, such as the reduction in alternative-to-detention (ATD) programs and the new fee structure to the Early Intervention program. Without these programs, which are proven to reduce the need for future intervention with a child or young person and to improve outcomes, the state will continue to squander millions of dollars on more intrusive interventions such as the incarceration of young people.

Juvenile Justice

A longitudinal study by New York State's Office of Children and Family Services recently revealed the extent to which time spent in juvenile detention serves as a de facto gateway to incarceration as an adult. CDF-NY is disappointed that the Governor missed an opportunity to invest in more effective and less costly alternative-to-detention programs for the many youth who are currently imprisoned for very minor offenses. Contrary to the efforts on the city level, where the Mayor is focusing on keeping youth in their home communities and with families whenever appropriate, the Governor's budget proposal rewards localities with funding for detaining young people but not for providing the more effective community support programs.

While CDF-NY is pleased that the Governor proposed eliminating 180 beds from upstate youth facilities, the state will not achieve a significant savings from this reduction because none of the facilities are actually being closed. The budget proposal also includes an investment in the state facilities for medical and mental health staff and to improve staff-to-youth ratios. While investing in critical services for youth who must be incarcerated is important, and the findings of the Department of Justice make it clear that youth are not receiving appropriate services, the investment must be for more than just adding additional staff. The entire model of how the state works with young people in the juvenile justice system must be overhauled and the focus must be on smaller facilities that utilize

a more therapeutic approach that has been proven to reduce recidivism and improve youth outcomes.

If the reductions to the community-based programs remain in the final budget, the state will end up having to re-open some of the institutional beds it has been successful in closing. With the cost of an alternative-to-detention program ranging from \$5,000 a year to \$17,000 a year per youth, and the cost of incarcerating a youth at almost \$200,000 a year, it does not make fiscal sense to eliminate funding for these less expensive and more effective community programs.

Specific Budget Proposals Related to Detention

- Reducing \$245,762 for Alternative-to-Detention and Residential Diversion programs.
- Eliminating \$10.75 million in TANF funding for ATD and Residential Diversion.
- Increasing detention funding by \$4 million – a result of cost-of-living increases and increased care days in secure detention. (And is offset by the decrease in non-secure detention.)

Specific Budget Proposals for State facilities

- Eliminating 180 beds for a savings of \$2.9 million (eliminates 251 full-time positions).
 - Eliminating 130 from Tryon
 - Merging Annsville with Taberg (25 beds)
 - Closing one wing at Lansing (25 beds)
- \$18.194 million increase for remediation and improvement of juvenile justice practices (both personnel and non-personnel services).
 - This is an increase of 169 positions (many of which are going to be medical and mental health positions; and this will improve staff-to-youth ratios).
- Adding \$3 million to contract for the operation of one or more long-term safe houses for sexually exploited youth (part of the Safe Harbor Act).

Health

We are pleased that the Executive Budget showed its commitment to ensuring all eligible New Yorkers can access coverage by maintaining eligibility levels and critical program simplifications. New state authority to automatically enroll children into health insurance from other similar programs such as food stamps and school meals will help find and enroll the remaining uninsured children. As will new authority to use tax data to verify income and social security numbers to verify identity and citizenship.

Child Health Coverage provisions:

- Child Health Plus eligibility levels and affordable premiums remain unchanged. The budget proposal would provide authorization to create Express Lane Eligibility for children's Medicaid and Child Health Plus which will allow New York to automatically enroll children into health insurance using other similar benefit programs such as food stamps and school meals.
- For Child Health Plus, the budget includes language to require documentation of original identity and citizenship (to come into compliance with federal law).
- Orthodontia is added to the list of covered services under Child Health Plus.

Early Childhood:

While CDF-NY is pleased that the Governor did not propose any reductions to the child care or universal pre-kindergarten programs, there are cuts to other critical early childhood programs. Given the effectiveness and importance of providing support to children and families from the earliest possible point the reduction to the home visiting program and the changes to Early Intervention are disheartening. Vulnerable families and children with special needs should be supported and it is unacceptable to balance the state's budget on those most in need.

- The budget proposes a decrease of \$6.02 million for the Home Visiting program (TANF federal funds eliminated to support this program).
 - The budget proposes to implement a parent fee structure for Early Intervention for families above 200 percent of the poverty level (ranging from \$45/quarter to \$540/quarter per child). The program is currently free for everyone. In addition:
 1. Parents will now be required to document their income. If they do not provide the proper documentation parents will be charged the highest amount: \$2,600 a year. This would be cost prohibitive for most families that will be forced to forego services for their children because they were not able to comply with bureaucratic documentation requirements.
 2. If parents do not pay the required fee, they are given 15 days from the time they receive a late notice, or their child will lose their services. Fifteen days is not sufficient time to allow for bureaucratic errors and postal delivery timeframes.
- The budget did not propose any major changes on the state level in child care or Universal Pre Kindergarten funding.

Child Welfare

CDF-NY is pleased that the Governor has not proposed major cuts to the foster care system and has created a new subsidized kinship guardianship program, which will help children in foster care move towards permanency with relative caretakers. The lack of additional funding for this program is problematic however, as the state will require counties to pay for this program out of the existing foster care block grant. The Executive Budget:

- Provides new language allowing for Subsidized Kinship Guardianship. However, this will be funded from the Foster Care Block Grant (so no new additional funding is provided). Localities will have to pick up the cost.
- Proposes a state increase of \$41 million (for a total of \$72.49 million) for the state share of the 3,305 slots in the Bridges to Health program.
- Proposes to change the casework contact requirements for foster care – allowing contacts made by parent advocates with the parents/relatives to be counted towards the mandatory casework contacts.

Youth Programs

After-school and summer programs play important roles in keeping children safe during out-of-school time, introducing children to new skills and reinforcing their academic learning. Many high-quality programs have had a positive impact on closing achievement gap in schools and increasing college enrollment rates. At a time when fewer families can afford private after-school or summer programs, and when young people need to be building their future employment skills, the state is proposing to cut funding for the Advantage After School Program and to eliminate funding for the Summer Youth Employment Program.

- The budget proposes to eliminate TANF funding for the Advantage After School Program resulting in a decrease of \$10.9 million.
- Funding for the Summer Youth Employment Program has been eliminated in the budget proposal.

Revenue Proposals

We are pleased that the Governor is taking steps to increase revenue and not just close the budget gap through spending cuts. Imposing a new tax on sugared drinks is not only helping the state's budget, but will also hopefully help address the major issue of child obesity.

- The budget would impose a new excise tax on sugar sweetened beverages and soft drinks raising \$450 million in revenue in 2010 – 2011.

CDF-NY will work with our partners and the state legislature to ensure that children are provided with the services they need and that New York State does not take actions that will cost more in the long term – both financially and in the outcomes of our children. Please feel free to contact Jennifer Marino Rojas at jrojas@cdfny.org or Kinda Serafi at kserafi@cdfny.org or at 212-697-2323 with any questions.