



Summary of the State Fiscal 2011-2012 Executive Budget

On February 1, 2011, Governor Cuomo released his Executive Budget for SFY 2011-2012. The \$132.9 billion Executive Budget proposes to close a \$10 billion gap in SFY 11-12 (and reduces the gaps in 2012-2013 and 2013-2014), 90% of which is through a gap-closing plan that reduces spending. The proposed budget imposes a 10% year-to-year reduction on state agencies (\$1.4 billion), \$2.85 billion reductions to both School Aid and Medicaid, and numerous cost-shifts to localities.

CCC is deeply concerned that Governor Cuomo's Executive Budget Proposals do not protect the well-being of New York's children and in fact, place our most vulnerable children at even greater risk. To close a \$10 billion budget deficit, Governor Cuomo's budget shifts traditional state supports to struggling counties and reduces spending on a wide-array of services and programs for children and youth that have already been proven effective at producing positive outcomes and preventing more costly interventions.

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

REVENUES and COST SHIFTS

Negative Proposals:

- Failing to maintain the temporary progressive income tax increase for New York's highest earners, which triggers a significant loss of revenue.
- Eliminating the Aid to Municipalities (AIM) for New York City, which is a \$302 million cut.
- Creating numerous expensive cost-shifts to localities, including \$114.2 million related to Human Services, \$64.7 million of which is cut from New York City.

CHILD WELFARE

Positive Proposals:

- Preserving open-ended uncapped state reimbursement for preventive, protective, independent living and adoption administration services at 62%.
- Maintaining 3,305 Bridges to Health Home and Community-Based Medicaid Waiver program (B2H) slots, which provide services to foster children with multiple needs so as to prevent institutional placements.
- Delaying the SFY 2011-2012 Human Services COLA until SFY 2012-2013, saving the state \$13 million in SFY 11-12.

Negative Proposals:

- Reducing state support for children adopted from the foster care system by reducing the state's support for adoption subsidy from 72.3% to 62%, which is a \$34 million cut in SFY 11-12.
- Shifting \$22 million of Title XX Funds to Child Welfare, which delays access to state child welfare funding and causes counties to lose funding for other social services currently funded by Title XX.
- Eliminating the State's Support for Committee on Special Education Placements, saving the state \$69.3 million.
- Creating a Primary Prevention Incentive Fund, which reduces funding for programs that have historically produced good outcomes for children by preventing foster care and juvenile justice involvement. This Fund cuts state funding in half and requires a county match to access funds as reimbursement is 62% state/ 38% local, saving the state \$35 million in SFY 11-12. The contract programs and county allocations impacted are the Healthy Families New York Home Visiting Program, Hoyt Trust Fund (Family Violence Prevention), Kinship Contract Program, Community Optional Preventive Services, Youth Development and Delinquency Prevention, Special Delinquency Prevention Program, Runaway Homeless Youth Act, Child Protective Caseworker Caseload Ratio Funding and Settlement Houses.
- Eliminating the \$3 million Safe Harbour Funding, which was supposed to fund a long-term safe house for sexually exploited youth.
- Increasing the fee for child abuse and neglect background checks from \$5 to \$60, and eliminating the fee exemption for child care providers.
- Failing to continue to support programs previously funded by TANF such as Nurse-Family Partnership and Preventive contracts (including post-adoption services).

Proposals Requiring Further Assessment:

- Maintaining the Foster Care Block Grant at \$436 million.
- Failing to address the state and local shares for kinship guardianship assistance subsidies, which will be an available permanency option as of April 1, 2011.

EARLY CHILDHOOD EDUCATION

Positive Proposals:

- Funding child care outside of the Flexible Fund for Family Services (FFFS).
- Maintaining current funding levels for Universal Pre-Kindergarten (UPK) at \$393 million.

Negative Proposals:

- Increasing the fee for child abuse and neglect background checks from \$5 to \$60, and eliminating the fee exemption for child care providers.

EDUCATION

Positive Proposals:

- Maintaining funding for Universal Pre-Kindergarten for the 2011-2012 school year at the 2010-11 level of \$393 million.
- Increasing State support for construction of school facilities by \$171 million, for a total of nearly \$2.66 billion.
- Maintaining the Contracts for Excellence program such that all districts currently in the program would be required to remain in the program and maintain funding of existing C4E programs less the percentage reduced under the Gap Elimination Adjustment.
- Increasing state support for School Nutrition Programs \$800,000 for a total of \$36 million.

Negative Proposals:

- Reducing School Aid to \$19.39 billion, through a Gap Elimination Adjustment (GEA) of \$2.8 billion for the 2011-12 school year.
- Limiting Foundation Aid for the 2011-2012 school year to the amount provided in 2010-2011, thereby extending the full phase-in of Foundation Aid to 2016-17.

Proposals Requiring Further Assessment:

- Creating a competitive school performance incentive program, which rewards school improvement and efficiency with a total of \$500 million in competitive grants.
 - \$250 million in School District Performance Improvement Awards, to be given to school districts that demonstrate significant improvements in student academic achievement and student outcomes.
 - \$250 million in School District Management Efficiency Awards, to be given to school districts that undertake long-term structural changes, which are designed to reduce costs and improve efficiency.
- Creating a Mandate Relief Redesign Team by Executive Order, to conduct a comprehensive review of mandates imposed on school districts, in order to determine the best and most cost-effective ways to deliver mandated programs and services, and to identify mandates that are ineffective.
- Considering wealth as a factor in reimbursing summer school special education costs, saving the State \$57 million during SFY11-12.

HEALTH

Positive Proposals:

- Increasing Early Intervention program reimbursement from commercial insurance. This results in no savings in SFY11-12, but savings of \$24.6 million in SFY12-13.
- Protecting child health insurance by proposing no changes to Child Health Plus or Family Health Plus in SFY11-12.

Negative Proposals:

- Implementing a 10% across the board reduction to Early Intervention rates, which saves the State \$11.1 million in SFY11-12 and \$24.3 million in SFY12-13.
- Requiring Early Intervention providers receiving more than \$500,000 in Medicaid revenue annually to directly bill Medicaid and private insurance, saving the state \$500,000 in SFY11-12 and \$1.9 million in SFY12-13.
- Establishing a local competitive performance grant program for public health programs, which will be funded from savings created by reducing support for various public health programs including but not limited to Maternal Mortality Review and Safe Motherhood Initiative, Maternity and Early Childhood Foundation, Interim Lead Safe Housing and Sudden Infant Death Syndrome, saving the state \$4.7 million in SFY11-12 and \$7.7 million in SFY 12-13.
- Restructuring the General Public Health Work program by limiting reimbursement to basic services and discontinuing reimbursement for optional services that are currently funded, such as Early Intervention Coordination, Dental Services, and Home Health Services, among others, saving the state \$10.5 million in SFY11-12 and \$52.8 million in SFY 12-13.

Proposals Requiring Further Assessment:

- Reducing State Medicaid spending by \$2.85 billion in SFY11-12 and \$4.6 billion in SFY12-13.
- Recovering Early Intervention overpayment for Medicaid Transportation, which will recoup the state \$6.2 million in SFY11-12.
- Modifying Early Intervention Service Coordination rates to achieve programmatic efficiencies by replacing the current billing methodology of billing in 15 minute increments for service coordination with the use of capitated rates whereby service coordination will be paid at a single rate per event or per month regardless of the amount of time spent managing the child's case. This proposal saves the state \$300,000 in SFY11-12 and 900,000 in SFY12-13.
- Replacing Early Intervention rate structures so services are billed in 15-minute increment rates rather than variable unit increment rates, saving the state \$1.6 million in SFY11-12 and \$6.2 million SFY12-13.
- Revising Early Intervention rates to update and equalize wages and adjust travel time assumptions included in rates. This proposal saves the state 900,000 in SFY 11-12 and \$1.4 million in SFY 12-13.

HOUSING AND HOMELESSNESS

Negative Proposals:

- Eliminating programs that prevent homelessness including \$1 million for the Supplemental Homeless Intervention Program, \$2.5 million for Supportive Housing for Families, and \$125,000 for Emergency Homeless Services (formerly funding with TANF resources).
- Eliminating the State's share of funding for shelter supplements for families in permanent housing from the New York City Work Advantage Program, which saves the state \$35 million.
- Creating another cost shift to New York City by reducing the State's reimbursement for New York City Adult Homeless Shelters, saving the state \$16 million.

INCOME SUPPORT

Negative Proposals:

- Delaying the 10% Public Assistance grant increase until July 2012, which saves the state \$29 million in SFY 11-12.
- Enacting stricter Public Assistance work requirement sanctions by closing and terminating cases upon the second instance of failing to comply with the work requirements, saving the state \$7 million.

Proposal Requiring Further Assessment:

- Funding the Flexible Fund for Family Services at \$960 million.
- Funding Family Assistance benefits with federal Temporary Assistance for Needy Families funds (TANF), thereby diverting TANF funds from other income support and youth services programs. This saves the state \$62 million.
- Funding Safety Net Assistance benefits with a match of 30% state and 70% local rather than 50% state and 50% local.

JUDICIARY

Negative Proposal:

- Failing to request funding to increase the number of Family Court Judges statewide and in New York City.

JUVENILE JUSTICE

Positive Proposals:

- Continuing to rightsize the juvenile justice system by reducing state facility capacity from 1,209 beds to 833 beds and eliminating the 12-month notification requirement, saving the state \$22 million.
- Investing \$14 million in SFY 11-12 (and \$24 million in SFY 12-13) to support improvements in mental health, education, counseling, direct care and other services at state OCFS juvenile placement facilities throughout the state.
- Creating the Supervision and Treatment Services for Juveniles Program, which is a funding stream for performance-focused, community based Alternative to Detention and Incarceration Programs. Municipalities can draw down these resources through a match (62% state/38% county). (State investment of \$29 million)

Negative Proposals:

- Restructuring state funding for local secure and non-secure detention by eliminating the current financing mechanism which provides 49% reimbursement and replacing it with a Capped Detention Block Grant. The Executive Budget proposes that the Block Grant would provide 50% reimbursement (until the cap is reached) for youth at high risk for not appearing in court or committing an act that would constitute a crime if committed by an adult before the court date. It would also provide 0% reimbursement for low and medium risk youth detained by the court. This Block Grant saves the state \$23 million in SFY11-12 and \$51 million in SFY12-13.

Proposals Requiring Further Assessment:

- Eliminating a judge's ability to place a child in Family Court pursuant to an Article 7 PINS (Persons in Need of Supervision) in a detention facility.

MENTAL HEALTH

Negative Proposals:

- Restructuring non-residential OMH programs, which includes targeted funding reductions in community support programs including children's Clinic-Plus. The entire restructuring will save the state \$27 million in SFY11-12.
- Freezing the development of all new OMH community residential programs for one year to pay the additional costs of adult home residents required by federal court order and eliminating funding for family-based treatment beds over the next two years.
- Delaying the development of Persons with Developmental Disabilities community adult and children residential opportunities, saving the state \$40 million in SFY 11-12.

YOUTH SERVICES

Negative Proposals:

- Creating a Primary Prevention Incentive Fund, which reduces funding for programs that have historically produced good outcomes for children by preventing foster care and juvenile justice involvement. This Fund cuts state funding in half and requires a county match to access funds as reimbursement is 62% state/ 38% local, saving the state \$35 million in SFY 11-12. The contract programs and county allocations impacted are the Healthy Families New York Home Visiting Program, Hoyt Trust Fund (Family Violence Prevention), Kinship Contract Program, Community Optional Preventive Services, Youth Development and Delinquency Prevention, Special Delinquency Prevention Program, Runaway Homeless Youth Act, Child Protective Caseworker Caseload Ratio Funding and Settlement Houses.
- Failing to properly ensure that funding is available to meet the mandate to serve Runaway and Homeless Youth.
- Failing to fund critical youth service programs that were previously funded by TANF, such as the Summer Youth Employment Program.